

Key elements for the elaboration of WPs: efficient timing and cash-flow

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NCP-Academy Meet & Exchange Workshop “LUMP-SUM on the Practical Aspects to consider for the proposal phase of the Lump-Sum Actions,
13th March 2018, Brussels

Aim of our session

Your role

To discuss how the issue of work packages should be addressed in project with lump sum funding.

To identify elements to consider.

My role

To moderate your discussions and sum up your findings.

Lump sum funding – how?

Lump sum evaluation and grant agreement follow the standard approach as much as possible:

–Same evaluation criteria.

–Same pre-financing and payment scheme.

–Reporting periods and technical reporting as today, though focusing on completion of work packages.

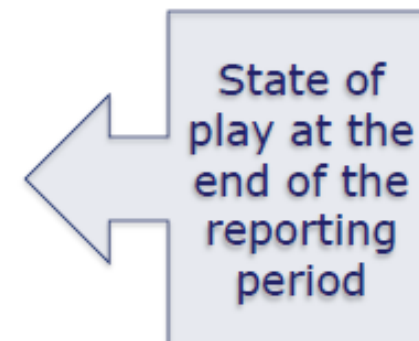
Reporting and payments

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



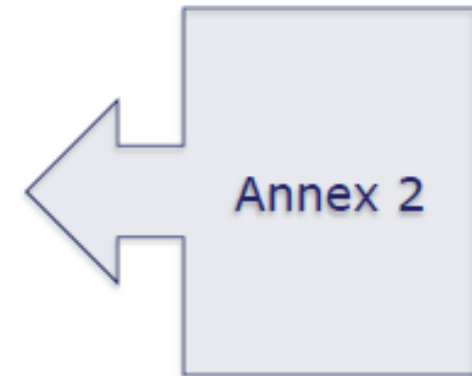
	WP1	WP2	WP3	WP4	WP5
Beneficiary A	Completed			Initiated	Initiated
Beneficiary B		Completed	Completed	Not initiated	
Beneficiary C	Completed	Not initiated		Not initiated	
Beneficiary D		Completed		Completed	



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Total	350.000	470.000	350.000	200.000	300.000



Limited to 90 % of the total grant

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

Lump sum funding – how?

One (sub-)lump sum is fixed in the grant agreement for each work package.

This amount is paid when the activities in the work package are completed.

As today, payment does not depend on a successful outcome, but on the completion of activities.

Lump sum funding – how?

For each work package, the grant agreement defines how the lump sum is split among the beneficiaries participating in it.

This limits their financial liability.

Consortium is jointly liable for implementation as today.

No actual cost reporting and no financial audits.

Budget allocation

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

Remember that indirect costs (overheads) are included in these amounts.





How many work packages?

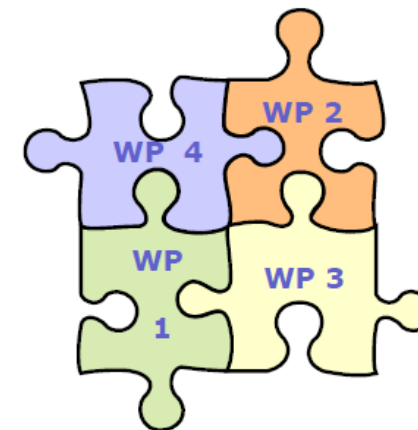
As many as needed but no more than what is manageable

'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).
WP management may be a special case.



More information

RESEARCH & INNOVATION
Participant Portal

European Commission > Research & Innovation > Participant Portal > Reference Documents

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Reference Documents

Beneficiary Register
Partner Search
Financial Viability Self-Check
SME Participation

Reference Documents

This page includes all the H2020 & FP7 reference documents starting with legal documents and the Commission work programmes for research and innovation up to model grant agreements and guides for specific actions and horizontal issues. The documents are grouped by categories. It also includes reference documents of other EU programmes, as 3rd Health, Consumer, COSME and Research Fund for Coal and Steel programmes. To access a document:

- Click on a folder
- Click on ARROW to have more information about the document and its available translations

You can search a specific H2020 or FP7 document on the [Europa Search](#) service.

H2020 Other EU programmes FP7

All contents of the H2020 Grants Manual folder below are being transferred to the [ONLINE MANUAL](#)

- Legislation
 - Framework programmes (EC-Euratom)
 - Rules for participation
 - Specific programme
 - European Institute of Innovation and Technology (EIT)
- Work Programmes
 - 2014-15
 - 2016-17
 - 2018-20
- Grant agreements, contracts and rules of contest
 - Model grant agreements
 - General Grant Agreement
 - European Research Council (ERC)
 - Marie-Sklodowska-Curie (MSC)
 - SME Instrument
 - ERANET Cofund
 - Pre-Commercial Procurement (PCP)/Public Procurement (Innovative Solutions) (PPI)
 - European Joint Programme Cofund
 - Framework Partnerships
 - Lump sum
 - H2020 MGA Lump sum - Multi - v5.0
 - H2020 MGA Lump Sum Pilot - Multi**
 - H2020 Lump Sum Pilot - Methodology option 1**
 - H2020 Lump Sum Pilot - Methodology option 2**

The EU Framework Programme for Research and Innovation

HORIZON 2020

H2020 Programme

Multi-Beneficiary Model Grant Agreement

Lump sum pilot

(H2020 MGA Lump sum pilot — Multi)

Version 5.0
27 October 2017

Disclaimer
This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.

EN
ANNEX

1. Form of grant and categories of costs covered

Grants under the Horizon 2020 Framework Programme and under the Euratom Programme complementing Horizon 2020 may take the form of a lump sum, for calls or topics specified in the Horizon 2020 Work Programme 2018-2020.

This lump sum will cover the beneficiaries' direct and indirect eligible costs for the project (i.e. design and development of an ICT platform and experimentation of the platform by companies in the manufacturing sector).

These costs must be shown in the proposal, via a description of resources, a detailed cost estimate per work package and per beneficiary and linked third party and a detailed budget table.

This detailed budget should show the costs of each beneficiary in the following categories:

- Direct personal costs
- Other direct costs
- Direct costs of subcontracting
- Direct costs of providing financial support to third parties
- Indirect costs

It may include only costs that would be eligible for an actual costs grant and must exclude costs that are ineligible under the H2020 rules.

Indirect costs should be calculated by applying a flat-rate of 25% to the direct cost categories that qualify for indirect costs under the H2020 rules.

The applicants must also provide in the proposal a breakdown of the lump sum showing the share per work package, the share assigned to each beneficiary (including third party). This estimated lump sum breakdown will become part of the grant agreement (Annex 2).

The proposal must describe, for each work package, the activities that are covered by the lump sum share.

The amount of the lump sum for each grant is fixed at 7.5 million euro, following the methodology set out in Section 3.

Payments do not depend on the costs actually incurred.

The lump sum will be paid by the Commission, if the corresponding work packages of the action have been properly implemented in accordance with Annex 1 of the grant agreement (and provided that all other obligations under the grant agreement have been complied with).

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ANNEX

2. Simplification

Simplification as a central sum of the Horizon 2020 Framework Programme and of the Euratom Programme complementing Horizon 2020 needs to be reflected in its design, rules, financial management and implementation.

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