



#InvestEUresearch

Horizon 2020 Work Programme for Research & Innovation 2018-2020

LUMP SUM PILOT Why?

Research and
Innovation

Why?

- Simplification: **No financial reporting, no time sheets, no financial audit.** Payment exclusively based on completion of activity.
- Pilot scheme to evaluate results – view to FP9
- Start with a topic (e.g. BHC-15) that lends itself to lump-sum funding and a scientific community that is used to similar schemes from other funders, e.g. Product Development Partnerships



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Horizon 2020 Work Programme for Research & Innovation 2018-2020

LUMP SUM PILOT

Proposal Submission & Evaluation

Barbara Kerstiens, Acting Head of Unit
Health Directorate
DG Research and Innovation
European Commission

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Lump Sum Funding: a pilot topic

Topic SC1-BHC-15-2018:

New anti-infective agents for prevention and/or treatment of neglected infectious diseases (RTD-RIA 2018)

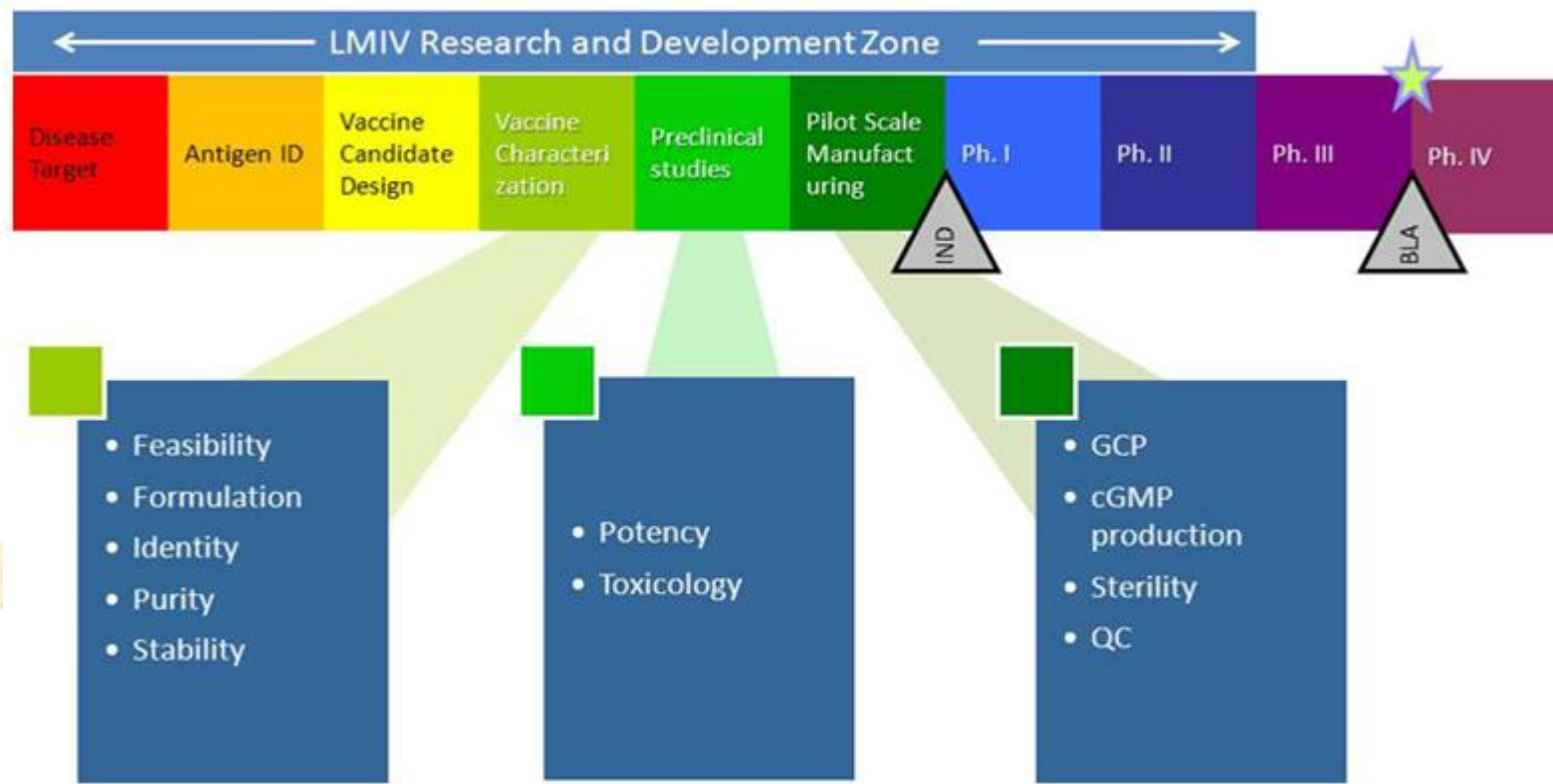
- **Scope: Bridge the gap** between late preclinical and early clinical (up to phase 1) development of already existing lead candidates of **drugs or vaccines against neglected bacterial and parasitic diseases** (neglected viral diseases excluded from topic).

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Lump Sum Funding: a pilot topic



<https://www.niaid.nih.gov/research/vaccine-development-pipeline>

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Lump Sum Funding: why this topic ?

Because:

- Relevant research tasks can be grouped in **relatively concrete "Work Packages"**
- Furthermore, the sequential nature of the WPs easily allows for setting up specific '**gating criteria**' that would allow for a "go/no go" decision between sequential work packages.

Lump Sum Funding: How Many WPs?

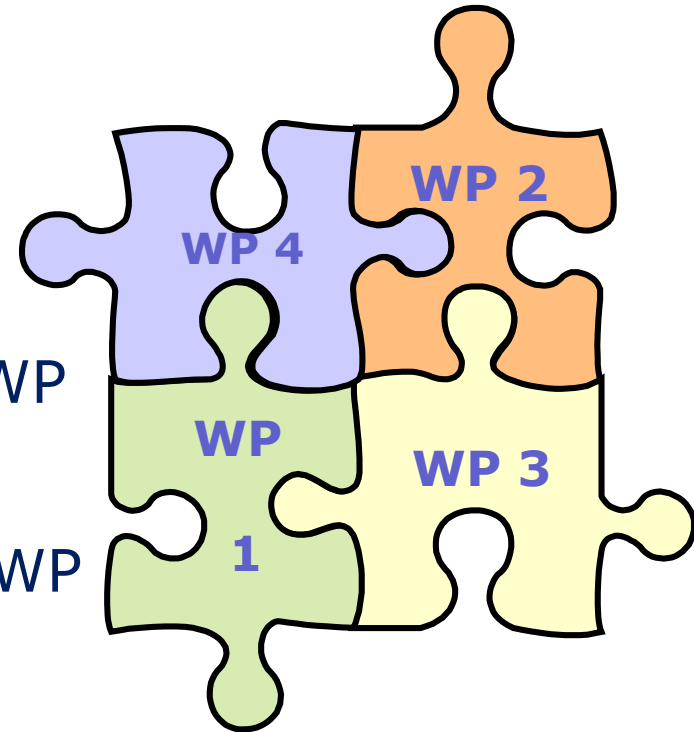
As many as needed but no more than what is manageable

'Work package means a major sub-division of the proposed project.'

Horizon 2020 Proposal template

Therefore:

- ✗ A single activity is not a WP
- ✗ A single task is not a WP
- ✗ A % of progress of work is not a WP
(e.g. 50 % of the tests)
- ✗ A lapse of time is generally not a WP
(e.g. activities of year 1)



Project management & dissemination may be special cases.

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Lump Sum Pilot: 2-stage Submission

1st-stage: Open date: 07 November 2017

Deadline: 06 February 2018

2nd-stage: Open date: May 2018

Deadline: September 2018

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Lump Sum Pilot: 1st-stage Submission

Participant Portal Templates:

- Part A:**

Section	Title	Action
1	General information	
2	Participants & contacts	
3	Budget → Total Requested EC Contribution	

- Part B: Technical description (≤ 10 pages)**

Lump Sum Pilot: 1st-stage Evaluation

Evaluation criteria:

- **Excellence**
- **Impact**
- **Quality and Efficiency of implementation**

Not evaluated

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Lump Sum Pilot: 2nd-stage Submission

Participant Portal Templates:

- **Part A:**

Section	Title	Action
1	General information	
2	Participants & contacts	
3	Budget → Summary Budget Table for the Proposal	
4	Ethics	
5	Call-specific questions	

Lump Sum Pilot: 2nd-stage Submission

Participant Portal Templates:

- **Part B: Detailed proposal**
(Objectives, Methodology, GANTT chart,
WPs Descriptions, Deliverables,
Milestones, Ethics etc)

+ Detailed Budget Table (XL Template, to be filled and uploaded) !!!!!

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Lump Sum Pilot: 2nd-stage Submission

Detailed Budget table – Specific spreadsheet – PART B:

Cost estimate for the direct costs of each beneficiary in the following categories:

- **personnel** costs, separately for each category of staff;
- costs of providing financial support to **third parties**, when the possibility is provided for in the topic;
- **travel** costs;
- **equipment, infrastructure, and other assets** (depreciation costs);
- **consumables**;
- **other goods and services**;
- **capitalised and operating costs of "large research infrastructure"**, when the possibility is provided for in the topic;
- **internally invoiced goods and services**;
- **subcontracting**.

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Lump Sum Pilot: 2nd-stage Submission

Q17												
	A	B	C	D	E	F	G	H	I	J	K	L
1	COSTS WORK PACKAGE 1											
2		Beneficiary nr 1 + ACRONYM			Linked third party to beneficiary nr 1			BE+TP				
3	DIRECT COST CATEGORY	UNITS	COST PER UNIT	TOTAL COSTS	UNITS	COST PER UNIT	TOTAL COSTS	BE+TP TOTAL COSTS				
4	TASK1 (If applicable)			0.00			0.00	0.00				
5				0.00			0.00	0.00				
6	A. DIRECT PERSONNEL COSTS			0.00			0.00	0.00				
7	A1: Employees (or equivalent)			0.00			0.00	0.00				
8	SENIOR SCIENTISTS			0.00			0.00	0.00				
9	JUNIOR SCIENTISTS			0.00			0.00	0.00				
10	TECHNICAL PERSONNEL			0.00			0.00	0.00				
11	ADMINISTRATIVE PERSONNEL			0.00			0.00	0.00				
12	OTHERS (Specify)			0.00			0.00	0.00				
13	A2. Natural Persons under direct contract			0.00			0.00	0.00				
14	Specify			0.00			0.00	0.00				
15				0.00			0.00	0.00				
16	A3. Seconded Persons			0.00			0.00	0.00				
17	Specify			0.00			0.00	0.00				
18				0.00			0.00	0.00				
19	A4. SME Owners without salary			0.00			0.00	0.00				
20	Specify			0.00			0.00	0.00				
21				0.00			0.00	0.00				
22	A5. Beneficiaries that are natural persons without salary			0.00			0.00	0.00				
23	Specify			0.00			0.00	0.00				
24	<i>[A6. Personnel for providing access to research infrastructure]</i>			0.00			0.00	0.00				
25				0.00			0.00	0.00				
26	B. DIRECT COSTS OF SUBCONTRACTING			0.00			0.00	0.00				
27	Subcontract 1 (Specify)			0.00			0.00	0.00				
28	Subcontract 2 (Specify)			0.00			0.00	0.00				
29				0.00			0.00	0.00				
30	<i>[C. Direct costs of fin. support]</i>			0.00			0.00	0.00				
31				0.00			0.00	0.00				
32	D. OTHER DIRECT COSTS			0.00			0.00	0.00				
33				0.00			0.00	0.00				
34	D1. Travel			0.00			0.00	0.00				
35	Reason (specify)			0.00			0.00	0.00				
36	Reason (specify)			0.00			0.00	0.00				
37				0.00			0.00	0.00				

Lump Sum Pilot: 2nd-stage Submission

B5

f_x

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1																
2																
3																
4	COST CATEGORY	TOTAL COSTS for WP1	TOTAL COSTS for WP2	TOTAL COSTS for WP....	TOTAL COSTS for WP Last		TOTAL FOR ALL WP PER BENEFICIARY									
5	Beneficiary 1+ACRONYM															
6	Beneficiary 2+ACRONYM															
7	Beneficiary 3+ACRONYM															
8															
9	Beneficiary XX+ACRONYM															
10	TOTAL FOR ALL BENEFICIARIES PER WP															TOTAL FOR ALL WP ALL BENEFICIARIES
11																
12																
13																
14																
15																



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Lump Sum Pilot: 2nd-stage Evaluation

Evaluation criteria:

- **Excellence**
- **Impact**
- **Quality and Efficiency of implementation**
- **Evaluation of resources/costs estimates**

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Lump Sum Pilot: 2nd-stage Evaluation

Evaluation of resources/costs estimates

- Experts with the necessary financial know-how will check the costs estimate
- Specifically, for **each work package**, the **cost estimate** is assessed for its accuracy and if the amount and allocation of resources proposed **allow achieving the expected output**.
- The **cost estimations assessed by the evaluators** are considered as the lump sum costs and the related lump sum EU contributions are calculated by applying the respective 100% H2020 reimbursement rate.
- The **evaluators may make recommendations to the Commission**

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Lump Sum Pilot: GA Preparation

- The Commission **may reject or reduce individual estimated cost items** based on the recommendations from the expert evaluators.
- In this case, the cost estimate for the lump sum concerned **is corrected** during grant preparation.
- For each lump sum, the final cost estimate and corresponding EU contribution are included in the grant agreement.



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Model Grant Agreement

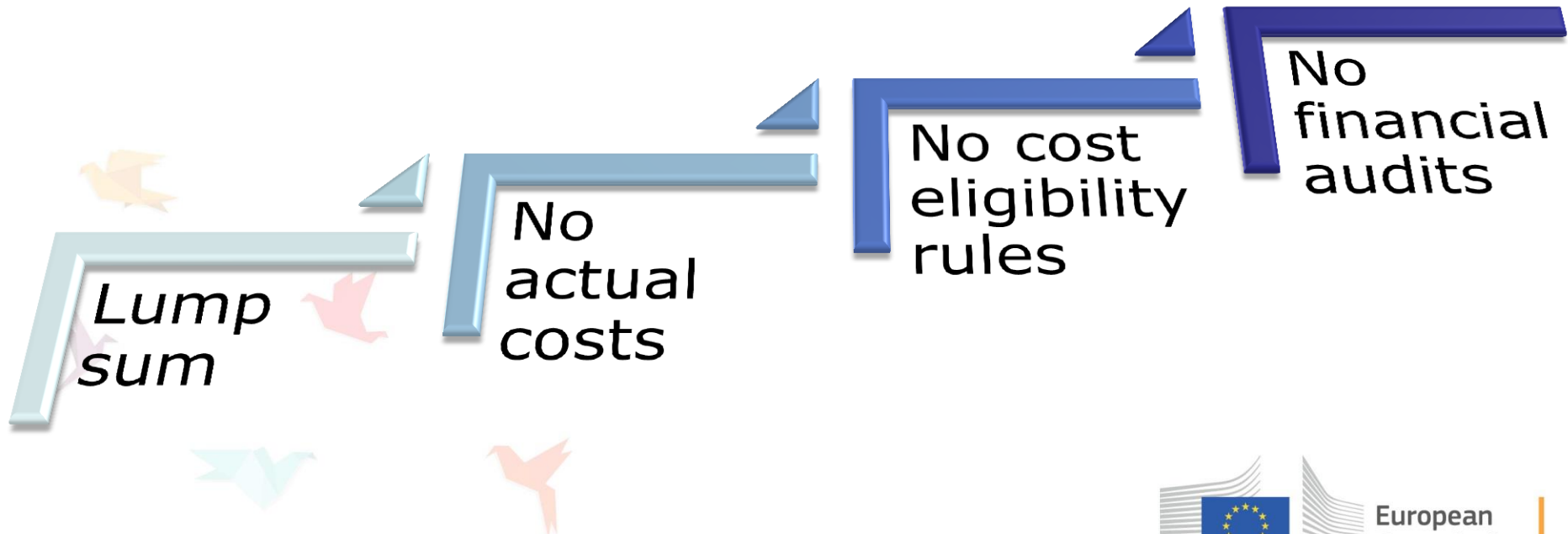
Mila Bas Sanchez, Head of Unit
Health Directorate
DG Research and Innovation
European Commission

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Lump sum grant: introduction

The grant agreement will set out the lump sum (EU funding) corresponding to the full accomplishment of the work committed in Annex 1.

The lump sum for the grant is set out at its signature, the costs actually incurred are not relevant.



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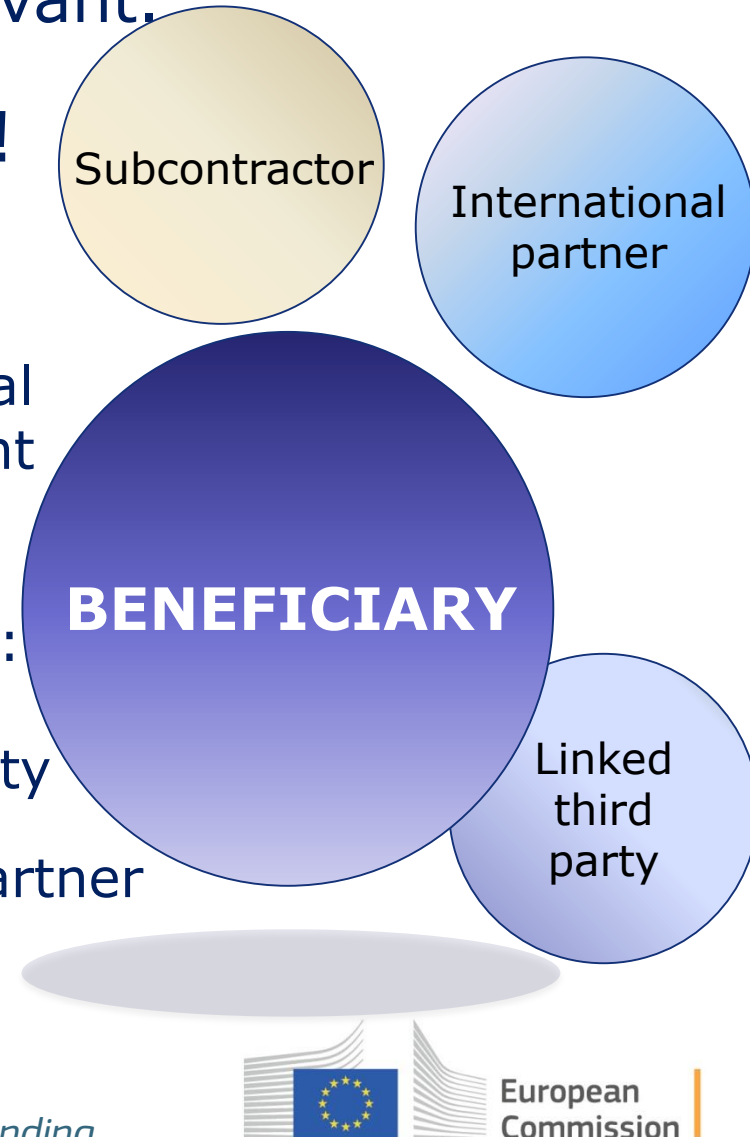
Lump sum grant: introduction (ii)

Costs actually incurred are not relevant.

Who does the work still is !

As in the General MGA:

- Linked third parties and international partners must be named in the grant agreement
- Annex 1 must detail the tasks to be:
 - ✓ Attributed to each linked third party
 - ✓ Attributed to each international partner
 - ✓ Subcontracted



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Lump sum grant: budget allocation & transfers

 All budget transfers require an amendment

	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

Transfer amounts between Work Packages only acceptable if:

- ☑ Work Packages **not** already completed (and declared)
- ☑ Justified by the technical and scientific implementation of the action
- ☑ A review confirms that it does not call into question the decision awarding the grant or breach the principle of equal treatment

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Lump sum grant: types of payments



Pre-financing payment

- Same functioning that in the general MGA
- Coordinator distributes the amount according to consortium agreement



Interim payment(s)

- One or more
- Pay the shares of the lump sum set out in Annex 2 for the WPs completed & approved in the reporting period



Payment of the balance

- Closes the financial aspects of the grant
- Uncompleted WPs will (generally) NOT be paid
- Releases the guarantee fund



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Lump sum grant: periodic report

Periodic report

⇒ max. 60 days after end of the period



Periodic Technical Report

- ✓ explanation of the work carried out
- ✓ overview of progress of the work & plan for the exploitation dissemination of results
- ✓ summary for publication
- ✓ Questionnaire



Periodic Financial Report

- ✓ financial statement (individual & summary): **no cost categories; only lump sum shares**
- ✓ use of the resources: **only to report subcontracts not in Annex 1**

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Lump sum grant: interim financial reporting

Each beneficiary declares its share of the lump sum allocated to Work Packages **fully** completed in the reporting period

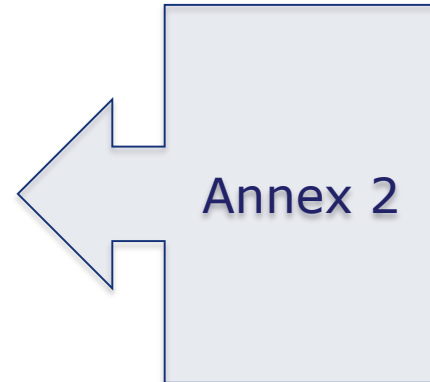


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Lump sum grant: interim payment

Sum of the shares of the lump sum allocated to Work Packages fully completed in the reporting period

	WP1	WP2	WP3	WP4	WP5
Beneficiary A	250.000			50.000	300.000
Beneficiary B		250.000	350.000	50.000	
Beneficiary C	100.000	100.000		50.000	
Beneficiary D		120.000		50.000	
Total	350.000	470.000	350.000	200.000	300.000



Annex 2

	WP1	WP2	WP3	WP4	WP5
Beneficiary A	Completed			Initiated	Initiated
Beneficiary B		Completed	Completed	Not initiated	
Beneficiary C	Completed	Not initiated		Not initiated	
Beneficiary D		Completed		Completed	



State of
play at
the end
of the
reporting
period

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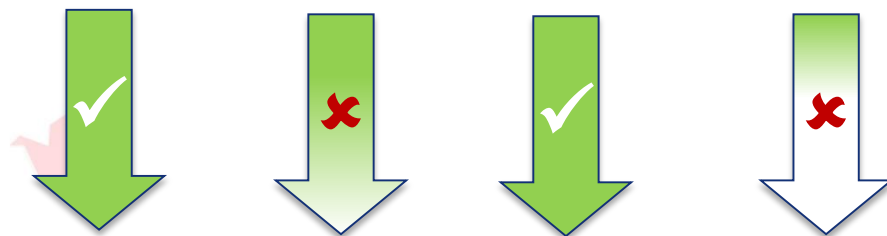
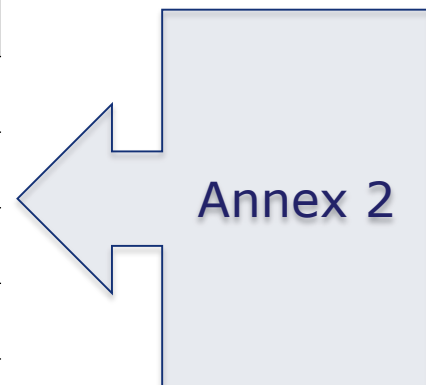


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Lump sum grant: interim payment

Sum of the share of the lump sum allocated to WPs fully completed in the reporting period

	WP1	WP2	WP3	WP4	WP5
Beneficiary A	250.000			50.000	300.000
Beneficiary B		250.000	350.000	50.000	
Beneficiary C	100.000	100.000		50.000	
Beneficiary D		120.000		50.000	
Total	350.000	470.000	350.000	200.000	300.000



Payment = 350 000 + 0 + 350 000 + 0 = 700 000 €

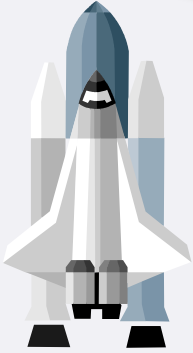


Limited to 90 % of the total grant



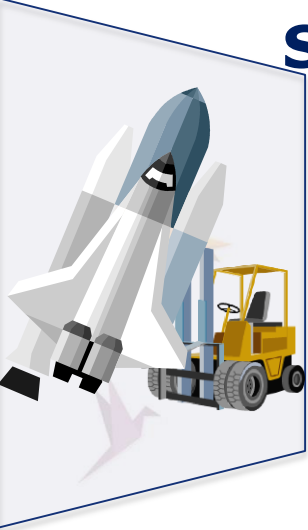
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Lump sum grant: payment of the balance

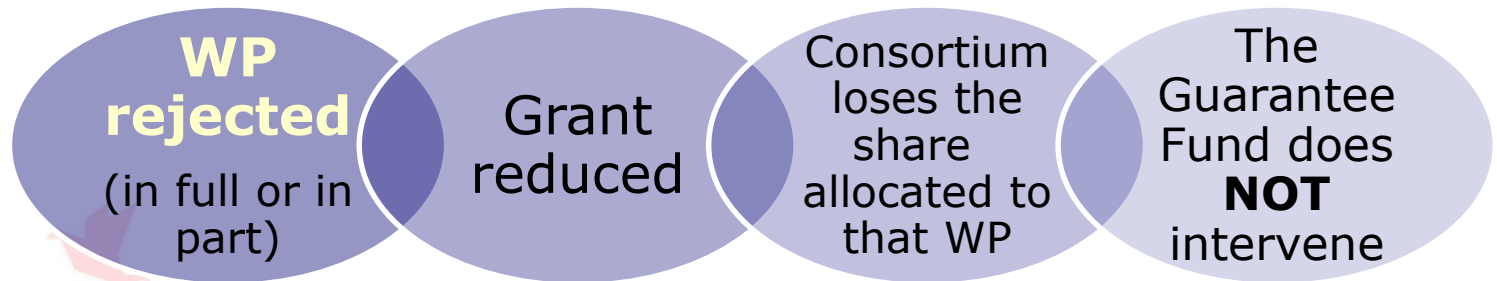


All work completed as indicated in Annex 1:

The Commission pays the remaining amount up to the total lump sum (and releases the Guarantee Fund)



Some WP not completed as indicated in Annex 1:

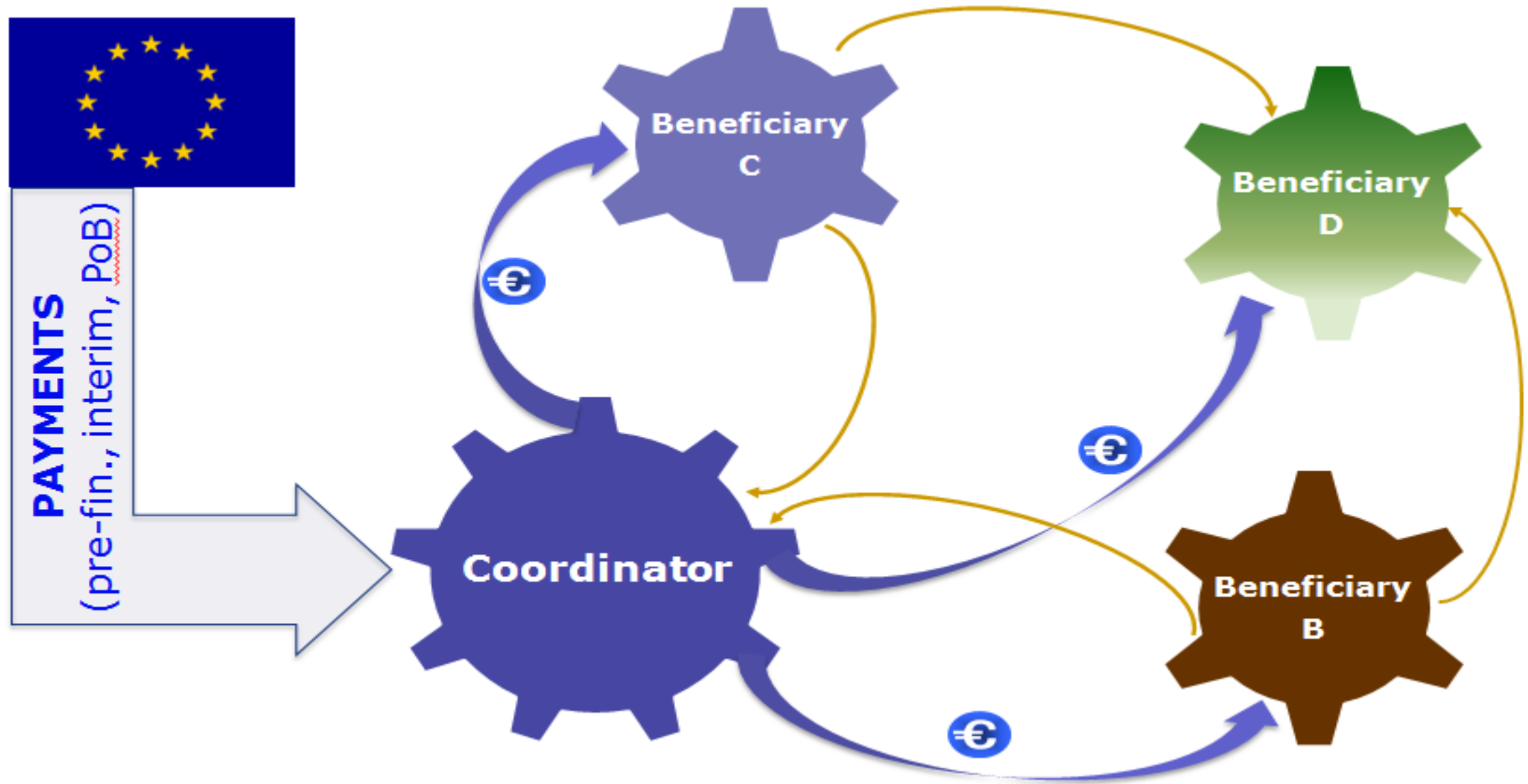


As in General MGA, other reductions (e.g. for breach of obligations) may also apply

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Lump sum grant: distribution of funds



Distribution of funds does not change financial liability of Annex 2



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Lump sum grant: liability of beneficiaries

Annex 2

Lump sum = Maximum grant amount

Max. liability of the beneficiary after payment of balance

	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

Share of the lump sum per WP

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Lump sum grant: ex-post controls

Checks, reviews and audits for:



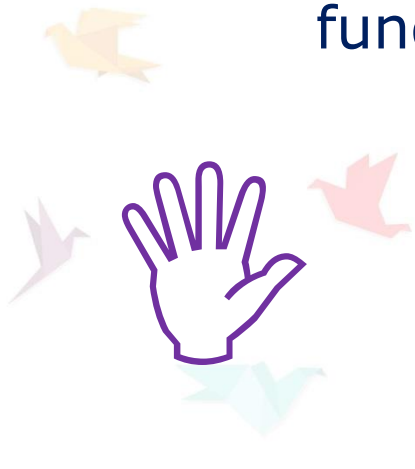
Proper implementation of the action (e.g. technical audit)



Compliance with the other obligations of the grant:

➤ IPR obligations

➤ Other obligations (e.g. ethics, visibility of EU funding, etc.)



Bye, bye, financial audits

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Lump sum grant: ex-post controls

You **need**



- ☐ Technical documents
- ☐ Publications, prototypes, deliverables
- ☐ Who did what?

- ☐ ...any document proving that the work was done as detailed in Annex 1

You **don't need**



- ☐ Time-sheets
- ☐ Pay-slips or contracts
- ☐ Depreciation policy
- ☐ Travel invoices
- ☐actual costs

Already the case under the general MGA

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Lump sum grant: recoveries

During the action

- Recovery only in case of termination of a beneficiary (if amount approved < amount received from the coordinator)

Payment of balance (PoB)

- Recovery if amount approved < payments already made
- Excess will normally be recovered from beneficiaries whose amount approved < amount received from the coordinator

After PoB

- Following (e.g.) a technical audit
- Recovery only from defaulting beneficiaries
- Each partner liable up to the amount allocated to it in Annex 2

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Thank you!

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#EUHealthResearch

<http://ec.europa.eu/research/health>

<http://ec.europa.eu/research/participants/portal>



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