

The lump sum pilot – Legal and financial issues to be considered by the consortium

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What is DESCA?



Core group:



Coordination:



Large consultation group of experts

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5.3.1 lump sum shares for the **approved work packages** declared by the beneficiaries [and linked third parties] are added together..

Issue: partner delivering late/badly will stop payment also for the partners involved in the WP

Consequences for governance? Stronger role of coordinator/WP leader needed?

Consequences for liability provisions between the partners?

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“ The estimated lump sum breakdown does not prescribe how the EU contribution is to be used by the beneficiaries. It shows the amount that the commission commits to pay if the action is implemented properly regardless of the costs actually incurred.

- Art. 4.1. MGA LSP ”

The lump sum pilot – Flexibility of project implementation

The adjustment of estimated lump sum shares (Annex2) is possible **via an amendment** - for transfers between beneficiaries and/or work packages -

Art. 4.2., 55 MGA LSP

For transfer of amounts **between work packages**, 3 requirements:

- ✓ Work package not completed yet
- ✓ scientific or technical justification and (!)
- ✓ a positive review (Art. 22.1.2.) that the amendment does not call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

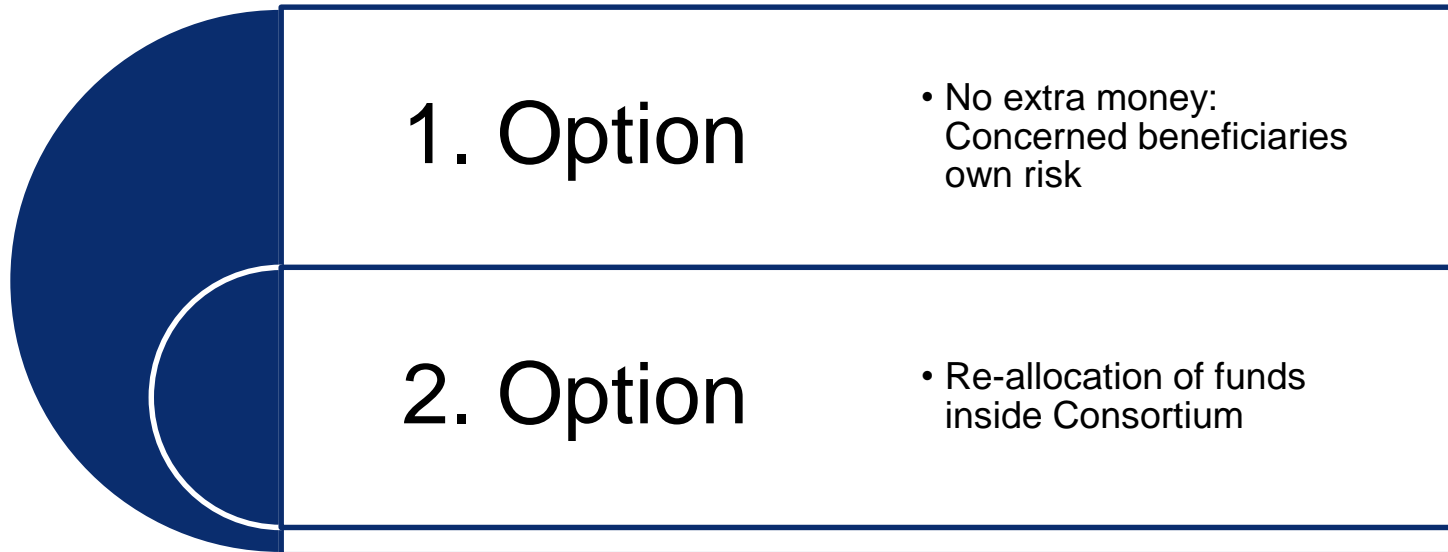
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Issues:

- Always request amendment of GA for minor adjustments between WP or have consortium-internal agreements?
- Once WP is completed, no modifications possible – speed becomes more important to remain flexible. More micro-management needed?

The lump sum pilot - Pre-financing & Interim payment

The aim of the pre-financing payment is to provide beneficiaries with a float (Art. 21.2 MGA LSP) **What if the consortium partners are struggling to finalize a work package and need much more time and resources?**



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Issues:

- Retain part of pre-financing to be more flexible?
- Who decides?

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Where do you need to change

- the rules of the game for proposal preparation
- the management style
- the Consortium Agreement



I'm looking forward to your discussion results!

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