



## **Guidance for consortia implementing financial support to third parties (FSTP) under the European Defence Fund (EDF) – Work Programme 2026**

*This guideline document advises consortia that will implement a project in response to the European Defence Fund’s Work Programme’s (WP) call containing an action to provide Financial Support to Third Parties (FSTP).*

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FSTP was introduced in the EDF WP 2023 for the first time.<sup>1</sup> The aim of such calls is to enhance cross-border defence innovation networks that are dedicated to specific technological domains. The ambition of DG DEFIS is to increase the number of thematic technology networks over the coming years and to create an ecosystem of defence-technology innovation test hubs across Europe, focusing on wide variety of cutting-edge technologies relevant to the European defence and security.

Financial support to third parties (hereafter referred in the guidance as “cascade funding”) improves access for innovative small and medium-sized enterprises (third parties), including start-ups, that might not be ready to participate in the EDF yet. Nevertheless, they are keen to be part of the defence industrial ecosystem and aim to test their technical solutions or provide highly valuable domain knowledge while receiving technical support and guidance on ad hoc basis. Often, this can be their first exposure to the defence industry and an opportunity to obtain an initial understanding of how the defence market works, who sets the requirements and how to reach the end user of a product or technology. At the same time it offers them an opportunity to showcase their capabilities or knowledge, hence increasing their chance of future involvement in the defence sector.

Cascade funding is an agile instrument that allows small and medium enterprises (SMEs), including start-ups, receive support and guidance to advance in their product and/or technology development. The financial support process (in the form of lump sum grants) is outsourced to a consortium implementing a project with the EDF grant, providing a general mandate with no margin of discretion on the general principles to follow, and gives the consortium considerable flexibility regarding how identified objectives are reached.

**This guidance shares best practices for consortia that are required to provide financial support to the third parties. It does not issue binding obligations.**

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<sup>1</sup> This type of call has already been used in EU-funded civil R&D programmes before 2023.

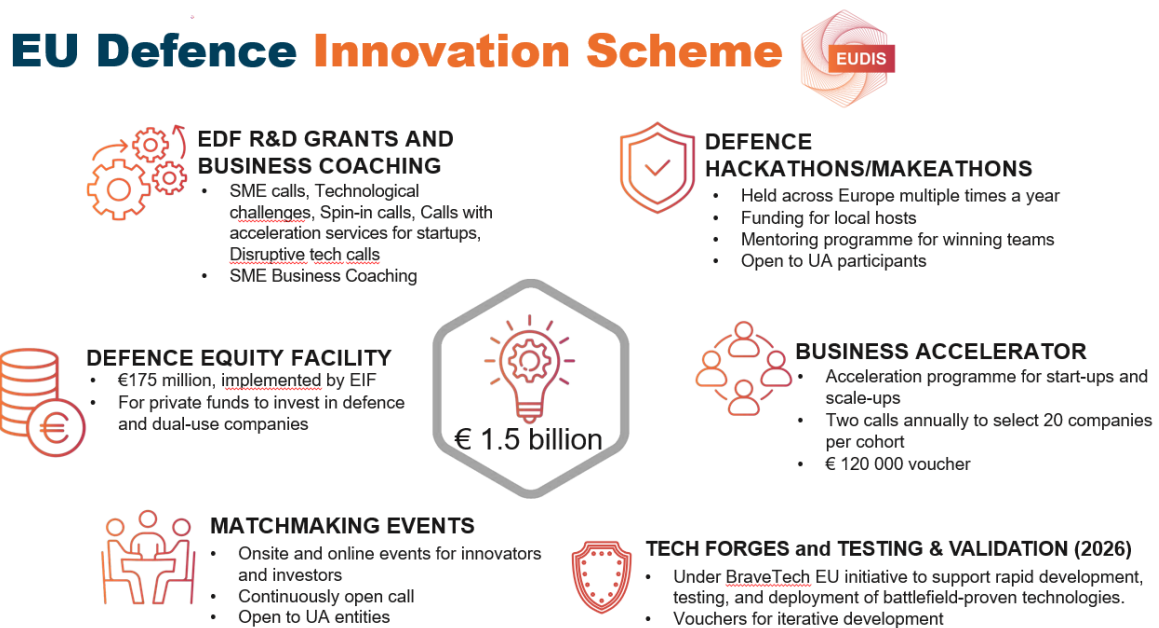
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# 1. What is EUDIS?

The calls with cascade funding are part of the EU Defence Innovation Scheme (EUDIS). EUDIS is a tailored set of innovation support measures focused on SMEs, including start-ups. These measures are integrated in the EDF Work Programme in the form of calls and support actions. More information can be found on the Commission's [dedicated EUDIS website \(https://eudis.europa.eu/\)](https://eudis.europa.eu/).



As shown above, EUDIS encompasses a different approach to organising R&D calls (for example, in the form of a technological challenge; calls with cascade funding; spin-in calls to tap into the dual-potential of results generated in civil funded EU R&D programmes; open-non-thematic R&D calls for SMEs and on disruptive technologies) and number of support actions in the form of SME business coaching, the organisation of defence hackathons, and by enabling access to equity funding for innovative defence companies through the European Investment Fund.

Additional SME innovation support services may be added until 2027. This tailored approach to smaller market players aims to build a stronger EU defence innovation ecosystem throughout the EU and to contribute to the EU Member States' and Norway's military capability development. EUDIS represents approximately 20% of the EDF budget.

## 2. Legal basis

### 2.1 The Financial Regulation

Per Article 207 of the Financial Regulation 2024/2509, beneficiaries may provide FSTP if the conditions for doing so are defined in the grant agreement between the beneficiary and the

Commission, with no margin for discretion by the beneficiary, provided that the grant agreement specifies that:

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

### **3. What is cascade funding?**

The cascade funding, formally known as financial support to third parties (FSTP), is an agile instrument that allows small and medium enterprises (SMEs), including start-ups, receive support and guidance to advance in their product and/or technology development. Its implementation is fully outsourced by the European Commission to consortia that implement the R&D project, specified in the EDF call.

#### **3.1 How will financial support to third parties be implemented under the EDF?**

Financial support to third parties aim to enhance the possibility for the small players to connect with a variety of industry stakeholders and benefit from a broad range of activities than can be offered by consortia, including hands-on guidance. The following diagram illustrates a practical **example** of cascade funding in Work Programme 2026:

A cross-border **consortium** foresees implementation of FSTP in the proposal and the Grant Agreement



In project implementation phase, the consortium organises **call/s for third parties against a certain topic or challenge, decided by the consortium**. The consortium selects and awards third parties.

The consortium provides financial support to third parties in accordance with the requirements, set out in the **EDF Regulation, the Annual EDF Work Programme, and the respective Call Topic Description**.

Financial support to third parties should be issued in **at least two distinct calls** with a target from of **minimum 3** beneficiaries per call.

The maximum amount of financial support that can be paid to a third party must not exceed **EUR 60 000 per project**. Financial support to third parties should be issued in the form of **lump sum grants**.

The estimated costs for the FSTP activities **must not exceed 5% of the requested EU contribution** for the entire EU project.

## 3.2 What is a consortium, beneficiary, and third party?

### 3.2.1 Definition and role of ‘consortium’

A consortium is composed of project participants. Article 2(4) of the EDF Regulation defines a consortium as a collaborative grouping of applicants or recipients that are subject to an agreement and constituted for the purpose of carrying out an action under the European Defence Fund.

In practice, the coordinator of the consortium manages the EDF grant (e.g., monitoring implementation of action, submitting deliverables, distributing payments to other beneficiaries without delay, etc.). The coordinator is the main central contact point to DG DEFIS/Delegated Granting Authority.

Per Article 10(4) of the EDF Regulation, an eligible consortium should contain (with exception to actions relating to disruptive technologies:

- at least three eligible legal entities which are established in at least three different Member States or associated countries

and

- at least three of those eligible legal entities established in at least two different Member States or associated countries shall not, during the entire period in which the

action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.

Additionally, per Article 9(2) and (3) of the EDF Regulation:

- The infrastructure, facilities, assets and resources of the consortia shall be located on the territory of a Member State or of an associated country for the entire duration of the cascade funding, and their executive management structures shall be established in the Union or in an associated country;
- The consortium shall not be subject to control by a non-associated third country or by a non-associated third-country entity.

### **3.2.2 Definition and role of ‘beneficiary’**

‘Beneficiary’ is a member of the consortium created for the purpose and in accordance with the EDF Regulation. This means that the members of a consortium are signatories of the grant agreement. Beneficiaries manage the grants allocated to third parties and implement the mandatory task as defined in the call topic description.

### **3.2.3 Definition and role of ‘third parties’/ ‘recipients of financial support to third parties’**

The recipients of financial support to third parties (cascade funding) must be targeted in priority to SMEs, including start-ups. Participation of entities other than SMEs can only be accepted where no SMEs are available to demonstrate the capacity or expertise needed for the project during its lifetime. They are selected by the EDF grant beneficiary in accordance with the conditions set out in the call for third parties. The third parties are the final recipients of EU funds.

Third parties are not identified in the grant agreement, and they do not sign the grant agreement. The Commission/Delegated Granting Authority does not have a contractual link with them. Therefore, should the Commission need to recover funds that the beneficiary has paid to third parties, it will exclusively turn to the beneficiary of the grant.

The beneficiary is responsible for the proper use of funding by the third parties. The Commission/Delegated Granting Authority will monitor how beneficiaries comply with the conditions for cascade funding. However, beneficiaries should ensure that the third parties comply with the obligations specified in the grant agreement with the Commission. These obligations include:

- Avoiding conflict of interest;
- Adhering to confidentiality and security obligations;
- Ethics;
- Giving visibility to EU funding, as appropriate;
- Respecting specific rules for action implementation;
- Adhering to information obligations;

- Record-keeping;
- Allowing checks, reviews, audits, and investigations (e.g., by OLAF, EPPO, and ECA).

The third parties receiving financial support must conform to the eligibility criteria from Article 9(2) and (3) of the EDF Regulation with derogation in regards to inclusion of Ukrainian entities:

- The infrastructure, facilities, assets and resources of SMEs and start-ups shall be located on the territory of a Member State, an associated country or Ukraine for the entire duration of the cascade funding, and their executive management structures shall be established in the Union, associated country or Ukraine;
- Third parties must be subject to control by EU, EDF Associated Countries or Ukraine or by EU, EDF Associated Countries or Ukrainian entities..

### 3.3 What can be funded by cascade funding?

The consortium has the discretion to set the challenges within the margins of the call topic description.

The **cascade funding** itself should, at a minimum:

- Be organised **in two sub-calls** to third parties per consortium selecting a **target of minimum 3 entities per sub-call**, depending on the industrial landscape of the targeted domain, whereas each third party may be supported with **up to EUR 60 000** for a **maximum 6-month long cooperation** programme that encompasses the associated tasks;
- Provide the third parties the **opportunity** to demonstrate their knowledge, technologies, capabilities and products;
- Foster the possibilities for **future involvement** of these third parties in the European defence community;
- Provide **networking and collaboration** activities that facilitate collaboration amongst innovators and between innovators and end-users (including industry and public bodies) throughout the maturation of their product or technology or demonstration of their knowledge;
- Be accompanied by a **clear methodology** allowing to measure the FSTP's contribution to the innovation performance of the supported SMEs in the short-term, e.g. via indicators such as numbers of new or significantly improved products (goods and/or services), processes, new marketing methods, or new organisational methods, and to its impact on resource efficiency and/or turnover;
- Aim at a wider impact on innovation performance of the supported entities in the **medium-term**.

### **3.4 How many companies can receive cascade funding?**

**Minimum 3** third party entities (per sub-call) should be selected, depending on the industrial landscape of the targeted domain. Consortia should organise at least two calls to third parties.

### **3.5 What will third parties receive as financial support?**

Selected third parties will be offered the opportunity to demonstrate their knowledge, technologies, capabilities and products, fostering their optimisation and future involvement in the defence sector.

Other relevant acceleration services for a specific time-period can be offered by the consortium to the third parties. Such support services are welcomed but not mandatory.

For more information, please consult each year's Work Programme and Call topic descriptions.

If FSTP is envisaged, the proposals must describe the associated management and implementation tasks for this FSTP, including the following ones:

- Screening and identifying the landscape of suitable candidates from various sectors, including those that have not been active in the defence sector before, for the FSTP-related sub-calls organised by the consortium.
- Providing a clear methodology so that the FSTP's contribution to the innovation performance of the supported SMEs in the short term can be measured, e.g. via indicators such as numbers of new or significantly improved products (goods and/or services), processes, new marketing methods or new organisational methods, together with its impact on resource efficiency and/or turnover.
- Preparing the call documentation to issue the sub-calls for FSTP.
- Organising up to two sub-calls for FSTP, including:
  - the method for calculating the exact amount of financial support requested by the third parties;
  - the payment arrangement options available to third parties;
  - the possible types of activities for which a third party may receive financial support;
  - the potential results to be obtained;
  - the roles and responsibilities of the consortium with regard to FSTP management.
- Selecting and awarding FSTP recipients.
- Describing how the support to FSTP recipients may contribute to any type of task within the proposal, while clearly delineating the expected contributions from the main beneficiaries as well as from the FSTP recipients to ensure their coherence and impact.

**The consortium can provide support (for example, technical mentoring) to the third parties themselves or ensure it through a service provider. The consortium can use a part of the EDF grant to be a service provider. However, FSTP (60 000 EUR) cannot be used for this purpose if consortium is the service provider.**

## 4. General principles for calls

Calls shall be carried out following the subsequent basic principles:

- i. **Excellence.** The proposal(s) selected for funding must demonstrate a high quality in the context of the topics and criteria set out in the call;
- ii. **Transparency.** Funding decisions must be based on clearly described rules and procedures, and all applicants should receive adequate feedback on the outcome of the evaluation of their proposals;
- iii. **Fairness and impartiality.** All proposals submitted to a call are treated equally. They are evaluated impartially on their merits, irrespective of their origin or the identity of the applicants;
- iv. **Confidentiality.** All proposals and related data, knowledge and documents are treated in confidence;
- v. **Efficiency and speed.** Evaluation of proposals and award of the financial support should be as rapid as possible, commensurate with maintaining the quality of the evaluation, and respecting the legal framework.

## 5. Grant agreement

The consortium signs a grant agreement with the European Commission/Delegated Granting Authority under the relevant EDF call. The implementation of financial support to third parties should be clearly described in the **application in accordance to the call text** and later specified in the **grant agreement**.

**The recipients of financial support do not sign nor become a party to the grant agreement with the Commission under the relevant EDF call.** This means that the Commission has no contractual link with them.

Proposals involving cascade funding must clearly detail the **objectives** and the **results** to be obtained. The proposals should clearly delineate the expected contributions from the main beneficiaries as well as from the third parties, to ensure their coherence and impact.

The [Model Grant Agreement](#) (MGA) for EU grants specifies the provisions for cascade funding in [Article 9.4](#) and [Article 6.2 D.1](#). These provisions include that the cascade funding must be implemented in accordance with [Annex 1](#) of the grant agreement.

### 5.1 Article 9.4 MGA – Recipients of financial support to third parties

If the action includes financial support to third parties (e.g., grants), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g., granting authority, European Anti-Fraud Office (OLAF), Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients. To be able to fulfil these obligations, the beneficiaries

should impose **contractual arrangements on the recipients** (including control measures and/or reducing the financial support).

## **5.2 Article 6.2 D.1 MGA – Financial support to third parties**

Costs for providing financial support to third parties (in the form of grants) 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 of the grant agreement.

These conditions for grants must ensure **objective and transparent selection procedures** and include at least the following:

- the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet or otherwise agreed with the granting authority
- the criteria for calculating the exact amount of the financial support
- the different types of activity that qualify for financial support
- the persons or categories of persons that will be supported and
- the criteria and procedures for giving financial support

**To fulfil these requirements, the subsequent guidelines share best practices for consortia conducting calls for third parties.**

## **6 Preparation for organising calls for third parties**

### **6.1 Coordination with Project Officer**

It is suggested that the consortium shall provide a call announcement to their respective Project Officer at least 60 days before the foreseen date of publication. This shall contain a draft of the call text, including the call announcement, full call details, and, if applicable, refer to the webpage where the full call will be published. This can be a website that is created for the EDF funded project. A dedicated project website is not strictly required. It is, however, recommended as it ensures that the call is widely disseminated.

Once the call text information is finalized and public, the call information can also be disseminated on the EUDIS website. The consortium shall prepare a brief announcement about the call ahead of its full publication.

### **6.2 Recommended call announcement**

Annex 1 contains the recommended call announcement format. The call for third parties shall contain information on:

- Call identifier;
- Eligible entities for receiving financial support:

- The third parties must be SMEs, including start-ups (which should be self-assessed and checked on the basis of random sampling with the criteria as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC). The participation of entities other than SMEs can only be accepted where no SMEs are available to demonstrate the capacity or expertise needed for the project during its lifetime.
  - The infrastructure, facilities, assets and resources of the recipients of the cascade funding must be located on the territory of a Member State, an associated country or Ukraine for the entire duration of the cascade funding, and their executive management structures shall be established in the Union or in an associated country;
  - The recipients of cascade funding shall not be subject to control by a non-associated third country or by a non-associated third-country entity (with exception of Ukraine).
- The objectives and scope of the open call (e.g., technological challenges addressed by the proposal), including a clear and exhaustive list of activities that can receive financial support;
  - The expected impact of the open call;
  - Any information that third parties need to submit in their proposal, including but not limited to application template for third parties, containing their contact information and a Declaration of Honour for recipients of financial support to third parties;
  - Arrangements that the consortium may impose on third parties (e.g., reporting duties, feedback obligations, arrangements for providing financial support, or specific rights for beneficiaries to access and use the results of the supported activities, etc.);
  - The deadline for submission, clearly specifying the local time involved;
  - Expected duration of participation of action;
  - Maximum amount of financial support for each third party, including criteria for determining the exact amount and when third parties shall receive financial support (in this case, grants in lump sum form);
  - Language in which proposal should be submitted;
  - Web link for further information (full call text/proposal guidelines/call results) on your official project web site: [www.xxx-project.eu/xxx](http://www.xxx-project.eu/xxx);
  - Contact information: e-mail address and telephone number for a help facility which is to be maintained during the entire duration of the call and the e-mail address to which proposals are submitted and the call identifier which will be used on these emails.

## **7. Implementation of calls for third parties**

The EDF consortium is responsible for the proper use of the funding by the third-party recipients and must ensure that they comply with certain obligations under the grant agreement with the Commission/Delegated Granting Authority. This implies that the Commission/Delegated Granting Authority can only address issues related to the third party with the relevant beneficiary; in particular, the Commission/Delegated Granting Authority will exclusively turn to the beneficiary of the EU grant, to recover funds which the beneficiary has paid as financial support to a third party, for instance, in the case of improper use of funds. It is therefore necessary that beneficiaries establish appropriate contractual arrangements with the recipients.

The Commission/Delegated Granting Authority will monitor how beneficiaries comply with the conditions for cascade funding such as the ones set out in Annex 1 of the grant agreement and may take any action stipulated in the grant agreement in case of non-compliance vis-à-vis the beneficiary(ies) concerned. It is, however, the responsibility of the beneficiaries granting cascade funding to monitor the activities of the third party and the appropriate use of the funding.

### **7.1 Publication of call**

The call must be open for at least two months. If the call deadlines changes, the beneficiaries should inform their respective Project Officer and all registered applicants immediately, as well as update the full call details.

The full call details must be widely disseminated.

### **7.2 Closing the call**

It is recommended to close the call on a Wednesday. The subsequent two working days can be used to assist participants (e.g., should there be technical issues). It is also recommended to close the call at 17:00 local time.

Beneficiaries shall send an **acknowledgement of receipt** to applicants (see Annex 3), whether by email or IT platform. It is recommended to submit proposals through an electronic exchange system or IT platform which identifies the time of submission.

Beneficiaries cannot accept late submissions. If applicants send a submission after the call is closed, a “call closed” message shall be sent to them.

Beneficiaries shall evaluate proposals as submitted. No additions or changes to received proposals should be taken into account.

### **7.3 Proposal evaluation**

#### **7.3.1 Evaluation criteria**

The attached form in Annex 4 can be used for evaluating proposals.

The evaluation criteria for cascade funding proposals shall be based on the following award criteria:

- (a) its contribution to **excellence or potential of disruption** in the defence domain, in particular by showing that the expected results of the proposed action could present advantages over existing defence products or technologies;
- (b) its contribution to the **innovation and technological development** of the European defence industry, in particular by showing that the proposed action includes novel concepts and approaches, or can constitute the basis for new promising future technological improvements or the application of technologies or concepts previously not applied in defence sector, while avoiding unnecessary duplication;
- (c) its contribution to the **competitiveness** of the European defence industry by showing that the proposed action is a positive balance of cost-efficiency and effectiveness thus having the potential to create new market opportunities across the Union and beyond and accelerating the growth of companies throughout the Union;
- (d) its contribution to the **autonomy** of the EDTIB, including by possibly increasing the non-dependency on non-Union sources and the potential to strengthen security of supply, and to the security and defence interests of the Union in line with the priorities referred to in Article 3 of the EDF Regulation;
- (e) the **quality and efficiency** of the carrying out the action.

Consortium's beneficiaries can coordinate evaluation internally or through the assistance of external experts. There should be a minimum of two evaluators per application. **External experts are not a necessary requirement for evaluating proposals but may be a useful addition.** In practice, these could include technical, engineering or defence industry experts. Experts may also be used if the consortium considers that the use of experts would bring added value to the evaluation of the applications and would help with their final assessment. Experts must be EU nationals and be able to demonstrate expertise in the relevant field. There is **no additional funding envisaged for use of external experts.**

Overall, beneficiaries remain responsible for the selection process, even if they are assisted by external experts. The experts must be independent of the organisations in consortium and any applicant.

All evaluators must sign a declaration of confidentiality (see Annex 5). This document also contains a declaration of freedom from conflict of interest, which evaluators agree to by signing it.

It is recommended to have a "reserve" expert in case of sickness or a last-minute discovery of conflict of interest.

### **7.3.2 Evaluation procedure**

The applications must be evaluated as submitted. The evaluation procedure must take place maximum six weeks after the close of call.

The appointment of experts can only be finalised after the close of call. The absence of conflict of interest can only be known after the applicants are revealed.

Each evaluator fills out an evaluation form (see [Annex 4](#)). The evaluators then prepare a consensus form for each application. It contains the opinions and scores which all evaluators agree on and is subsequently signed. Using the overall scores of all proposals, a ranked list is generated (or several lists, if the call has different parts).

### **7.3.3 Performing Ownership and Control Assessment (OCA)**

As coordinator, you are responsible for verifying that third parties receiving FSTP meet the ownership and control requirements set out in the EDF framework, namely whether an entity participating in the FSTP scheme is subject to control by a non-associated third country or a non-associated third-country entity. This check is not done by the Commission or REA (unless performed previously) on your behalf; you must perform it directly before signing any support agreements.

**Step 1:** Collect a dedicated Declaration of Honour (DoH) for recipients of financial support to third parties

Each applicant must submit a signed Declaration of Honour using the provided template (Annex 2). The DoH serves as a checklist and must confirm:

- Place of establishment (EU Member State, Norway, or Ukraine, as applicable).
- Nationality and residency of ultimate owners, including disclosure of any second nationality.
- Whether the entity is controlled by any non-eligible third country or entity.
- Economic centre of interest of owners (residency and tax residence).
- Confirmation that the entity is not subject to EU restrictive measures (sanctions)<sup>2</sup>.

Consortium submits to the Commission a list with the applicants name and PIC (if already participating in other EU funded projects), while the Commission cross-checks if there is an existing OCA. The Commission shares the outcome with the grant beneficiary and contractors. In parallel, consortium reviews DoHs to be submitted by the applicants.

**Step 2:** Verify eligibility

Based on the DoH:

- If the place of establishment is outside EU, associated countries (Norway) or Ukraine → the applicant is not eligible.
- If all ultimate owners are from non-eligible third countries or their economic centre of interest lies outside the EU, associated countries (Norway) or Ukraine → the applicant is not eligible.
- If an owner is listed under EU sanctions → the applicant is not eligible.

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<sup>2</sup> Consortium should ensure that third parties or participating entities are not designated by the EU as subject to restrictive measures in the lists provided [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Individuals or entities whose owners appear on the EU sanction list are not eligible.

### **Step 3: Address doubts or red flags**

If the DoH raises doubts (mixed ownership, unclear control, dual nationality, etc.):

- Request clarifications or additional documentation (e.g. passports, proof of tax residence).
- Consult publicly available databases such as ORBIS, national company registries, or sanctions lists.
- Where Ukrainian ownership/control is involved, inform the Commission; they may carry out additional background checks through relevant authorities.

### **Step 4: Conclude your assessment**

Based on the above, conclude whether the entity is:

- Eligible (established in and under control of EU, associated countries (Norway) or Ukraine, not sanctioned).
- Not eligible (outside establishment or under non-eligible control).

### **Step 5: Inform the Commission**

Before signing any support agreement, send the Commission a short report with:

- The list of applicants considered,
- The outcome of your eligibility checks (including samples of DoHs),
- Any cases where applicants were excluded.

The Commission may sample-check two or three entities before giving the green light. Only after this confirmation may you proceed to sign support agreements.

## **7.4 Proposal selection**

Ordinarily, the highest-ranking proposals are selected for funding. If this is not the case due to specific reasons (e.g., commercial competition), the next-ranked proposal can be selected.

Should the highest-ranking proposal be of sub-par quality, no selection can be made. This is also the case if all proposals are below the threshold scores after the evaluation procedure.

The beneficiary must record the objective reasons why the highest-scoring proposal was not selected (see section 8. [Reporting and feedback](#)).

If no selection is made, the call can be re-opened later. If the consortium wishes to abandon open calls, it shall justify this decision to their respective Commission/Delegated Granting Authority Project Officer.

## 8 Reporting on implementation of calls for third parties

### 8.1 Feedback to proposers

After selecting the third party or parties, the beneficiaries should contact successful candidate(s).

Beneficiaries must also communicate with non-successful proposers and attach a summary of their evaluation.

In the call for proposal, beneficiaries should define a text review or redress procedure to allow non-successful applicants to complain about the final decision.

### 8.2 Evaluation Report to the responsible project officer

The consortia will provide a report on the evaluation results. Annex 6 contains a template for the Evaluation Report which shall be sent to the responsible Project Officer **within three weeks** of the sub-call's conclusion.

The report should contain:

- The details of the call;
- Information on how the call was published, including dates;
- The evaluation and notes, including dates as well as;
  - The names and affiliations of experts participating in the evaluation;
  - A copy of confidentiality and conflict of interest declarations used in the evaluation;
  - A copy of individual evaluation/consensus forms used in the evaluation;
  - Objective reasons why the highest-scoring proposal was not selected, should this be the case;
- The number of proposals received;
- The number of proposals funded;
- A list of selected proposers (legal names, countries and registered addresses of final recipient(s));
- The award dates;
- The duration of the collaboration / project, being no more than 6 months;
- The funding amounts.

This report will not be shared publicly.

Beneficiaries should also **maintain internal records** (audit trail e.g., if proposers contest the outcome of the call, audits, or checks by the Commission). This documentation shall contain at least:

- A list of the proposals received and organisations involved (including name and address);
- All received proposals;
- Any communications with applications (both before the call closure and during evaluation);
- The names and affiliations of experts participating in the evaluation;
- A copy of filled forms used in the evaluation for each proposal (see Annex 4);
- A record of any incidents occurring during the evaluation (e.g. a conflict of interest and how it was handled), or any other deviation of standard procedure (e.g., the second-highest ranking proposal was selected and the objective reasoning behind this decision).

The beneficiaries must furthermore ensure that the third parties receiving financial support allow the Commission/Delegated Granting Authority, OLAF and ECA access to documents, information (including electronic media or on the recipient's final premises).

Generally, it is the responsibility of the consortium to settle conflicts between themselves and third parties receiving financial support. The consortium is obliged to report cases of alleged fraud to the Commission/Delegated Granting Authority which may, if necessary, pass on the information to OLAF.

The above reporting shall be completed **after** concluding the call (i.e., after the third parties are selected). It shall be completed **before** the call is fully implemented (i.e., before the third parties receive their funding).

### **8.3. Public reporting on website**

The consortium is recommended to prepare information for publishing on the EUDIS website (as minimum) within 30 days after completing evaluation (after sending individual feedback to applicants):

- The details of the sub-call;
- Information on how the sub-call was published, including dates;
- A list of selected applicants;
- The award date;
- The duration of the collaboration / project duration, being no more than 6 months.

This information will be publicly available. No confidential information is to be shared publicly.

### **8.4 Final Report to the responsible project officer**

The consortium should submit a **Final Report** (see Annex 7) within 60 days **after the implementation of** each call for third parties. The consortium must report on the following **key performance indicators (KPIs)**:

1. Total number of third parties (being SMEs/start-ups) receiving cascade funding;
2. Type of third-party receiving cascade funding (SME, or other);
3. A list of selected recipients for support (legal names, countries and registered addresses)
4. Number of employees (per SME) benefiting from consortium support;
5. Field of business (per SME);
6. Funding provided (per SME) and total funding provided;
7. Type and amount of support provided to third parties (if relevant, in days or hours e.g., total hours of business coaching). For instance, this may include:
  - a. Number of networking events or activities attended (including duration (in days));
  - b. Number of networking sessions (including approx. duration), such as Demo Days, conferences, etc.;
  - c. Number and duration (days) of mentorship sessions (including approx. duration);
  - d. Number and duration (days) of testing opportunities;
  - e. Number and duration (days) of classes on doing business in defence;
8. Any other relevant KPIs.

To decrease the administrative burden for consortia, this report can also be completed by or with the relevant third parties as long as it pertains to factual and verifiable information.

## **Annex 1 – Call announcement format**

### **Announcement of an open call for recipients of financial support**

Project **acronym**: XXX

Project **grant agreement number**: XXX

Project **full name**: YYY

Project XXX, co-funded from the European Defence Fund under grant agreement No XXX, foresees as an eligible activity the provision of financial support to third parties, as a means to achieve its own objectives.

Eligible entities for receiving financial support: XXX

Objectives and scope of the open call (e.g., technological challenges addressed by the proposal), including a clear and exhaustive list of activities that can receive financial support: XXX

The expected impact of the open call: XXX

Any information that third parties need to submit in their proposal: XXX

Arrangements that the consortium may impose on third parties: XXX

Deadline: XXX

Expected duration of participation: XXX

Maximum amount of financial support for each third party: XXX

Call identifier: XXX call

Language in which proposal should be submitted: XXX

Web link for further information (full call text/proposal guidelines/call results) on your official project web site: [www.xxx-project.eu/xxx](http://www.xxx-project.eu/xxx)

Contact information: [XXX@XXX.com](mailto:XXX@XXX.com)

## Annex 2 – Declaration of honour for recipients of financial support to third parties

### DECLARATION OF HONOUR (DoH) FOR RECIPIENTS OF FINANCIAL SUPPORT TO THIRD PARTIES

I, the undersigned:

- for natural persons: in my own name
- or
- for legal persons<sup>3</sup>: representing the following entity:

[insert full official name and function]

[insert full official address]

[insert PIC (if already available)]

**hereby confirm**

that (subject to the additional declarations below):

- 1 — The **information** provided for action [insert project number] — [acronym] is **correct and complete**.
- 2 — The information concerning the legal status in the [Participant Register](#) for me/my organisation is correct and complete (if already existing).
- 3 — I/my organisation commit to comply<sup>4</sup> with the **eligibility** criteria and all other conditions set out in the call conditions — for the entire duration of the action.
- 4 — Pursuant to ownership and control requirements declare the following:

DECLARATION ON OWNERSHIP AND CONTROL	
<b>Participant</b>	
Legal name:	
PIC (if already existing):	
Legal registration number:	
Place of establishment: <i>(country of registration; full address)</i>	
Please declare if you are	<input type="checkbox"/> an SME <input type="checkbox"/> Other (specify):

<sup>3</sup> This includes 'entities without legal personality' under Article 200(2) of Regulation (EU, Euratom) [2024/2509](#) of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) ('EU Financial Regulation') (OJ L, 2024/2509, 26.9.2024).

<sup>4</sup> 'Commit to comply' means complying now and for the duration of the grant.

Ownership structure and specific rights			
Owner name <sup>5</sup> (include copy of ID / passport)	Country of establishment / nationality (if natural person)	Country of residence (if natural person)	Country of taxation
<input type="checkbox"/>	<b>DECLARATION (control)</b>		
<p><b>We hereby confirm that:</b></p> <ol style="list-style-type: none"> <li>1) our organisation is <b>subject to control</b><sup>6</sup> by a non-associated third countries or non-associated third-country entity/entities (with exception of Ukraine)</li> <li>2) the present declaration is true and sincere</li> <li>3) the information regarding ownership and control is accurate and reliable</li> <li>4) if needed, we will provide guarantees to prove compliance with the requirements set out in the call conditions.</li> </ol>			
<input type="checkbox"/>	<b>DECLARATION (no control)</b>		
<p><b>We hereby confirm that:</b></p> <ol style="list-style-type: none"> <li>1) our organisation is <b>NOT subject to control</b><sup>7</sup> by non-associated third countries or non-associated third-country entity/entities (with exception of Ukraine)</li> <li>2) I am a legal entity established in the EU, EDF associated countries (Norway) or Ukraine</li> <li>3) My infrastructure, facilities, assets and resources (including my executive management structure) are located on the territory of a Member State, associated country or Ukraine for the entire duration of the FSTP</li> <li>4) the present declaration is true and sincere</li> <li>5) the information regarding ownership and control is accurate and reliable</li> <li>6) to the best of our knowledge, there are no other arrangements or coordination between shareholders from ineligible countries that would together exercise control</li> <li>7) to the best of our knowledge, there are no other financial or commercial links with ineligible countries or ineligible county entities conferring control</li> <li>8) we are aware that false declarations may lead to proposal rejection/grant termination and to administrative sanctions under Articles 135 to 145 of the <a href="#">EU Financial Regulation 2018/1046</a>.</li> </ol>			
<input type="checkbox"/>	<b>DECLARATION (no change)</b>		
<p><b>We hereby confirm that (if previous ownership and control assessment exists):</b></p> <ol style="list-style-type: none"> <li>1) there has been no change in our organisation's ownership and control situation compared to the last declaration/assessment procedure by the EU services</li> </ol>			

<sup>5</sup> Detail any owners that detain, directly or indirectly, at least 5% in the capital or at least 5% of the voting rights, including through any content, understanding, relationship[1] or/and intermediary (this includes voting agreements between shareholders that would together have more than 5% of the voting rights or 5% of the capital) or have one or more of the following specific rights in relation to their ownership (right to veto a transfer of shares, pre-emption rights, right to purchase additional shares or investment subject to conditions, right to sell shares (only for owners that are not established in eligible countries (i.e. legal entity) or do not have the nationality of one of the eligible countries (i.e. individual) and holding more than 5% of the voting rights)).

<sup>6,7</sup> In line with Article 2(6) EDF Regulation 2021/697

2) the present declaration is true and sincere	
3) if needed, we will provide guarantees to prove compliance with the requirements set out in the call conditions.	
Last declaration/assessment (if applicable):	[mm/YYYY (date of request of supporting documents by the EU services)]
<b>Involvement in other EDF or EU-funded projects</b> Project name and acronym:	[project title] – [acronym]

4 — I/my organisation:

- are committed to participate in the action
- have stable and sufficient sources of funding to maintain the activities throughout the action and to provide any counterpart funding necessary
- have or will have the necessary resources needed to implement the action
- for research actions: are committed to comply with the highest standards of ethical principles and research integrity and confirm that the work is free of plagiarism
- for actions involving EU classified information (EUCI): acknowledge that any sensitive information or material that qualifies as EU classified information under Commission Decision [2015/444](#)<sup>8</sup> must be handled in accordance with specific rules and follow the instructions given by the EU

5a — For applicants from non-EU countries: I/my organisation:

- undertake to comply with the obligations under the agreement and to:
  - respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
  - for the submission of financial certificates under the agreement: use qualified external auditors which are independent and comply with comparable standards as those set out in EU Directive 2006/43/EC
  - for controls under the agreement: allow for checks, reviews, audits and investigations (including on-the-spot checks, visits and inspections) by the granting authority, the European Anti-Fraud Office (OLAF), the European Prosecutor’s Office (EPPO) and the European Court of Auditors (ECA) and any persons mandated by them
- and confirm that:
  - we can be subject to the jurisdiction of the Belgian courts.

8 See Commission Decision 2015/544/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17. 3.2015, p. 53).

5b — For applicants which are international organisations: I/my organisation:

- undertake to comply with the obligations under the agreement and to:
  - respect general principles (including fundamental rights, values and ethical principles, environmental and labour standards, rules on classified information, intellectual property rights, visibility of funding and protection of personal data)
  - for the submission of certificates under the agreement: use either independent public officers or external auditors which comply with comparable standards as those set out in EU Directive 2006/43/EC
  - for controls under the agreement: allow for checks, reviews, audits and investigations (including on-the-spot checks, visits and inspections) by the granting authority, the European Anti-Fraud Office (OLAF), the European Prosecutor’s Office (EPPO) and the European Court of Auditors (ECA) and any persons mandated by them
- acknowledge that nothing in the agreement will be interpreted as a waiver of the organisation’s privileges or immunities, as accorded by its constituent documents or international law
- acknowledge that special rules apply concerning applicable law and dispute settlement

6 — For applicants which are subject to Articles 138 and 139 of the EU Financial Regulation: I/my organisation:

- are NOT subject to an **administrative sanction** (i.e. exclusion or financial penalty decision)<sup>9</sup>

I/my organisation (or persons with unlimited liability for debts):

- are NOT in one of the following **exclusion situations**<sup>10</sup>:
  - bankrupt, being wound up, having the affairs administered by the courts, entered into an arrangement with creditors, suspended business activities or subject to any other similar proceedings or procedures
  - in breach of social security or tax obligations

I/my organisation (or persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the action):

- are NOT in one of the following **exclusion situations**<sup>11</sup>:
  - guilty of grave professional misconduct<sup>12</sup>

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<sup>9</sup> See 138 EU Financial Regulation [2024/2509](#).

<sup>10</sup> See 138 and 143 EU Financial Regulation [2024/2509](#).

<sup>11</sup> See 138 and 143 EU Financial Regulation [2024/2509](#).

- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking
  - shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar
  - guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95
  - created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (including creation of another entity with this purpose)
  - intentionally and without proper justification resisted<sup>13</sup> an investigation, check or audit carried out by an EU authorising officer (or their representative or auditor), OLAF, the EPPO, or the European Court of Auditors.
- 7 — I/my organisation are NOT subject to a **conflict of interest** in connection with this grant and will notify — without delay — any situation which could give rise to a conflict of interests.
- 8 — I/my organisation have NOT and will NOT, neither directly nor indirectly, grant, seek, obtain or accept any advantage in connection with this grant that would constitute an illegal practice or involve **corruption**.
- 9 — I/my organisation have **not received** any **other EU grant** for this action and will give notice of any future EU grants related to this action AND of any EU operating grant(s)<sup>14</sup> given to my organisation.
- 10 — I/my organisation are aware that **false declarations** may lead to rejection, suspension, termination or reduction of the grant and to administrative sanctions (i.e. financial penalties and/or exclusion from future EU funding, such as grants, tenders, prizes, contribution agreements, expert contracts, etc).

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<sup>12</sup> 'Professional misconduct' includes, in particular, the following: violation of ethical standards of the profession; wrongful conduct with impact on professional credibility; breach of generally accepted professional ethical standards; false declarations/misrepresentation of information; participation in a cartel or other agreement distorting competition; violation of IPR; attempting to influence decision-making processes by taking advantage, through misrepresentation, of a conflict of interests, or to obtain confidential information from public authorities to gain an advantage; incitement to discrimination, hatred or violence or similar activities contrary to the EU values where negatively affecting or risking to affect the performance of a legal commitment.

<sup>13</sup> 'Resisting an investigation, check or audit' means carrying out actions with the goal or effect of preventing, hindering or delaying the conduct of any of the activities needed to perform the investigation, check or audit, such as refusing to grant the necessary access to its premises or any other areas used for business purposes, concealing or refusing to disclose information or providing false information.

<sup>14</sup> See Article 183 EU Financial Regulation [2024/2509](#).

SIGNATURE OF THE AUTHORISED PERSON

For the applicant

[function/forename/surname]

[(electronic) signature]

Done in [English] on [electronic time stamp]

## **Annex 3 – Acknowledgement of receipt**

### **Acknowledgement of receipt**

Dear XXX,

Thank you for submitting your proposal for consideration as recipient of financial support in the frame of project XXX.

The evaluation of all proposals received will take place in the next few weeks. You will be notified as soon as possible after this of whether your proposal has been successful or not.

On behalf of my colleagues in the project I would like to thank you for your interest in our activities.

Yours sincerely,

## Annex 4 – Evaluation form

Individual evaluation/Consensus (delete as appropriate)

<b>Proposal No. :</b>	<b>Acronym:</b>
-----------------------	-----------------

<b>1. Award criterion A</b>	<b>Score:</b> <i>(Threshold 3/5; Weight )<sup>1</sup></i>
<b>2. Award criterion B</b>	<b>Score:</b> <i>(Threshold 3/5; Weight 1)</i>

<sup>1</sup> Thresholds and weights are standard values which can be adapted to the needs of the specific evaluation, if necessary

*0 The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information; 1 Poor The criterion is addressed in an inadequate manner, or there are serious inherent weaknesses; 2 Fair While the proposal broadly addresses the criterion, there are significant weaknesses; 3 Good The proposal addresses the criterion well, although improvements would be necessary; 4 Very good The proposal addresses the criterion very well, although certain improvements are still possible; 5 Excellent The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor.*

<b>3. Award criterion C</b>	<b>Score:</b> <i>(Threshold 3/5; Weight 1)</i>
<b>Remarks</b>	<b>Overall score:</b> <i>(Threshold 10/15)</i>

**I declare that, to the best of my knowledge, I have no direct or indirect conflict of interest in the evaluation of this proposal**

Name	
Signature	
Date	

Name	
Signature	
Date	

*0 The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information; 1 Poor The criterion is addressed in an inadequate manner, or there are serious inherent weaknesses; 2 Fair While the proposal broadly addresses the criterion, there are significant weaknesses; 3 Good The proposal addresses the criterion well, although improvements would be necessary; 4 Very good The proposal addresses the criterion very well, although certain improvements are still possible; 5 Excellent The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor.*

## **Annex 5 – Confidentiality and conflict of interest declaration**

I the undersigned declare that, in participating as an independent expert in the evaluation of proposals received in the open call of project XXX

I undertake to treat as confidential all information contained in the proposals which I am asked to evaluate, both during the evaluation and afterwards.

I will not reveal to any third party the identity or any details of the views of my fellow evaluator(s), neither during the evaluation nor afterwards

I do not, to the best of my knowledge, have any interest in any of the proposals submitted in this call, I have not been involved in their preparation and I do not benefit either directly or indirectly from the eventual selection. Should I discover a conflict of interest during the evaluation, I undertake to declare this and to withdraw from the evaluation.

Name	
Signature	
Date	

## Annex 6 – Evaluation Report

### **Results of open call (call ID ref XXX) for recipients of financial support *TO BE SUBMITTED AFTER EVALUATION (BEFORE PROVISION OF FINANCIAL SUPPORT AND IMPLEMENTATION OF ACTION)***

Project **acronym:** XXX

Project **grant agreement number:** XXX

Project **full name:** YYY

Project XXX, co-funded from the European Union's European Defence Fund under grant agreement No XXX, launched an open call (call ID ref XXX) for recipients of financial support.

The call closed on XXX.

A total of XXX proposals were received for this call. XXX proposals will receive funding for a total amount of XXX EUR.

The evaluation and selection has been completed. All proposers have been informed about the evaluation results for their proposal for financial support.

#### **Call information**

The call was published on XXX's website (URL XXX). Full call details were published at: (URL XXX)

The call was published on DD/MM/YYYY. It was closed on DD/MM/YYYY at XX:XX.

Please add any other location where the call was published (if any).

#### **Response to the call in detail<sup>15</sup>**

XYZ proposals were received. XYZ proposals were funded.

	<b>Number of proposals</b>	<b>Amount of funding requested</b>
Proposals received		
Eligible proposals		
Proposals above threshold		
Selected proposals		

Please list the dates of the evaluation, summarise the evaluation process, and add any relevant notes.

#### **Evaluation**

The evaluation was held from DD/MM/YYYY – DD/MM/YYYY.

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<sup>15</sup> If different activities were called for, repeat this table for each activity.

The following individuals (e.g., experts) participated in the evaluation:

Name	Affiliation

*Please attach a copy of all **signed confidentiality and conflict of interest declarations** used in the evaluation process.*

*Please attach a copy of all **signed individual evaluation/consensus forms** used in the evaluation process.*

**List of selected proposals**

Selected proposers (legal names)	Country and registered address	Amount of funding awarded	Award dates	Project duration
				<b>6 months</b>

*If applicable, justify why the highest-scoring proposal was not selected:*

## Annex 7 – Final report

### Results of open call (call ID ref XXX) for recipients of financial support TO BE SUBMITTED AFTER IMPLEMENTING THE ACTION

Project acronym: XXX

Project grant agreement number: XXX

Project full name: YYY

#### key performance indicators

<b>1. Total number of third parties (being SMEs/start-ups) receiving cascade funding</b>	<i>[Add evaluation here]</i>
<b>2. Total funding provided</b>	

#### Participant-specific key performance indicators

*[Copy and complete this table for each third party (SME) funded]*

<b>Proposal No. :</b>	<b>Acronym:</b>
<b>3. Type of third-party receiving cascade funding</b>	<input type="checkbox"/> an SME <input type="checkbox"/> a mid-cap
<b>4. Country</b>	Choose an item.
<b>5. Number of employees (per SME) benefiting from consortium support</b>	
<b>6. Field of business (per SME)</b>	
<b>7. Funding provided (per SME)</b>	
<b>8. Type and amount of support provided</b>	<i>[e.g., number of networking events (including approx. duration)]</i>