



Lump Sum: The basics

Vassiliki Kalodimou – Despina Magiri Skouloudi
National Contact Points Horizon Europe

»» From pilot to WIDERA...!



**2018 – 2020
Pilot scheme**



2021 – 2027

- **Clusters**
- **European Innovation Ecosystems**
- **WIDERA : WP 2023-2024**





Lump sum – Main feature





Lump Sum: What is it in principle?

Lump sum = Project Budget

- › New type of **funding** based on successful **implementation** of activities that are grouped in work packages

For the WIDERA projects and WP 2023-2024 in Horizon Europe

- › **TYPE-2: Project-based amount**

- Participants formulate a unique budget for their proposal
- Not same for all proposals submitted under a given call



Lump Sum: Main differences from actual cost grants

- › Pays against COMPLETED activities
- › Based on lump shares (allocations) of each **Work Package**, in relation to:
 - total proposal budget | each beneficiary's contribution (amounts)
- › At each reporting period, coordinator declares which work packages (that are split) are completed to receive payment
- › No cost categories reported during project implementation
- › No costs audited during or after a project
- › It is meant to simplify project administration for beneficiaries, especially those with a small number of grants



Lump-sum: In general

- › It is based on cost estimations (as actual-cost grants)
- › Cost eligibility rules remain as in the actual cost grants
- › Pre-financing schedule remains (or even higher) the same as in actual cost grants
- › Participants fill out a DETAILED budget table at PROPOSAL stage
- › Possibility to claim payment of COMPLETED work-packages at the interim report period
- › WPs PARTIALLY completed are paid at the **END OF THE PROJECT**
- › Budget transfer among WPs and beneficiaries allowed when they do not concern **closed WPs** (completed and paid)
- › Amendments to the Grant possible as in actual costs grants



Proposal design



Part B: Work Package Split

WPs with **long duration may be split** at each reporting period

No more than what is manageable

- Management & Coordination
- Communication – Dissemination – Exploitation
- Any WP with particularly long duration across reporting periods

Example

a. Long duration WP

WP no	WP name	YEAR 1												YEAR 2												YEAR 3												YEAR 4											
		Reporting Period (RP) 1												Reporting Period (RP) 2												Reporting Period (RP) 3																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
WP1	Management																																																

b. Split WP

WP no	WP name	YEAR 1												YEAR 2												YEAR 3												YEAR 4											
		Reporting Period (RP) 1												Reporting Period (RP) 2												Reporting Period (RP) 3																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
WP1	Management (RP1)																																																
WP2	Management (RP2)																																																
WP3	Management (RP3)																																																

*If tasks are the same in all split WP there is **no need to repeat** the information when describing the subsequent WP in table 3.1b in Part B of the proposal.

Courtesy by Benedict Charbonnel, Programme Officer, DG RTD, EU



Budget design (1)

- › All costs are subject to the same eligibility rules
 - *No special cost eligibility rules*
- › Should be in line with your organization's or country practices (i.e salary levels)
- › Should be reasonable and not excessive
- › Should be coherent to the proposed activities





Budget design (2) Part A – Application Form, page 5

10) *[Additional option for LUMP SUM Grants:* For Lump Sum Grants with a detailed budget table: We understand and accept that the EU lump sum grants must be reliable proxies for the actual costs of a project and confirm that the detailed budget for the proposal has been established in accordance with our usual cost accounting practices and in compliance with the basic eligibility conditions for EU actual cost grants (see [AGA – Annotated Grant Agreement. art 6](#)) and exclude costs that are ineligible under the Programme. Purchases and subcontracting costs must be done taking into



Horizon Europe application HE RIA, IA:

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/temp-form/af/af_he-ria-ia_en.pdf



Budget design (3)

EU Grants: AGA — Annotated Grant Agreement: V1.0 **DRAFT** - 01.04.2023

General > Article 6 — Eligible costs/contributions

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

General > Article 6.1 General eligibility conditions

6.1 General eligibility conditions

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

In order to be eligible, costs and contributions must meet the eligibility conditions set out in this Article.

6.1 General eligibility conditions

The **general eligibility conditions** are the following:

- (a) for actual costs:
 - (i) they must be actually incurred by the beneficiary
 - (ii) they must be incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)
 - (iii) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation
 - (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices
 - (vi) they must comply with the applicable national law on taxes, labour and social security and
 - (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency



Example of a budget in the Grant Agreement

Budget allocation (annex 2 to the grant agreement)

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Beneficiary A	250.000			50.000	300.000	250.000		300.000	1.150.000
Beneficiary B		250.000	350.000	50.000			100.000	150.000	900.000
Beneficiary C	100.000	100.000		50.000		280.000			530.000
Beneficiary D		120.000		50.000			100.000	150.000	420.000
Total	350.000	470.000	350.000	200.000	300.000	530.000	200.000	600.000	3.000.000

Shares of the lump sum per beneficiary

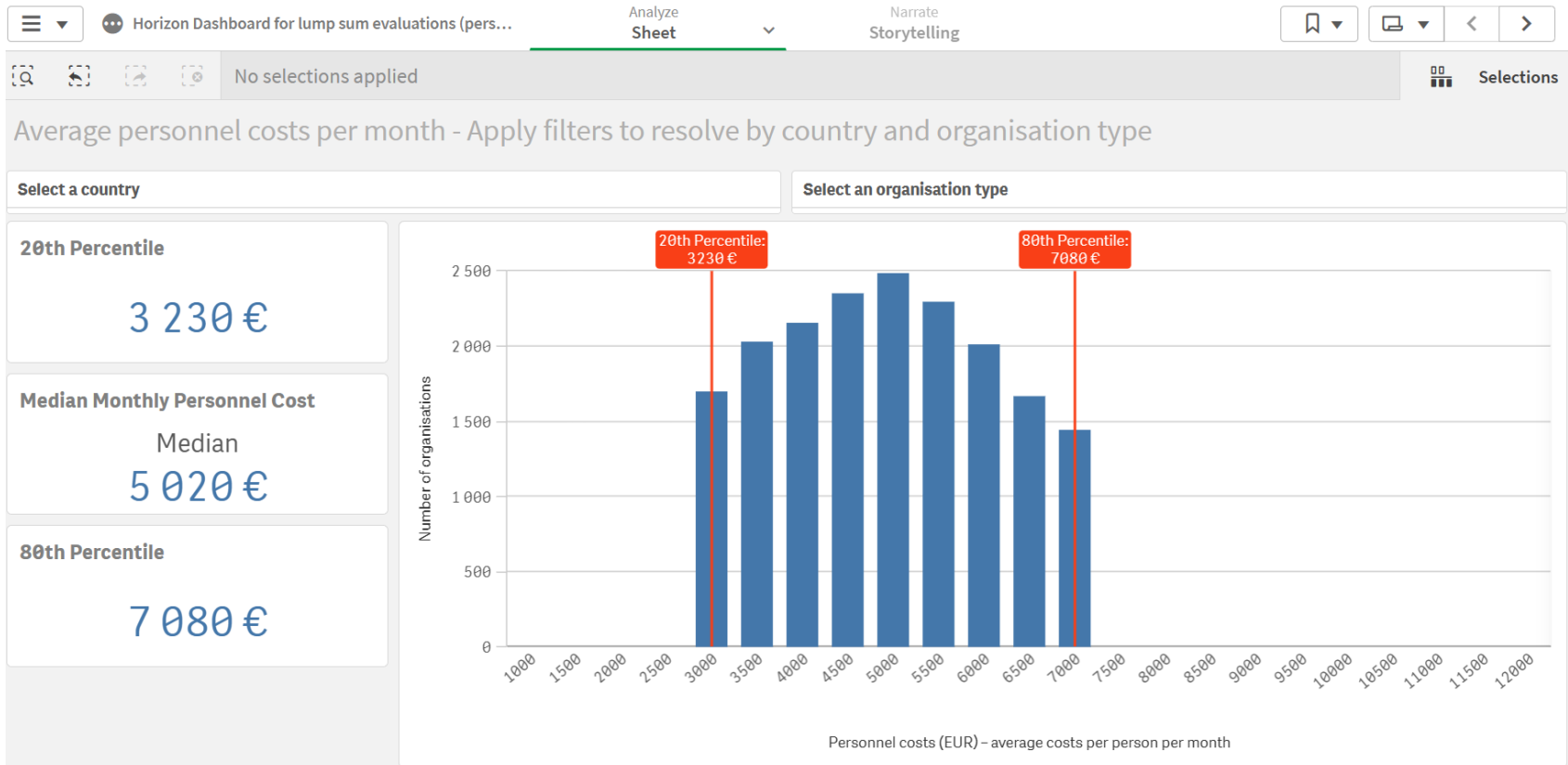
Shares of the lump sum per WP

Lump sum
=
Maximum grant
amount



Drafting your budget: A benchmarking reference

[Qlik Sense \(europa.eu\)](https://europa.eu)





Walk through – Budget table



Budget table: Uploaded together with Part B
For your viewing pleasure!!

List of beneficiaries and affiliated entities				
<i>BE/AE nr</i>	<i>BE/AE name</i>	<i>Acronym</i>	<i>Country</i>	<i>Funding rate</i>
BE1	BE1 name	BE1 acronym	BE	100%

Add BE	<i>! Double click buttons !</i>	Apply changes
	Add AE to BE1	



Budget table: Various sections to draft the budget

**TOTAL PERSON-MONTHS FOR ALL BENEFICIARIES
(INCLUDING AFFILIATED ENTITIES) PER WP**

BENEFICIARIES \ WORK PACKAGES	WP1 WP1 name	Total	Pct %
BE1: BE1 name	0,0	0,0	
Total	0,0	0,0	
Percentage			



Budget table: Various sections to draft the budget

personnel costs

	A	B	C	D
1	BENEFICIARY CALCULATION SHEET			
2	summary	BENEFICIARY 1: Beneficiary 1		
3	COST CATEGORY	UNITS	COST PER UNIT	BE TOTAL COST
4				
5	COSTS WORK PACKAGE 1: Work Package 1			
6				
7	A. DIRECT PERSONNEL COSTS			
8	A.1 Employees (or equivalent)			
9	SENIOR SCIENTISTS (or equivalent in the private sector)	1,00	7000,00	7.000,00
10	JUNIOR SCIENTISTS (or equivalent in the private sector)	2,00	3500,00	7.000,00
11	TECHNICAL PERSONNEL (or equivalent in the private sector)			0,00
12	ADMINISTRATIVE PERSONNEL (or equivalent in the private sector)			0,00
13	OTHERS	0,50	3000,00	1.500,00
14	A.2 Natural Persons under direct contract			0,00
15	A.3 Seconded Persons			0,00
16	A.4 SME owners and natural person beneficiaries		5.080,00	0,00

- Enter the **total number of units and the average cost per unit** for each category of personnel costs



Budget table: Various sections to draft the budget

SUM OF ALL BENEFICIARIES (including AFFILIATED ENTITIES) FOR ALL THE WORK PACKAGES			
COST CATEGORY	ALL BENEFICIARIES (with affiliated entities)		TOTAL COSTS
	UNITS (TOTAL)	AVERAGE COST PER UNIT	
JUNIOR SCIENTISTS (or equivalent in the private sector)	0,00		0,00
TECHNICAL PERSONNEL (or equivalent in the private sector)	0,00		0,00
ADMINISTRATIVE PERSONNEL (or equivalent in the private sector)	0,00		0,00
OTHERS	0,00		0,00
A.2 Natural Persons under direct contract	0,00		0,00
A.3 Seconded Persons	0,00		0,00
A.4 SME owners and natural person beneficiaries	0,00		0,00
B. DIRECT SUBCONTRACTING COSTS			
	0,00		0,00
C. DIRECT PURCHASE COSTS			
C.1 Travel and subsistence	0,00		0,00
C.2 Equipment (complete 'Depreciation cost' sheet)			
<i>Equipment</i>	0,00		0,00
<i>Infrastructure</i>	0,00		0,00
<i>Other assets</i>	0,00		0,00
C.3 Other goods, works and services			



Budget table: Various sections to draft the budget

ESTIMATED BREAKDOWN OF THE LUMP SUM PER WORK PACKAGE AND PER BENEFICIARY

Excel file

ESTIMATED BREAKDOWN OF THE LUMP SUM PER WORK PACKAGE AND PER BENEFICIARY						
BENEFICIARIES	Work Package 1	Work Package 2	Work Package 3	Work Package 4	Totals	Pct
Beneficiary 1	62.812,50	9.250,00	9.750,00	46.125,00	127.937,50	18,3%
Beneficiary 2	11.625,00	18.750,00	28.750,00	17.500,00	76.625,00	25,9%
Affiliated entity to BE2	16.312,50	0,00	7.000,00	11.625,00	34.937,50	11,8%
Beneficiary 3	10.762,50	14.568,75	19.206,25	11.681,25	56.218,75	19,0%
Totals:	101.512,50	42.568,75	64.706,25	86.931,25	295.718,75	100,0%
Pct:	34,3%	14,4%	21,9%	29,4%	100,0%	

Part A (online forms)

No	Name of Beneficiary	Country	Requested grant amount
1			0,00
		Total	0,00





Proposal evaluation



Proposal evaluation & feedback

- › Proposals evaluated against the standard award criteria
 - Slightly increased page number (Twinning: 33 pages)

ADDITIONALLY

- › Evaluate cost estimations for proposed activities at **Quality and Efficiency of Implementation**
 - Against soundness (normal, not excessive)
 - Whether split of lump-sum shares allows proper completion of activities
- › Receive feedback for Excellence – Impact
- › Evaluator's feedback:

- Decrease lump sum for a WP or for a Beneficiary, Re-allocate per WP/beneficiary

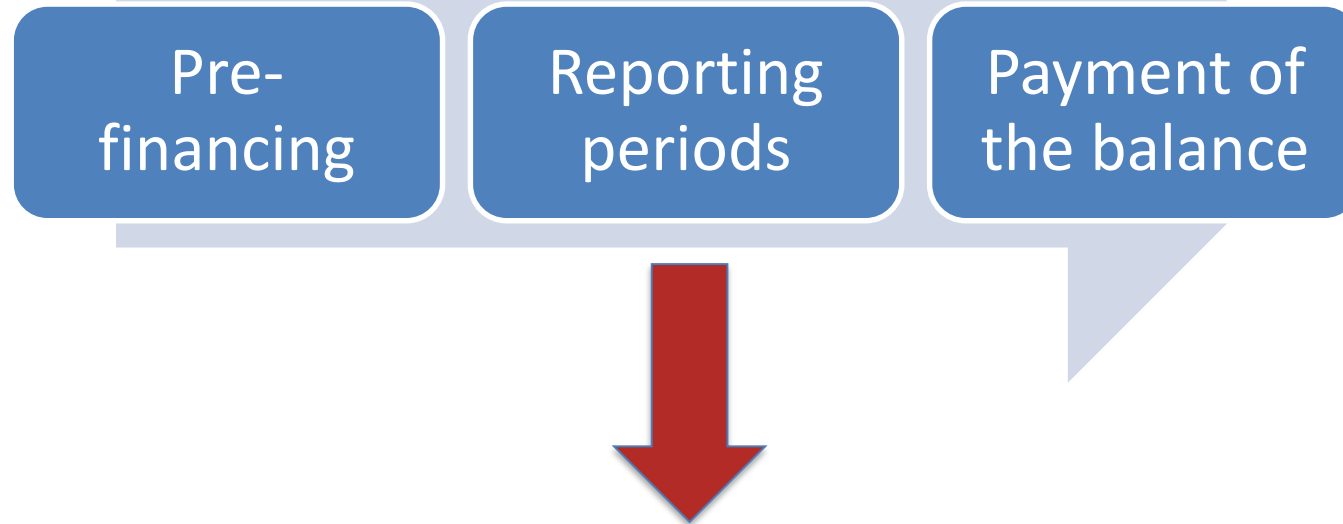




Payment



Payment schedule



Complete the **Status of Completion** for each Work package and click **Save**.

Grant Management Project Periodic Report

237556 (237556 SURDULI ...) InnovFun... Status Of WP

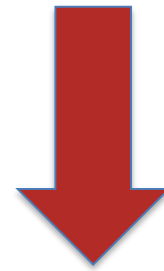
Period No: 1 Duration (months): 12
Reporting Period : [01 Mar 2021 28 Feb 2022]

Status of completion SAVE

Number	Title	Lead Beneficiary	Status of Completion	Completion %
WP1	wp1	AST GmbH	Partially Completed	60.00
WP2	wp2	AAA	Completed	100.00
WP3	wp3	AST GmbH	Partially Completed	50.00
WP4	wp4	AAA	Not Completed	0.00
WP5	wp5	AST GmbH	Not Completed	0.00



Payment schedule





European Research Council (ERC) Case



ERC Lump Sum funding – Lump Sum type

2 main options:

1. Fixed lump sum amount (in Call for proposals). Same amount for all projects => **ONLY ERC Proof of Concept (since ERC WP 2019)**

2. Lump sum amount is defined by the proposals activities and resources needed (**different for each project**) => **AdG as from ERC WP 2024**



ERC Lump Sum funding – Reporting/payment

- **80% prefinancing to ensure cash-flow**
- **1 scientific mid-term report to assess progress and deviations**
- **1 single payment at the end of the project**

80% pre-financing

0

Scientific
Mid-term

Final (scientific &
linked final payment)

60



Work Packages - tips

- ✓ If a WP is not completed by a given reporting period, you can complete it and declare it at the end of the subsequent reporting period or the end of the project
- ✓ If a WP cannot be completed try to introduce an amendment to make it **completable** including asking an extension
- ✓ If a WP is not accepted as completed by the EC you have the right to respond
- ✓ If a WP is incomplete at the end of the project, the lump sum is paid partially.



Partially = Degree of completion

NCP
WIDERA.NET



Checks – Reviews – Record keeping



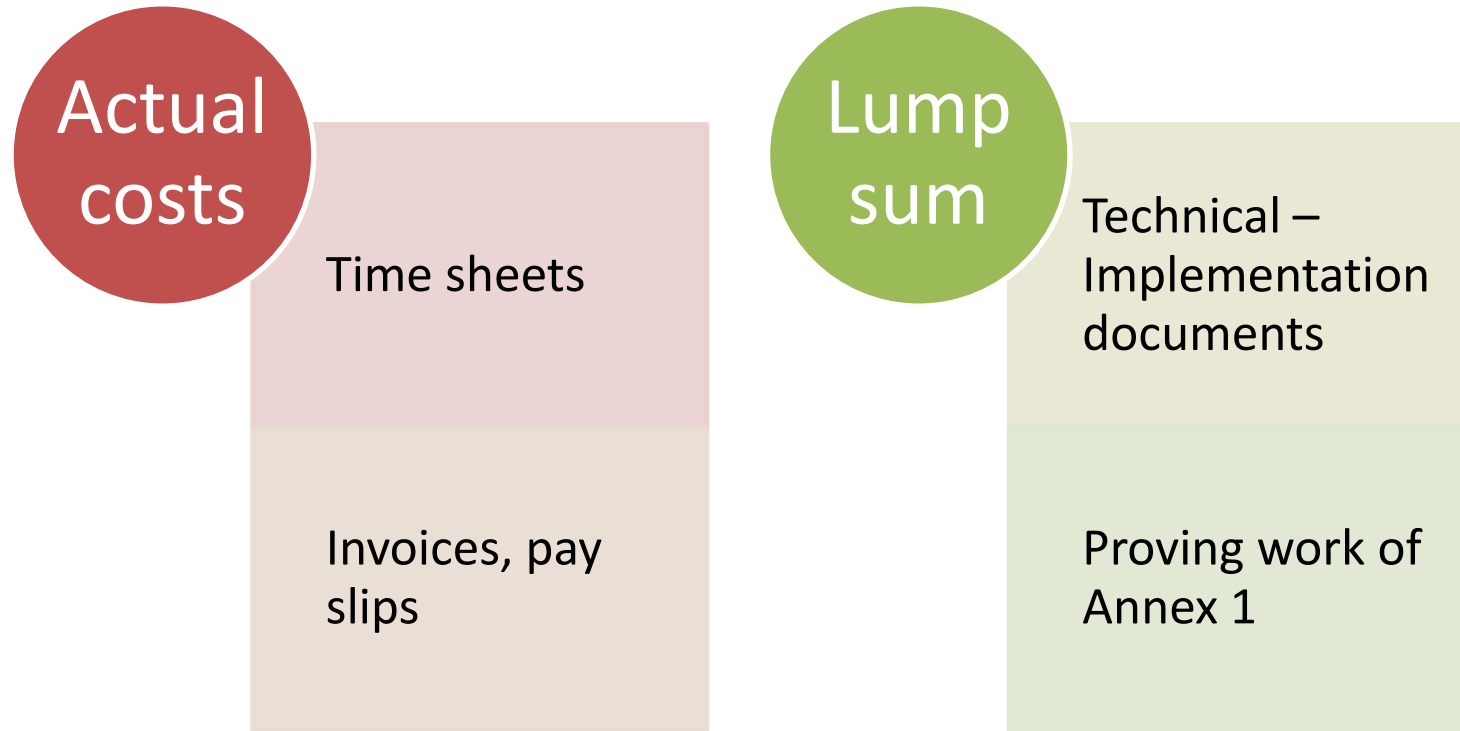


Checks – Reviews – Record keeping

- › Technical audit only
 - Proper implementation of the action
 - Compliance with the other non-financial obligations of the grant, i.e presentations, publications, IPR, proceedings, prototypes, technical documents, proceedings, communication obligations
- › Who (at organization level) did what?
- › No actual costs, no audit on the use of resources



Checks – Reviews – Record keeping



»» Lump-sum: Common misconceptions

- › Payments depend on successful outcome (vs Activities PERFORMED)
- › Partially completed work packages are not paid
- › Tend to result in grant reductions
- › Lump sum grants are not judged by the same standards
- › More bureaucracy:
 - In actual-costs grants, it suffices to have the right invoices and not have the technical aspects checked





Repercussions &



food for thought



According to beneficiaries of the 2020 pilot

IMPLEMENTATION

- › Coordinators and Work Package Leaders work more closely
- › WP leaders must work more effectively with contributors
- › More internal auditing structures/procedures within the consortium
 - i. e more meetings of the management committee
 - Accommodated in governance structures
- › More need for quality management procedures
- › Lump sum fits better with corporate procedures of the companies



According to beneficiaries of the 2020 pilot

Proposal preparation

- › More attention to the proposed budget and distribution among partners
- › Producing meaningful work packages in a “product” logic
- › Select partners based on their ability to deliver in a professional manner
- › Break in 2-3 WPs Management & Dissemination, Communication, Exploitation WP



Information sources



Lump sum funding in Horizon Europe (one-stop shop)



[PowerPoint Presentation \(europa.eu\)](https://europa.eu)



Video on Lump sum

LUMP SUM PROJECT

WORK PACKAGE 1	119975 €
WORK PACKAGE 2	131766 €
WORK PACKAGE 3	115076 €
WORK PACKAGE 4	101542 €

The main principles of lump sum funding

Lump sum defined up-front

For each work package, one lump sum is fixed in the grant agreement.

0:45 / 4:16

How to evaluate lump sum proposals: Get started



EU Science & Innovati...

21,2 χιλ. εγγεγραμμένοι

Εγγραφή

10



Κοινοποίηση



https://www.youtube.com/watch?v=VsSO_s1Ec84&list=PLvpwIjZTs-Lhwt-nnS4FYRaHwpmhkQ3Z5



Court of Auditors' report on Lump sum pilot



A reimbursement
system based on
a fixed lump sum

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

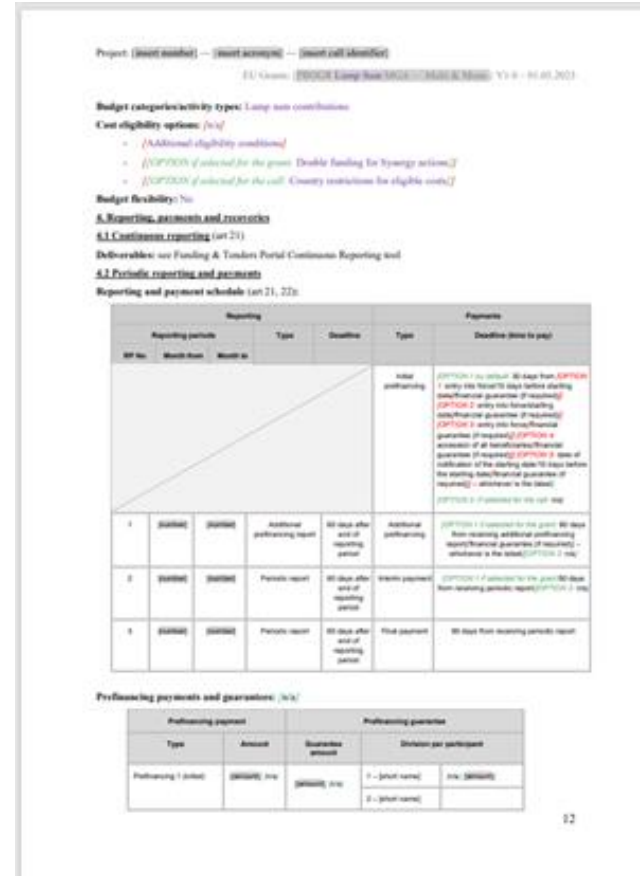


NCP
WIDERA.NET

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



Model Grant Agreement for Lump Sum Grants



https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/ls-mga_en.pdf



Thank you for your attention

Βασιλική Καλοδήμου: vkalodimou@praxinetwork.gr

Δέσποινα Μαγκίρη Σκουλούδη: dmskouloudi@praxinetwork.gr

Legal_financial@praxinetwork.gr

National Contact Points | Horizon Europe

Visit: www.horizoneurope.gr



Website: www.praxinetwork.gr

e-mail: praxi@praxinetwork.gr

[f](#) [t](#) [in](#) praxinetwork