Key Action 2 – Partnerships for Cooperation

Handbook on the lump sum funding model

Frequently Asked Questions

Introduction

This list of questions and answers aims to provide National Agencies, applicants and beneficiaries with additional information on the financial rules related to the lump-sum funding model applicable to Cooperation and Small-scale partnerships.

This document may evolve based on the questions raised by the National Agencies via NACO or changes introduced in future calls.

The first part of the document includes a series of questions useful for National Agencies, applicants and beneficiaries. These questions can be shared with applicants and beneficiaries if needed.

The second part is only dedicated to the National Agencies to help them seize more easily the details of the lump-sum funding model.

I. Frequently asked questions for National Agencies, applicants and beneficiaries

Financing aspects

Q: Where should the co-funding aspects be described in the proposal?

A: The applicant is not directly asked to describe the co-funding aspects in the application form, but has the possibility to explain it in the cost-effectiveness section. In addition, there is a reminder phrase in each work package section about the co-financing principle in relation to EU grants, describing that additional costs not covered by the EU grant have to be covered by the participating organisations in form of their own resources, income generated by the action or financial or in-kind contributions.

Q: Subcontracting: how should the applicant declare the funds allocated to the subcontracting?

A: The subcontracting is allowed but cannot cover core activities of the project. If the applicant decides to subcontract activities, it should be explained in the description of the work packages. The applicant has to estimate the amount and include it in the description.

Q: If the applicant estimates that its project can be implemented with an amount of EUR 395.000, should it apply for a EUR 250.000 grant?

A: At the moment of planning and designing the application, the applicant has to choose the most appropriate maximum lump-sum amount to cover the costs of its project, based on the needs and the objectives. The applicant can only opt for one of the pre-defined amounts in the call for proposals (Programme Guide). If the amount needed does not correspond to one of the predefined lump-sum amounts, the applicant is recommended to adapt the project to fit the corresponding lump sum amount.

Operational aspects

Q: How many work packages can be included in a project?

A: It is recommended to split the project in a maximum of 5 work packages.

Q: Is the project management work package included in the maximum 5 work packages recommended?

A: One work package is dedicated to the project management. From a budget point of view, the amount dedicated to the project management can represent maximum 20% of the total lump-sum amount. No activities linked to the project management should be included in the other work packages.

Q: Is the project management work package a separate work package?

A: The project management work package is a separate work package. The aim of this specific work package is to cover all the costs linked to horizontal activities of the project (e.g. - drafting of reports, monitoring, coordination…). No activities linked to the management of the project should be included in the other work packages.

Q: Will it be possible to add new activities when implementing a small-scale partnership project?

A: The beneficiary can request an amendment to the grant agreement to add a new activity not foreseen in the proposal with a clear justification and the NA should assess if the changes would call into question the decision awarding the grant or breach the principle of equal treatment of applicants. It should be noted that the total amount awarded cannot be changed, the new activity has to be implemented within the accepted budget.

Q: If a beneficiary wants to change an activity in a Cooperation partnership project, does it have to ask for an amendment?

A: The final aim of the project is to reach the objectives set in the proposal, therefore, the beneficiary could decide to add/ modify a foreseen activity or an activity within a work package without requesting an amendment, as long as the change does not alter the objective that was defined for that work package and the results are still fully accomplished for what was described for this work package.

Q: What is the correct procedure for modifying the budget allocated to a single work package?

A: In case that, during the implementation of the project, a beneficiary needs to modify the budget allocated to a work package, this can be done only by requesting an amendment. This change should be justified by the technical implementation of the action. In this sense, the granting authority will assess any such request for amendment on a case-by-case basis.

Q: What are the supporting documents the beneficiaries should keep for checks and audit purposes?

A: The supporting documents that the beneficiaries need to keep and make available in case of checks and audits are all those documents relevant for demonstrating the occurrence of the generating event. It is up to the beneficiaries to define which documents are relevant to prove that the activities effectively took place and that the quality of those activities is in line with what was foreseen in the proposal. Due to the variety of activities, an exhaustive list of supporting documents can't be defined. For example, supporting documents could be: list of attendance to a meeting, minutes of this meeting, deliverables, output of the project, project results produced, etc.

II. Frequently asked questions for National Agencies

Assessment of proposals

Q: How to proceed if a partner is considered as ineligible during the evaluation procedure?

A: If the removal of a partner implies that the minimum number of partners is not met anymore, the proposal will be rejected. When performing the quality assessment if the removal of the partner considered as ineligible reduces the quality of the project, the proposal may be rejected due to a lower score in the award criteria. If the project still fulfils the award/quality criteria even without the removed partner, in case of award the applicant should redistribute the project budget among the remaining partners and the tasks should be reallocated accordingly, before the signature of the grant agreement.

Q: Is a separate ranking list per predefined maximum lump-sum amount mandatory?

A: Yes, separate ranking lists are mandatory because applicants will only compete with proposals applying for the same predefined maximum lump-sum amount.

Q: How should the NA verify that the principle of co-funding is applied?

A: The NA is not to verify the sources of co-funding. During the evaluation phase of the proposal, the evaluator has to assess the value for money and estimate if the amount requested is coherent with the activities to be implemented and the objectives to be achieved, taking into account the principle of co-financing applying to EU grants. This principle implies that the resources necessary to carry out the action are not provided entirely by the grant. The additional costs which are not covered by the Union contribution need to be provided by the beneficiary from their own resources, income generated by the action or financial or in-kind contributions.

Q: Is it possible during the evaluation procedure to reallocate a proposal from a predefined maximum lump-sum amount to another one?

A: No, the applicant has to choose and indicate in its application the maximum lump-sum amount that it considers the most appropriate to cover the costs of its project.

Q: If the budget for all activities in the application form sums up to a lower amount than (or even equals) the amount requested, does the NA have to reject the application?

A: This case is not possible as the application form is designed in a way that the total value of the activities/work packages must always match with the total lump-sum amount requested by the applicant.

Q: How can the NA's provide to the experts information regarding the assessment of the cost-effectiveness of the project?

A: More information is provided in the guide for experts on quality assessment, which also specifies the level of experience and profiles required for the experts. They will also base themselves on previous experience and background documents from previous calls with similar projects. In addition, *the qualitative information provided by the applicant should be sufficient to determine whether the amount attributed to the activity is appropriate.*

Q: How can the NA check where a specific activity is going to take place?

A: The applicant should provide as much as possible information to explain how it will implement the activities to reach the objectives that have been set in the proposal. If relevant, the place of the activities is one of the elements that should be provided in the application form.

Q: In addition to the information provided in the Annex of the handbook, where can we find further guidance related to project management?

A: The website of the Publication Office of the European Union offers some publications linked to project management methodologies. The documents related to the PM² methodology developed and supported by the Commission can be found there: https://europa.eu/pm2/home_en.