

(English version)

**Question for written answer E-002331/24
to the Commission**

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(30 October 2024)

Subject: Horizon Europe: lump sum funding

Lump sum funding is now widely adopted in all parts of the Horizon Europe framework programme (FP), marking a major shift in the financial management of EU-funded research, development and innovation (RD&I) projects. Promises of a reduced administrative burden have largely failed to materialise; no financial reporting does not mean that there is no need for adequate financial management. Feedback on running projects still needs to be collected and considered so that further improvements can be made. In addition, this feedback should ensure that lump sum funding is only used when deemed appropriate, taking into account the complexity, technical and economic uncertainty, and scope of EU-funded RD&I projects and consortia (and not merely used as a measure for reducing the FP error rate).

1. What criteria does the Commission use to decide whether to apply lump sum funding to a call or not?
2. What is the legal basis for inviting evaluators to assess lump sum budget tables in project proposals?
3. What additional measures is the Commission planning to take to simplify the use of lump sum funding for beneficiaries while maintaining legal certainty?

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Answer given by Ms Zaharieva on behalf of the European Commission

(11 February 2025)

The Commission is of the opinion that the benefits of lump sums have materialised. Lump sums will be used when deemed the most appropriate approach.

Most participants find that lump sums reduce their administrative burden ⁽¹⁾. Beneficiaries can choose the extent to which they seize the full simplification benefits; while some continue internal financial management tasks, most have stopped some or all of these ⁽²⁾, which are no longer an obligation in the lump sum grant agreement.

1. Lump sums can be used irrespective of the Research and Innovation content. Horizon Europe governance and the Programme Committee establish where to use lump sums ⁽³⁾, ⁽⁴⁾. The focus is on call topics for grants below EUR 10 million with 10 or fewer participants. Small and medium enterprises and/or newcomers are particularly positive about lump sums, so topics addressing these groups are good candidates. The recent lump sum assessment confirmed these criteria ⁽⁵⁾.

2. Article 29 of the Horizon Europe Regulation ⁽⁶⁾ states that grant proposals, which include the estimated budget, are evaluated by a committee of external experts. This applies both to actual cost and lump sum grants. In line with the Financial Regulation, the evaluation of lump sum budgets is one of the safeguards for sound financial management in the decision authorising the use of lump sum under Horizon Europe ⁽⁷⁾.

The legal basis for experts to evaluate the budget in lump sum proposals stems from the same Decision ⁽⁸⁾. Section 3 thereof stipulates that for each work package, experts should review the budget estimate using relevant cost and resource benchmarks ⁽⁹⁾ to ensure that the proposed resources and lump sum distribution can achieve the expected outcomes.

⁽¹⁾ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/other/comm/lis-assessment-report-2024_en.pdf , section ‘Overall satisfaction’, p. 24-25.

⁽²⁾ e.g. keeping timesheets.

⁽³⁾ As requested by many stakeholders, lump sums are being rolled out gradually.

⁽⁴⁾ The resulting work programmes are adopted by Commission decision.

⁽⁵⁾ Link footnote 1 section ‘Survey results’, p. 24-40.

⁽⁶⁾ OJ L 170, 12.5.2021, p. 1-68.

⁽⁷⁾ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/lis-decision_he_en.pdf

⁽⁸⁾ Idem footnote 7.

⁽⁹⁾ Such as market prices, statistical data, or historical data.

3. The Commission will continue to monitor lump sums, including as part of the Horizon Europe interim evaluation, and to improve the process, where needed ⁽¹⁰⁾, ⁽¹¹⁾. While the legal principles remain stable, the processes, tools, guidance and training are continuously improved in line with stakeholder feedback.

⁽¹⁰⁾ Assessment of the Lump Sum Pilot (2018-2020)(https://research-and-innovation.ec.europa.eu/document/download/acd39d69-99db-4ddd-b788-7c36397b22dd_en?filename=assessment_of_the_lump_sum_pilot_2018-2020_report) of October 2021, the overall positive results available at [https://www.europarl.europa.eu/stoa/en/document/EPRS_STU\(2022\)697218](https://www.europarl.europa.eu/stoa/en/document/EPRS_STU(2022)697218).

⁽¹¹⁾ https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/other/comm/lis-assessment-report-2024_en.pdf, in particular sections ‘Written comments and suggestions’, p. 41-42, and ‘Conclusions and next steps’, p. 43-45.