

POLICY BRIEF

Scaling Impact through Cascade Funding: Policy Recommendations for Future EU Programmes

Executive summary

Cascade Funding — or Financial Support to Third Parties (FSTP) — enables EU-funded projects to distribute small grants through open calls, widening participation beyond traditional consortia and lowering access barriers for smaller actors.

Within Horizon Europe Cluster 6, it plays an important role in connecting EU priorities with local innovation ecosystems, particularly in areas such as biodiversity, climate change, and sustainability.

The TETTRIS project, which distributed €1.8 million to 36 beneficiaries across 11 countries, demonstrates the mechanism's potential to engage underrepresented stakeholders and support grassroots innovation. However, challenges remain, including limited visibility of calls, lack of harmonised guidance, and administrative burden on coordinators.

To maximise impact, future EU programmes should improve implementation frameworks, strengthen support systems, and explore more continuous, organisation-based approaches.

Refining Cascade Funding will help ensure that EU research and innovation funding reaches a broader and more diverse community, enhancing its contribution to environmental and societal goals.

What Cascade Funding is?

This is a legal instrument that allows beneficiaries of an EU project to distribute small-scale grants to third parties. It simplifies access to EU funds for actors who may otherwise struggle to engage with large-scale, resource-intensive and complex funding programmes.

The challenges addressed by Cascade Funding. The TETTRIs experience.



EFFECTIVENESS IN REACHING DIVERSE ACTORS

A key challenge in EU funded projects is reaching and engaging stakeholders beyond core consortia, typically composed of well-established research institutions. Smaller organisations, including NGOs and civil society actors, as well as those with limited experience in EU funding, often face barriers to participation. This can lead to the underrepresentation of locally embedded actors with valuable expertise in specific taxonomic or geographic areas. TETTRIs has demonstrated the reach to those underrepresented 36 actors across 11 countries which activity is critical in biodiversity conservation, where outcomes depend on local knowledge and community-driven action.



ADMINISTRATIVE BURDEN AND MANAGEMENT CAPACITY

The Cascade Funding in TETTRIs faced the challenge of balancing reduced administrative requirements for third party beneficiaries with increased demands on project coordinators. While smaller NGOs and associations benefit from easier access to funding and lighter reporting, the Coordinator needs to address a significant workload related to contract management, monitoring and beneficiary support. This raises questions about the scalability of the mechanism, as distributing funds across fewer medium sized projects may be more manageable and effective than supporting many very small grants.



VISIBILITY AND COMMUNICATION CHALLENGES

Ensuring sufficient visibility of Cascade Funding opportunities remains a significant challenge in attracting a diverse and high quality pool of applicants. Despite dissemination through the EU Funding and Tenders Portal and TETTRIs communication channels, outreach was limited and required considerable additional effort from the consortium. This points to structural gaps in how such calls are communicated and suggests the need for a more centralised EU platform where smaller actors can more easily navigate and access relevant information.

POLICY BRIEF

Aligning European taxonomic capacity with biodiversity policy needs



NEED FOR HARMONISED GUIDANCE AND PRACTICES

Uncertainty around compliance, eligibility and reporting requirements emerged throughout TETTRIs Cascade Funding implementation. While guidance from the Project Officer and the recently published guide proved useful, the absence of more detailed and standardised provisions contributed to ongoing ambiguity. Clearer and more harmonised guidelines would help reduce these uncertainties and support more consistent implementation.



CAPACITY AND SUPPORT CONSIDERATIONS

Implementing Cascade Funding within a Horizon Europe project places significant administrative and technical demands on the Coordination team. While it can enhance overall impact, it may also strain internal resources if adequate support is not in place. Limited availability of standardised tools such as legal templates, monitoring frameworks and training materials further complicates implementation and may hinder both coordination efficiency and the effective support to beneficiaries new to EU funding.



FROM PROJECT-BASED TO ORGANISATION-BASED CASCADE FUNDING

As illustrated by TETTRIs results, the potential of Cascade Funding is limited by its project-based model, which can reduce continuity, create administrative duplication and hinder sustained engagement with local actors. Intermediary organisations such as research networks, regional innovation hubs and umbrella NGOs often have the capacity and trusted relationships to manage small grants effectively, but they are not systematically enabled to do so outside project frameworks. Expanding their role could support continuous engagement and improve the sustainability of the mechanism.

Policy Recommendations:

Based on the practical experience of implementing Cascade Funding within the TETTRIs project, the following recommendations aim to strengthen the effectiveness, consistency, and strategic impact of the Financial Support to Third Parties (FSTP) mechanism. The recommendations address both, the supporting infrastructure (RI) as well as the strategic framework (SF), under which the Cascade Funding may operate.

POLICY BRIEF

Aligning European taxonomic capacity with biodiversity policy needs

SUPPORTING INFRASTRUCTURE (SI)

↘ SI1. Establish a Centralised EU Platform for Cascade Funding Calls:

Create a standalone EU-managed hub, supported with wide promotional campaigns, where all open FSTP are published in a timely, user-friendly and searchable format, to improve visibility and accessibility. The hub should include dashboards aggregating active and upcoming calls by theme and region, and could be linked to the EU Funding and Tenders Portal for easier navigation.

↘ SI2. Develop Harmonised Guidelines for Coordinators Managing Cascade Funding:

To reduce confusion and administrative burden while improving efficiency the guidelines for Coordinators shall be publicly available, clear, and standardised to provide guidance on designing, managing and monitoring Cascade Funding, including eligibility rules, reporting templates, legal examples and best practices, as well as digital workflow tools to automate tasks and track progress.

↘ SI3. Provide Support for Third-Party Beneficiaries:

To ensure meaningful participation and successful implementation in line with EU standards, a comprehensive and users-friendly system of support should be offered to actors with little or no prior EU funding experience, both at the EU and FSTP level. This includes simplified call design, clear eligibility criteria, onboarding materials, guidelines and training on FSTP rules, compliance and administration.

↘ SI4. Strengthen Monitoring, Impact Assessment and Feedback Loops:

Established common metrics to link outcomes to broader programme goals, such as innovations adopted or cross-border collaborations. The means to improve feedback and cross-fertilisation among sister projects should be considered eligible costs.

STRATEGIC FRAMEWORK (SF)

↘ SF1. Encourage Meaningful Project Sizes and Realistic Management Support:

To ensure impact and feasibility, Cascade Funding calls should prioritise fewer but well-funded third-party projects. Adequate management support (including budget allocation, personnel time, and coordination tools) should be built into the project design to avoid overload, ensure quality and alignment, and maximise impact.

↘ SF2. Facilitate Collaboration & Partnerships:

Cascade funding should incentivise multidisciplinary and pluri-regional consortia, bringing together SMEs, research organisations and user communities. Small entities should have access to a matchmaking tool, integrated in the FSTP hub, to connect with potential partners and align interests early.

POLICY BRIEF

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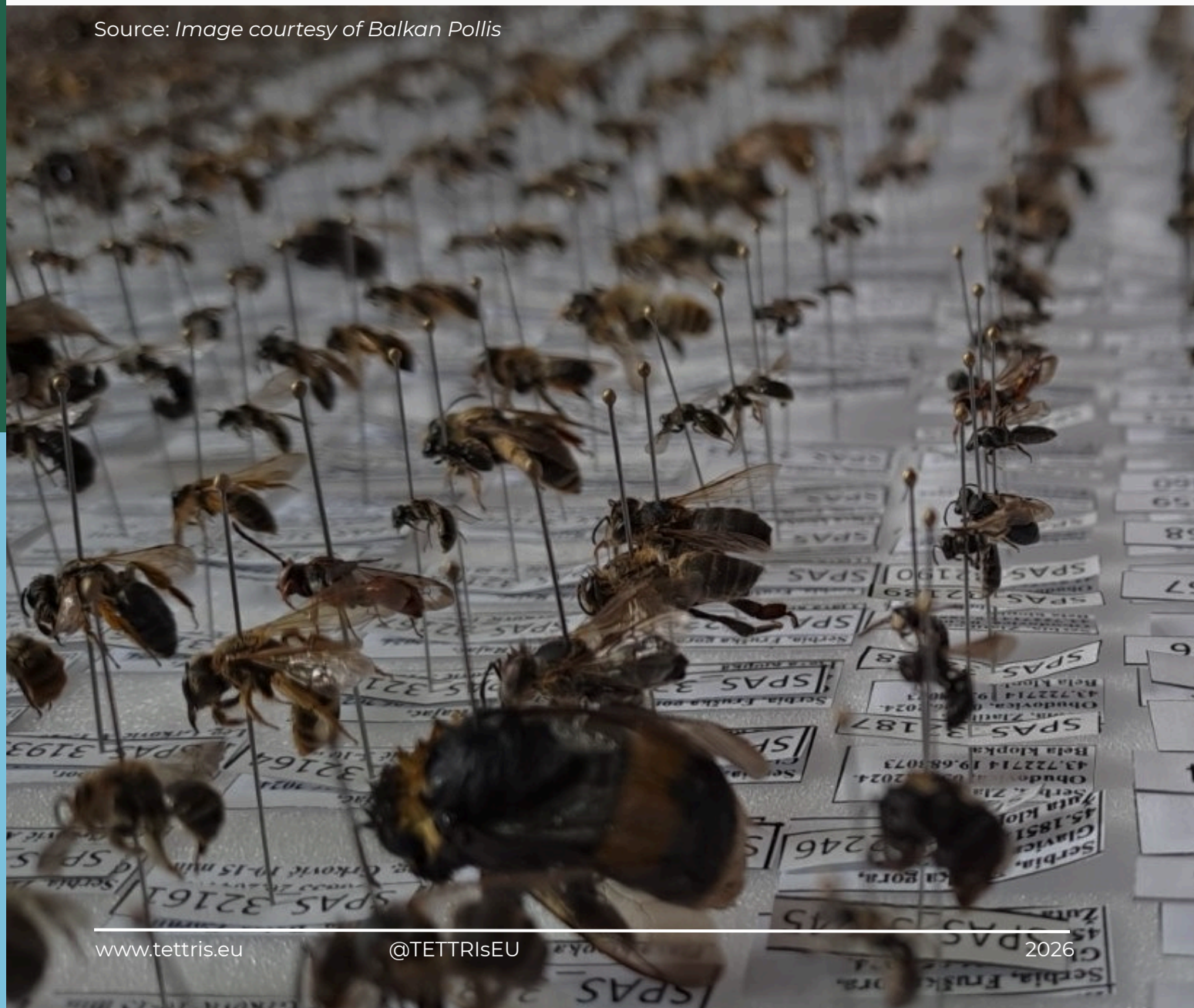
▾ SF3. Expand Cascade Funding to Include Organisation-Based Schemes:

Future iterations of Cascade Funding can easily be implemented through qualified intermediary organisations with established local networks. Such an approach would ensure greater continuity between project cycles, strengthen institutional capacity at grassroot level, and sustain engagement with community-level innovation actors.

▾ SF4. Align Funding with Strategic Priorities:

Cascade Funding calls shall align with EU strategic objectives specifically with the Green Deal priorities and the Biodiversity Strategy, in the biodiversity domain. Importantly, the cascade calls shall be designed to complement other national/regional innovation instruments, such as Structural Funds, and facilitate coordination and connectivity across those instruments.

Source: Image courtesy of Balkan Pollis



Final Statement

The experience of implementing Cascade Funding through the TETTRIs project confirms that the Financial Support to Third Parties (FSTP) mechanism is a powerful and inclusive tool for delivering impact under the European Framework Programmes (Horizon Europe and the future ones), particularly in the context of Biodiversity, Climate Change and Natural Resources, where a large, diverse and targeted plethora of actions are essential, and for which solutions on spot are critical.

By lowering entry barriers, enabling rapid and direct engagement, and empowering smaller organisations - NGOs, start-ups, SMEs and other entities- to participate meaningfully in EU-funded research and innovation actions, Cascade Funding directly supports the European Commission's goals for biodiversity, sustainability, and social engagement. However, as the mechanism matures, the existing schema must be improved by a strategic deployment in terms of visibility, operational clarity and structural continuity.

To realise its full potential, Cascade Funding should evolve beyond individual project frameworks to also empower capable intermediary organisations that maintain long-term networks with local and/or content-focused actors. Such an approach would complement project-based schemes and ensure sustained engagement with local innovation ecosystems between funding cycles. A more consistent and well-communicated use of FSTP will amplify the reach and effectiveness of the EU programmes, ensuring that access to resources includes and benefits all.

Source: Image courtesy of ARCADE



ANNEX

List of Third Party Projects funded under TETTRIs

ID	LIST OF THIRD PARTY PROJECTS FUNDED UNDER TETTRIS	LINK/LOCATION
1	INC-STEP	tettris.eu/3rd-party-projects/inc-step/
2/T1	ARCADE	tettris.eu/3rd-party-projects/arcade/
3/T1	Balkan Pollis	tettris.eu/3rd-party-projects/balkan-pollis/
4/T2	iSedge	tettris.eu/3rd-party-projects/isedge/
5/T2	TNLS	tettris.eu/3rd-party-projects/tnls/
6/T3	TrAILSID	tettris.eu/3rd-party-projects/trailsid/
7/T4	TEOSS	tettris.eu/3rd-party-projects/teoss/
8/T5	CRYPTERS	tettris.eu/3rd-party-projects/crypters/
9/T5	NEXTRAD	tettris.eu/3rd-party-projects/nextrad/
10/T6	SoilMATs	tettris.eu/3rd-party-projects/soilmats/
11/T6	L.U.C.E.	tettris.eu/3rd-party-projects/luce/
12/T7	FOOTPRINTS-CITSCI	tettris.eu/3rd-party-projects/footprints-citsci/



Transforming European Taxonomy through training, research and innovations



Funded by the European Union

TETTRIs Grant Agreement 101081903

Duration: December 2022 - May 2026

Budget: € 5.997.636

Type: HORIZON IA - Innovation Action

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Source: Image courtesy of FOOTPRINT-CITISCI



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Catalogue of Life

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