

Block.IS

Annex 1: Open Call Text

V1.00

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List of Abbreviations and Acronyms	
AWU	Annual Work Unit
Block.IS	Blockchain Innovation Spaces
CET	Central European Time
EC	European Commission
EU	European Union
F2f	face to face
GDP	Gross Domestic Product
RTD	Research and Technological Development
SME	Small and Medium-sized enterprises (including start-ups)
MVP	Minimum Viable Product
TRL	Technology Readiness Level
VAT	Value Added Tax
WEF	World Economic Forum

1 Introduction

This document provides a full set of information regarding the Open Call for Proposals for the Block.IS project. The Sub-Grantee Agreement model (Annex 7) must be additionally considered for the submission of a Proposal.

Block.IS will organize two open calls to attract, select and fund the best of the best SMEs to generate blockchain-based products, processes and business models with strong market potential in the Sectors of agrifood, logistics and finance.

1.1 Background information on Block.IS project

For the EU economy to grow sustainably it needs to re-industrialise, leveraging innovation and digital intelligence. Among the most important sectors of EU economy one can find the **agrifood, logistics and financial sectors**.



EU's **agrifood** sector has a strong global competitive position as the largest food and drink exporter with a market share of 18% (FoodDrinkEurope). It is the leading employer in the EU, accounting for 16% of total employment. Interest in the link between food and health has changed mainstream consumption patterns towards valorisation of quality aspects related to good health. With long global value chains, consumers as well as processors face challenges to verify accuracy of data from farm to table (**provenance**), with consumers paying premiums for products that provide this information credibly (**transparency**), e.g. organic food. Current solutions centre around certifications and regulations; both are costly, hard to enforce, and can be confusing to consumers. **The challenge** is to streamline transfer of and access to data within the sector for all actors as well as consumers.



The **logistics sector** amounts to 14% of EU's GDP, and the sector is expected to grow 40% by 2040 (htt80). It is composed of the distribution of goods, from raw materials up to the finished products that go to the consumer. Contemporary supply chains span over hundreds of stages and dozens of geographical locations. This makes it hard to trace events or investigate incidents (**traceability**) through precise and cost-effective actions limited in scope. This complexity also creates opportunities for fraud, as effectiveness of enforcement is limited. Moreover, a large degree of documentation from various sources is needed to meet regulations (e.g. import/export), which often represent a bottleneck and create costs (**efficiency**). **The challenge** is to make provision and verification of information efficient along supply chains, ensuring **transparency, security and accountability**.



The **financial** sector makes up to 20-30% of total service market revenue and about 20% of the total gross domestic product in EU economies (htt81). **Financial technology** (FinTech) already plays a key role in the industry, and the EU is well positioned in this subsector: the FinTech market is expected to experience double digit growth in the EU by 2021, with UK and Germany occupying the 3rd and 5th position worldwide, respectively, in the volume of FinTech transactions in 2016 (htt79). Many financial services are data-heavy and fault-prone, thus requiring middlemen for mediation (**trust**) thus entailing transaction costs. Moreover, information sharing is limited even where obvious synergies can be realized as in the insurance industry (**data sharing**). **The challenge** is to lower operational costs for a globally integrated industry through operational

simplification, regulatory efficiency improvement, settlement time reduction, liquidity and capital improvement, etc (htt78).

On the other hand, **Blockchain technology** has been recognised by influential people and institutions, including EC and WEF (htt77), as one of the most promising and disruptive technologies of this century. The technology exhibits a unique combination of features that make it ideal for solving the challenges mentioned above - *provenance, transparency, traceability, efficiency, trust, data sharing* — in the three sectors. Blockchain technology enables a **decentralised, trusted and programmable way to transfer value and information**.

To apply blockchain technology in the agrifood, logistics and finance sectors and generate new value by addressing key issues, **SMEs** (and especially those involved with ICT-based solutions) **play a key role**: they are flexible and agile and more likely to innovate and adopt new innovative technologies in order to deliver novel products/services, business processes and business models. These services can further boost the competitiveness of their users/adopters, i.e. other SMEs and large enterprises of the three sectors, as they will be able to offer to their customers products and services with enhanced value. However, the **introduction of any new technology faces barriers**, the most prominent being that understanding any new technology and the potential benefits of its introduction requires significant resources (which is very difficult for SMEs to devote) and this is particularly true for the sophisticated blockchain technology.

The vision of the **Blockchain Innovation Spaces (Block.IS)** project is to build an **open and collaborative cross-border, cross-sectoral innovation ecosystem** that fosters the use of blockchain technology in the above mentioned vital sectors for the European economy: **agrifood, logistics and finance**.

Block.IS will organize two open calls to attract, select and fund the best of the best SMEs to generate blockchain-based products, processes and business models with strong market potential in the. Sectors of agrifood, logistics and finance.

1.2 Block.IS approach

Block.IS aims to provide to competitive and market oriented European SMEs access to **knowledge, technology, capital and markets** with the aim to place new products/ services in the market targeting blockchain technology. The project has three main dimensions (Figure 1):

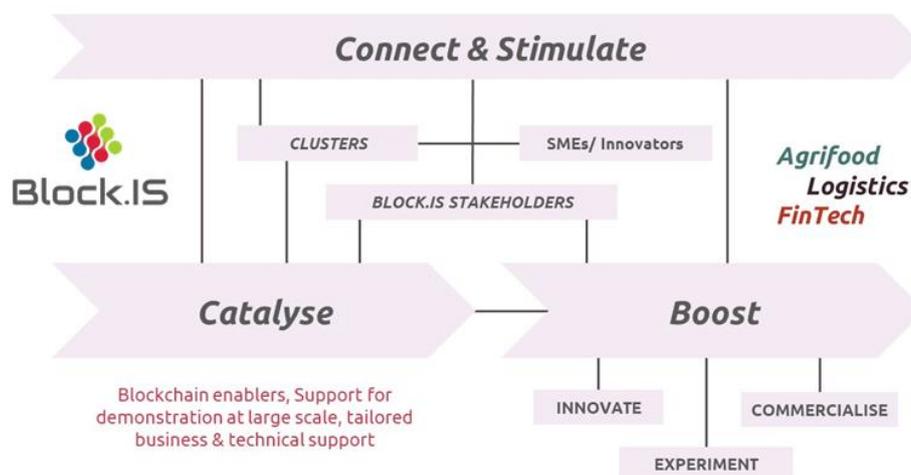


Figure 1: Block.IS Overall Concept

- I. **Connect & Stimulate:** Aiming for cluster-built synergies and share of best practices on innovation triggering & boost while challenging SMEs/innovators with market needs brought by clusters in cross-sectoral/-border meetings.
- II. **Catalyse:** establish a strong **business and technical supporting framework** and the development of blockchain enablers that will catalyse and exemplify the potential/outreach of Blockchain technology application in the different sectors. In this stage, beyond technical support and training, Block.IS will offer to selected beneficiaries, blockchain based software enablers implementing functionality commonly used in various applications to accelerate the development of new applications and launch of new products/services to the market. More information on available software components is available at <https://blockis.eu/>
- III. **Boost:** an ambitious **3-phase acceleration programme** that aims to support the market uptake and impact of the proposed innovation/ solutions.

Within the **Boost stage**, Block.IS will organise **two open calls** through which the most innovative, competitive and market oriented blockchain-based application proposals in the areas of **agrifood, logistics and finance** will be selected (45 per open call, 90 in total) to start an “Innovate - Experiment - Commercialise” stages programme as shown in the next table.

Table 1 Block.IS stages

Stage	Overview
<p>INNOVATE</p> 	<ul style="list-style-type: none"> ● <i>Duration:</i> 1-month, SMEs-innovators work remotely ● <i>Number of SMEs:</i> Top 45 ideas/projects per open call. ● <i>Activities:</i> SMEs will be invited to fine-tune their concept, elaborate an early prototype or mock-up and the technical architecture of the proposed solution and prepare a tech-business pitch to present at the Innovation Event/Clusters-Innovators Assembly ● <i>Funding:</i> €3.000 (lump sum) per SME, attached to the participation in the Block.IS Innovation Event and a pitch of the proposed solution. ● <i>Evaluation to Stage EXPERIMENT:</i> Evaluate the technology and the business potential via a face to face (f2f) technical interview and pitching during the Innovation Event/Clusters-Innovators Assembly. The top 23 SMEs will be selected to enter the EXPERIMENT stage.
<p>EXPERIMENT</p> 	<ul style="list-style-type: none"> ● <i>Duration:</i> 8 months, SMEs work remotely and occasionally participate in face-to-face meetings/workshops and trainings (bootcamp) organized by the consortium ● <i>Number of SMEs:</i> Top 23 ideas/projects per call. ● <i>Activities:</i> SMEs will be developing the proposed Block.IS projects in collaboration/ connection with Clusters networks, sector specialists and technology experts, participating in Block.IS programme community events and continuously communicate with their coach. Each SME will develop a MVP (Minimum Viable Product) targeting the agrifood, logistics and/or finance market. ● <i>Funding:</i> €50.000 per SME, being attached with accomplishing 2 milestones (Design and MVP prototype) assessed by external reviewers.

	<ul style="list-style-type: none"> ● <i>Evaluation to Stage COMMERCIALISE:</i> Analysis of the MVP/ demonstrator technology and stage of development (TRL); business potential of the solution; initial traction or early adopters. These criteria will be judged by the Block.IS evaluators. The top 10 solutions will be selected to enter the Commercialise phase.
<p>COMMERCIALISE</p> 	<ul style="list-style-type: none"> ● <i>Duration:</i> 2 months, SMEs work remotely and participate in several meetings and events where they can promote their projects goals and outcomes ● <i>Number of SMEs:</i> Top 10 ideas/projects per call. ● <i>Activities:</i> SMEs will develop activities associated with the promotion and exploitation of their project, aiming to engage new customers and/or partners and/or investors. ● <i>Funding:</i> €7.000 per SME, attached to the participation in the final demo day and planned promotion/ commercial activities of this stage.

As shown in Figure 2, the Open Calls selection will follow a **funnel approach**, which will help the Block.IS consortium to focus on the top projects along the incubation programme.

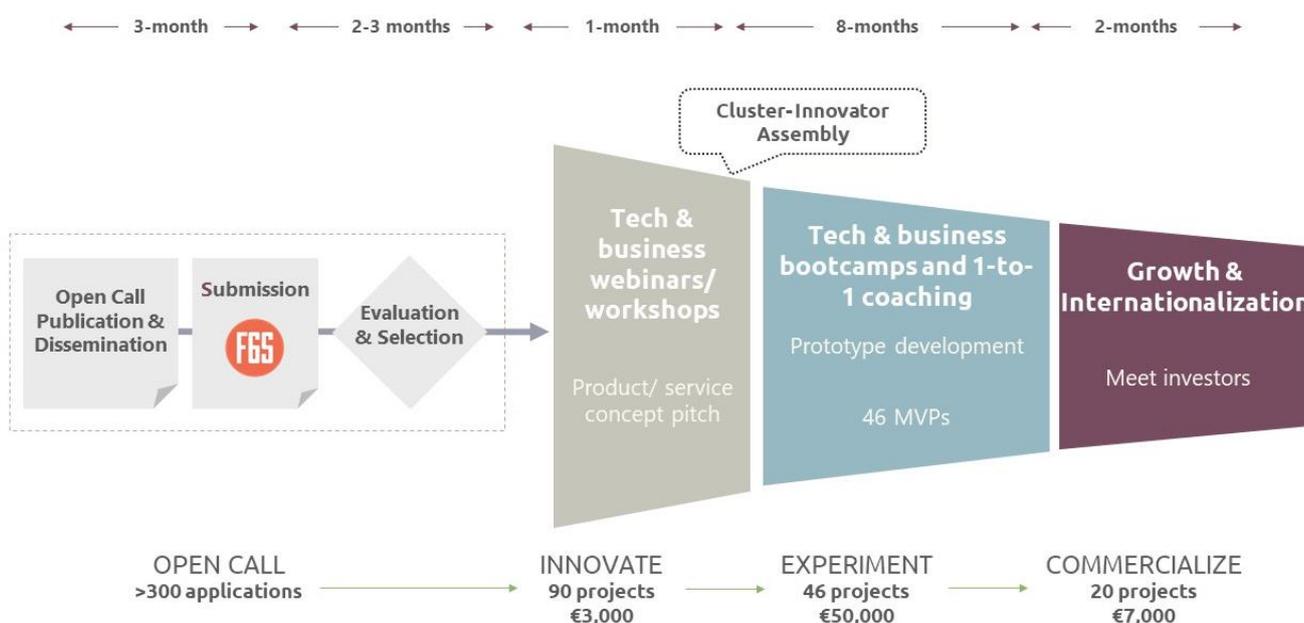


Figure 2: Block.IS Overall process

The selected 45 SMEs per call (90 in total) are first challenged to create sound business plans that are presented to an **Innovation Event/Clusters-Innovators Assembly** during the **INNOVATE phase**. These are filtered and Top-23 per call (46 in total in both open calls) move on to the **EXPERIMENT phase** where they receive all technical and business support, and additional funding. They will end up with a validated MVP prototype (TRL 4-6) and a business plan, which are used to evaluate/select the Top-10 applications per call (20 in total) towards **COMMERCIALISE phase**. This structured holistic approach allows the best and most promising concepts to accelerate, achieve growth and market uptake, while all SMEs receive support and advice to improve their entrepreneurial skills and potential.

It should be underlined that in case of any Force Majeure (i.e. any unforeseeable exceptional situation or event beyond the Block.IS consortium control), the final number of proposals entering each phase might be different.

1.3 Announcement of open call of financial support

Table 2 Formal call announcement

	Information to be provided by the project consortium
Call title:	Block.IS Open Call #1 - blockchain-based application proposals in the areas of agrifood, logistics and finance
Full name of the EU funded project:	Blockchain Innovation Spaces
Project acronym:	Block.IS
Grant agreement number:	H2020-824509
Call publication date:	4 September 2019
Call deadline:	6 November 2019 at 17:00 (Brussels time)
Expected duration of participation:	11 months
Total EU funding available:	1.355.000€
Submission & evaluation process:	<p>The goal of Block.IS open call #1, is to accelerate innovation in the areas of agrifood, logistics and finance by supporting blockchain-based application proposals.</p> <p>The open call will have three phases: INNOVATION (where 45 proposals will be selected), EXPERIMENT (where the 23 top projects from the INNOVATION phase will enter this phase), COMERCIALISE (where the 10 top projects from the EXPERIMENT phase will enter this phase).</p> <p>Block.IS Open Call #1 will select the best 45 projects from any of the 3 areas.</p> <p>The maximum amount of funding that each SME may receive is 60.000€.</p> <p>Submissions are available via https://www.f6s.com/block.is</p>
Further information:	Details available at https://blockis.eu/
Task description:	<i>Block.IS aims to provide to competitive and market oriented European SMEs access to knowledge, technology, capital and markets with the aim to place new products/ services in the market targeting blockchain technology.</i>

2 Additional Information

2.1 Open Call Additional Material

Open Call supported material:

- **Annex 1: Open Call text**, this document
- **Annex 2: Guidelines for Applicants**, which provides the scope and objectives of the open call,
- **Annex 3: Proposal Template**, an online application form, available at F6S platform (<https://www.f6s.com/block.is>)
- **Annex 3.1: Proposal Supplement**, a word document providing information on proposal schedule, timing, Ethical & Security details
- **Annex 4: Honour Declaration**, which declares that all conditions of the Open Call are accepted by an SME legal representative.
- **Annex 5: SME Declaration**, which evaluates the status of the SMEs participating at an open call
- **Annex 6: Bank account information**, which collects information on the applicant(s)' bank account where the Block.IS payments will be sent to.
- **Annex 7: Sub-grant Agreement Template**, which provides a template of the sub-grant agreement that the successful applicants will be requested to sign.
- **Frequently Asked Questions & answers** published at the community feed (<https://www.f6s.com/block.is>).

2.2 Contacts

The Block.IS consortium will provide information to the applicants only via the F6S blog, so that the information (question and answer), will be visible to all participants.

No binding information will be provided via any other means (e.g. telephone or email).

More info at: <https://blockis.eu/>

Apply via: <https://www.f6s.com/block.is>

F6S support team: support@f6s.com

Online Q&A: <https://www.f6s.com/block.is>