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LIVE WEBINAR

EXPERT INSIGHTS

Decoding Horizon Europe lump sum model –
Expert Insights

MAY 8, 2024 11:00 - 12:00 (+30 MIN Q&A)

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Kimberly ALBEÑO

Client Relationship Specialist at EMDESK

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🐦 twitter.com/emdeskpm

Researchers are crucial in today's world and I want to do my part to help them.

Krisztina TOTH

Senior Trainer and Consultant at @Europamedia and Director of Corporate Affairs at EMG Group Plc.

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— Follow on Twitter @Krisztina_VT

— Email: krisztina.toth@emg.group

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In this webinar Krisztina Tóth, senior trainer and consultant at Europa Media, will explain the details of the lump sum model.

Today's Topics:

- Introduction to key features of the lump sum model

- Budget planning and work package design practices

- Suggestions on lump sum implementations

This webinar is presented by EMDESK in cooperation with Europa Media.

EMDESK is a project and work management solution for research and innovation projects.

It helps large teams across organisations to organise and collaborate in EU funded projects while keeping maximum control and transparency.

HIGH DATA SECURITY
(AES256)

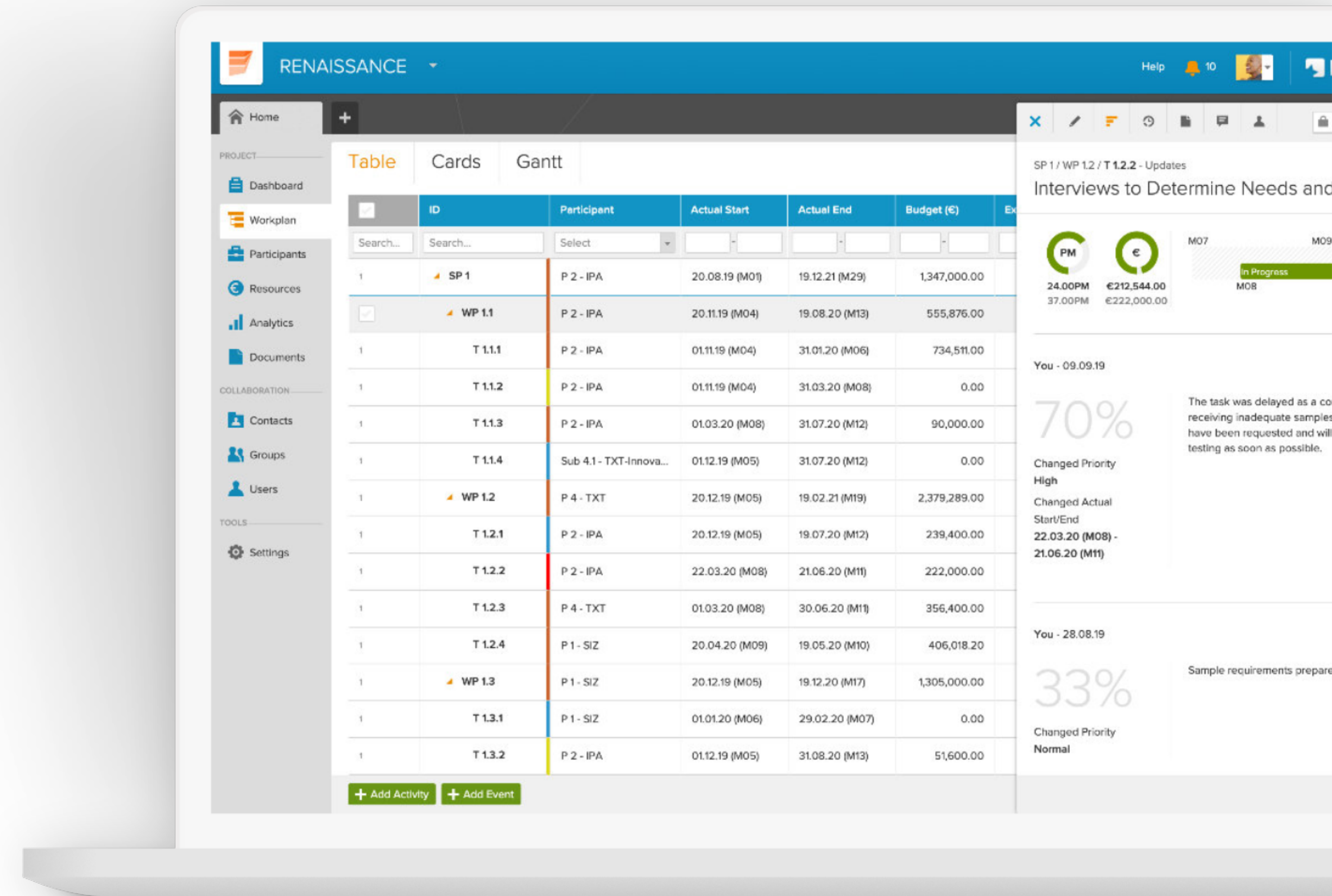FULL PROJECT
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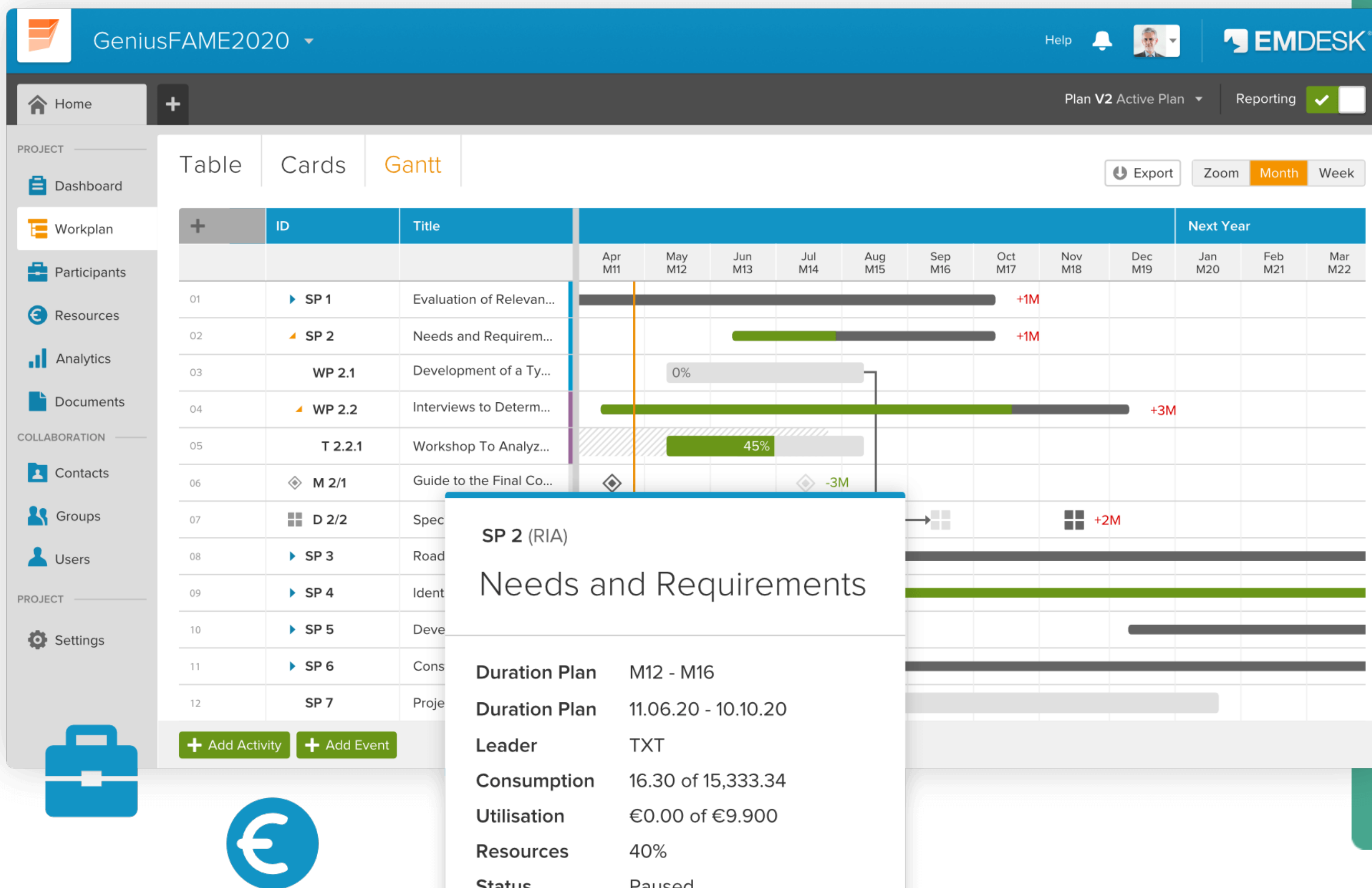HOSTED IN GERMANY

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COMPLIANCE (H2020)

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An all-in-one solution for the entire lifecycle of projects of any scale and complexity with the flexibility to customise to specific needs.
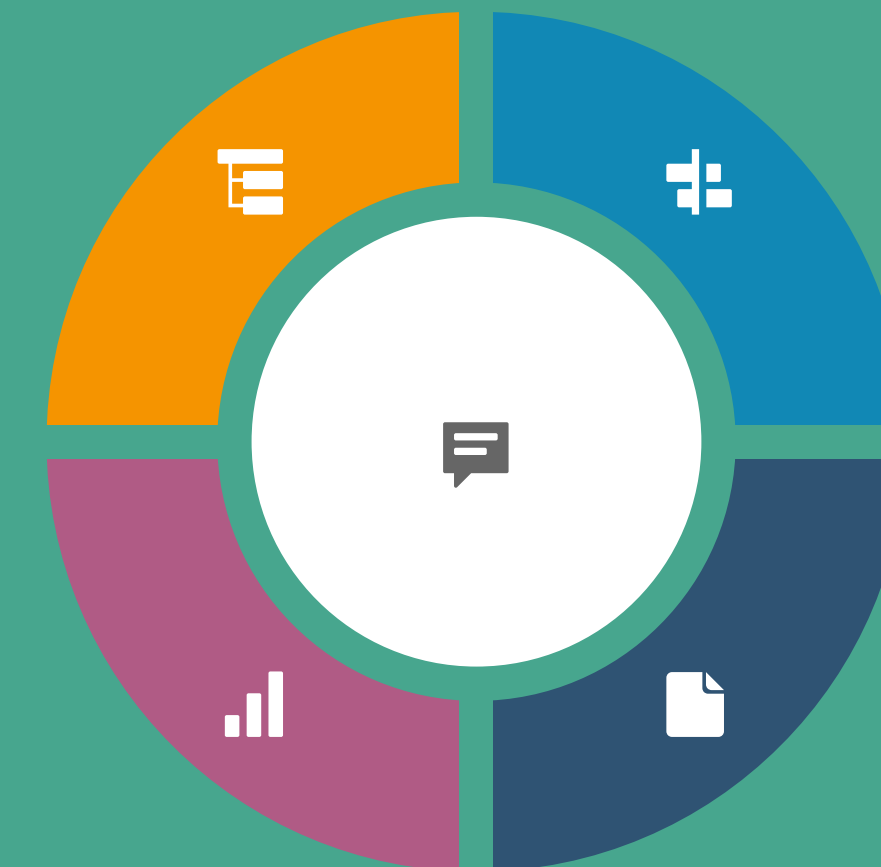

Plan & Organize

Design and budget projects of any scale

Execute & Report

Gain control by building reports that matter

Collaborate & Communicate

Increase productivity with efficient communication

Control & Analyse

Take control with power analytics

Write & Review

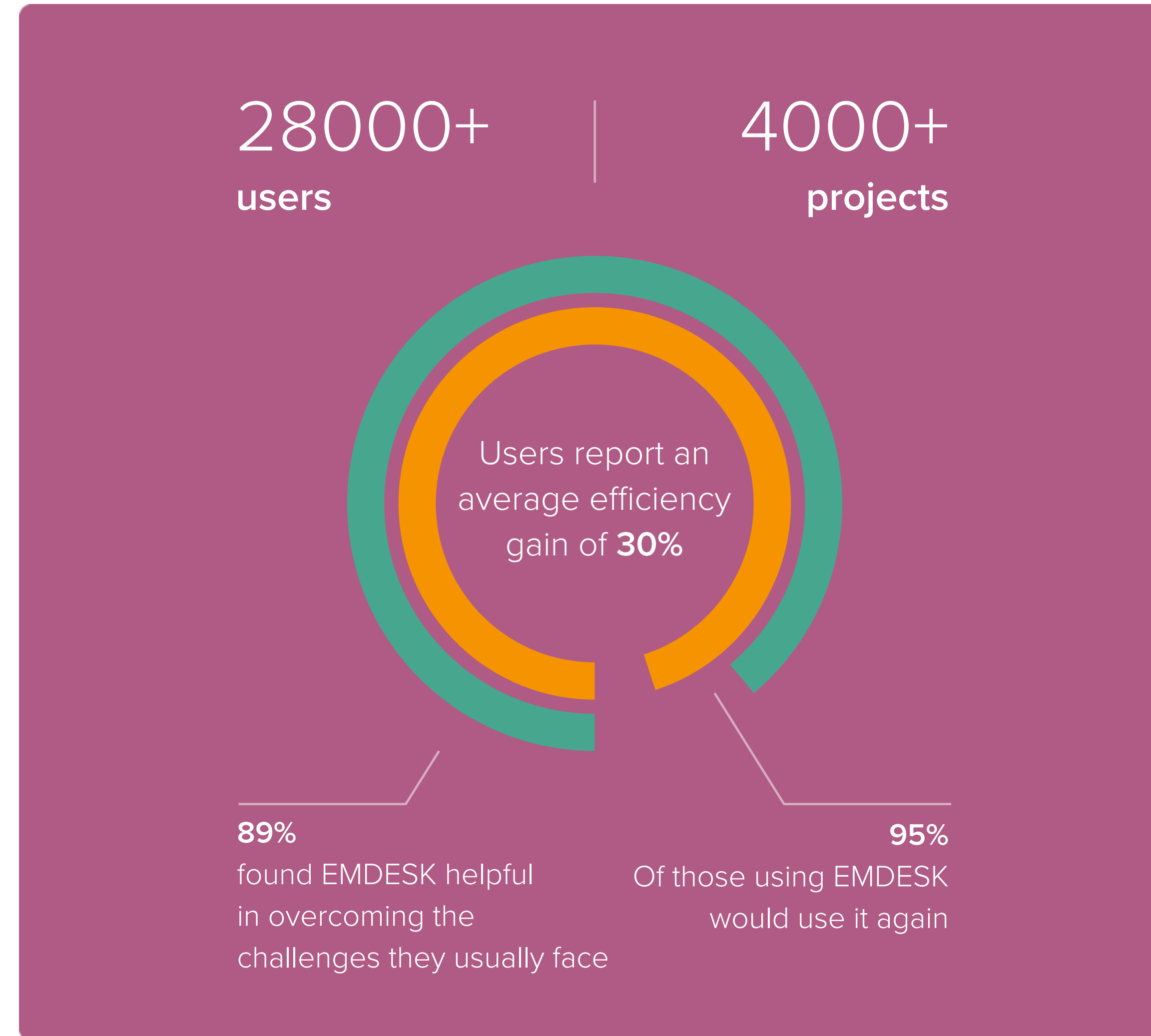Create documents and collaborate real-time

EMDESK EMDESK

EMDESK - From planning, controlling, reporting, and collaboration. One stop solution you need to work more efficiently with others in real-time.

— Leading project and work management solution for H2020 projects

— Our customers report an increase in efficiency of more than 30%

— Trusted by 28.000+ users in 4.000+ projects worldwide since 2008

— from small to billion Euro projects involving 150+ organisations (like EU flagships HBP and Graphene)

"Combining a personal service with flexibility and solution-oriented thinking, EMDESK is a highly reliable solution that helps us to manage and monitor all our project activities efficiently."

—

Dr. Katarina Boustedt
Head of Administration of the EU FET Graphene Flagship at Chalmers University of Technology

28000+
users

4000+
projects

Users report an average efficiency gain of **30%**

89%
found EMDESK helpful in overcoming the challenges they usually face

95%
Of those using EMDESK would use it again

EMDESK is ready for Lump Sum Projects

EMDESK is designed to support consortia and managing teams in the timely delivery of work packages while maintaining a full project overview.

✓ Structured planning

✓ Budget tracking

✓ Financial oversight

✓ Unified collaboration

✓ Outcome-based execution

✓ Meet deadlines

✓ Adaptive tools

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in collaboration with

EMDESK®

Europa Media Trainings

Decoding Horizon Europe lump sum model

Krisztina Toth
Managing Director, Europa Media Trainings Ltd. (EMG Group)

EMDESK

Expert Insights
8 May 2024

SPEAKER

Krisztina Toth

- Contact me on LinkedIn
- Write to krisztina.toth@europamedia.org

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What is lump sum?

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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 were in the 2023-2024 Work Programmes

- ERC Advanced Grants awarded following the 2024 call will use lump sum.

- Improved guidance, templates to clarify how lump sum funding works

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Major concerns
Is lumps sum the right instrument?

- Higher financial risk (true or not?);

- Possible negative side effects (fewer newcomers, less ambitious proposals) (true or not?);

- Work packages must be aligned with the reporting periods (true or not?);

- Less flexibility in grant management (true or not?);

- Lump sum payments depend on a successful outcome (true or not?);

- Partially completed lump sum work packages will not be paid (true or not?);

- Misuse of the Horizon dashboard for lump sum evaluations (true or not?).
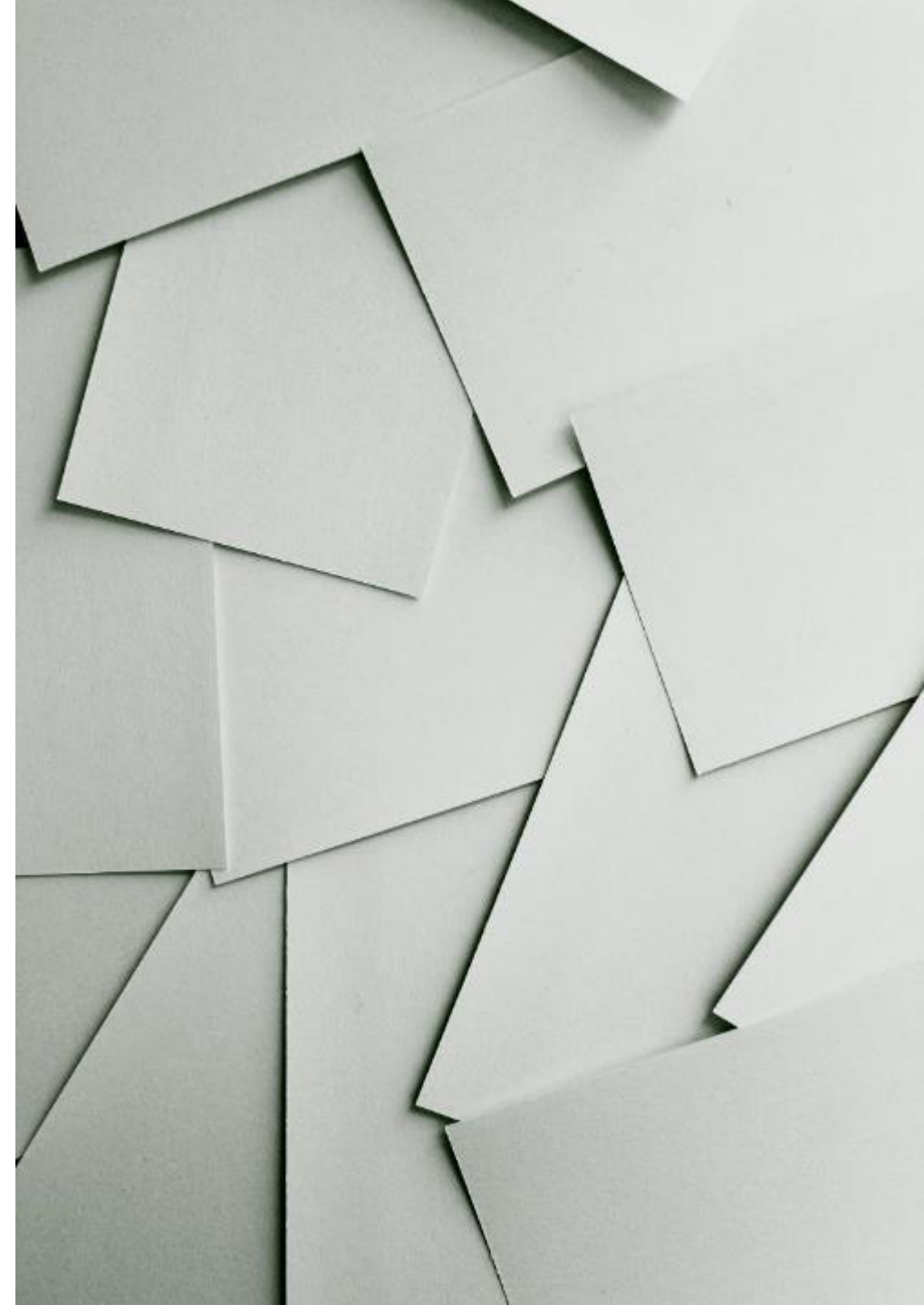
EARTO Recommendations 2024 January

EARTO Recommendations regarding the Evaluation
& Pre-contractual Negotiations of Lump-sums
EU Funded RD&I Projects

8 January 2024

EARTO members are very active participants in the EU RD&I Frameworks Programmes (FPs), especially in complex and large collaborative applied RD&I projects. In this context, EARTO Feedback on EARTO Members' Experiences with Lump-Sums Projects within Horizon Europe addressed wider issues related to lump-sums funding within Horizon Europe. With the recent announcements and discussions pointing to the possible extension of the use of this funding principle, EARTO members wish to alert the EU Institutions on worrying trends and signals regarding the evaluation and pre-contractual negotiations of lump-sums EU-funded RD&I projects. Indeed, with many newly selected projects using the lump-sums funding scheme under Horizon Europe, EARTO members have now proper feedback on their granting process and the issues that are rising.

https://www.earto.eu/wp-content/uploads/EARTO-Position-Paper-on-Lump-Sums-Dashboard-8-January-2024-Final.pdf

Lump sum funding in Horizon Europe
Where to find more information?

https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/horizon/lump-sum/guidance

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Lump sum proposal tips

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Proposal templates for LS grants

Part A and Part B

Part A - Declarations

10) 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 account best value for money and must be free of conflict of interest. *   ☒

Part B – Implementation

3.1   Work plan and resources *[e.g. 14 pages (19 pages for topics using lump sum funding)   – including tables]*

RIA/IA → Total page limit: 50 pages

3.1   Work plan and resources *[e.g. 10 pages (13 pages for topics using lump sum funding) – including tables]*

CSA → Total page limit: 33 pages

Tips for Part B
Proposal

- Higher number of **WPs** (split but don't artificially modify)

- More **details** on the division of responsibilities among partners within WPs and tasks

- Less complex **work plan** with fewer interdependencies

- Different/tailored **project management** structure (consider under section 3.2: Consortium as a whole)

- Deliverable/milestone **schedules** to be aligned and cross-checked

- More **precise wording** of tasks, deliverables, milestones

- Cross-check the figures in the Excel and Part B for **consistency**

Budgeting at the proposal phase

- The budget is important primarily <u>for you</u>

- The **detailed lump sum budget** estimation will help in the implementation

- **Evaluators** will assess the budget (unlike in actual cost grants) – both quantitatively (€) and qualitatively (resources)

- Need to demonstrate a **stronger link** between implementation and budget

- **More time** needed for budget preparation

Detailed budget table

- Read the instructions carefully
- Table to be filled in per beneficiary, providing a breakdown of all applicable cost categories per WP
- "Units" are defined only for personnel costs → person-month (PM)
- PM rates should be specified per staff category
- Estimated costs must follow the eligibility rules
- Costs must be realistic, value for money, and needed for implementation
- Additional details can be provided in the last tab "Any comments"

Download the detailed LS budget template here:
https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=HORIZON

BENEFICIARY CALCULATION SHEET

summary		BENEFICIARY 1: Europa Media		
COST CATEGORY		UNITS	COST PER UNIT	BE TOTAL COSTS
COSTS WORK PACKAGE 1: Project Management and Coordination				
A. DIRECT PERSONNEL COSTS				
A.1 Employees (or equivalent)				
SENIOR SCIENTISTS (or equivalent in the private sector)		3.00	7500.00	22,500.00
JUNIOR SCIENTISTS (or equivalent in the private sector)		2.00	4500.00	9,000.00
TECHNICAL PERSONNEL (or equivalent in the private sector)				0.00
ADMINISTRATIVE PERSONNEL (or equivalent in the private sector)				0.00
OTHERS				0.00
A.2 Natural Persons under direct contract				0.00
A.3 Seconded Persons				0.00
A.4 SME owners and natural person beneficiaries			3,657.60	0.00
B. DIRECT SUBCONTRACTING COSTS				
				0.00
C. DIRECT PURCHASE COSTS				
C.1 Travel and subsistence		4.00	1050.00	4,200.00
C.2 Equipment (complete 'Depreciation costs' sheet)				
Equipment				0.00
Infrastructure				0.00
Other assets				0.00
C.3 Other goods, works and services				
Consumables				0.00
Services for meetings, seminars		1.00	3000.00	3,000.00
Services for dissemination activities (including website)				0.00
Publication fees				0.00
Other (shipment, insurance, translation, etc.)				0.00

Any comments

nr	BE ref	WP ref	Comments
1	1	1	Room rent and catering services for the 1st progress meeting
2	1	1	Travel cost unit rate for 1 person/2-night trip to project meeting/review meetings (4 units in total)
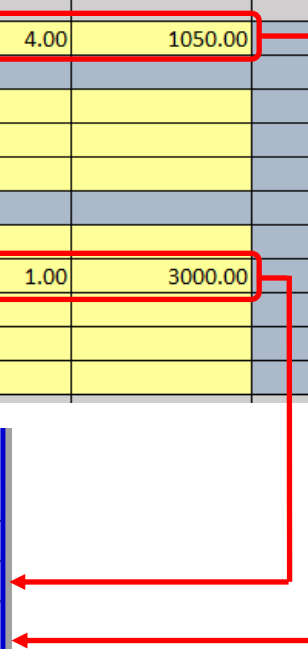
Potential problems
Proposal

- Overinflated budget (abnormal PM rate, excessive cost items)

- Unjustified budget (poor/missing explanation in Part B / Comments)

- Unclear responsibilities

- WP descriptions not allowing to identify completion

- Domino effect due to failure in WPs (non-performing partners or technical issues)

Lump sum project management tips

Grant Agreement

Lump Sum grants

- Specific applicable rules are highlighted in purple

- Text in grey indicates that text which is used in other EU programmes is not applicable for this programme.

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: [PROGR Lump Sum MGA — Multi & Mono]: V1.0 – 01.06.2021

ARTICLE 4 — DURATION AND STARTING DATE

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

CHAPTER 3   GRANT

ARTICLE 5 — GRANT

5.1   Form of grant

The grant is an action grant[12] which takes the form of a lump sum grant for the completion of work packages.

5.2   Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

[OPTION for programmes with contingency reserve: [OPTION if selected for the call: The maximum grant amount can be raised at the end of the action, by activating the contingency reserve set out in the Data Sheet (see Point 3).*]]*

5.3   Funding rate

Not applicable

[insert programme name (acronym)]

Model Grant Agreement

Lump Sum Grants

([PROGR Lump Sum MGA— Multi & Mono])

Version 2.0
01 March 2023

Disclaimer
This document is aimed at assisting applicants. It shows the full range of provisions that may be applied to this type of agreement, and is provided for information purposes only. The legally binding agreement will be that which is signed by the parties in the system.

Lump Sum GAP

Modification requests...

Lump Sum distribution

- Evaluators will check whether the resources proposed and split of lump sum shares are reasonable

- If needed, they can make **recommendations on changes to the detailed budget table**, therefore the lump sum amount and the lump sum breakdown will be modified during the GA preparation

- Evaluators can also recommend **to decrease the lump sum amount** for a WP and/or a beneficiary OR to **reallocate lump sum shares** among WPs and/or beneficiaries

Further breakdown of Work Packages

- Further breakdown of horizontal WPs during the GA preparation is possible, but it requires prior agreement with your PO

Please note: *Following the recommendations of the evaluators, the requested grant amount might be decreased, however the requested grant amount can not be increased!*

DESCA 2.0
LS editions

Consortium Agreement

February 2024

https://www.desca-agreement.eu/assets/helmholtz_gemeinschaft/user_upload/Brussels_Office/DESCA/20240206_DESCA_HorizonEurope_v.2.0_with_elucidations.pdf

- Step by step more lump sum projects in Horizon Europe up to 50 % by 2027

- High demand for a Consortium Agreement by Stakeholders

- So far there is limited experience with the whole lifecycle and especially the final reporting of the lump sum projects.

- So far information on how not completed work packaged will be dealt with at the end of the project is limited and the Commission did not publish an official version of the Annotated Grant Agreement yet.
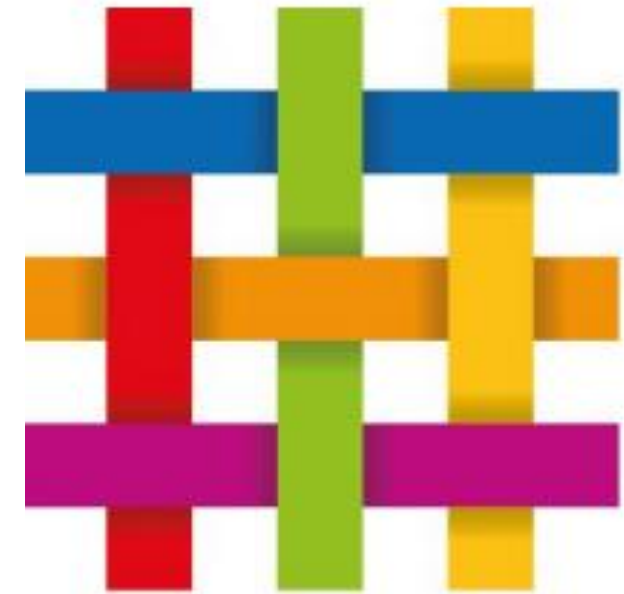
Reporting obligations
of the lump sum projects

Continuous reporting
- As it is in any other Horizon Europe grants

Internal technical reporting – optional
- Based on the CA linked to the monitoring system

Periodic reporting
Consist of Technical report and Status of Work Packages
Process:
- Consortium will prepare a detailed Technical report.
- The coordinator declares work packages as Completed or Not Completed. This should be justified by the periodic technical report. Partially completed – possible only at the last reporting period.
- The project officer will assess the technical report and the status for each work packages declared
- There is no reporting of actual costs or of resources.

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Periodic report module
Action grids vs Lump sum grants

Technical part

- **Part A** (structured information entered through the **continuous reporting** module)

  - Project summary

  - Deliverables, milestones, risks, etc.

  - Answers to the impact questionnaire

- **Part B** (narrative part submitted in a PDF through the **periodic reporting** module)

  - Explanation of the work carried out by the beneficiaries and overview of progress

  - Explanations on deviations from DoA

Financial part

- **Financial statements** (individual and consolid...

- Explanat... ...ces and information... ...g and in-kind contributions...

- **Certificat... ...ements** (CFS), ...old is reached ... ...ed as PD...

Report generated automatically based on the information entered through the **periodic reporting** module.

Activated at the end of reporting periods

Must be submitted within 60 days following the end of each reporting period

Assessment of the WPs by the PO

Completed vs. Partially completed

- The PO will assess the technical report and the status of work packages
- For each work package declared, the PO will assess and choose between 'completed' and 'not completed'.
- At the final report, the project officer can also choose 'partially completed' and enter the percentage of completion.
- The PO will reject a WP when a significant or essential part of the work has not been completed, and this deviation from the work plan is not justified or not acceptable.
- If the PO intends to reject a work package, you will have the opportunity to react to the observations of the PO.
- In this case, the PO will either send you a request for additional information or reject the technical report and ask you to justify the completion of the work package(s).

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Payments in Lump sum projects

Almost the same, except...

Pre-financing
- One pre-financing, distrubuted by the Coordinator based on the CA
- 5% Mutual Insurance Mechanism contribution will be deducted from the pre-financing

Interim payment(s)
- One or more, depending on the duration of the project and reporting periods
- EC will pay the LS shares, defined in your lump sum budget for the WPs completed and approved by the PO in the reporting period.
- There is no possibility for interim payment of partially completed WPs
- If the WP is rejected, the lump sum share concerned will not paid at that interim payment. In this case, you should complete the work package and declare it again at the end of any subsequent reporting period.

Payment of the balance
- Partial payment for partially completed work packages possible - if it is not possible to complete a work package by the end of the project due to technical reasons or force majeure.
- If you declare a work package incomplete at the end of the project due to other reasons, the work package may be rejected in full.
- Payment of the balance from the EC and the amount retained for the Mutual Insurance Mechanism

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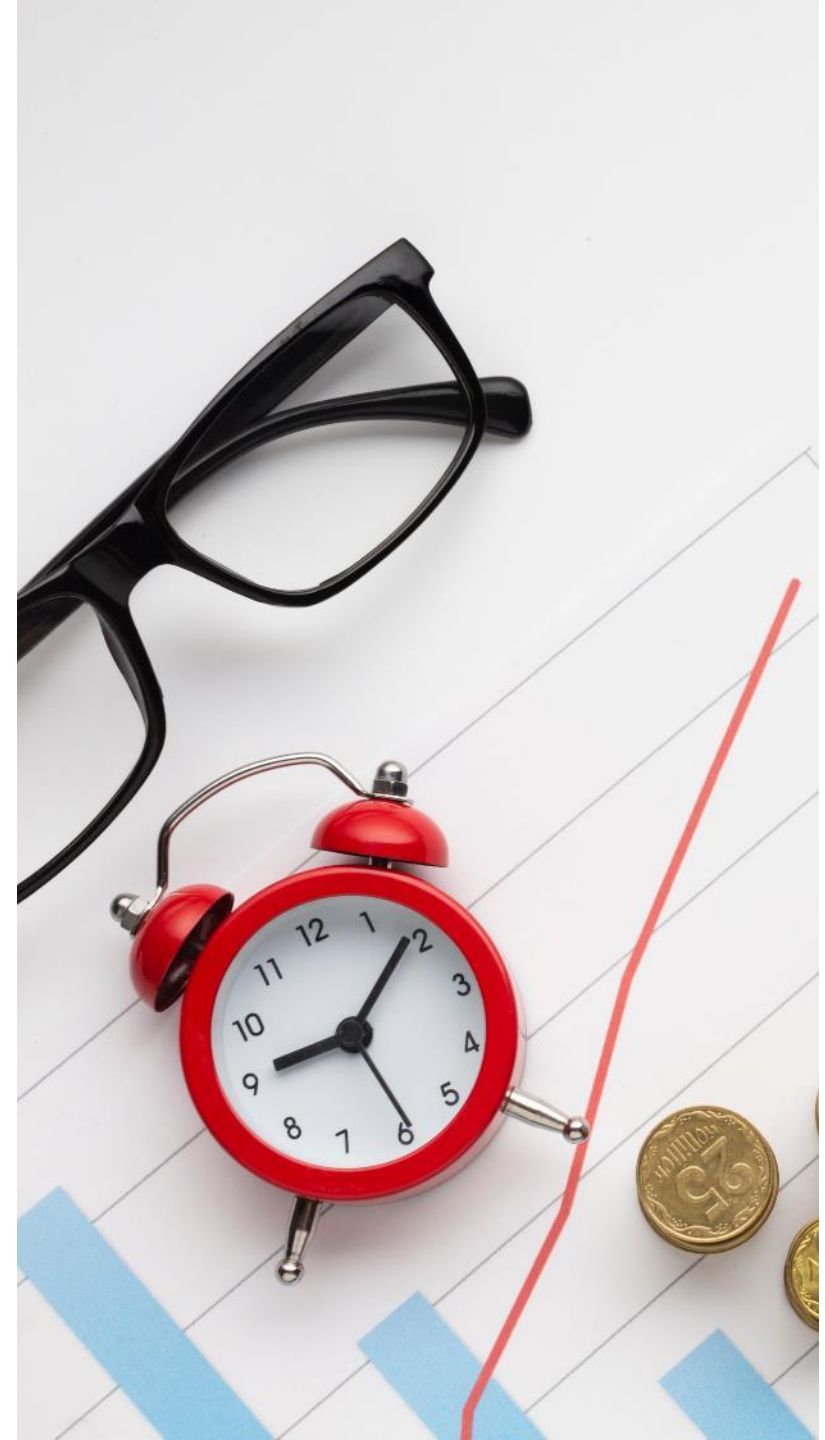
Take away!
For your next lump sum proposal

LS budget preparation requires significant time! ✓

Coordinator should invest more time in supporting partners! ✓

Perfomance and progress monitoring measures in the CA ✓

Act fast if something needs to be changed! ✓

Focus is on the completion of the work packages! ✓

QUESTIONS?

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VISIT

europamediatrainings.com

for more

and **EMDESK**®

thank you

for your attention

Krisztina Toth
krisztina.toth@europamedia.org

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Q&A SESSION

PLEASE USE THE Q&A PANEL TO SUBMIT YOUR QUESTIONS.

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MAY 16TH, 2024 @ 11:00 (CEST)

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