



# blockchers

Facilitating the revolution of DLT across European SMEs

## Guidelines for applicants.

# BLOCKCHERS 2<sup>nd</sup> open call for proposals

Closing date for proposals

Friday, 13<sup>th</sup> March 2020 at 12:00 (noon) CEST

Core Consortium:



Frankfurt School  
Blockchain Center



*innomine*



ALASTRIA



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 779790

## Table of Contents

1.	INTRODUCTION.....	5
1.1	Background information .....	5
1.2	BLOCKCHERS General Requirements and Tracks.....	5
1.3	BLOCKCHERS Approach.....	6
1.4	Preferred domains .....	7
2.	CALENDAR.....	8
2.1	Proposals Open Call .....	8
2.2	Stage 1 – Immersion .....	8
2.3	Stage 2 – Implementation.....	8
2.4	Stage 3 – Recognition.....	8
3.	BENEFICIARIES.....	9
3.1	Types of Beneficiaries .....	9
3.2	Use Cases .....	9
3.3	Definition of SME .....	9
3.4	Eligible Countries .....	9
4.	GENERAL INFORMATION .....	10
4.1	Means of Submission .....	10
4.2	Language .....	10
4.3	Documentation Formats .....	10
4.4	Origin of the Funds.....	10
4.5	Number of Proposals per Applicant.....	10
4.6	Funding Principle.....	11
5.	SUBMISSION OF PROPOSALS .....	11
6.	Evaluation Process .....	12
6.1	Proposal Stage.....	12
6.1.1	Proposal Reception .....	12
6.1.2	Eligibility .....	12
6.1.3	Automatic Sorting .....	13
6.1.4	Remote Evaluation.....	13
6.1.5	Draw Resolution.....	14

6.1.6	Communication.....	14
6.1.7	Negotiations.....	14
6.1.8	Next stage .....	16
6.2	STAGE 1 – IMMERSION .....	16
6.2.1	Submission .....	16
6.2.2	Evaluation.....	16
6.2.3	Draw resolution.....	17
6.2.4	Communication.....	17
6.2.5	Payments.....	17
6.2.6	Next stage .....	17
6.3	STAGE 2 - IMPLEMENTATION.....	18
6.3.1	Evaluation.....	18
6.3.2	Payments.....	19
6.3.3	Next stage .....	19
6.4	STAGE 3 - RECOGNITION.....	19
6.4.1	Evaluation.....	20
6.4.2	Payments.....	20
6.5	BLOCKCHERS Events.....	20
6.6	Summary of the evaluation and payment process .....	21
7.	Intellectual property rights .....	21
7.1	Background .....	21
7.2	Foreground.....	22
8.	Technical services and infrastructure by BLOCKCHERS .....	22
8.1	Technical services .....	23
8.2	Additional Services.....	24
8.3	Infrastructure .....	25
9.	References .....	26

## Index of Figures

FIGURE 1. ACTIVITIES THAT QUALIFY FOR SUPPORT AND FORESEEN CALENDAR FOR THE TWO OPEN CALLS. ....	6
FIGURE 2. OVERALL FUNNEL APPROACH FOLLOWED DURING THE FIRST CALL PROCESS. ....	7
FIGURE 3. BENEFICIARIES VALIDATION PROCESS. ....	15
FIGURE 4. SUMMARY OF THE EVALUATION AND PAYMENT PROCESSES. ....	21
FIGURE 5: SERVICES PROVIDED FOR BLOCKCHERS .....	23

## 1. INTRODUCTION

This document provides a full set of information regarding the first open call for proposals for the BLOCKCHERS project (<http://blockchers.eu/>). In addition to these guidelines, the applicants are invited to get acquainted with the Sub-Grantee Funding Agreement template. The Sub-Grantee Funding Agreement template will be made available at the website <http://blockchers.eu/> well before the closure of the second open call.

### 1.1 Background information

BLOCKCHERS is a Coordinated and Support Action (CSA) project co-funded by the European Union. The project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement No 828840.

### 1.2 BLOCKCHERS General Requirements and Tracks

The objective of BLOCKCHERS is to facilitate the revolution of Distributed Ledger Technologies (DLT) across SMEs in Europe thanks to the promotion and support of DLT sub-granted use cases in multiple sectors by SMEs, support on the creation of a “smart” regulatory framework for the EU and the development of policy recommendations.

The main objective of the open calls in BLOCKCHERS is selecting SMEs developing solutions with DLTs for their validation in end users SMEs use cases. As result of these use cases, recommendations and best practices will be elaborated for promoting the uptake of DLTs in different sectors. The beneficiaries of the open calls will act as promoters of DLTs uptake by traditional SMEs.








Any project selected by BLOCKCHERS must be executed by a SME and it is obliged to relate to one of the indicated sectors defined in this **Open Call** for proposals.

The chosen approach for the involvement of traditional SMEs as DLT uptakers is done through the funding of other SMEs as technology suppliers. With the BLOCKCHERS formula, two types of SMEs will be reached and will benefit from the project:

- **Blockchers:** they will implement uses cases with end-users (potential clients), they will have access to funding, supporting services and a private DLT network
- **End users SMEs:** will see their business improved with a tailor-made solution for free. They will get involved in the digitization process, properly trained and hand in hand with a technology supplier.

The open call will be divided in two tracks:

- **Use Cases:** The experiments should be run by the collaboration of 2 SME: one tech-based SME that will offer a new solution to an End user SME, a non-tech-based SME in which the adoption of the DLTs technologies may pose an actual revolution in the way business are done.
- **Domain specific challenges:** Industry 4.0, Mobility & Transport, Food & Retail, Media, Legal & Compliance, Health, Energy, others per the needs detected by the End users SMEs and defined in the Domain specific challenges Catalogue [2].

-  Industry 4.0
-  Mobility & Transport
-  Food & Retail
-  Media
-  Legal & Compliance
-  Health
-  Other

BLOCKCHERS will try to select at least 1 use case in each eligible domain in the first stage of the project, to be sure that all domains are addressed with DLT applications solving current challenges.

### 1.3 BLOCKCHERS Approach

BLOCKCHERS has been conceived as a **4-stage process**: **open call – immersion – implementation – recognition**, that allows the adaptation of the technology to the use case, its implementation and validation in real use case scenarios, while facilitating the elaboration lessons learned across several verticals to extract recommendations and best practices.

The objective of the programme is facilitating the uptake of DLTs by End users SMEs whilst increasing the technical and business skills of the selected SMEs in charge of the DLT’s market exploitation in relevant sectors.

The figure below shows the overall scheme of the process:



FIGURE 1. ACTIVITIES THAT QUALIFY FOR SUPPORT AND FORESEEN CALENDAR FOR THE SECOND OPEN CALLS.

The programme will be based on a 4-stage process (repeated for two open calls): **OPEN CALL -> IMMERSION -> IMPLEMENTATION -> RECOGNITION**. Each stage comprises a set of activities that qualify for financial support. All the funds disbursed will be based on concrete results and not administrative justifications.

- **Open call:** This is the submission of proposals, purpose of these guidelines. No funding attached.

- **Immersion:** Up to 18 Use Cases will enter this phase. This phase will help the SMEs to clearly define their Use case. At the end of the stage, a Blockathon will be organised to prepare the first mock-ups of the applications. During the Blockathon and together with a technical analysis, **SMEs participating will engage in a final “demolition pitch” contest, which will select the top projects that will access the following stage (up to 12 companies).**
- **Implementation** of the use cases. Accomplishment of the KPIs defined among each SME at the beginning of this stage. KPIs are revised twice: at the mid-period and at the end of the implementation stage. To that aim, **the up to 12 SMEs that are invited to this stage will have access to dedicated coaches and mentors**, a technical Blockchain infrastructure ready to be used, a different set of training modules. It is also required the participation in the internal events to be organised and communicated.
- **Recognition:** All the blockchers successfully fulfilling the KPIs of the implementation stage, will have the opportunity to apply for a prize, awarding the best use case implementation during the celebration of a ceremony in the context of a major public event with high impact.

Each project funded will receive **up to €50k** depending on the stage reached in the incubation process under a lump sum scheme, based on the approval of different milestones or KPIs and along the funnel approach.

A graph summarizing the process is shown below:

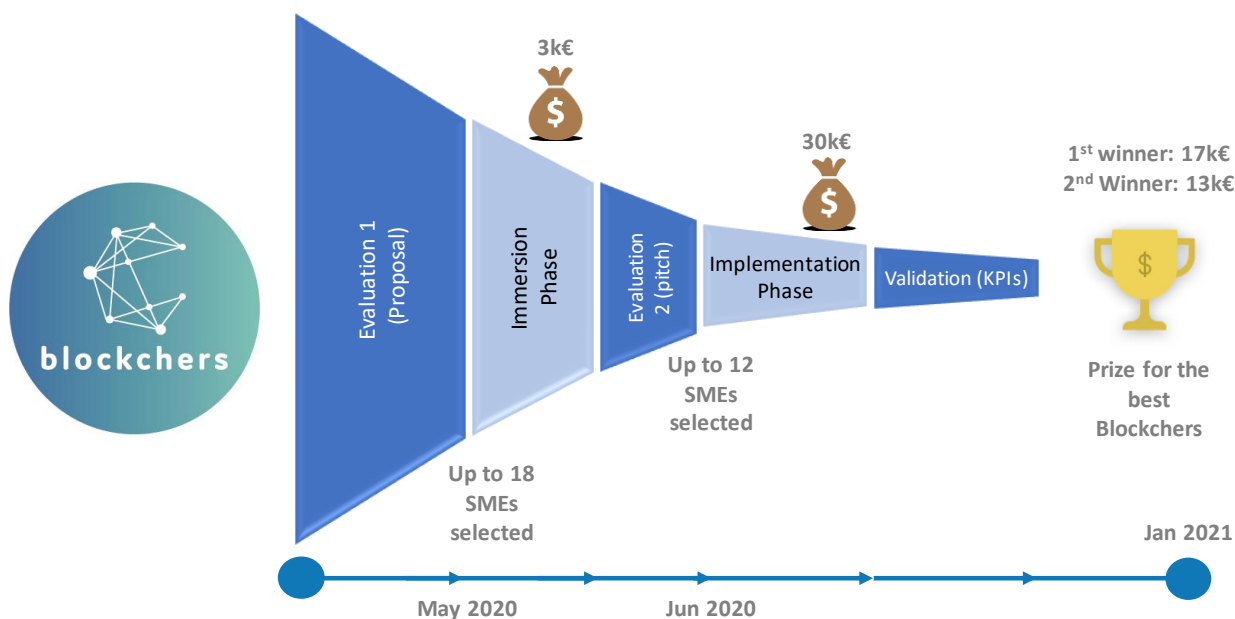


FIGURE 2. OVERALL FUNNEL APPROACH FOLLOWED DURING THE SECOND CALL PROCESS.

#### 1.4 Preferred domains

The needs and opportunities for the domains selected in BLOCKCHERS are defined in the **Domain specific challenges** [2].

## 2. CALENDAR

### 2.1 Proposals Open Call

- Call opening on F6S platform [<https://www.f6s.com/blockchers2020/apply>] on 13/01/2020
- Deadline for submission via FS6 Platform 13/03/2020, 12:00 (noon) CEST
- Evaluation from 16/03/2020 to 03/04/2020.
- Communication of results to applicants from 06/07/2020 to 08/04/2020
- Negotiation and sub-grantees signature of contracts from 20/04/2020 to 15/05/2020

### 2.2 Stage 1 – Immersion

- Execution from 16/05/2020 to 30/06/2020
- Evaluation to access to the Implementation Stage: a Blockathon will be organised to prepare the first mock-ups of the applications. During the Blockathon, and together with a technical analysis, SMEs participating at Immersion stage will engage in a final “demolition pitch” contest which will be the basis for the evaluation.
- Official communication of results to applicants will be done from 01/07/2020 to 03/07/2020

### 2.3 Stage 2 – Implementation

- Execution from 15/07/2020 to 15/12/2020
- The use cases fulfilling the previously determined KPIs will be considered for the final recognition.
- Communication of results from 16/12/2020 to 23/12/2020

### 2.4 Stage 3 – Recognition

- The prizes will be distributed by the celebration of a ceremony in the context of a major public event with high impact. January 2021

**Dates are an initial estimation and might slightly change** if agreed by BLOCKCHERS consortium for the benefit of the sub-grantees.



### 3. BENEFICIARIES

#### 3.1 Types of Beneficiaries

The accepted applicants for BLOCKCHERS open call are **technological SME** developing a use-case for an end-user SME based on DLT. The detailed definition of SME is explained in the following section 3.3.

The implementation of the DLT by the beneficiary in any of the **Domain specific challenges** [2], must be assured and represented by an end-user SME from these domains. The end user SME follows the same definition of SME as indicated above.

#### 3.2 Use Cases

The use case is directed to the development of a new solution based on DLT to solve a current challenge or needs identified in an End-user SME from different domains. For the development of the Uses Cases, a relationship between the Technological SME and the End user SME from the indicated domains is needed.

The end user SME DOES NOT RECEIVE FUNDING, but their participation with the Technological SME needs to be assured. In order to demonstrate this relationship, a Commitment Letter must be signed by both SMEs and presented with the application form. A template for this Commitment Letter is available at the website.

#### 3.3 Definition of SME

A SME will be considered as such if accomplishing with the Commission [Recommendation 2003/361/EC](#) [3] and the [SME user guide](#) [4]. As a summary, the criteria which define a SME are:

- Headcount in Annual Work Unit (AWU) less than 250.
- Annual turnover less or equal to €50 million or annual balance sheet total, less or equal to €43 million.

#### 3.4 Eligible Countries

Only applicants and End-users legally established and working as SME in any of the following countries will be eligible:

- The Member States (MS) of the European Union (EU), including their outermost regions;
- The Overseas Countries and Territories (OCT) linked to the Member States<sup>1</sup> ;
- H2020 Associated countries: according to the updated list published by the EC at [http://ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/hi/3cpart/h2020-hi-list-ac\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf)

---

<sup>1</sup> Entities from Overseas Countries and Territories (OCT) are eligible for funding under the same conditions as entities from the Member States to which the OCT in question is linked.

## 4. GENERAL INFORMATION

### 4.1 Means of Submission

The F6S platform will be the entry point for all proposals in Stage 1 [5] (accessible at <https://www.f6s.com/blockchers2020/apply>). Submissions received by any other channel will be automatically discarded.

Documents required in subsequent stages will be submitted via dedicated channel, which will be indicated by BLOCKCHERS consortium during the sub-granted projects execution.

### 4.2 Language

**English** is the official language for BLOCKCHERS open calls. Submissions done in any other language will not be evaluated. English is also the only official language during the whole execution of the process. This means any requested submission of deliverables will be done in English in order to be eligible.

### 4.3 Documentation Formats

Any document requested in any of the stages must be submitted electronically in PDF format without restrictions for printing.

### 4.4 Origin of the Funds

Any selected proposer will sign a dedicated Sub-Grantee Funding Agreement with the members of the BLOCKCHERS consortium. The funds attached to the Sub-Grantee Funding Agreement come directly from the funds of the European Project BLOCKCHERS, and the consortium is managing the funds according to the grant Agreement Number 828840 signed with the European Commission.

As can be seen in the Sub-Grantee Funding Agreement template [6], this relation between the sub-grantees and the European Commission through BLOCKCHERS project carries a set of obligations to the sub-grantees with the European Commission. It is the task of the sub-grantees to accomplish them, and of the BLOCKCHERS consortium partners to inform about them.

### 4.5 Number of Proposals per Applicant

**Only one proposal will be accepted for funding per technological SME.**

Given the fact this call is a competitive one, and the solutions will focus in a specific challenge or project, **only one proposal per SME will be evaluated**. In the case of a multiple submission by a SME, only the last one received (timestamp of the system) will enter into our evaluation process, the rest being declared as non-eligible.

If the last submitted proposal is declared then non-eligible or fails to reach the thresholds of the evaluation, the other proposals submitted earlier will not be considered for evaluation in any case.

Proposals selected in the 1<sup>st</sup> Open Call of Blockchers (2019) are not eligible in this 2<sup>nd</sup> Call (2020).

#### 4.6 Funding Principle

The process will be based on a 4-stage process **OPEN CALL – IMMERSION – IMPLEMENTATION – RECOGNITION**. Each stage comprises a set of activities that qualify for financial support. All the funds disbursed will be based on concrete results and not administrative justifications.

- **Immersion: €3,000** attached to the successful participation in the respective call Blockathon, elaboration of a mock-up of the future solution making use of DLTs and a pitch of the overall solution in the pitch contest.
- **Implementation: up to €30,000** subject to the degree of accomplishment of the KPIs defined among each SME and its coach at the beginning of this stage. The selected participants are also required to attend some of the internal events organized by the consortium in this stage. The total amount of this stage will be divided in two payments according to the % of KPI's fulfilment in each review.
- **Recognition:** All the blockchers successfully fulfilling the KPIs of the implementation stage, will have the opportunity to apply for a prize, awarding the best use case implementation during the celebration of a ceremony in the context of a major public event with high impact. The winners will receive **€17.000** or **€13.000** for the first and second prize respectively.

Therefore, a third-party could receive as **maximum €50,000** for a project, under a lump sum scheme, based on the approval of different milestones or KPIs and along the funnel approach.

## 5. SUBMISSION OF PROPOSALS

The submission will be done through the F6S platform which is directly linked from BLOCKCHERS website ([www.blockchers.eu](http://www.blockchers.eu)). This means the proposers are required to register a profile at FS6 to be able to submit a proposal.

The documents that will be submitted are:

1. **Proposal form:** an online form divided in different sections: (0) Admin & contact data (1) Challenge chosen, (2) Team, (3) Domain directed to and End user SME as partner, (4) Product, (5) DLT used, (6) Market & Competition, (7) Customer acquisition, (8) Business & Traction, (9) Growth strategy, (10) Investment & milestones and (11) a Pitch presentation.

The project proposals have to strictly adhere to the form provided by BLOCKCHERS consortium via F6S platform, which defines sections and the overall length. Evaluators will be instructed not to consider extra material in the evaluation.

2. **Proposal form:** an online form divided in different sections: (0) Admin & contact data (1) Challenge chosen, (2) Team, (3) Domain directed to and End user SME as partner, (4) Product, (5) DLT used, (6)

Market & Competition, (7) Customer acquisition, (8) Business & Traction, (9) Growth strategy, (10) Investment & milestones and (11) a Pitch presentation.

3. **Declaration of Honour:** a tick box clicked by the SME confirming they have read the conditions and agree with the conditions defined in this document.

If the applicant discovers an error in the proposal, and provided the call deadline has not passed, the applicant may submit a new version (for this purpose, the applicant must request it to the support team through [hello@blockchers.eu](mailto:hello@blockchers.eu)). Only the last version received before the call deadline will be considered in the evaluation.

It is strongly recommended not to wait until the last minute to submit the proposal. Failure of the proposal to arrive in time for any reason, including communications delays, automatically leads to rejection of the submission. The time of receipt of the message as recorded by the submission system will be definitive.

BLOCKCHERS offers a dedicated support channel available for proposers at [hello@blockchers.eu](mailto:hello@blockchers.eu). Requests or inquiries about the submission system or the call itself, received AFTER the closure time of the call will neither be considered nor answered.

## 6. Evaluation Process

### 6.1 Proposal Stage

#### 6.1.1 Proposal Reception

Submissions will be done ONLY through F6S platform in the space enabled for BLOCKCHERS project [5]. A full list of proposers will be drafted containing their basic information for statistical purposes and clarity (which will be also shared with EC for transparency).

The application reception **will close at 12:00 (noon) CEST on 13<sup>th</sup> March 2020**. There will not be deadline extensions unless a major problem, caused by BLOCKCHERS and not by the proposers, makes the system unavailable.

#### 6.1.2 Eligibility

An automatic filtering to discard non-eligible proposals will follow the shortlist below. Eligibility criteria check will verify:

- a. the existence of a legal SME in an eligible country,
- b. the uniqueness of the proposal,
- c. the non-existence of the same proposal selected by BLOCKCHERS in the previous call(s)
- d. the use of DLTs,
- e. the commitment of a complementary SME as an end-user in the use case proposed. Unsigned letters will make the proposal NOT eligible.

- f. the link to any of the domain challenges or the cross-sector challenge,
- g. the correct fulfilment of the submission form on F6S and
- h. the issues of multiple participation described in section 4.6.

Proposals marked as non-eligible will get a rejection letter including the reasons (a to g) for being declared as non-eligible. No further feedback on the process will be given.

### 6.1.3 Automatic Sorting

On a second step, the evaluation process will automatically sort the proposals according to a set of indicators monitoring the skills of the companies and team behind the application.

The concrete criteria for this automatic sorting will be made public AFTER the two calls for proposals are closed. These criteria will not be public before the calls to avoid proposers sending fit-for-the-call submissions.

Proposals not passing the automatic sorting will be sent a rejection letter indicating that the proposal does not reach the internal traction indicators needed for accessing the programme. No further feedback on the process will be given.

### 6.1.4 Remote Evaluation

After the automatic sorting, the final shortlist for evaluation will be created. The proposals will be given to the external evaluators.

## Evaluators

Every proposal will be assessed by 2 external experts with different profiles (technical, business). External evaluators will be part of the evaluations and, in any case, will have to sign a declaration that they have no conflict of interest. The criteria for evaluation will be:

- (1) technical approach and usage of DLTs
- (2) team behind the project and
- (3) feasibility of a business case under the use case scenario.

## Scoring

Reviewers will evaluate the proposals considering the above-mentioned criteria for the challenge. Each criterion will have a score from 0 to 5. Decimal scores may be given. For each criterion under examination, score values will indicate the following assessments:

- **0 Fail.** The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information

- **1 Very poor.** The criterion is addressed in an unsatisfactory manner.
- **2 Poor.** There are serious inherent weaknesses.
- **3 Fair.** While the proposal broadly addresses the criterion, there are significant weaknesses that would need correcting.
- **4 Good.** The proposal addresses the criterion well, although certain improvements are possible.
- **5 Excellent.** The proposal successfully addresses all relevant aspects of the criterion in question. Any shortcomings are minor.

In order to be eligible for the following stage, **each proposal will need to score at least 3 points out of 5 on each criterion and a minimum of 12 in sum.**

The information on the evaluation will be compiled into an Evaluation Summary Report which will be sent to applicants after being approved by BLOCKCHERS consortium and the evaluators.

A maximum of 24 proposals will be shortlisted in this stage and around 18 will be invited to sign a contract (sub-grantee agreement) and access the “immersion” stage of the programme, keeping the rest in a reserve list.

#### 6.1.5 Draw Resolution

In the case of a draw in the final scoring, the following criteria will be used in the following order of priority:

- Higher score for business potential criterion.
- Higher score for team composition criterion.
- Gender equality fit of the proposal.
- Participation in previous activities organised by BLOCKCHERS project.
- Date of submission: earlier submitted proposals go first.

#### 6.1.6 Communication

Every applicant will receive via e-mail:

- An Evaluation Summary Report (ESR)
- A letter informing of: rejection decision, invitation to negotiation and following steps or being part of the reserve list.

#### 6.1.7 Negotiations

The objective of the negotiations is fulfilling the legal requirements between BLOCKCHERS consortium and every selected project of the call. The items covered will be:

- Status information of the beneficiaries:

- **SMEs.** If the applicant has been fully validated as an SME on the Beneficiary Register of the H2020 Participant Portal, the PIC number has to be provided. The following documents could be required to prove the status as an SME if the applicant has not been fully validated as an SME on the Participant Portal:
  1. **SMEs check list:** signed and stamped.
    - In the event they declare being non-autonomous: the balance sheet and profit and loss account (with annexes) for the last period for upstream and downstream organizations
  2. **Status Information Form.** It includes the headcount (AWU), balance, profit & loss accounts of the latest closed financial year and the relation, upstream and downstream, of any linked or partner company.
  3. **Legal existence.** Company Register, Official Journal and so forth, showing the name of the organisation, the legal address and registration number and, if applicable, a copy of a document proving VAT registration (in case the VAT number does not show on the registration extract or its equivalent)
  4. **Supporting documents.** In cases where either the number of employees or the ownership is not clearly identified: any other supporting documents which demonstrate headcount and ownership such as payroll details, annual reports, national regional, association records, etc.
- **Bank account information:** The account where the funds will be transferred will be indicated via form signed by the SME and the bank owners. The holder of the account will be the SME.
- **Sub-grantee funding agreement:** Signed between the Consortium (represented by its coordinator ZABALA INNOVATION CONSULTING) and the beneficiary.

The request, by BLOCKCHERS consortium, of the documentation will be done including deadlines. Failing to meet the deadlines requested will directly end up the negotiation process and projects under the reserve list will substitute the failing applicants.

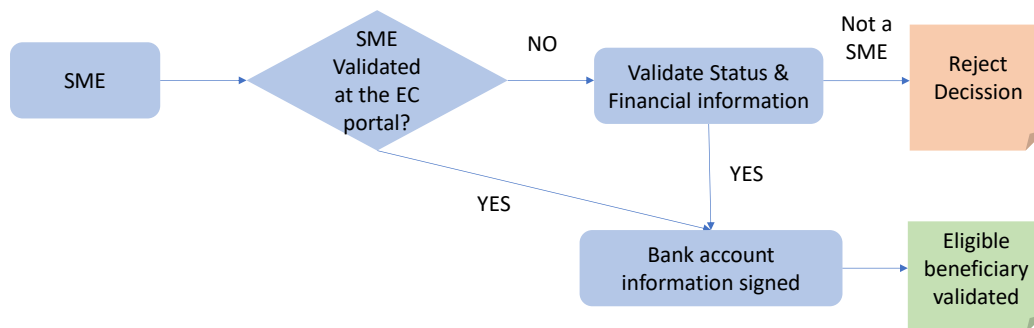


FIGURE 3. BENEFICIARIES VALIDATION PROCESS.

### 6.1.8 Next stage

Up to 18 projects will access IMMERSION stage, according to the procedure explained above. Access to next stage is officially granted once the Sub-Grantee Funding Agreement is signed by the BLOCKCHERS consortium, represented by ZABALA INNOVATION CONSULTING, and the sub-grantee(s).

## 6.2 STAGE 1 – IMMERSION

### 6.2.1 Submission

Selected SMEs will be requested to attend an internal event. This event will be used to evaluate the SMEs on a face to face pitch contest and after a Blockathon event that will be held in June 2020 in a place to be determined, that will be communicated before the closure of the second Open Call. In this event the participants will have a couple of days to further develop their use case implementation (in the form of a presentation, live system or mock-up) and their business idea.

In this stage, 12 SMEs (18 -> 12) will be selected. The teams invited to this stage will have some time to prepare for the Blockathon. Training on how to prepare the pitch for the contest will be also considered.

### 6.2.2 Evaluation

A “demolition pitch” contest will be used to evaluate the projects that will be scored based on three main criteria:

1. **Commercialisation** potential of their technology.
2. **Pitching skills** demonstrated in the demolition pitch contest
3. **Technological skills** demonstrated in the Blockathon.

The participants- besides describing the added value of their technology and its innovation potential – will be requested **to present the traditional SME as end-users** with whom they will implement and test their technology later, in the Implementation stage.

### Scoring

Reviewers will evaluate the teams according to the criteria above. Each criterion will have a score from 0 to 5. Decimal point scores may be given. For each criterion under examination, the score values will correspond to the same assessment as in the earlier stage.

A **minimum** score of **3 for each criterion and an overall score of 12** for the 3 criteria will be needed. Only proposals reaching all the criteria will be eligible for accessing the Implementation stage.

### Evaluators



A panel of judges consisting of the members of our advisory board (and other external reviewers if not enough), who are experts in the field of DLT, who will select the top 18 use cases accessing the next stage - “Implementation”. Evaluators will score the proposal individually and **complete and add comments to their scores** related to the evaluation criteria. This information will be compiled in a short **Evaluation Summary Report (ESR)**.

### 6.2.3 Draw resolution

In the case of a draw in the final scoring, the following criteria will be used in the following order of priority:

- Higher score for commercialisation potential.
- Higher score for team's operational capacity criterion.
- Higher score for pitching skills criterion.

### 6.2.4 Communication

The best SMEs to move on to the Implementation stage will be first notified at the Blockathon event. Afterwards, every Sub-granted project will receive the ESR via email and will be informed about the obtained results. This will lead to one of the following decisions:

- Invitation to access the next stage if the general thresholds are reached and the position in the ranking list is within the top 12.
- Informing about ending the process if the thresholds are not reached and the position in the raking list is not within the top 12.

The legal registration documents will have to be provided for any payment at the Implementation stage to be issued.

### 6.2.5 Payments

SMEs taking part in the pitch event (training, presentation, Blockathon) will be paid **€3,000** of the IMMERSION stage (winners or not).

Teams not attending the Blockathon will be automatically disqualified from the programme and will not receive the funding.

### 6.2.6 Next stage

The best 12 companies over the thresholds will access Stage 2 – IMPLEMENTATION.

## 6.3 STAGE 2 - IMPLEMENTATION

The following four months will be fully dedicated to the implementation in a real use-case of the product/service designed. The selected 12 Blockchers will take part in the implementation process, where their technologies will be used in a specific domain with the active involvement of their end-users.

Coaches for all teams will be nominated. Each SME will be assigned one coach who will have regular coaching sessions with the teams regarding their development. Furthermore, they will define the features of the **use-case**. The teams will define the baseline and related KPI, against which the use case will be validated.

### 6.3.1 Evaluation

#### Continuous follow-up

The initial set-up of the stage will include a definition of KPIs (from the development, dissemination and business perspective) to set clear and objective indicators to which the funding will be linked. By the end of this stage the **12 sub-granted projects will be evaluated again according to the milestones and KPIs** determined with the assigned coaches.

The assessment of the KPIs execution will be done twice, at mid-term of the implementation period and at the end. The participation in the internal events and the implementation of a use case are also compulsory requirements.

This assessment will be carried out by the internal coaches assigned, who will be in charge of the follow-up process of each of the projects. Payments are linked to the degree of fulfilment of those KPIs in the two revisions. Only the SMEs with an average completion of an 80% of their KPIs will have access to their final prize.

The coach for each SME will prepare a Follow-up Report indicated the grade of fulfillment of the KPIs.

#### Final evaluation

To conclude the Stage 2-IMPLEMENTATION, a final evaluation of the technical and business part of each project will be done in a final event (location to be determined) with a similar scheme as the earlier Immersion stage.

#### Deliverables

Compulsory deliverables that will be needed to access the final stage and receive the final payment of the Stage 2 are:

- Promotional video (3 minutes length) about the SME and their product/service. This video will be made public in different channels. It will be in English or subtitled in English.

- Document indicating the means trialling the use case for a potential customer (login information, website address, link to a demo video or whatever means are needed to check the use case exists and works).
- Individual KPI reports defined with the coach and their intermediate stage evaluations.
- Summary document of the activities performed, and progress made by the company. The template to be completed will be provided by the BLOCKCHERS consortium.

### 6.3.2 Payments

Up to **€30,000** may be granted depending on the accomplishment of the KPIs defined at the beginning of this stage among each SME and its coach. Those KPIs will be revised twice, at mid-term of the implementation period and at the end.

The total amount of this stage will be structured in 3 different steps. The amounts and calendar will be defined in the Sub-grantee Funding Agreement.

- **Beginning of the implementation:** define a set of KPIs to be achieved with their internal coach during the first week of the implementation stage. This KPIs are different per SME and are related on the use case, domain and dissemination activities within BLOCKCHERS framework to be implemented.
- **Mid-term review and first payment:** By the end of month 2 of the implementation and at the end of the implementation period, the assigned coaches will assess the KPI's percentage of execution of each use case. A 50% completion of the KPIs will launch a first payment of **€15,000** per SME. A lower completion of the tasks will launch the proportional payment. If the KPIs are met by less than a 30% the payment will be retained until the end of the stage. If less than a 20%, the SME will be automatically disqualified from the process.
- **Final review and second payment:** Following the same logic as before, the consortium will pay the remaining amounts **up to €30,000** per SME. Teams will be paid according to their overall completion of KPIs. Only in the case of an underperformance below of a 30% the team will be disqualified, and no further payment released.

Proof of legal registration as an SME in an eligible country" must be provided for any payment in this stage to be issued.

### 6.3.3 Next stage

All the companies that fulfill the requirements indicated in this Stage will access to Stage 3-RECOGNITION. Good technical projects with a credible growth strategy will be selected.

## 6.4 STAGE 3 - RECOGNITION

In this Final Stage, all the SME participating in the Implementation stage and passing the validation successfully, will have the opportunity to apply for a prize, awarding the best examples of use case implementation. At the end of this stage, on January of 2021, a final event will be organized. The location and final date will be communicated in good time to Blockchers and relevant stakeholders.

#### 6.4.1 Evaluation

The SMEs qualifying to this stage will have a 5 to 10 minutes pitch on stage where they will present their use case implemented in front of a jury. The jury will select the best 2 cases that will be awarded with further equity-free funding.

The criteria for selection will be based on their presentation about the results obtained in the use case, plus their mid-term expected activities related to DLT that will be possible thanks to the implementation of the use case.

#### Deliverables

A **summary comprising a progress overview** of each team will be requested from the companies. A suitable template for it will be provided by BLOCKCHERS consortium.

#### 6.4.2 Payments

The winners will receive **€17,000** or **€13,000** for the first and second prize respectively, as well as promotion in as success stories with high market replicability.

### 6.5 BLOCKCHERS Events

BLOCKCHERS will organise physical and/or online events on each of the stages to the teams involved. It will be compulsory to attend those events in person. At least one representative per team will be required in each event, although it is strongly advised that at least two people attend.

Failing to attend any of the proposed events defined at the beginning of each stage by BLOCKCHERS will automatically disqualify the team from further stages.

All the events will be informed with enough time to prepare the logistics and reservations for all the team members. An estimation of the events and places is already described on each stage of these guidelines for applicants.

## 6.6 Summary of the evaluation and payment process

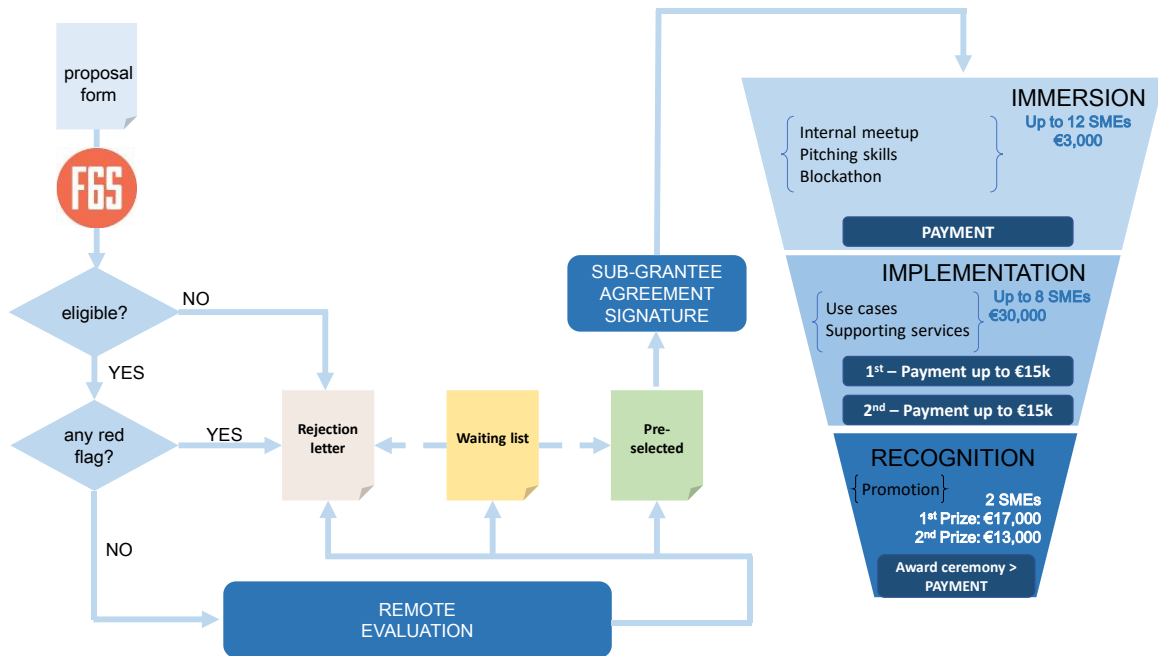


FIGURE 4. SUMMARY OF THE EVALUATION AND PAYMENT PROCESSES.

Depending on the stage reached by each SME, different quantities will be granted.

- Third parties successfully participating in Immersion stage will receive **€3,000**.
- Third parties successfully completing all the KPIs verification in Implementation will receive **€30,000** additionally.
- Third parties first winners in Recognition stage will receive **€17,000** additionally and second winners in Recognition stage will receive **€13,000** additionally.

This means that a third party could receive as **maximum €50,000 for a project**.

## 7. Intellectual property rights

### 7.1 Background

All the participants will confirm and declare that they are the sole creators of the software they will develop and that it is free from third party rights. Combinations of their own software plus open source existing ones will be permitted and fostered.

## 7.2 Foreground

**The property of the software or products developed by sub-granted SMEs, within the framework of the BLOCKCHERS open calls, will be entirely owned by them.** It will be their decision to determine if any part of the software will have an open-source license or not. BLOCKCHERS consortium will guide the SMEs and offer the different alternatives on the software licensing making use of the guidelines published by the IPR Helpdesk of the EC<sup>2</sup>.

The relation between the technological SME and the End user SME regarding the Intellectually Property Rights (IPR) should be discussed among both partners, if needed, and established into a private agreement out of the scope of BLOCKCHERS programme.

## 8. Technical services and infrastructure by BLOCKCHERS

The chosen approach for the involvement of End user SMEs as DLT uptakers is done through the funding of other SMEs as technology suppliers. This is based on the fact that traditional SMEs (by their own) are more resistant to changes. They need support in the digitization process. With the BLOCKCHERS formula, two types of SMEs will be reached and will benefit from the project:

- **Blockchers:** they will implement uses cases with end-users (potential clients), they will have access to funding, supporting services and a private DLT network
- **End user SMEs:** will see their business improved with a tailor-made solution for free. They will get involved in the digitization process, properly trained and hand in hand with a technology supplier.

The BLOCKCHERS consortium will organize best in class DLT pitching event (internal meetup) and will deliver outstanding value to the technological and End user SMEs by providing specialized support for the use cases implementation. The figure below explains the most relevant training, mentoring, coaching services provided via the consortia.

After Implementation stage, another factor is included: visibility. The consortium believes SMEs and their product development often lacks proper visibility, therefore BLOCKCHERS will organize final events with high visibility.

Use cases are a key vehicle for the project implementation and for achieving high level of impact: through the involved SMEs and also through spill over effect (like by identifying best practices for DLT usage, development and spreading that message in Europe; also by developing “lessons learnt” to be further used by other SMEs, etc.). Proper quality of the use cases design and implementation is guaranteed by the involved parties of the consortium and their previous experiences.

---

<sup>2</sup> IPR Management in Software Development European IPR Helpdesk, 7 April 2014



FIGURE 5: SERVICES PROVIDED FOR BLOCKCHERS

## 8.1 Technical services

### Training and support to prepare pitches

In the Immersion stage, individualised pitch coaching and mentoring services will be provided for SMEs, who are selected at the end of the Open Call. The selected Blockchers will receive a two-rounds preparation service. It includes a webinar with an online training, where presentation techniques and the main content required in a pitch will be taught. Each Blockcher will have the possibility to prepare and introduce their first pitch to professional trainers. The participants will receive an individualised feedback in order to gain support to finalise their presentation. An on-site pitch training will provide additional support for the SMEs on the first days of both pitch events.

### Blockathon

Another activity carried out in the context of the Immersion stage is a Blockathon where Blockchers will demonstrate their IT skills. This will be also taken into account to select the Blockchers passing to the Implementation stage.

### Support in designing, implementing and monitoring the use cases

The selected SMEs taking part in the experimenting phase will develop their technologies with the active involvement of traditional SMEs as end-users. The use cases are designed and supported by the Consortium Members, that will define a set of KPIs for monitoring of the Implementation process. Individual coaching will be provided by INNOMINE (Hungary) and ZABALA (Spain), where one person can be acting as “Sherpa” from a management point of view. While technical support on DLT technologies will be offered by FSBC from Germany and ALASTRIA from Spain.

According to the set of KPIs defined at the beginning of the Implementation stage, BLOCKCHERS consortium will measure the proper performance of the implementation. According to them, the

Blockcher will be evaluated and if the objectives are achieved, will receive the funding. During the phase, periodic audio meetings will be scheduled for follow-up.

Additionally, in designing the use cases, it is key to design and support the method to channelise the feedback of end-users into the development process of the products. In fact, the experience of this pilot will be used as lessons learnt to replicate this approach in the future.

### Providing visibility by final events

One final event will be organised at the end of the whole process as a side event of bigger events. The model behind is to gain a major sponsorship of an event where the final prize competition to the best use cases is organised as well as provide services to enhance matchmaking between the participants.

## 8.2 Additional Services

The selected SMEs will have access to different types of support and management services to implement the actual use cases. The concrete selection and scheduling will be individually adapted to each use-case and its prerequisites and challenges:

- **Coaching:** the Implementation Stage for each project will be guided by a specialised coach. The coach will define and monitor their metrics, to follow them up twice. Coaches will be the main contact point for the SMEs within the consortium
- **Match-making with stakeholders:** BLOCKCHERS will organise meetings among SMEs and companies and institutions from different sectors like banking, telco, energy, insurance, law firms, technology and services companies, research institutions, universities, that are ALASTRIAS' network members. Investors (corporates and specialized crypto-investors) will be also involved.
- **Blockchain certificate programme** (by FSBC): The course is designed to acquire IT and business skills in blockchain technology so will be an opportunity to both SMEs (End users and Blockchers). The course has an IT track and a business track such that it is suitable for both IT experts and business developers who seek to understand blockchain technology and crypto currencies. Among others, it is focused on the Ethereum and the Hyperledger platforms. From an IT perspective, this includes writing smart contracts and decentralised applications (DApps). Further, from a business perspective, we provide an understanding of the variety of possible blockchain use cases and business models.
- **Perks package** (by ZABALA): Zabala will made available additional resources for the programme participants such as free AWS credits, discount in start-up events, free domain registrations... ZABALA will inform during the implementation of each of the available offering.
- **Collaborations:** During the running of the programme BLOCKCHERS partners will set a number of agreements with external entities which might provide additional services for the participants. All of those will be duly informed to the sub-grantees.



### 8.3 Infrastructure

In order to well develop the Use cases selected, BLOCKCHERS offers the possibility to free access the first legally validated DLT network built by ALASTRIA and backed-up by [major corporations](#) and the public administration. ALASTRIA is the first ever DLT network counting with support from the authorities and designed to be compliant with EU regulations. The access will be subject to the signing up of the Sub-Grantee Funding Agreement for the period of participation in BLOCKCHERS.

- **Access to private DLT platform and Support:** provides a public-permissioned alternative to the public Ethereum network, with nearly zero transaction cost and significantly higher scalability, but with total compatibility to the Ethereum technology. It is currently being built with Quorum, one of the most advanced enterprise-grade Ethereum version available but also we are working to provide Parity and HyperLedger networks. With the large number of associates and many of them having already deployed blockchain nodes (still in Testnet and in a pre-Mainnet status), it is the perfect venue for developing, deploying and exploiting distributed apps on a collaborative way between private companies and public institutions. In addition to developing their own product, the intention is that many associates will provide business insight, legal advice and other services to SMEs that will develop products and services which are interesting to the companies being part of ALASTRIA.

The use of this infrastructure is not compulsory, and participants can decide to apply their use cases under any other available DLT.

## 9. References

- [1] BLOCKCHERS website, <http://blockchers.eu>, 2020
- [2] BLOCKCHERS Domain specific challenges, <http://blockchers.eu>, 2020
- [3] Commission Recommendation 2003/361/EC, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>.
- [4] The new SME definition, [http://ec.europa.eu/growth/content/revised-user-guide-sme-definition-0\\_es](http://ec.europa.eu/growth/content/revised-user-guide-sme-definition-0_es)
- [5] F6S Platform for BLOCKCHERS, <https://www.f6s.com/blockchers2020/apply>, 2020
- [6] Sub-Grantee Funding Agreement template, available in <http://blockchers.eu> 2020