

Cascade Funding
in H2020/Horizon Europe:

Recipient's perspective

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▶ Background

- 10+ years of project management, consultancy and proposal writing in EU projects
- 6+ years co-founder and CEO of a technology startup



Agenda

1. Open call selection
2. Open call application
3. Grant preparation & workplan
4. Implementation and reporting
5. Payments
6. Concluding thoughts

Open call selection

- ▶ active search for opportunities
 - ▷ online cascade funding catalogues
 - ▷ follow EU projects in your field
 - ▷ startup networks and tech communities
 - ▷ innovation support organisations, local innovation hubs (e.g. DIHs)
- ▶ passive: targeted via a scouting campaign



▶ Open call types

Multiple rounds

- given amount of projects selected in each round
- 'try next time' if not successful
- each round can have different requirements as the project evolves

Funnel: (One) round with multiple phases

- (all) projects selected at once for the 1st 'Explore' phase
- only certain amount of projects continues to next phases (experimenting, development, testing)
- startup only has one chance (if not more rounds)

Financing

LUMP SUM

- ▶ simpler admin
- ▶ payments based on delivering results

!!! define well your performance indicators !!!

- ▶ more payments preferred (at least pre-finance + final)

ACTUAL COSTS

- ▶ more admin for keeping records and reporting
 - ▷ timesheets
 - ▷ different cost types
 - ▷ eligibility criteria
- ▶ less risk of not being paid for partial delivery



▶ How about the co-finance?

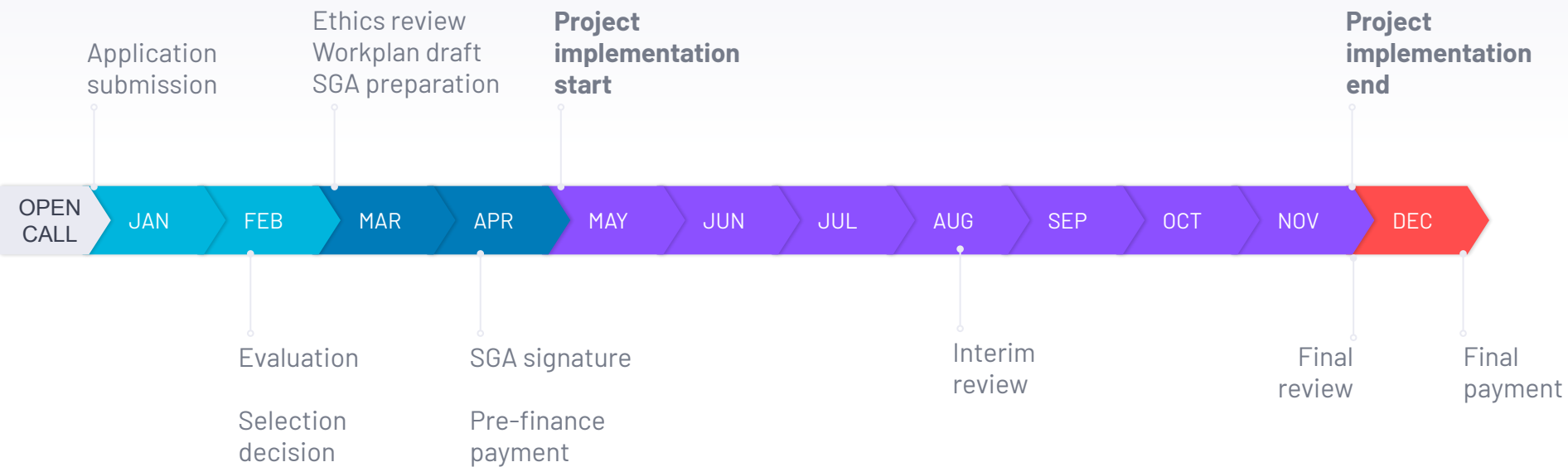
- ▶ **clear instructions** should be provided in the open call -> NOT ALWAYS THE CASE....
 - ▶ is the co-finance needed?
 - ▶ who controls it?
 - ▶ do the usual HE rules apply?
 - ▶ what costs can be used to co-finance (e.g. in-kind contributions for free, licensing fee etc.)?

Open call application

- ▶ be specific to the call topic
 - ▶ as little generic content as possible
- ▶ quantify results, define KPIs
- ▶ define workplan, deliverables
- ▶ detail & quantify impact, innovation and scaling potential
- ▶ be realistic (for the budget size and duration)



Open call timeline



▶ Grant preparation

- ▶ **Ethics** check + related deliverable
- ▶ **Sub-grant agreement** (SGA) signature
 - ▶ no modification allowed?
 - ▶ SGA model should be a part of the open call documentation !
 - ▶ no extension if start delayed?
 - ▶ payment schedule changes?
- ▶ **Workplan** (Description of Action)
 - ▶ should be part of the SGA
 - ▶ no to be drafted after SGA signature!

▶ Workplan: applicant's view I

- ▶ should be taken over from the proposal
 - ▶ applicants not to be pushed to additional commitments
- ▶ as brief as possible
- ▶ limit the paperwork (deliverables)
 - ▶ focus on results & demonstration
 - ▶ brief deliverables of 1-2 pages with KPIs

Workplan: applicant's view II

- ▶ **well-defined evaluation criteria = crucial**
 - ▶ basis for payment (esp. in lump sum regime)
 - ▶ should be defined already in the proposal
 - ▶ to be foreseen in the proposal template
 - ▶ linked to reviews (interim, final)
 - ▶ to be reported in deliverables



Workplan: applicant's view III

- ▶ try not to be dependent on any 3rd parties, e.g.
 - ▶ consortium-provided data
 - ▶ consortium (or EC) backed technologies
 - ▶ consortium partner expertise / input

Probably they will deliver it late or not at all.

And it is you (the sub-grantee) who is responsible for the results.



Implementation & Reporting

- ▶ independent work as much as possible
- ▶ regular reporting of results
 - ▶ every 2-3 months
 - ▶ can be project milestones
 - ▶ via brief deliverables with KPIs or (online) presentation



▶ Payments: applicant's view

- ▶ **Prefinance**

- ▶ for startups it might be crucial from the cash flow point of view
- ▶ as high % as possible (e.g. 30-50%)

- ▶ Interim payment

- ▶ probably not in place due to admin overhead

- ▶ **Final payment**

- ▶ as soon as possible after project end (i.e not several months)

▶ Concluding thoughts on FSTP I

- ▶ great tool to finance short-term innovation goals
- ▶ finalisation of a product / software
- ▶ PoC, prototype, MVP development
- ▶ not too research-focused with very ambitious goals
 - ▶ projects too short
 - ▶ risk of not delivering 100% -> not being paid 100%



▶ Concluding thoughts on FSTP II

- ▶ low admin burden
- ▶ can bring contacts to new customers / business partners
- ▶ co-financing might be a problem for new/small startups
- ▶ payment schedule can cause cash flow issues



Thank you



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