

Caution needed on interim analysis of lump sum pilot

Joint statement dated 22 November 2021

Our associations, [CESAER](#), European Association of Research and Technology Organisations ([EARTO](#)) and the European University Association ([EUA](#)), are strong supporters of simplification in the successive EU framework programmes for research and innovation. Simplification efforts should cover the full project cycle, from application to audit.

In October, the European Commission published an [Assessment of the Lump Sum Pilot 2018 - 2020: Analysis of qualitative and quantitative feedback](#). This concerns nearly 500 lump sum grants, and concludes that "the approach developed in Horizon 2020 is fit for wider use in Horizon Europe". We welcome the fact that the pilot has been evaluated, but would like to point out several issues. It is worth noting that half of the respondents to the "participants survey" were not successful in securing a grant. For those who were, the majority of the projects started in 2019 or 2020 and will report for the first time in 2021. This analysis therefore does not cover the full projects' lifecycle, let alone the impact of lump-sum funding on collaboration and on projects' research and innovation outcomes. The report should thus only be considered as an interim analysis. Preliminary findings show that there is a more positive attitude amongst SMEs towards lump sum funding, and more positive feedback associated with small to mid-sized budgets and small to mid-sized consortia. In contrast, larger companies, universities and other research and technology organisations are less positive. The interim analysis also confirms that improvements are needed to the current approach.

In recent years, our associations have expressed concerns about the unintended consequences of the lump sum funding approach. While it appears to benefit some specific types of participant, for others the added value is not clear and concerns remain unresolved. For example, the use of lump sum funding for larger consortia results in a risk-averse approach with regards to the choice of partners (applicants tend to choose partners that they already know and trust) and the collaboration between them (more, smaller and disconnected work packages). This creates a negative impact in terms of widening participation and strengthening pan-European collaboration objectives.

In addition, as this is an early assessment, the report lacks the full experiences of coordinators, as well as the full effect of lump sum on grant management, including final payments and reporting, and its impact on RD&I outcomes. **Broader use of lump sum funding is therefore premature and we call (i) for caution on the interpretation of the interim analysis, and (ii) to await the final and thorough evaluation of the pilot.**

It is essential to further develop the evidence base while finalising the pilot, since simplification efforts need to cover the full project cycle. We see the interim evaluation of Horizon Europe as a natural milestone to consider introducing changes. Simplification efforts must be holistic and aim to improve the beneficiaries' experience in the programme, notably by ensuring effective implementation of the acceptance of usual cost accounting practices, and enabling cross-reliance on audits.

Our organisations remain committed to this topic and we look forward to working together towards the interim evaluation of Horizon Europe.