



Cascade funding: a fast track for tech innovators

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Cascade funding, officially known as Financial Support to Third Parties (FSTP), is increasingly becoming popular. It is a pragmatic, low-barrier entry point into European funding that can help you to accelerate your innovations without the administrative overhead typically associated with EU programmes such as Horizon Europe and Digital Europe. Ideal for tech-oriented SMEs and R&D teams.

What is cascade funding and why should you care?

Cascade funding allows EU-funded consortia to redistribute part of their project budget to external organisations through **open calls**. These sub-grants are designed to support targeted innovation activities within the scope of the original project. This means more specifically:

- **Internationalisation with low friction:** participate in EU-level innovation ecosystems without needing to join a full consortium from day one
- **Minimal administration:** no PIC code required, simplified reporting, and direct interaction with the project consortium, not the European Commission
- **Agile project formats:** shorter project durations, fewer partners, and faster decision cycles make these calls ideal for prototyping, validation, and technology integration

- **Targeted innovation challenges:** calls are often laser-focused on specific technical domains (AI, robotics, cybersecurity, advanced manufacturing, etc.), making them highly relevant for engineering-driven organisations

For companies active in advanced manufacturing, digital transformation, or applied research, cascade funding is a **strategic tool that helps validate new technologies in a European context**, build partnerships with research and technology organisations, universities, and industrial players, accelerate technology readiness level progression, reduce financial risk in early stage innovation, and position themselves for future full scale EU projects. In short, it is one of the most accessible ways to enter the European innovation arena.

Where to find cascade funding opportunities?

Cascade funding calls are published on the **Funding & Tenders Portal**. You can filter directly for “[Calls for funding in cascade](#)” (in the “all filters” box). You can further tweak the search to limit it to [Horizon Europe](#) or [Digital Europe](#). Many cascade calls are announced as well on their **project websites**, though no centralised list of these exists.

Typical funding amounts and eligible activities

Horizon Europe (Pillar II)

Typical grants are up to €60,000 per beneficiary, although exceptions exist and higher amounts are becoming more common. Funding can be provided as lump sums, prizes, or reimbursement of actual costs.

Supported activities include technology validation, pilot deployments, integration of advanced components, and domain specific experimentation such as artificial intelligence, internet of things, materials, and manufacturing.

Digital Europe Programme

Financial Support to Third Parties is used as a dedicated instrument, in which the majority of a project's budget has to be allocated to cascade funding. Third parties receive funding at a rate of 50 percent reimbursement of eligible costs, which means co funding is required.

Supported activities typically include small scale pilots, use cases testing new digital solutions, training scholarships, and the development of digital tools and infrastructures to support smaller players like SMEs.

Some examples

The range of cascade funding topics goes wide, so make sure to check the full list that is available on the Funding and Tenders portal. But to show the diversity in the offering, we list some of the topics:

- In [FIERCE](#), you can get support for transitioning towards a more sustainable and circular business innovation practice, process or partnership
- Through the [NGI Zero](#) project, you can get help to deliver, mature and scale new internet commons across the whole technology spectrum, from libre silicon to middleware, from P2P infrastructure to convenient end user applications
- At [ENVELOPE](#) support is available for a set of beyond 5G (B5G) trials that will validate network exposure and programmability
- The main goal of [WE-RISE](#) is to empower underrepresented female entrepreneurs in GreenTech, AgriTech, and ClimateTech, through a strategic blend of funding and tailored support
- The [ARISE](#) project has funding for organisations that want to innovate in the field of Human-Robotics Interaction (HRI)
- The [EIT Higher Education Initiative](#) aims to strengthen European higher education's role in innovation ecosystems
- The [LDT4SSC](#) project has launched a call for pilots to build a networked ecosystem of local digital twins (LDTs) by connected existing LDTs
- The "[Funding for Cyber](#)" call of the NCC-BE supports the development of infrastructures or digital awareness tools to provide essential capabilities related to cybersecurity for SMEs

This article was written in collaboration with [NCP Flanders](#), your go-to partner for guidance and assistance on European Funding programmes in Flanders.

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