



Horizon Europe

Stakeholder workshop: Shaping how Horizon Europe is implemented

Parallel session stream II: The
use of simplified forms of costs
(lump sums, unit costs, etc.)

#HorizonEU

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Lump sum pilot

- **Lump Sum: Why?**
- **Lump Sum: How? – 2 Options**
- **Lump Sum Principles**
- **Pilots State of Play**
- **Lessons learned from:**
 - **Proposal preparation & submission**
 - **Evaluation**
 - **Grant Agreement Preparation**
- **What to improve in view of future pilots?**

Lump sum: Why?

- **Significant simplification potential:**
 - Despite all simplification, funding based on reimbursement of incurred costs stays complex and error-prone
 - Lump sum project funding removes all obligations on actual cost reporting and financial ex-post audits – i.e. a major reduction of administrative burden
- **Focus on performance:**
 - Shift from focus on financial management and checking costs to focus on scientific-technical content of the projects

Lump sum: Two options

➤ **Option 1**

- Fixed lump sum per project defined in call for proposals
- Proposals describe the efforts and resources applicants commit to mobilise for this amount.
- Applicants must provide proposed split of the lump sum per work package and per beneficiary.
- The evaluation – and competition between proposals – ensure that adequate resources are committed

➤ **Option 2**

- Proposals provide a detailed estimation of costs (stage 2 only)
- Experts assess cost details during evaluation and make recommendations (panel will include expert/s with financial expertise).
- Based on this, the lump sum is fixed during grant preparation

Lump sum: Principles

- **Lump sum evaluation and grant agreement follow standard** approach as much as possible:
 - Same evaluation criteria
 - Same pre-financing and payment scheme
 - Reporting periods and technical reporting as today, though focusing on completion of work packages
- **One lump sum share is fixed in the grant agreement for each work package**
 - This amount is paid when the activities in the work package are completed. As today, payment does not depend on a successful outcome, but on the completion of activities

Lump sum: Principles (II)

- **For each work package, the grant agreement defines how the lump sum is split among the beneficiaries** participating in it. This limits their financial liability
- **Consortium is jointly liable for implementation** as today
- **No actual cost reporting and no financial audits**
- **Checks, reviews and audits for:**
 - **Proper implementation of action** (e.g.: technical audit)
 - **Compliance with other obligations of the grant:** IPR, obligations related to third parties, other obligations (ethics, visibility EU funding, etc.)

State of play: Lump sum pilot

- **Option I: “Digital ‘plug and produce’ on-line equipment platforms for manufacturing” (IA)**
 - 2 Grants signed
- **Option II: “New anti-infective agents for prevention or treatment of neglected infectious diseases” (RIA)**
 - GAP: ongoing
- **Shift 2 Rail Pilot**
 - Type of Lump Sum Pilot: "Option II"
 - 7 grants signed
- **ERC Proof of Concept Pilot:**
 - Type of Lump Sum Pilot: "Option I"
 - Work Programme 2019 – 2020 (1st cut-off date 22/01/2019)

Issues to consider before drawing lessons

- We are in the first stages: Experience is very limited!
- Three evaluations concluded (Industrial Technologies, S2R and Health)
- **BUT:**
- We are grateful to the three representatives of Lump sum projects and, the two Commission policy officers responsible for the pilots who for join us today to share their experiences and lessons learned so far

Thank you!

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<http://ec.europa.eu/horizon-europe>

**QUESTIONS & COMMENTS AFTER THE WORKSHOP:
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