EUROPEAN UNION

EUROPEAN DEFENCE FUND

Financial support to third parties (FSTP)

Tutorial

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What is FSTP?

- **Re-distribution of EU funding to a specific target population, implemented through a cascade funding approach.**

- **FSTP** (also known as cascade funding) promotes the **inclusion of smaller stakeholders** in development of innovative technologies. It **simplifies funding access** and **eases integration into collaborative projects**, helping smaller entities to identify and increase business opportunities in the defence sector.

- **Legal basis: Article 207 EU Financial Regulation**

What is FSTP – benefits on both sides

Consortium	Third parties
• Technology scouting and **access to niche innovation** • Risk distribution • **Increasing ecosystem influence** • TRL acceleration	• Faster & lighter access to funding • **Lower administrative burden** • Reduced financial risk • Faster innovation cycles • **Entry into defence ecosystem**

FSTP & Work Programme 2026

- **Introduces FSTP as optional in all calls.** Intention to use FSTP must be declared in the proposal and presented as an integral part in the Description of action.

- **Budget**
  - **max. 60 k EUR per third party** – established and under control of EU, Norway or Ukraine (no derogation possible)
  - **max. 5% of the total EU contribution** to the project
  - FSTP **fully reimbursed by the EC (100% funded),** however, costs related to the organization of FSTP have to be budgeted and declared under the standard budget categories (e.g. personnel costs, etc) and will be reimbursed at the standard rate(s) for those categories.

- **Implementation**
  - min. 2 sub-calls
  - min. 3 recipients per sub-call
  - max. 6-month acceleration programme per third party

- **Detailed information available in respective Call document – specifically Annex 4**

Examples of activities eligible for FSTP

- FSTP can be **performed as part of any type of eligible activity within the proposal** and may consider tasks such as, but not limited to:
  - customised support by providing battlefield proven knowledge, technology-specific expertise or innovative tools
  - support the manufacturing of technology test samples or components necessary for assessment
  - proof of concept; technology modification or demonstration
  - analysis and measurement
  - participation to a hackathon or technological challenge
  - technology showcase

Implementing FSTP

- **Recipients of FSTP do not become party to the Grant Agreement and are not part of the consortium.**

- **Sub-calls are fully managed by the consortium**
  - Publication of sub-calls and evaluation of proposals (possible use of external experts)
  - Modified ownership and control assessment
  - Legal framework between consortium and third party
  - Final reports on implementation

- **Detailed guidelines for consortiums available,** including supporting documents and templates:
  - Call announcement
  - Declaration of honour for recipients of FSTP
  - Acknowledgement of receipt
  - Evaluation form
  - Confidentiality and conflict of interest declaration
  - Evaluation report
  - Final report

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MANY THANKS FOR YOUR ATTENTION

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