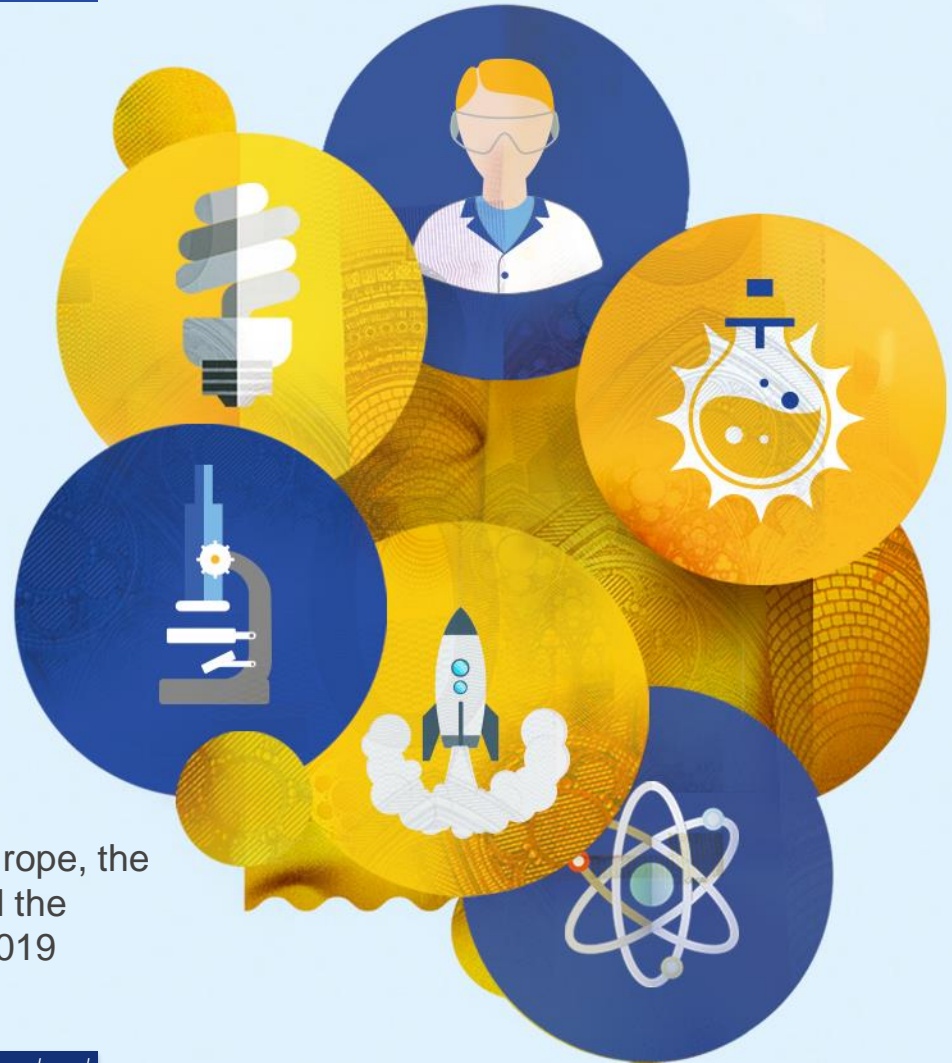


Horizon Europe

THE NEXT EU RESEARCH & INNOVATION
INVESTMENT PROGRAMME (2021 – 2027)

#HorizonEU

Based on the Commission Proposal for Horizon Europe, the common understanding between co-legislators and the Partial General Approach, both approved in April 2019



Breakdown of contents

I: Simplified forms of costs

- **Which ones?**
- **Why?**

II: The Lump sum pilot

- **Why?**
- **A pilot with 2 options**
- **Principles**
- **Lessons learned**

III: Implementation strategy web consultation: Spanish responses on lump sums

Horizon Europe - Simplified forms of costs

Simplified forms of costs

❖ Different simplified forms:

- Units
- Lump sums
- Flat rates

❖ One common two-fold objective:

- Reducing the administrative burden & the risk of errors

Why simplified forms?



Focus on conditions triggering the payment

- Shift from focus on financial management and checking costs to focus on scientific-technical content of the projects, e.g.:
 - For unit: occurrence of an event, achievement of a deliverable or a specific output etc...
 - For lump sum: e.g. performance of a set of activities (e.g. accomplishment of a Work Package).

Examples of usage

Actual costs

- e.g. Personnel costs, other direct costs, subcontracting etc.

Units costs

- e.g. SME owner unit cost, MSCA unit costs

Lump sums

- All types of costs (i.e. H2020 lump sum pilot)

Flat rates

- e.g. Indirect costs (25%)

Horizon Europe - Lump sum Pilot

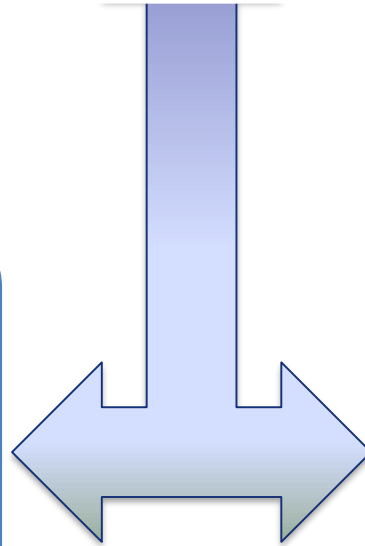
Lump sum: Why?

- **Significant simplification potential:**
 - Despite all simplification, funding based on reimbursement of incurred costs stays complex and error-prone
 - Lump sum project funding removes all obligations on actual cost reporting and financial ex-post audits – i.e. a major reduction of administrative burden
- **Focus on performance:**
 - Shift from focus on financial management and checking costs to focus on scientific-technical content of the projects

Two options

Amount of the lump sum

Fixed in the
Call



Per project
based on the
budget

Lump sum

➤ **Option 1**

- Fixed lump sum per project defined in call for proposals
- Proposals describe the efforts and resources applicants commit to mobilise for this amount.
- Applicants must provide proposed split of the lump sum per work package and per beneficiary.
- The evaluation – and competition between proposals – ensure that adequate resources are committed

➤ **Option 2**

- Proposals provide a detailed estimation of costs
- Experts assess cost details during evaluation and make recommendations (panel will include expert/s with financial expertise).
- Based on this, the lump sum is fixed during grant preparation

Principles

Lump sum evaluation and grant agreement follow 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

One lump sum share 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**

Record-keeping for beneficiaries

They need



- Technical documents
- Publications, prototypes, deliverables
- Who did what?
- ...any document proving that the work was done

They don't need



- Time-sheets
- Pay-slips
- Depreciation policy
- Invoices
- ...any document proving the actual costs incurred

Already the case for actual costs-based MGA

Lessons learned: Issues to consider before drawing conclusions

- We are in the first stages: Experience is very limited!
- Evaluations of ongoing pilots concluded (NMBP, S2R, Health, ERC-PoC 2 cut-off dates)
- ECA's recommendations on the Special report on H2020 Simplification

Therefore

- We need to increase the number of pilots! ➡ WP 2020!

Lump sum: Lessons learned

From proposal preparation:

- Reinforcing information to beneficiaries on lump sum specificities
- Concept of work packages
- Improving the design of the budget Excel sheet
 - **Set of slides** 'Lump sum pilots: What do I have to know?'
 - **Video** 'All I need to know about lump sum pilots'

From evaluation:

- Reinforcing information to evaluators

Other important issues to be underlined

- Careful selection of experts with project management / financial background
- Homogenous implementation of different pilots

New pilots in 2020: Principles considered

- **Topics which are suitable for Lump sums**
- **Pilots fitting in existing Option I and Option II**
- **Different types of actions: IA-LS, RIA-LS and CSA-LS**
- **Small and big projects**
- **Topics from different parts of the work programme**
- **Implementation by the Commission, and different Executive Agencies**

Horizon Europe Implementation strategy online consultation: Spanish responses on lump sums



Thank you!

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<http://ec.europa.eu/horizon-europe>