



HORIZON EUROPE

THE EU RESEARCH & INNOVATION PROGRAMME

2021 – 2027

8th HE L&F NCP MEETING

16 JUNE 2023

**Financial Support to
Third Parties**

What is FSTP / cascade funding ?



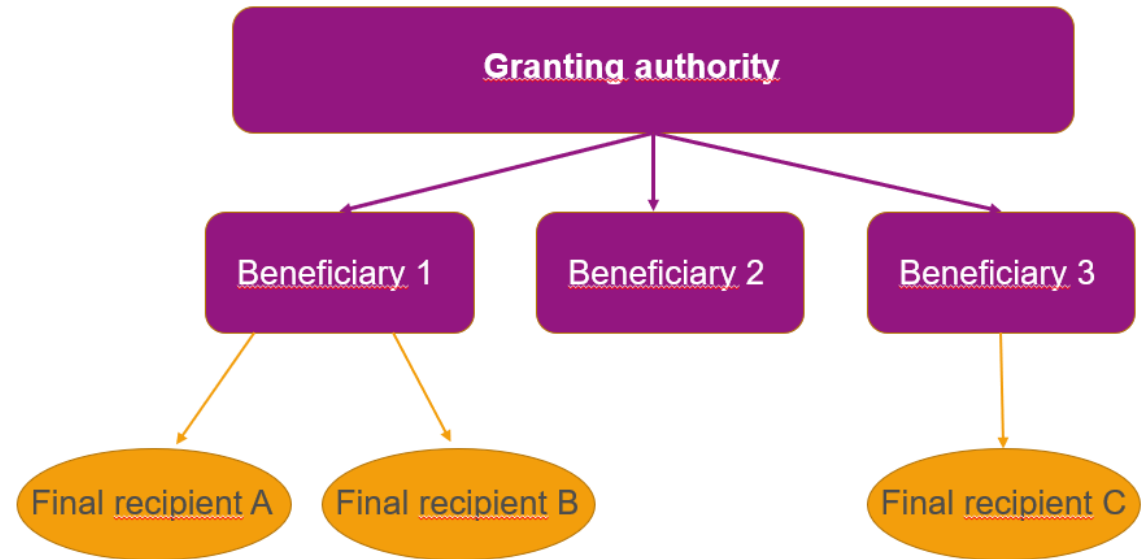
Financial support from beneficiaries (or affiliated entities) to (one or more) **recipients that are not party to the EU Grant Agreement** (third party).



A financial donation to **natural persons** (e.g. allowance, scholarship, fellowship) or **legal persons** (e.g. non-repayable financial assistance to local NGOs)



Prizes are given on the basis of a contest organised by the beneficiary.



Rules and conditions – legal framework

Financial Regulation 2018/1046 Art 204

In particular:

No margin for discretion if the grant agreement specifies the following:

- the maximum amount that can be paid to a third party which shall not exceed EUR 60 000* and the criteria for determining the exact amount;
- the different types of activities that may receive such financial support, on the basis of a fixed list;
- the definition of the persons or categories of persons which may receive such financial support and the criteria for providing it.

*may be exceeded where achieving the objectives of the actions would otherwise be impossible or overly difficult

HE general annexes

In particular:

- The **specific call conditions** must explicitly **allow for it***
- The applicants must clearly **describe the objectives and the expected results**, via the application template dedicated part;*
- projects must **publish their open calls widely** and adhere to **EU standards of transparency, equal treatment, conflict of interest and confidentiality**;*
- all calls for third parties and all calls that are implemented by third parties must be **published on the Funding & Tenders Portal, and on the beneficiaries' websites**; the calls must remain **open for at least 2 months***

HE MGA Art 6.2.D.1 & Art 9.4

Depending on the type of HE actions, there might be specific additional rules in the Annex 5 of the HE MGA (Co-funded partnerships, EIT KIC actions)

In particular:

- *Costs [...] are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred and the support is implemented in accordance with **the conditions set out in Annex 1**.*
 - **These conditions must ensure objective and transparent selection procedures (and reflect those mentioned in the Financial Regulation Art 204)**
- beneficiaries must ensure that **some of their contractual obligations also apply to FSTP recipients**

FSTP/cascade funding costs – Overview of costs eligibility aspects

❑ Amount of financial support per third party recipient:

Annex 1 of the HE MGA (stemming from the proposal) → Beneficiaries must explain the criteria for calculating the exact amount of the financial support (amongst other information required)



As a best practice, the beneficiaries providing FSTP/cascade funding should impose contractual arrangements on the recipients in order to determine the eligible costs.

❑ For the beneficiaries providing financial support:

Regardless of the form of the financial support to the third party (lump sum or actual costs), the beneficiaries must declare their costs for providing financial support to third parties as **actual costs**, i.e. based on the financial support actually paid to the third party. To be eligible, the costs must comply with:

- the **general eligibility conditions** set out in Article 6.1 (a) for actual costs and
- the **specific cost eligibility conditions** set out in Article 6.2.D.1 of the HE MGA.

There is no specific calculation method. The costs must correspond to the eligible costs actually incurred (i.e. the amounts paid by the beneficiary for the cascading grants, prizes or similar).



Important to keep in mind

Maximum amount of FSTP

- The maximum amount of FSTP is for each third party, i.e. per recipient (Article 6.2.D.1 HE MGA), not per selected sub-project.
- This maximum amount is specified in the call conditions (normally not more than 60 000 EUR, unless a higher amount is necessary to achieve the objective of the actions). A higher amount cannot be agreed with the granting authority if not announced in the call.

HE grants reimburse beneficiaries for the actual costs they have incurred

→ Beware where co-funders external to the consortium also provide financial support to the recipients

FSTP only covers financial support

→ Cost for non-financial support or support given in-kind cannot fall under FSTP



Important at proposal stage

Make sure that the specific annex to part B with information on FSTP is uploaded

Instruction in the proposal template:

ANNEXES TO PROPOSAL PART B

Some calls may ask to upload annexes to proposal part B. The annexes must be uploaded as separate documents in the submission system. The most common annexes to be uploaded in Horizon Europe are (standard templates are published in the Funding & Tenders portal):

- **FINANCIAL SUPPORT TO THIRD PARTIES:** Annex with information on financial support to third parties.

Where to find the annex template:

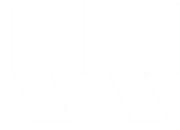
Funding & tender opportunities

Single Electronic Data Interchange Area (SEDIA)

ERS ▾ HOW TO PARTICIPATE ▾ PROJECTS & RESULTS WORK AS AN E

- + Simplified cost decisions
- + Guidance
- Templates & forms
- Application forms

Information on financial support to third parties (HE) >



Thank you!

HorizonEU

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