

NGI

CASCADE FUNDING

What is cascade funding and how to attract it?

Webinar by CIVITTA

CIVITTA



SPEACKERS



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- Extensive experience in **grant funding attraction for SMEs and startups** (> EUR 3 mn attracted)
- Extensive hands-on project management experience in **startup feasibility studies** (market analysis, competitors benchmarking, business model development, commercialization strategy development, funding attraction)
- **Innovation and startup ecosystem builder** (coordinator of the Erasmus for Young Entrepreneurs project and Data 4 Healthy Recovery Hackathon)

AGENDA

- What is cascade funding?
- How does the cascade funding attraction process look like?
- What are the open cascade funding opportunities?
- What are the success and failure stories?
- What are the key tips and tricks to keep in mind?

CASCADE FUNDING



What cascade funding is? Why you need to apply?

CASCADE FUNDING FOR INNOVATIVE PRODUCT DEVELOPMENT



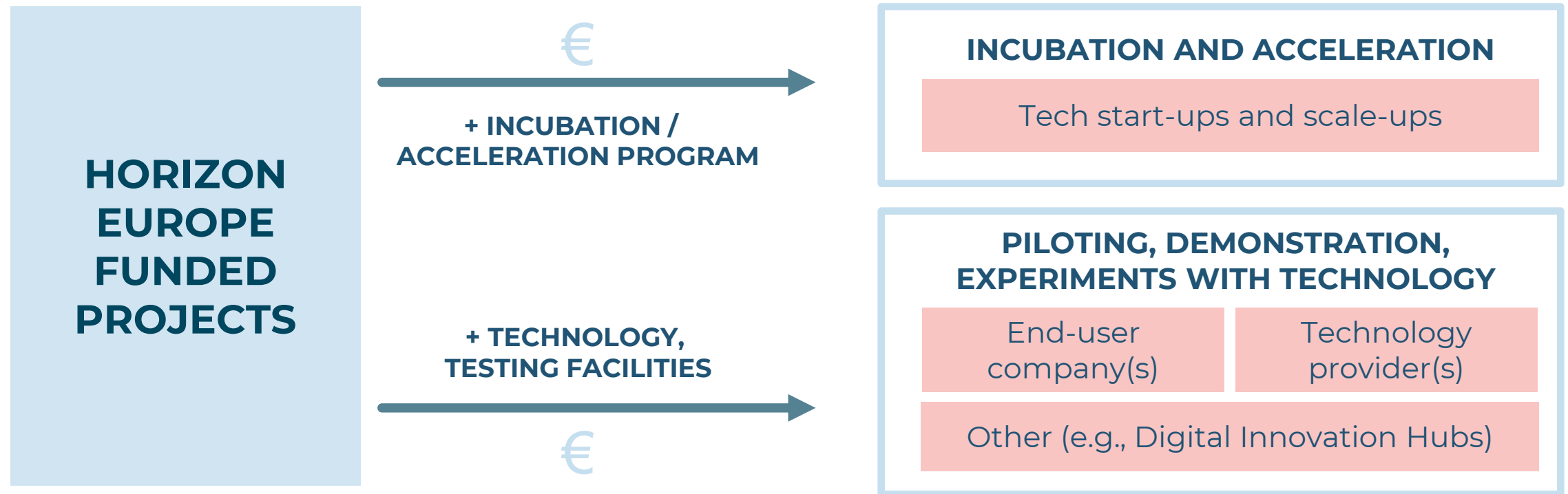
Cascade funding is a mechanism of the European Commission of allocating funds to **support SMEs and start-ups** in developing and implementing innovative digital solutions.

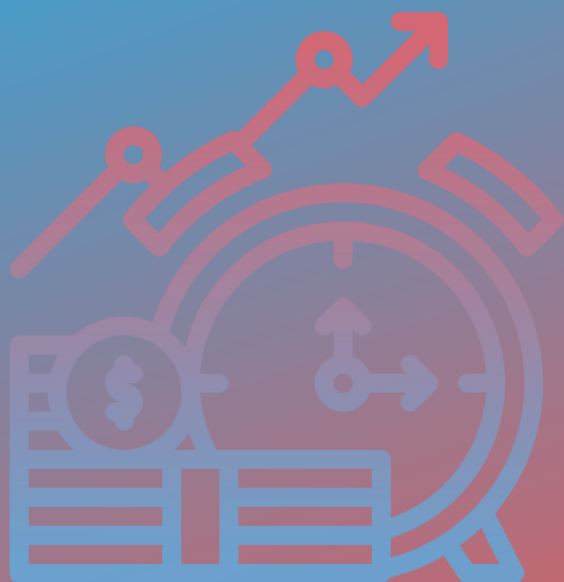
The **main idea of cascade funding is to simplify the procedures of financing** by allowing the projects, that are already financed by the EU, to run open calls for financing smaller projects.

These open calls usually aim at:

- **supporting pilots**, demonstrations, and/or experiments on a specific innovative technology or framework (usually with the participation of start-ups or SME),
- **supporting tech start-ups** or scale-ups via acceleration, incubation, and mentoring programs (usually equity-free),
- **integrating more participants** into the project to extend its scope or to address specific tasks.

HORIZON EUROPE ALLOCATES SIGNIFICANT FUNDING THROUGH CASCADE FUNDING CALLS





PROGRAM SPECIFICS*

Eligible applicants: innovative SMEs and startups, industry players, R&D institutions, academia. Depending on the specific call, applicants may be requested to apply in a consortium of up to 5 partners from several European countries.

Activities funded: feasibility study, R&D, piloting, demonstrations, experiments, commercialization activities

Project size: from 20,000 EUR to 500,000 EUR

Funding rate: 50-100 %

Time to grant: 3 months from submission

*based on CIVITTA observations

1

Horizon Europe will distribute **even more funding** to SMEs and startups through cascade funding calls

2

Equity-free funding for startups and innovative SMEs varies from €20,000 to €500,000

3

Participation in cascade funding calls is **easier and less competitive** than in other European funding programs

**THREE
REASONS
TO APPLY
FOR
CASCADE
FUNDING**

- **“Perfect match”** of your business and funding needs with the particular cascade funding call
- **R&D project excellence** and quality, novelty, relevance for the target market, competitive position
- **Commercialization perspective:** market creation or expansion prospects for technology or solution, demand creation, longer-term commercialization prospects
- **Appropriateness and feasibility** of the proposed approach and allocated resources for the specific project funded by the grant

CRITERIA FOR SUCCESS





GRANT ATTRACTION

Overview of funding attraction process

GRANT ATTRACTION PROCESS



STEP 1
Request
analysis



STEP 3
Writing grant
proposal



STEP 5
Use of attracted funds
according to the agreement



STEP 2
Project concept
development



STEP 4
Signing
an agreement



STEP 6
Writing a report

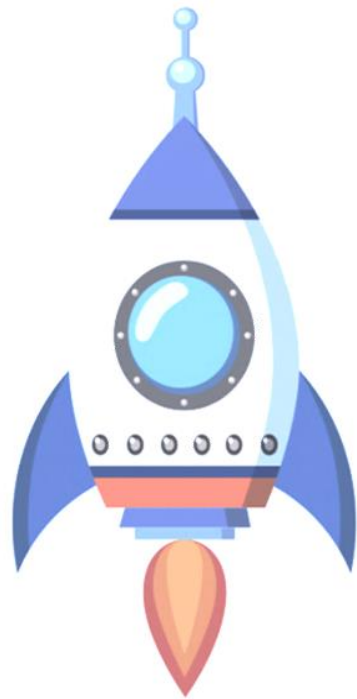
STEP 1. ANALYSIS OF GRANT OPPORTUNITIES

FINDING A “PERFECT MATCH” WITH THE GRANT

- **WHAT?** What does the company do? What the solution is and in what field it is developing?
- **FOR WHAT?** What are the necessary funding for? What costs does the company want to cover through the grant?
- **HOW MANY?** What are the funding needs?
- **WHAT STAGE?** What is the TRL level of business and solution?
- **OTHER ASPECTS**
Enterprise size, turnover, debt, geography, date of registration, co-financing, etc.



YOUR TRL LEVEL SHOULD MATCH THE TRL LEVEL REQUESTED BY THE GRANT



**REAL
WORLD**

**COMMERCIAL
DEPLOYMENT**

TRL 9

✓ Actual system proven in operational environment

TRL 8

✓ System complete and qualified

TRL 7

✓ System prototype demonstrated in operational environment

**SIMULATED
WORLD**

TRL 6

✓ Technology demonstrated in relevant environment

TRL 5

✓ Technology validated in relevant environment

TRL 4

✓ Technology validated in lab

**RESEARCH
LAB**

TRL 3

✓ Experimental concept formulated

TRL 2

✓ Experimental concept formulated

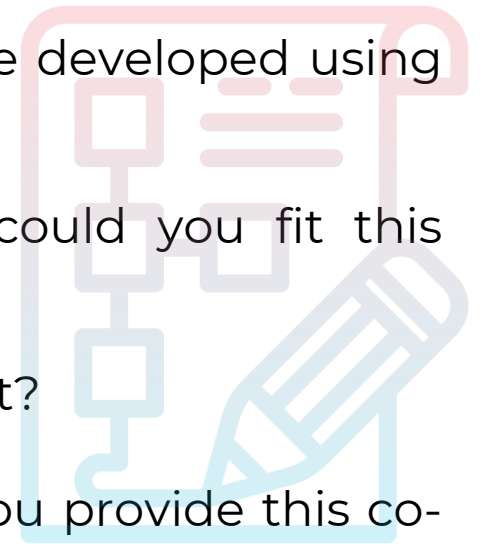
TRL 1

✓ Basic principle observed

IDEA IDENTIFIED

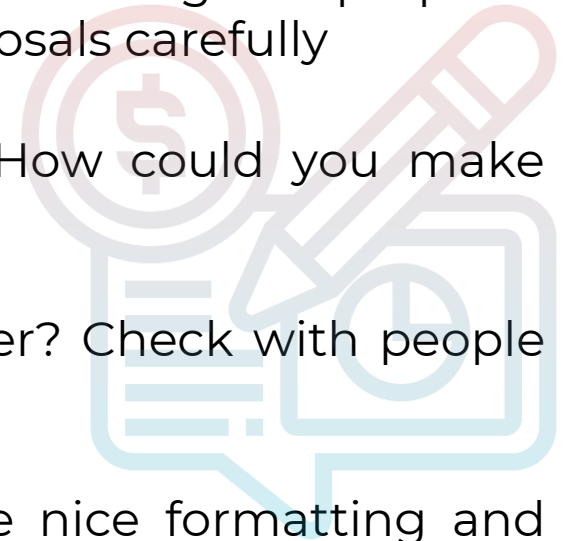
STEP 2. PROJECT CONCEPT DEVELOPMENT

- **GOALS.** What are the goals of the consortium distributing the funding?
- **IDEAS.** What are your project ideas and business needs? Could this be developed using the grant?
- **TIMEFRAME.** What is the timeline requested by the grant? How could you fit this timeline?
- **AMOUNT.** What is the grant amount? How could you fit into this budget?
- **CO-FINANCING.** Is the co-finance required by the grant? How could you provide this co-finance?



STEP 3. WRITING GRANT PROPOSAL

- **GENERAL REQUIREMENTS.** What are the general requirement for the grant proposal (size, template, deadline, etc.)? Make sure you read the Call for proposals carefully
- **EVALUATION CRITERIA.** Do you know the evaluation criteria? How could you make evaluators' life easier?
- **CLARITY.** Are you sure your proposal is clear for an external reader? Check with people who know nothing about your project.
- **PROFICIENCY.** Have you done the spell check? Have you done nice formatting and added meaningful visuals?



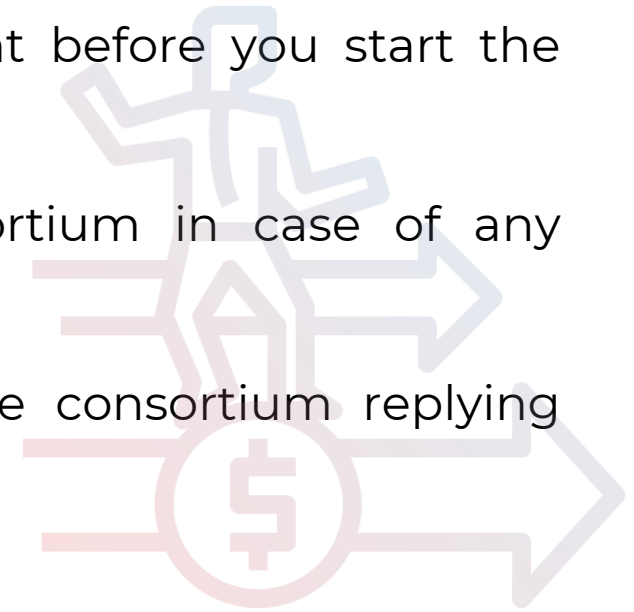
STEP 4. SIGNING AN AGREEMENT

- **NECESSARY DOCUMENTS.** Make sure you have all necessary legal documents prepared for the checks (see the Call for proposals).
- **TIMING.** Respect the timeline for the Grant Agreement preparation and provide everything quickly.
- **GRANT AGREEMENT.** Make sure you read the Grant Agreement before you sign it.



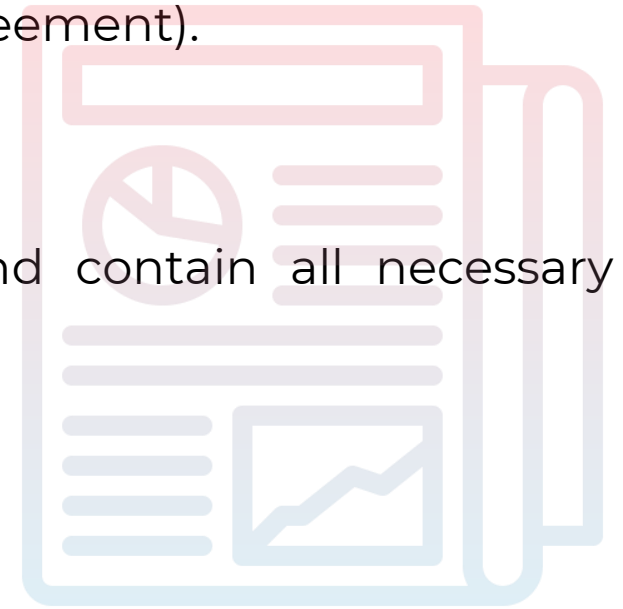
STEP 5. USE OF ATTRACTED FUNDS ACCORDING TO THE AGREEMENT

- **GRANT AGREEMENT.** Make sure you read the Grant Agreement before you start the project implementation and respect all requirements.
- **TIMELINE.** Respect the project timeline and notify the consortium in case of any significant delays.
- **RELATIONSHIPS.** Keep good professional relationships with the consortium replying timely to any requests.



STEP 5. WRITING A REPORT

- **BE AWARE.** Be aware of all required reports (read the Grant Agreement).
- **TIMELINE.** Respect the reporting deadlines.
- **QUALITY.** Make sure your reports are of a good quality and contain all necessary information.













GRANT ATTRACTION

Overview of open funding opportunities




OPEN CALLS FOR THE NEXT GENERATION INTERNET (NGI) AND AI PROJECTS

	Eligible Applicant	Grant Available	Deadline	Topic
	Academic teams, researchers, SMEs and startups from EU or H2020 countries	<ul style="list-style-type: none"> Up to €75,000 for the innovation phase Up to €100,000 for the progress phase 	March 30 th , 2022	Trust and reputation models on blockchains, Proof-of-validity and proof-of-location
	SMEs or slightly bigger companies from EU or H2020 countries	Up to €25 000 per Adopter SME / Slightly Bigger company	March 31 st , 2022	Laser-based advanced and additive manufacturing technology
	Anyone that can bring a relevant reusable building blocks for the NGI – <i>applicants from Europe are given priority</i>	Up to €50 000 per entity – <i>any activities that have a clear link to the program topics and objectives qualify for financial support</i>	April 1 st , 2022	Quantum-proof cryptography, public key infrastructure, authenticated key exchange, ratchet mechanisms
	SMEs, startups, spin-offs (3 rd round) Consortia of high-tech & at least 1 low-tech SME (4 th round)	Up to €80 000 for the 3 rd round Up to €150 000 for the 4 th round	April 30 th , 2022	AI technical solutions that address industrial challenges (3 rd round) / citizen-driven societal challenges (4 th round) by exploiting AI resources and Earth Observation Data focusing on any industrial domains




OPEN CALLS FOR THE PROJECTS IN SPACE AND ENERGY INDUSTRIES

	Eligible Applicant	Grant Available	Deadline	Topic
	SMEs and startups from EU and UK	<ul style="list-style-type: none"> Up to €20 000 for the Pioneer Acceleration (MVP) Up to €100 000 per consortia and €60 000 per SME for the Orbital Project (implementation & demonstration) 	March 30 th , 2022	Aerospace, textile, advanced manufacturing
	Start-ups, scale-ups and entrepreneurs from EU or H2020 countries	No funding available – <i>all services provided are free of charge (mentoring, match-making with investors, funding attraction)</i>	April 4 th , 2022	Space
	Legal entities based in EU Member States or H2020 countries	Up to €47 500 equity-free funding per project	April 6 th , 2022	Energy
	SMEs and startups from EU and UK	<ul style="list-style-type: none"> Up to €2 000 in financial support per SME Up to €1 000 for the travel voucher No more than €60 000 granted by GALACTICA in total For participation in GALACTICA events	November 30 th , 2022	Aerospace, textile, advanced manufacturing

OPEN CALLS FOR THE EIT PROJECTS

	Eligible Applicant	Grant Available	Deadline	Topic
	Startups	Up to €90 000 per start-up – €10 000 for Phase 1 and €80 000 for Phase 2&3 of the acceleration program	April 8 th , 2022	Raw materials, sustainable supply
	Startups and SMEs	Up to €200 000 per project	April 8 th , June 6 th , September 5 th 2022	Raw materials and circular societies, sustainable materials for future mobility, sustainable discovery and supply
	Pan-European entrepreneurial teams from education, research, and business organizations of 2 to 4 complementary organisations embedded in EIT Digital's ecosystem, from at least 2 different European countries	€3 000 000 in total EU funding in 2022	June 1 st , 2022 (second cut-off)	Digital Tech, Digital Industry, Digital Cities, Digital Wellbeing and Digital Finance

OPEN CALLS FOR THE OTHER SOCIAL AND TECH PROJECTS

	Eligible Applicant	Grant Available	Deadline	Topic
	Legal entities established in EU Member States or H2020 countries (which successfully passed the 1 st round)	Up to €50 000 per project	March 31 st , 2022	Social Sciences and Humanities disciplines
	Consortia of at least 2 SMEs established in EU Member States or H2020 countries with a solution at min TRL 5	Up to €60,000 per SME – up to €74 000 per project in developing prototyping solutions (reach TRL 6/7) – up to €88 000 per project in developing new apps solutions (reach TRL 8/9)	April 26 th , 2022	Sensitive infrastructure protection, disaster resilience, public spaces protection
	SMEs	Up to €75 000 per each third party	April 30 th , 2022	Decentralised customer-centric product design & production approaches FMCG technology

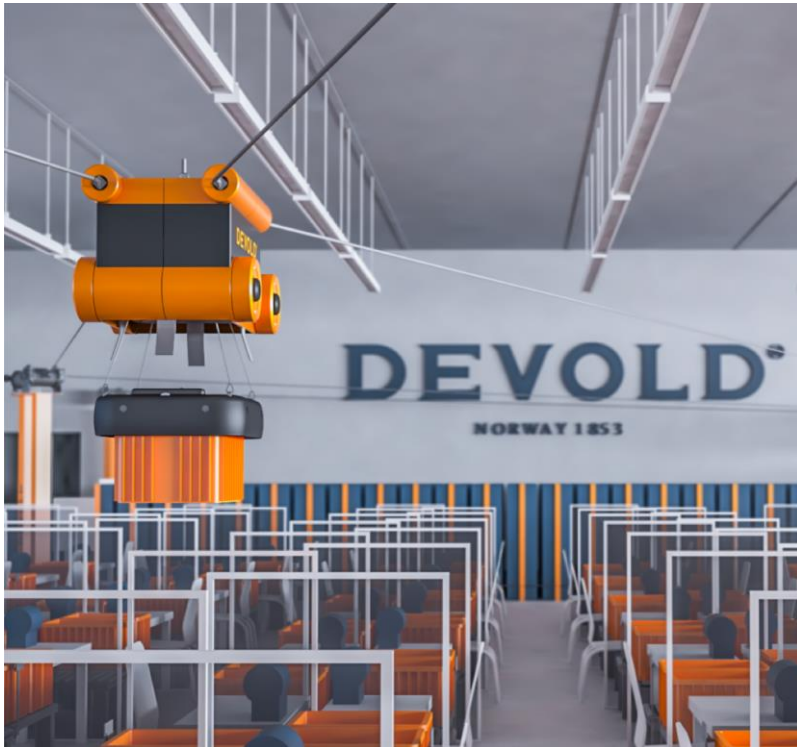
SUCCESS STORIES



Success stories of companies that received grant

FINANCING INTRA-FACTORY LOGISTICS FOR DEVOLD

**€250,000 L4MS GRANT
to conduct the experiments**



SITUATION

Devold aimed to become a forerunner in intra-factory logistics automation within the textile industry and was looking for solutions for modernization and automatization.

APPROACH

Partnership with Factobotics company was established and L4MS grant from Horizon 2020 cascade funding program was attracted.

IMPACT

- Open Platform for Innovations in Logistics (OPIL) Fleet Management System was built on specific challenges of Devold transport system
- OPIL was applied and implemented into Devold operations

Year: 2017

Country: Lithuania

Deliverables: OPIL Fleet Management System, funding attracted

PROVIDING EXPERIMENT FACILITIES FOR MULTICURSOR

**€100,000 BEinCPPS GRANT
attracted**



SITUATION

Factobotics was looking for R&D capacities to develop its Multicursor solution – intelligent polymerization quality level sensor driven by cutting edge laser technology and machine learning.

APPROACH

BEinCPPS Experiment grant from cascade funding program of H2020 was attracted and ensured access to experiment equipment for project development.

IMPACT

- Core of the sensor technology integration with smart factory is done on BEinCPPS components like BEinCPPS OpenIOTMiddleware and BEinCPPSMessagingServices
- Multicursor solution is ready for market implementation

Year: 2017

Country: Lithuania

Deliverables: Project Concept&Grant Proposal, funding attracted

**UKRAINIAN ED TECH STARTUP
GOT INTO IMPACT ED TECH
PROGRAM ACCELERATOR
AND RECEIVED
CASCADING FUNDING GRANT**

UP TO €195,300 GRANT



SITUATION

The company has developed a prototype solution to personalize the learning process and improve reading skills. The team was looking for a way to validate solutions with the market and obtain financing for commercialization.

IMPACT

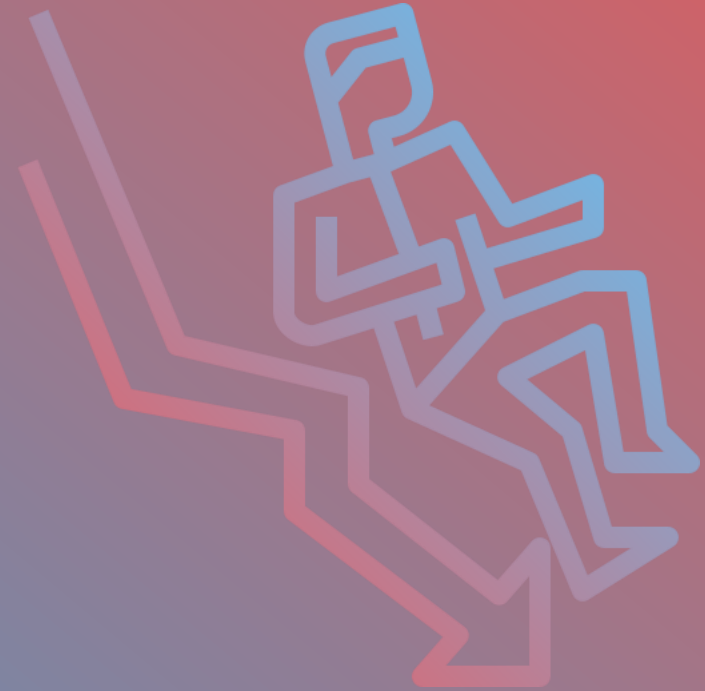
Within IMPACT Ed Tech program, the company planned to:

- Receive support from business mentors
- Participate in a set of trainings
- Test solutions in European schools
- Receive up to € 195,300 in grant funding

ISSUES

The company did not submit a report in the form requested by the consortium and did not receive one of the tranches of funding.

FAILURE STORIES



Example of no-success stories with lessons learned

MEDTECH COMPANY WON THE GRANT BUT DIDN'T SIGN THE GRANT AGREEMENT

~€50K GRANT



SITUATION

Startup developing innovative solution for urinalysis at home wanted to attract € 50K for piloting of its solution. Solution had to be inbuilt into the ecosystem of other MedTech solutions to be piloted altogether.

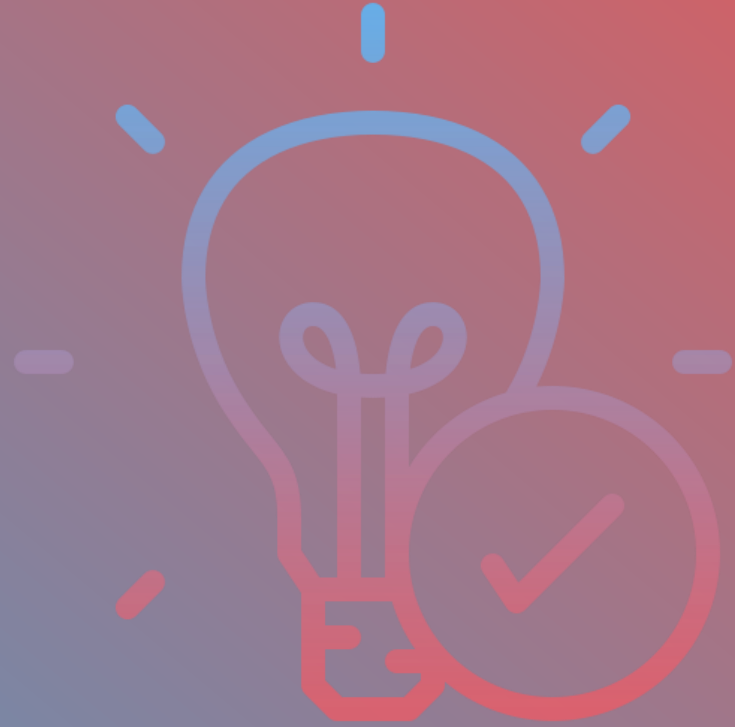
IMPACT

- CIVITTA attracted the grant for this MedTech startup.

ISSUES

Additional legal documents check and Grant Agreement preparation took very long. Afterwards, consortium took a pause for internal process. Once the consortium was ready to sign the Grant Agreement, half a year has passed, and startup didn't have human resources to implement the project.

TIPS AND TRICKS



Recommendations from the lessons learned

BEST PRACTICE OF GRANT APPLICATION: DO'S

- Make sure your company is at the **right stage of development**
- Learn the **objectives of the grant programme** and know how you can contribute
- Focus on the business plan: know your **revenue streams** and how you will **build the team**
- Know your **customer** (who pays money, who use the solution) and how you will reach them
- Know your **value chains** and present **reliable strategic partners**
- Pay attention to your **market in details** (industry, geographic)
- Estimate **company growth** after the grant project (financials, team, etc.)
- Create a **noticeable naming** and prepare an interesting **annotation**
- Ask people who you trust and who are unfamiliar with your solution to read the application
- Pay attention on received **comments and feedback** (especially if you did not win)
- **Apply again** if you did not win

COMMON MISTAKES IN APPLICATION: DONT'S

- Undervalue the importance of describing the **value of your solution** and the **expertise** of your company and team
- Focus only on the **description of your solution** (spoiler: all questions of the application form are important)
- Describe your idea complicatedly with **tons of technical jargon**
- Propose an idea without a **concept for its commercialization**
- State there is **no competitors or alternatives** on the market
- Pay attention to a grant project more than to the whole **business development**
- Loose **consistency**
- Start preparation of **administrative documents** at the last minute

THANK YOU FOR YOUR TIME!

AND WE WISH YOU TO JOIN THE SUCCESS STORIES SECTION 😊



The NGITETRA project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement No 825147