



# **Lump sum pilot state of play**

**NCP meeting  
20 June 2017**

# Why?

- Huge **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 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.

# How?

- Pilot consists of **2 topics** in 2018
- **2 options/approaches** will be tested
- Digital 'plug and produce' online equipment platforms for manufacturing (IA)
  - **RDT.D (NMBP)**
  - **Option 1: lump sum defined in work programme**
- New anti-infective agents for prevention or treatment of neglected infectious diseases (RIA)
  - **RTD.E (Health)**
  - **Option 2: lump sum defined in proposal**

- Option 1
  - **A fixed lump sum per project is defined in the call for proposals. Proposals describe the efforts and resources that the applicants commit to mobilise for this amount. Applicants must also provide the 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 (stage 2 only). Experts assess the cost details during evaluation and make recommendations. Based on this, the lump sum is fixed during grant preparation.**

# Principles

- 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, focusing on completion of work packages**
- 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.**

## Principles (cont.)

- 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 financial reporting and no financial audits.

## State of play

- Special MGA for lump sum pilot (near-final)
- Methodologies for fixing and evaluating lump sums under development
  - **COM decisions needed for both by the time the WP 2018-2020 is adopted (October/November)**
- Discussions with NCPs and relevant PC configurations from March – May; feedback was reflected in the design
- Dedicated L&F NCP meeting on 20 June
  - **to discuss the special MGA, and**
  - **2 topics, 2 options, details of implementation**