

**DECISION authorising the use of lump sums for actions under the Creative Europe
Programme (2021-2027)**

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation of the European Parliament and of the Council establishing the Creative Europe Programme 2021-2027, and repealing Regulation (EU) No 1295/2013, and in particular Article 13 thereof,

Having regard to Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) The high number of actions, under Creative Europe programme, and consequently the number of grants, requires an adequate system combining simplification and control;
- (2) Simpler funding rules will facilitate a wider participation of beneficiaries, providing a legal certainty to the beneficiaries and guarantee an excellent quality of the proposals;
- (3) The use of lump sum will reduce the administrative burden/costs, for beneficiaries and the Agency, speed up the payment process and ensure an effective risk control, while focusing on the quality of the results and outputs;
- (4) The use of lump sum should therefore be authorised for the listed actions in this decision under the Creative Europe Programme.

THE FOLLOWING HAS BEEN DECIDED:

Sole Article

The use of the Union contribution in the form of lump sum contributions is authorised for actions under the Creative Europe programme (2021-2027), for the reasons and under the conditions set out in the Annex.

This Decision is subject to the final adoption by the legislative authority and entry into force without significant modifications of the Regulation establishing the Creative Europe Programme 2021-2027.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p.1).

Done at Brussels,

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Annex

1. Form of Union contribution and categories of costs covered

The Union contribution shall exclusively take the form of lump sum contributions for the following actions:

For MEDIA strand

- A.1 European Slate Development,
- A.2 European mini-slate Development,
- A.3 European Co-development,
- A.4 Video Game and Immersive content development,
- A.5 TV and online content.
- A.6 European Festivals

For Culture strand

- B.1.a) European Cooperation projects - Small Scale (COOP1),
- B.1.b) European Cooperation projects - Medium Scale (COOP2),
- B.1.c) European Cooperation projects - Large Scale (COOP3),
- B 2. Circulation of European literary works,
- B.3. European Networks of cultural and creative organisations,
- B.4 European Platforms for the promotion of emerging artists,
- B.5 Pan European Cultural Entities.

For Cross-sectoral strand

- C.1 Creative Europe Desks.

The following categories of eligible costs can be covered by the lump sum contributions:

- A) Personnel costs,
- B) Travel and subsistence
- C) Subcontracting cost,
- D) Purchase costs,
- E) Other cost categories
- F) Financing support to third parties
- G) Indirect cost

The amounts of the lump sum contribution to be used shall be calculated in accordance with point 3.

2. Justification

The use of lump sums will reduce the administrative burden and reduce the scope for error in the cost claims, will speed up the payment process and ensure an effective risk control, while focusing on the quality of the results.

The high number of actions and applications together with average amount of the grants justify the use of lump sums. It will facilitate wider access to the grants because the rules for participation, implementation and reporting will be simpler than the classical budget based mechanism.

This system provides legal certainty to beneficiaries and should contribute to better quality applications.

The diversity of actions and beneficiaries (profit making companies, public bodies, cultural associations, non-profit organisations, designated bodies...) within this programme makes the use of lump sum appropriate to facilitate the correct and complete implementation of the action.

The outputs of individual co-financed projects are tangible, qualifiable, and quantifiable (they include translations, events, festivals, concerts, performances, exhibitions, fairs, publications, mobilities, training events, conferences, video games prototypes, audio-visual works, ...).

Finally, the use of lump sums implies a reduction in administrative costs for participation in the programme and contribute to the prevention and reduction of financial errors (i.e. staff cost calculations...). It also simplifies the calculation of grant amounts while decreasing significantly the workload of both the beneficiaries and the granting authority (i.e. complexity of verification of real costs through underlying supporting documents...) thereby ensuring payment procedures are accelerated.

2.1. Nature of the supported actions

The Creative Europe programme aims to promote European cooperation on cultural and linguistic diversity and heritage; and to increase the competitiveness of the cultural and creative sectors, in particular the audio-visual sector .

The programme will focus on supporting the policy objectives of the New European Agenda for Culture, the Digital Single Market and the #Digital4Culture strategy. In addition, it promotes European cultural and linguistic diversity and Europe's cultural heritage and strengthens the competitiveness of the European cultural and creative sectors, in particular of the audio-visual sector, with a view to promote smart, sustainable and inclusive growth.

The Creative Europe programme is subdivided in three strands: MEDIA, Culture and Cross Sectoral stand.

This Decision will apply to the following actions :

A) MEDIA strand

A.1 European slate development

The support to European slate development aims at funding audio-visual operators in order to develop European audio-visual works with enhanced cross-border circulation potential. The support will be given for the development of a slate of audio-visual works (3 to 5 projects) intended for cinema release, television broadcasting and commercial exploitation on digital platforms presented by independent European production companies in the following categories: animation, creative documentary and fiction. The development of each audiovisual work in the slate will constitute the outputs of the action. Potential beneficiaries are European film production companies that follow similar business practices.

The project can also include the development and production of a short film from an emerging talent in order to enhance experienced producers to steer and support young filmmakers.

A.2 European mini-slate development

The support to European mini-slate development aims at funding audio-visual operators in order to develop European audio-visual works with enhanced cross-border circulation potential. The support will be given for the development of a slate of audio-visual works (2 to 3 projects) intended for cinema release, television broadcasting and commercial exploitation on digital platforms presented by independent European production companies in the following categories: animation, creative documentary and fiction. The development of each audiovisual work in the slate will constitute the outputs of the action. Potential beneficiaries are European film production companies coming from low production capacity countries that follow similar business practices.

The project can also include the development and production of a short film from an emerging talent in order to enhance experienced producers to steer and support young filmmakers.

A.3 European co-development

The objective is to support cooperation among European production companies developing works with a strong international audience potential. The action will support the co-development of audio-visual works intended for cinema release, television broadcasting and commercial exploitation on digital platforms presented by independent European production companies in the following categories: animation, creative documentary and fiction. Potential beneficiaries are European film production companies that follow similar business practices. The funded project's final output will consist of updated creative, financing and marketing materials, as well as further planning of co-development activities up to entry into production of the funded project. Given the tasks and costs related to this output, there is a reasonable assurance that if the output has been produced, the forecast budget has been spent.

A.4 Video Game and Immersive content development

The objective is to enable European companies developing video games and interactive immersive content with the potential to reach global audiences. Support will be provided to the development of works and prototypes of interactive narrative storytelling with original content and/or quality gameplay intended for production and global commercial exploitation via PCs, consoles, mobile devices, tablets, smart phones and other technologies. The development phase is understood as the phase starting from the first idea until the production of the first playable prototype or first trial version, whichever comes first. The funded project's final output is the first playable prototype or first trial version. Given the tasks and costs related to this output, there is a reasonable assurance that if the output has been produced, the forecast budget has been spent.

A.5 TV and online content

The objective is to enhance the capacity of European organisations to collaborate in order to produce high-quality non-theatrical works with a strong international audience potential. Support will be given to the production of TV and online content (drama films, animation and documentary) intended for linear and non-linear broadcasting. The funded project's final output is the production of the audio-visual work (documentary, drama or animation TV films or series). Given the tasks and costs related to this output, and the fact that third parties such as broadcasters or international sales agents are involved in these productions, there is a reasonable assurance that if the output has been produced, the forecast budget has been spent.

A.6 European Festivals

The objective is to support European film festivals screening a significant proportion of non-national European films and audiovisual works, in order to strengthen the promotion, distribution and circulation of non-national European films and audiovisual works to growing audiences across Europe. Potential beneficiaries are European organisations presenting film festivals. The support will be given to film festivals for their activities related to the programming of European works. The EU funding therefore only covers the costs of prints, guests, catalogues and programme guides related to European films. All other costs related to the organisation of the festival (staff, equipment, logistics, location, programming of non-European films, promotion) are not eligible. As the objectives of the support are to promote and present a diversity of European audiovisual works, the output of a selected project can be verified on the basis of the number and variety of the European films screened at the festival. The amount of the lump sum is based on the size of the project (i.e. number of European films screened by the festival).

B) Culture strand

The deliverables and outputs for actions in the Culture strand are diverse and are based in the phases of development of cultural productions (rehearsals, performances, publication of translated books, exhibitions etc.) as well as the activities and opportunities to support the professional development of artists and professionals in cultural sectors (training opportunities, residencies, showcases, competitions and prizes, etc.). The actions also include opportunities to reinforce, structure and support the development of the sectors in various ways (conferences, seminars, policy papers, strategies etc.). A single project may include many of these aspects. These outputs for each action are specified in the call, implemented in the deliverables of the workpackages and checked during the continuous and periodic reporting.

B.1 European Cooperation projects

- a) European Cooperation projects Small Scale (COOP1),**
- b) European Cooperation projects Medium Scale (COOP2),**
- c) European Cooperation projects Large Scale (COOP3)**

The objectives of the action is to increase the European dimension of creation and circulation of European artistic content. The participation and the engagement of the audience, in particular gender balance and inclusion of disadvantaged groups, shall be encouraged as well as the use of innovative digital means aiming at reducing environmental impact of the creation and circulation process

The tangible outputs are diverse and include new theatrical, musical, choreographic works, festivals, training and professional development activities, mobility, exhibitions, publications, public performances and events, publicity materials, reports and studies. A single project can include several types of outputs. The differences between the 3 sub-actions is scale.

B.2 Support to the circulation of European literary works

This scheme is focussed specifically on the publication and distribution sectors and supports the translation, promotion and distribution of literary works.

Projects must produce the translation, publication, transnational distribution and promotion of literary works.

The tangible outputs include, notably: books, promotional materials, stands at book fairs, events.

B.3 Support to European networks of cultural and creative organisations

This scheme is a business to business scheme that develops capacity-building opportunities for professionals and new-comers in the creative and cultural sectors and also focusses on job-creation and economic growth. The tangible mechanisms adopted by networks are diverse and

typically include training programmes, conferences and seminars and studies, websites, databases, and studies/ reports/ publications.

B.4 Support to European platforms for the promotion of emerging artists

This action is focussed on increasing the visibility and the circulation of European emerging artists and their works outside their own countries through coordinated programming, communication activities and financial incentives.

The tangible outputs include events (festivals, showcases etc.), competitions and prizes, exhibitions and professional development activities.

B.5 Support to Pan European Cultural Entities

This call supports cultural entities (such as orchestras) who will train and promote young, high potential artists... The projects provide opportunities for highly talented young artists, selected in at least 20 countries according to high-quality criteria and through a rigorous and transparent audition process. Beneficiaries need to specify their quality criteria and programmes for training and performing. The tangible outputs include the number of calls for young musicians launched, the young musicians recruited, the mobility opportunities, training schemes, rehearsals and performances.

C) Cross-sectoral strand:

C.1 Creative Europe Desks

The Creative Europe Desks are the gateway to the EU Creative Europe Programme. They promote European initiatives in the field of audio-visual and culture and facilitate participation in the Creative Europe programme, by providing free information and guidance on how to access funding opportunities under the Creative Europe Programme by organising info days, workshops and seminars, providing mentoring sessions and online access to information and support. They are designated bodies whose co-financing is provided by the national ministries to which they report. Their results include events and seminars, online and tangible publications and promotional materials, one-to-one coaching sessions. These results are specified in the call and will be defined in the workpackages and checked during the continuous and periodic reporting.

The CE Desks receive no other EU funding in the form of operating grants from the Creative Europe budget. Should there be a case where a Desk received funding for an operating grant under any other EU funding scheme, the call specifies that they may not include indirect costs or any other costs covered by the operating grant. They may apply for certain calls as coordinators or partners, but only under strict conditions of absence of conflict of interest and absence of double funding. These conditions are specified in the invitation to submit.

2.2. Risks of irregularities and fraud and costs of control

The risk of errors, irregularities or fraud is lower in relation to the use of real costs because there is no reporting of actual costs. While beneficiaries have no obligation to include with payment requests the costs incurred for the action, they nevertheless remain subject to the compliance with the accounting rules under the applicable national law and the specific eligibility rules applicable for each programme.

The lump sums are output-based, and therefore the main condition for payment is achievement of the pre-defined outputs. The granting authority will undertake checks at the time of preparation of the grant, during the implementation of the action and at the completion of the actions (through reports from funded projects, checks on milestones and deliverables, reviews and/or audits).

The risk of fraud and the cost of controls of the triggering event, for the lump sum payment, are limited, since the proper implementation of the action is clearly defined and output-based. If the conditions for payment of the lump sum contributions have not been met, (e.g. a particular work package has not been completed or not as defined), and that an undue payment was made to a beneficiary, the granting authority will be entitled to proportionally reduce the grant and consequently recover the undue paid amounts.

Checks, reviews and audits will instead focus on achievement of results and the proper implementation of the action, in particular on the fulfilment of the essential conditions for triggering payment of the lump sum contribution per work package.

The granting authority has put in place a control and anti-fraud strategy that together with a long experience of controlling simplified cost options should ensure a reasonable level of assurance, in addition to the different protective options offered to the granting authority in the grant agreement. If the controls carried out reveal that the conditions for payment of the lump sum had not been fulfilled, (e.g. not correctly implemented), the granting authority is entitled to reduce proportionally the grant and recover up to the amount of the grant as it has been set in the grant agreement.

The actions proposed for lump sums regarding the MEDIA strand, are very specific support measures addressed to the particular population of the European independent producers. Eligibility criteria are rigid in order to limit the support to the targeted stakeholders and projects. Applicants need to comply with specific eligibility criteria, among other the proof of experience in the audio-visual production sector. Risks of inconsistent projects or irregular applicants are therefore very limited. Furthermore, the award criteria address the objectives and target high quality projects with strong European cross-border potential.

The implementation of lump sums can also be justified in relation to the specificities of each action. For the European co-development support, the amount of the lump sum has a low value and a maximum grant amount will be defined in the call. For the Video Games and Immersive content and for the TV and Online content support, the grants are higher, but the definition of a maximum grant in the calls will reduce the impact of potential very high

budgets and will maintain the grants reaching the highest amount below the maximum co-financing rates. Moreover, the business practices related to costs and budget controls are multiples in the audio-visual industry (quality control by private investors, national funds, tax shelter, etc.). The clear outputs related in particular to the Video Games and Immersive content and for the TV and Online content support, give a strong guarantee that if the output has been reached, the forecast costs have been spent.

The Culture strand faces the same risks as other Commission programmes, as it targets smaller beneficiaries which are diverse in nature. In particular, many beneficiaries are not recurring or do not have extensive administrative structures. The consistency of the types of activities funded and outputs between the former and future MFFs, means that a wealth of historical information and data is available, and can be used by experts to check, in case of doubt, that the level of funding for specific work packages and tangible results is appropriate.

The risk analysis approach in place for several years has proven effective to identify and support inexperienced beneficiaries throughout the lifetime of projects. The error rate from audited projects under the former MFF is under 2% overall. Exposure to financial risks is mitigated by a rigorous approach to evaluating financial capacity, and taking appropriate measures to protect pre-financing.

The Creative Europe Desks are designated bodies, nominated and co-financed by Member States, which provides a reinforced level of supervision (national as well as European).

3. Method to determine the amount of the Union contribution in the form of lump sum contributions

3.1 Methodology to determine lump sum for actions *European Slate Development* and *European mini-slate Development*

a) Data sources

Reliable historical data of final eligible costs were collected from 237 final reports related to the Development of Slate Funding under the Creative Europe - MEDIA sub-Programme both selected and closed during the period 2014-2019. Each funded project being constituted by 3 to 5 audio-visual works, these data consist of total real development costs for 939 audio-visual projects and 13 short films, certified by approved auditors and extracted from the grant management database of EACEA.

Moreover, in order to define the lump sum amount for high end TV series for which the above mentioned data sample was limited, the budgets of the TV programming action were used in order to have a more solid data set, in particular for those projects corresponding to the targeted type of projects, ie TV series with a production budget of more than 20M €.

b) Sample

Out of the 939 Slate Funding projects, 48 were removed from the initial database due to a marginal level of eligible costs (abandonment of the project) or because of missing data (estimated production budget, platform of distribution), thus limiting the sample to 891 successfully implemented projects.

The total number of analysed projects was broken down into three main categories being clearly identifiable: animation (117), creative documentary (292) and fiction (482). Each category could also be broken down into sub-categories: one-off projects or series, and first distribution platform (cinema, TV or digital platform). Extreme values (low and high) were deleted in each category in order to reduce the overall impact on the averages. 32 projects with extreme values were deleted from the sample. Average and median final eligible costs, range of final eligible costs, final amounts of grants have been analysed for animation, documentary and fiction showing within each category consistency between average and median final eligible costs as well as co-financing percentage. Such breakdowns reflects the main differentiation of the development needs of a project, ensuring a good level of data homogeneity.

For the specific category of high budget TV series, the data coming from 10 budgets of projects (only those with a production budget of more than 20M€) submitted within the TV programming action in the period 2014-2020, were added to the limited available sample of 5 slate funding budgets. All together, 15 budgets were part of this specific sample.

The final sample of projects to be analysed therefore is 869.

In addition to the audio-visual works to be developed that constitute the main content of the projects, a sample of 13 short films was used to analyse the costs of these category of works.

c) Analysis

As expected, the results revealed discrepancies depending on the categories and sub-categories.

For each category of works, further analysis showed difference of costs depending of the length of the project, in particular if the work is a one-off or a series.

For fiction (series and one-offs), the amounts of eligible costs were more diversified and an additional statistical analysis has been conducted in order to establish a possible typology of projects. The results reveal that the forecast production budget size can be correlated to the level of eligible development costs. It is proposed to use the limit of a forecast production budget of €5 million in order to split the fiction projects in two categories. This threshold is valid for one-off fiction projects as well as for series. Moreover, because of the recent increase in the production of TV series and the objective to strongly support those high end TV series with strong production value, an additional category for projects with an intended production budget of more than 20M € was created.

The same exercise was performed for animation projects but discrepancies were mainly related to the one off/series split than related to the future production budget. This is also the case for documentary, where costs for series are slightly higher than for one-off.

Based on a principle of a maximum co-financing rate of 70%, the adequate lump sums for each category have been tested. In particular, it has been verified that with the proposed lump sum, a large majority of projects remain below a 70% co-financing rate.

The lump sums have therefore been defined with the following rule: the amount of the lump sum represents between 40% and 44% of the average costs of each category (rounded to the nearest 5,000 €) with the condition that minimum 70% of the analyzed projects are within the 70% co-financing rate.

Applying a common funding rate of 40%-44% across all categories reflects the nature of applicant companies (typically small or medium sized), takes into account their co-financing capacity and maintains the level of available Union funding at a sufficient level in order to make it relevant for the successful implementation of the development project. A lower rate would limit the attractiveness of the support in particular in relation to the expected competitiveness of the selection process. A higher rate would lead to a higher level of overfinanced project.

The possibility of including a short film in the slate is as an incentive for supporting emergent talent. It is a bonus for beneficiaries and not the main content of the project. A lump sum of 10.000 EUR, representing 15.6% of the average costs is considered as the adequate incentive.

Based on this analysis, the proposed lump sum amounts are as follows:

	Lump sum
Animation one-off	55.000
Animation series	60.000
Documentary one-off	30.000
Documentary series	35.000
Fiction one-off < or = 5 M prod budget	45.000
Fiction one-off > 5 M prod budget	60.000
Fiction series < or = 5 M prod budget	55.000
Fiction series > 5 M and < or = 20M prod budget	75.000
Fiction series > 20M prod budget	100.000
Short films	10.000

3.2 Methodology to determine lump sum for European festivals action

a) Data sources

A comparative study of projects has been conducted based on the historical data of real costs which were available in the grant management tool used during the period 2009-2012 for the Commission Decision C(2013) 9199 authorising the use of lump sums. This initial data were compared to the information provided by funded applicants during the period 2014-2016 for the Commission Decision C(2017) 6118 which renewed the lump sums, in order to verify the validity of the original data.

The financial data available were the following:

- total eligible costs of the festivals
- costs per budget item heading (prints, guests and catalogue and programme guide).

In relation to the projects, the following information was available:

- genre of the festival: global, documentary, fiction, animation, youth or short film
- the number of short/long European films screened

b) Sample

The original sample consisted of 318 projects related to agreements of the Film Festival Support signed and closed during the period 2009 to 2012. The cost data in the sample were related to European festivals programming a majority of European films. The sample was limited to projects having submitted final costs certified by independent chartered accountants. Extreme data have been discarded. 14 projects were considered as showing non relevant extreme data and were therefore discarded. The discarded data were related to non- or poorly implemented projects or to projects that showed extremely high costs because of a

non-recurrent event (e.g. exceptional activities due to the anniversary of the festival). The final sample consisted in 304 projects.

Moreover, data on 98 projects related to grant agreements signed during the period 2014-2016 were collected at a later stage in order to verify the validity of the original figures.

c) Analysis

The lump sums set out in Commission Decision C(2013)9199 and confirmed in Commission Decision C(2017)6118 were based on the average eligible costs based on the size of the festivals. The size was calculated through the number of European films screened in the festivals. The lump sums were the following:

Short film festivals	Sample Size (short films)	Average eligible costs of sample (euro)	Lump Sum (euro)
< 150 European films	7	37.911	19.000
151 - 250 European films	21	50.747	25.000
> 250 European films	14	67.046	33.000
SUB-TOTAL / Average	42	54.040	

Other festivals (animation, documentary, global and youth)	Sample Size (short & long films)	Average eligible costs of sample (euro)	Lump Sum (euro)
< 41 European films	24	54.059	27.000
41 - 60 European films	56	69.490	35.000
61 - 80 European films	57	82.168	41.000
81 - 100 European films	59	93.217	46.000
101 - 120 European films	25	110.141	55.000
121 - 200 European films	28	125.615	63.000
> 200 European films	13	150.359	75.000
SUB-TOTAL / Average	262	90.067	

The European festivals action to be implemented in the 2021-2027 is the continuation of the support in the previous programme and remains identical with regards to the targeted festivals, the eligible costs to be co-financed and the size of the support. Moreover, the real costs figures have not shown an important evolution over the period. The estimated funding rate was approximately 50% and, given that costs are relatively stable, the funding rate is not estimated to have changed significantly, meaning that the Union contribution should remain well below the costs of the action. On this basis, the contribution amounts calculated in Commission Decisions C(2013)9199 and C(2017)6118 and mentioned in the above table are therefore extended to the European festivals action under the 2021-2027 programme.

3.3 Methodology to determine lump sums for the following actions: European Co-development, Video Game and Immersive content development, TV and online content, European Cooperation projects - Small, Medium, and Large Scale (COOP 1, 2 and 3), Circulation of European literary works, European Networks of cultural and creative organisations, European Platforms for the promotion of emerging artists, Pan European Cultural Entities and Creative Europe Desks

The amount of the single lump sum contribution will be determined for each grant based on the estimated budget of the action proposed by the applicant. The granting authority will fix the lump sum of each grant based on the proposal, evaluation result, funding rates and the maximum grant amount set in the call.

Based on these premises the following steps will be taken to calculate the amount of the lump sum contribution:

a) Grant proposal

Applicants will provide an estimated budget for the work to be carried out under the action (using the submission form template). The budget will be split into activities, work packages and eligible cost categories, by beneficiary and its linked third party, as explained below

The applicants must fill in a detailed budget, which enumerates the costs of each beneficiary in the categories listed under point 1.

- 1) The applicant must provide in its proposal a breakdown of the lump sum showing the share per work package (and, within each work package, the share assigned to each beneficiary and linked third party);
- 2) The proposal must describe the activities covered by each work package;
- 3) Proposals for lump sum grants must contain the resources and a detailed cost estimate per work package and per beneficiary and linked third party;
- 4) Indirect costs should be calculated by applying a flat rate of 7% to the direct cost;
- 5) The co-financing rate will be applied to the total estimated eligible costs, using the funding rate set out in the call for proposals.

b) Evaluation

- a) Proposals will be evaluated according to the standard evaluation procedures with the help of internal and/or external experts. The experts will assess the quality of the proposals, against the requirements defined in the call and the expected impact, quality and efficiency of the action.
- b) Experts will need to have the necessary financial know-how as they will also have to check the estimated budget and verify whether the resources proposed, and the split of work packages, allows the achievement of the activities and expected outputs. For each work package, the estimated budget will be assessed for accuracy and if the appropriateness of the resources proposed and the split of lump sum shares allows achieving the activities and expected outputs, to be achieved in the light of the proposed resources.
- c) The experts will consult statistical, historical or any other appropriate data on costs and resources from previously comparable funded projects provided by the granting authority in order to benchmark the proposed costs, and will check that the correct indirect cost and co-financing rate have been correctly applied.
- d) They will propose to remove some ineligible costs and/or actions from the proposal, as e.g. cost of activities outside the eligibility period, costs not permitted in the action, indirect cost included as direct cost.
- e) They will check that the costs proposed are in line with the call specifications, the appropriateness of the split of the work packages and the quality of the outputs.

3.4. Determination of the lump sum amount

- a) Following the evaluation, the authorising officer will establish the amount of the lump sum taking into account the findings of the assessment carried out (including in case of recommendations from the evaluation committee). If cost or activities items are adapted, the lump sum and the lump sum breakdown are modified accordingly during grant preparation.
- b) The final lump sum is included in the grant agreement as the maximum grant amount. It is calculated by applying the reimbursement rate set out in the call to the total estimated eligible costs in the detailed budget table.
- c) The minimum and maximum amount of grant established in each call will be respected.

4. Sound financial management and co-financing principles and absence of double financing

Sound financial management is ensured for the pre-defined lump sum actions because they are based on historical data of similar actions implemented under the 2014-2020 programme.

For Non-Prefixed budget lump sum, the proposed budget in the application will be assessed by an evaluation committee to ensure it represents a good reflection of the actual eligible cost. The committee and will be provided with historical and statistical data for the analysis.

Co-financing will be ensured by applying the reimbursement rate during the preparation of the Grant Agreement.

Absence of double funding can be ensured through clearly identifying in the call and in the grant all categories of eligible and ineligible the costs and activities covered, and subsequently checking the overlap with other grants awarded to same beneficiary through eGrants.