



EM TRAININGS



Europa Media Trainings

Introduction to lump sum funding

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Lump sum Proposals and Projects in Horizon Europe
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Lump sum basics

Good to know

- Lump sum funding was tested in a pilot under Horizon 2020.
- Lump sum was designed to make the programme easier and simpler - especially for small organisations and newcomers - by removing the need to report actual costs
- The pilot was assessed in two independent studies
- Lump sum funding was slowly introduced in the 2022 Work Programme
- The first significant wave of lump sum topics are now open in the 2023-2024 Work Programmes
- **NEW!** At the plenary meeting in February 2023, the ERC Scientific Council agreed to the use of lump sum funding for Advanced Grants awarded following the 2024 call.
- Improved guidance to clarify how lump sum funding works



Lump sum funding evaluation



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR RESEARCH & INNOVATION
Directorate H - Common Implementation Centre
The Director

Assessment of the Lump Sum Pilot 2018 - 2020

Analysis of qualitative and quantitative feedback

Date: 5 October 2021
Version: 1.0
Authors: Ulrich Genschel, Bénédicte Charbonnel,
Dionysios Kontoulis, Audeline Rauna
Approved by: Peter Haertwich, Matthias Will

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A reimbursement system based on a fixed lump sum

Is it the right tool for
the EU Framework
Programme for
research?

STUDY

Panel for the Future of Science and Technology

EPRS | European Parliamentary Research Service

Scientific Foresight Unit (STOA)
PE 697.218 – May 2022

EN

Concerns about lump sum

Extract from the second evaluation

Table 2. Concerns of lump sum in brief

- The LS approach may increase the complexity of the evaluation process.
- The grant preparation phase may become more complex.
- More interactions between the coordinator and the project officer may be needed.
- The payment needs to be based on work package completion: defined criteria should be used to demonstrate that the work package activities have been completed.
- The project officer should have the knowledge to understand the technical aspects of the project.
- Extra effort may be required from the coordinator in case of conflicts with underperforming partners.
- It remains to be clarified what the EC audit policy will be around this new approach.

[https://www.europarl.europa.eu/RegData/etudes/STUD/2022/697218/PRS_STU\(2022\)697218_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/697218/PRS_STU(2022)697218_EN.pdf)

1.1.2. Concerns about LS

Several concerns have been identified with the LS approach, many of which have been raised by associations and organisations in Europe (Table 2). These are mainly connected to the shift in administrative activities, the need for changes in activity planning, the possibility of failed activities affecting subsequent ones economically, reduced transparency in consortium financial management, risk of actual costs over-shooting received payments to enable grants to be received at all, etc. Some of the raised concerns of the LS approach include:

- The nature of the work packages may need to change: more work packages with fewer tasks and partners over shorter periods of time. However, such changes will not tackle the problems that may arise with work inter-dependent packages.³
- The LS approach may increase the complexity of the evaluation process. Both financial and technical expertise will be required to assess proposals. Evaluators will have to be technical experts in the relevant research field, as well as be able to assess the estimation of costs and make sure that the appropriate resources are attributed to a project.⁴
- The grant preparation phase may become more complex, potentially requiring more time and effort, e.g. in negotiations over the amount and schedule of payments. It requires the project officer responsible for the approval of the work packages to understand and follow the technical aspects of the project as well as the financial reasonability of the WPs.^{5,6}
- Given the intrinsic uncertainty of research, payment cannot be based on research results as these are unpredictable by nature. Payment needs to be based on work package completion with clearly defined criteria against which it can be proven that the work package activities have been fully completed.⁷
- It creates more need for trust within the consortium, which can create difficulty in developing broad and strong consortia^{3,11}.
- Some work packages may run throughout the total lifetime of a project, especially coordination and dissemination work packages. Partners active in those work packages could be negatively impacted due to delayed cash flow in LS financing.⁷
- Inequality between different organisations can be created based on the need for reoccurring payments or due to differences in actual costs in relation to output.
- The risk of focusing on achieving the minimum necessary results to receive LS payout, and reduced transparency of costs and resource use^{8,11}.

Based on these concerns, a new monitoring progress procedure may be needed to optimise project performance. The current procedure, as described in the Model GA, is focused on the financial progress and other administrative parts of the process, whereas what is needed is rather a procedure that focuses on the scientific and technical content.

Closer and more frequent interactions between the coordinator and the project officer may also be needed to adapt the project when necessary..

Typical misunderstandings of the lump sum projects

- Higher financial risk (not true);
- Possible negative side effects (fewer newcomers, less ambitious proposals) (not true);
- Work packages must be aligned with the reporting periods (not true);
- Less flexibility in grant management (not true);
- Lump sum payments depend on a successful outcome (not true);
- Partially completed lump sum work packages will not be paid (not true);
- Misuse of the Horizon dashboard for lump sum evaluations (not true).



Lump sum options

Type 1 and Type 2

Type 1

Lump sum fixed in
the call for
proposal

Type 2

You define the
lump sum in your
proposal



In this training we will focus on
Type 2



Lump Sum funding page

On the Funding and Tenders Portal

The screenshot shows the European Commission's Funding & tender opportunities portal. The header includes the European Commission logo and the text "Funding & tender opportunities Single Electronic Data Interchange Area (SEDIA)". There are "Register" and "Login" buttons in the top right, along with a language selector set to "English". A navigation bar contains links for "SEARCH FUNDING & TENDERS", "HOW TO PARTICIPATE", "PROJECTS & RESULTS", "WORK AS AN EXPERT", and "SUPPORT". A notification banner at the top states: "In view of the association of the UK to Horizon Europe (not to the EURATOM Programme) as of 1 January 2024 the [Frequently Asked Questions related to UK association](#) are currently being updated."

Lump sum funding in Horizon Europe

- Overview
- Guidance
- Events
- Opportunities
- Background

How to evaluate lump sum proposals: Get started

Megnézzen... Megosztás

Megtekinthető itt: YouTube

This page brings together **all information on lump sum funding** in Horizon Europe. It is updated regularly to provide the latest state of play.

Horizon Europe uses lump sum funding to **reduce administration and financial errors**. Lump sums make the programme simpler by removing the need to report actual costs. This means **easier access to the programme**, especially for small organisations and newcomers, who often lack the experience and capacity to cope with the complex rules for actual costs.

Lump sums are **defined up-front** and fixed in the grant agreement. They are **paid upon completion of the activities** in work packages.

Beyond that, the planning, evaluation, and execution of projects does not change much. In particular, the payment of lump sums is **not dependent on successful outcomes** (which are never certain in research) and follows **the standard payment schedule**. Lump sum projects enjoy the **same degree of flexibility**, and their performance is **judged by the same standards**.

Lump Sum topics

In Horizon Europe 2023-2024

Lump sum funding in Horizon Europe

- Overview
- Guidance
- Events
- Opportunities**
- Background

Opportunities

The search function below allows you to display and go to any lump sum topics published. By default all lump sum topics in Horizon Europe are displayed. You can apply filters to view specific subsets of lump sum topics. After applying your filters, the search results are updated accordingly.

Calls for proposals in Horizon Europe consist of one or more topics. If a topic uses lump sum funding, only lump sum proposals can be submitted, and all grants selected will be lump sum grants.

Search by keyword...

Submission status

Forthcoming 0

Open for submission 0

Closed 0

Programme part

Filter by Programme part...

Destination

Filter by Destination...

Specific priorities

Filter by Priorities...

Clear search

117 items found

A European Collaborative Cloud for Cultural Heritage

HORIZON-CL2-2023-HERITAGE-ECCH-01-01

Type of action HORIZON Innovation Actions
Deadline model single-stage
Opening date 10 January 2023
Deadline date 21 September 2023 17:00:00 Brussels time
Status **Open for submission**

A European Collaborative Cloud for Cultural Heritage – Innovative tools for digitising cultural heritage objects

HORIZON-CL2-2023-HERITAGE-ECCH-01-02

Type of action HORIZON Research and Innovation Actions
Deadline model single-stage
Opening date 10 January 2023
Deadline date 21 September 2023 17:00:00 Brussels time
Status **Open for submission**

ERC PROOF OF CONCEPT GRANTS

ERC-2023-POC

Type of action HORIZON ERC Proof of Concept Grants
Deadline model multiple cutoff

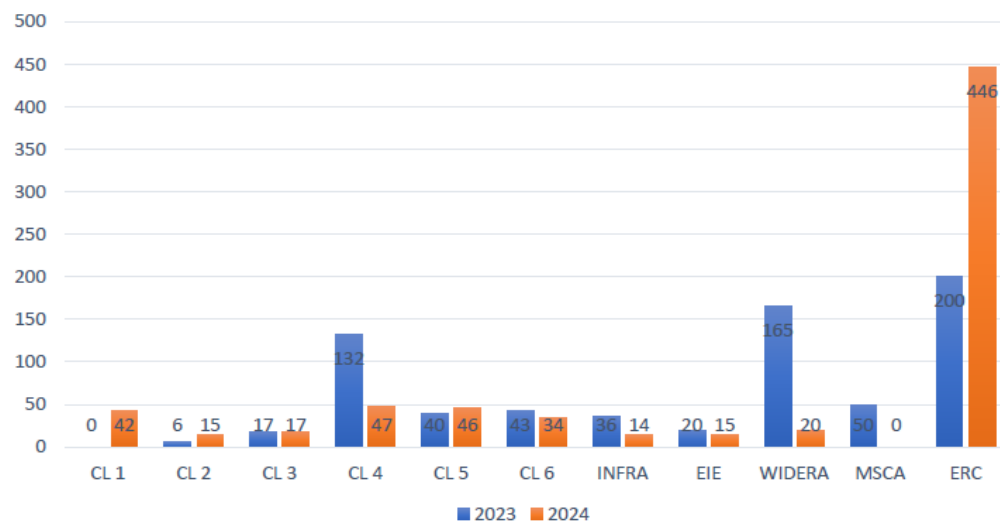
Lump Sum topics

First feedback and statistics

- Number and value of lump sum grants, signed under H2020 and HE, at the end of 2022.
- Total number expected in 2023-24: approx **1600 grants**

LS grants signed by end of 2022		
	Number	Value (EU contribution)
H2020	525	454.389.499,24 €
HE	329	306.455.588,39 €

- Expected number of LS grants 2023-2024*

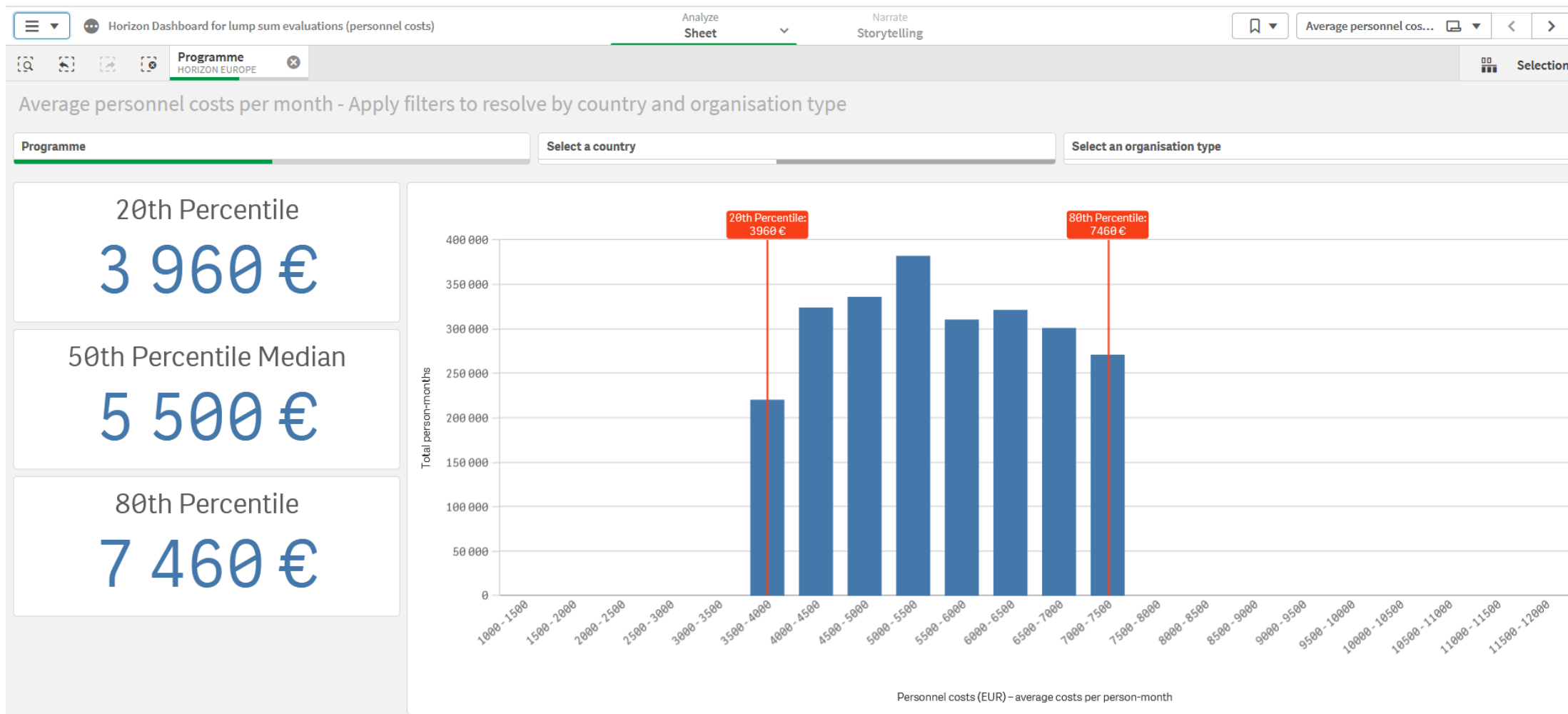


- Lump sums will be used mostly for small or mid-sized grants

Grant size	Bracket	Percentage
Small or mid-sized	< EUR 5 million	87%
Standard collaborative	EUR 5-10 million	11%
Large	> EUR 10 million	2%

Lump Sum Dashboard

On the Funding and Tenders Portal



Lump Sum Dashboard

Updates

- The currently published **dashboard uses actual personnel costs paid between 2014 and 2023**. Using statistical data to establish lump sums is in line with the FR (Art. 181).
- **Instructions for experts:** Personnel costs above the 80th percentile are acceptable if justified (e.g. inflation, pay rises, need for senior staff)
- **Regarding the amounts displayed by the dashboard:**
 - Higher monthly rates are acceptable if justified.
 - Dashboard values are indicative and provide an orientation for evaluators.
 - The effect of inflation is small compared with the very large differences between countries and types of organisation (>> 10-fold).
 - Latest Horizon Europe data support the dashboard.
- **Next steps:**
 - Replace payment data with grant agreement data
 - Limit to Horizon Europe data (from 2021); use Horizon 2020 data only where needed (and only 2018 –2020)



A white rectangular card is suspended from a thin, black and white braided string by a black clothespin. The card is centered horizontally and has the word "QUESTIONS?" printed in a bold, orange, sans-serif font. The background is a plain, light gray wall.

QUESTIONS?

Thank
you

for your attention

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