



EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Future Networks
Next Generation Internet

CALL FOR PROPOSALS *Connect/ARES (2019) 2156457*

Pilot Project

Co-creating a European Ecosystem of Distributed Ledger Technologies for Social and Public Good

1. INTRODUCTION – BACKGROUND

The European Commission (EC) adopted on 22 October 2018 a financing decision for the Pilot Project 'European Ecosystem of Distributed Ledger Technologies for Social and Public Good'. This Pilot Project promoted by the European Parliament aims to stimulate research and experimentation in the development and use of Distributed Ledger Technologies (DLTs) for the Social and Public Good.

DLTs, the most known being Blockchain, are now deemed as immutable, encrypted and timestamped databases in which data can be recorded, validated and replicated across a decentralised network of nodes. These technologies could enable parties who are geographically distant, or have no particular trust in each other, to record, verify and share digital or digitised assets on a peer-to-peer basis with fewer to no intermediaries. Moreover, when combined with specific automation features, they could also support the execution of complex operational procedures and agreements with little to no human intervention. Taking this and more into account, DLTs are among a set of technologies expected to have deep social, technological, economic, environmental, legal and policy impacts over the next 10-15 years, from potential changes in commercial and financial models towards decentralised exchanges of assets and values, to the possibility of more inclusive, convivial, ethical, transparent or accountable digital societies.

There is now a continuously growing interest, from research and businesses, to national governments or supranational organisations, in reflecting about and experimenting with DLTs. The purpose of this Call for Proposals (CfP) is to further stimulate the piloting of decentralised DLT-based social innovations and applications capable of addressing and tackling existent or foreseeable challenges in social and public sectors, and ultimately drive positive change.

The activities previewed in the call for proposals will support cutting-edge solutions proposed by developers, entrepreneurs, start-ups and companies in the DLT space, but also foster their development through a unique Accelerator exploiting synergies with governmental, public, third sector and other civil society organisations. The main goal of this Accelerator is to support DLT solutions from the beginning in ways that link them

with specific social needs and interested organisations in order to potentially implement and scale such solutions at a later stage.

The activities of this call will build upon, and support where relevant, previous and ongoing initiatives of the EC and the European Parliament (EP), such as the European Innovation Council (EIC) Horizon Prize for Blockchains for Social Good, the project #BlockchainEU: Blockchain for Industrial Transformations, EU Blockchain Observatory and Forum, and other EU led or funded initiatives in the DLT space.

Legal Basis

Pilot project within the meaning of Article 58(2)(a) of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

The annual work programme was adopted under Commission Decision **C/2018/6834** of 22/10/2018.

2. OBJECTIVES – ACTIVITIES – PRIORITIES

This call for proposals aims at selecting a beneficiary/a consortium to support the European Commission (EC) in the co-creation of a European ecosystem of entities working on DLTs for the Social and Public Good, following the EC decision on the Pilot Project 'European Ecosystem of Distributed Ledger Technologies for Social and Public Good ' promoted by the European Parliament (EP).

The co-creation of such ecosystem will run through several stages, including an Accelerator programme where the goal is to provide development and funding opportunities for DLT applications that given their social and public targets do not fit easily within commercially driven schemes.

An open challenge will be conducted at a first stage to identify and select up to 10 projects pursuing DLT applications for social or public sectors, which will then be supported by the Accelerator.

Projects participating in the Accelerator will be connected during its duration with governmental, public, third sector and other civil society organisations that can inform the development of their applications and/or use cases and potentially adopt the proposed solutions. Examples of applications and/or use cases may include, but will not be in any way limited to:

- demonstrating the origin of raw materials or products and supporting fair trade and the fair monetization of labour;
- allowing for a greater visibility of public spending and a greater transparency of administrative and production processes;
- participation in democratic decision-making by enabling accountability, rewarding of participation and/or anonymity;

- enabling the development of decentralized social networks or clouds, or of decentralized platforms for the collaborative economy;
- contributing to financial inclusion, e.g. through the emission and administration of national or local digital currencies;
- decentralised digital identity management in public systems such as voting platforms or land and property records;
- decentralised decision-making processes in complex or crisis contexts as in disaster relief;
- distribution, management and use of commons or public benefits;
- certification and authentication of credentials in areas such as education or professional training, across borders.

In the end of the Accelerator programme, the selected projects will submit their proof-of-concept applications and/or use cases for final evaluation. A set of best projects will be announced at a final event and rewarded with additional funding.

The Accelerator will leverage on the experiences and lessons from the 'Blockchains for Social Good' EIC Prize¹, both in terms of target areas and methodology. Subject to the actual start date of their grant, the beneficiary/consortium is expected to closely interact with the EC in the organisation of the final public event of this Prize, which would support the launch of this Accelerator.

Co-creation frameworks will steer the whole Pilot Project 'European Ecosystem of Distributed Ledger Technologies for Social and Public Good' and the selected proposal to this call for proposals should reflect that as much as possible. Applicants are expected to submit creative and specific ideas to meet and carry out the following objectives, within an overall duration of 15 months:

Objective 1) Co-design and launch of the Accelerator

The beneficiary/consortium should co-design an Accelerator structure, its launch strategy and launch events, as well as the intensive programme for the selected projects. Such a programme may include matchmaking events and seminars between the selected projects and mentors and researchers; bootcamps where the selected projects exchange practices and/or meet public, third sector and other social organisations; short visit periods where these organisations host DLT innovators from the projects to discuss opportunities and brainstorm next steps; technical development sprints of the applications and/or potential pilots; methodological trainings; co-creation of policy, economic, social, technological, legal, ethical or environmental guidelines for specific topics; etc. Indicatively, such a programme may last 3 to 6 months.

In co-designing the Accelerator, the beneficiary/consortium should collaborate with the leading initiatives in the field, notably the research for policy project '#DLT4Good'² managed by the EC Joint Research Centre (JRC) in collaboration with DG CNECT of the

¹ https://ec.europa.eu/research/eic/index.cfm?pg=prizes_blockchains

² <https://blogs.ec.europa.eu/eupolicylab/portfolios/dlt4good/>

EU, and its expert Advisory Board. Moreover, the Accelerator's co-design should also consider inputs and feedback from ongoing or past initiatives in the fields of Blockchains for Social and Public Good, as for example the EU-funded projects DECODE³ and LEDGER⁴, as well as the above mentioned 'Blockchains for Social Good' EIC Prize.

The beneficiary/consortium should establish and/or facilitate contacts and partnerships with both DLT innovators and individual and collective actors in governmental, public, third sector and other civil society organisations, to participate in the co-creation of the Accelerator, as well as for mapping efforts and identifying potential participants and/or beneficiaries of the Accelerator.

The Accelerator structure, as well as the criteria for selection of projects in Objectives 2 and 5, should be detailed in an interim report to be delivered upon completion of Objective 1. The contents of this report will be discussed with Commission services before execution of next Objectives, for possible inputs and improvements.

Objective 2) Open call for applications to the Accelerator

The beneficiary/consortium should launch, disseminate and manage an open call for expressions of interest in participating in the Accelerator. This open call will target mainly, but not exclusively, developers, commercial or social entrepreneurs, start-ups and companies, researchers, and/or public or third sector organisations and other civil society groups, including NGOs and local communities, developing or working on DLTs.

The beneficiary/consortium, with potential support of external experts, ranging from technical to social or human disciplines (e.g. members of the Advisory Board mentioned under Objective 1), will evaluate such applications under a set of criteria in line with those defined for the evaluation of the 'Blockchains for Social Good' EIC Prize⁵.

Objective 3) Implementation, management and monitoring of the intensive programme

Following the open call results the beneficiary/consortium will select up to 10 projects. Such projects will receive an initial funding, will be enrolled in the intensive programme defined in Objective 1, and will be mentored by external experts (e.g. members of the Advisory Board mentioned under Objective 1).

It is expected that the total amount of the initial funding for up to 10 selected projects would be in the range of 10-20% of the total contract value.

The beneficiary/consortium is expected to support participants of the Accelerator throughout the entirety of its intensive programme, in face-to-face bilateral / multilateral meetings and / or workshops, or via remote online collaboration tools / platforms, which may or not include members of the EC and external experts (e.g. members of the Advisory Board mentioned under Objective 1).

Furthermore, a monitoring framework for each selected project and its mentoring scheme is also required, in order to enable measurement of progress, impact and risks, through robust empirical assessment methodologies.

³ <https://www.decodeproject.eu/>

⁴ <https://ledgerproject.eu/>

Objective 4) Evaluation of projects for the final award

After the intensive programme, the selected projects will submit their application for a final award, meant to reward the progress, to facilitate the uptake and to increase visibility of the top 3 to 5 projects. These applications will be evaluated by a multidisciplinary jury composed by external experts (e.g. members of the Advisory Board mentioned under Objective 1), according to a set of relevant criteria defined by the Contractor in concertation with the EC and external experts (e.g. members of the Advisory Board mentioned under Objective 1).

It is expected that the total amount of the final awards to the top 3 to 5 projects would be in the range of 5-10% of the total contract value.

Along with the monitoring framework proposed in Objective 3, the beneficiary/consortium will also ensure due and timely communication between all parties and collect feedback from the Accelerator participants through surveys and/or interviews in order to assemble best practices, lessons learned and areas for overall future improvements.

Objective 5) Organisation of final event

Solutions developed within the Accelerator will be showcased in a Final Event held in Brussels, open to the general public and expected to gather from 100 to 200 participants. This event should prompt a wide outreach of the Accelerator's outcomes for knowledge sharing and exchange of best practices, while stimulating feedback and additional possibilities of engagement from relevant stakeholders and organisations.

The beneficiary/consortium will be responsible for all logistic and support activities of this Final Event, such as selection and possible renting of venue, invitation procedures, design of interactive sessions, social programme, etc. The event should use innovative and interactive formats for sessions and/or workshops, and should bring together scientific researchers in technological, human, social and economic disciplines, developers and hackers, legal and public policy experts, small, medium and large entrepreneurs, governmental and other public institutions at city, regional, national and supranational levels, and multiple non-governmental and or civil society organisations.

The event should include presentations of all projects participating in the Accelerator, with the 3 to 5 top projects receiving an award to be publicly announced at the event.

Objective 6) Communication and impact assessment

The beneficiary/consortium will propose a communication and dissemination plan for all stages of the Accelerator, with attention to language, disciplinary and cultural diversity. This should ensure the largest engagement of individual and collective actors of the ecosystem of DLTs for Social and Public Good and maximise its impact and outcomes beyond this ecosystem. On top, the plan should be combined with strategies already put in place by the EC on the same topic, striving to improve outreach and expand interest about the topic of Blockchains for Social and Public Good in diverse communities and groups around Europe and worldwide, including the general public. In particular, the beneficiary/consortium should set apart no more than 5% of the total budget to organise a launch event. Subject to the actual start date of their grant, this could be the final public event of the Blockchains for Social Good Prize; in any case the beneficiary/consortium is expected to support the travel expenses of participants (in a justified number of cases).

As a reference, tasks should include, but are not limited to: creation of visual identity, dedicated webpage, social media accounts and other collaborative tools (in concertation with the EC); participation in relevant media events, together with targeting and establishing media partnerships (in compliance with applicable EC rules); regular media monitoring and reports on the Accelerator and other relevant initiatives in the EU or worldwide Blockchain spaces; design and production of regular communication materials and multimedia outputs (such as podcasts with experts and/or participants in the Accelerator, or short video documentaries on its multiple stages and activities); etc.

The beneficiary/consortium should also propose an impact assessment plan for the whole Accelerator within this Objective. This plan will require a final report on progress and achievement of goals of the Accelerator, distilling its best practices for future iterations.

General remarks:

To fulfil the objectives defined above, the applicant(s) should properly budget all the necessary tasks, such as: logistics and management of the Accelerator, mentoring support to participants, external experts, organisation of the final event, and/or other meetings or workshops; communication activities and materials; and sub-contracting and financial support of other parties potentially involved in the Accelerator; etc. Moreover, the applicant(s) should also set aside budget for reimbursable expenditures to third parties (refunding travel and accommodation costs to participants, external experts or speakers, and/or other meetings or workshops, together with expenses from venues and catering, communication materials such print-outs, photos, video and live-streaming, etc).

3. TIMETABLE

The indicative schedule for the different steps and stages of the selection procedure are as follows:

	Steps	Date and time or indicative period
(a)	Publication of the call	<i>Q1 2019</i>
(b)	Deadline for submitting applications	<i>28/05/2019</i>
(c)	Evaluation period	<i>Q2 2019</i>
(d)	Information to applicants	<i>Q3 2019</i>
(e)	Signature of grant agreement	<i>Q4 2019</i>

The duration of the project shall be maximum 15 months.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of the project under this call for proposals is estimated at **700.000 EUR (seven hundred thousand euros)**.

The EU co-financing is limited to a *maximum co-funding rate of 95% of the total eligible costs*.

It is foreseen to allocate a maximum amount of 350.000 EUR for financial support to third parties (cf. section 11.8.d).

The Commission expects to fund **1** proposal.

The Commission reserves the right not to distribute all the funds available.

5. ADMISSIBILITY REQUIREMENTS

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted in writing (see section 14), using the application form available at <https://ec.europa.eu/digital-single-market/news-redirect/645864> and in electronic form (pdf format); and
- drafted in one of the EU official languages.

Failure to comply with those requirements will lead to rejection of the application.

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

The call is open to:

- A single entity (with or without affiliated entities, as defined below)
- A 'sole' applicant (several legal entities forming together one legal entity or 'sole beneficiary')
- A grouping of entities (consortia) – with the entities forming this consortia having or not entities affiliated to them.

Proposals may be submitted by any of the following entities, or combinations of:

- non-profit organisation (private or public);
- public authorities (national, regional, local);
- international organisations;
- universities;
- educational institutions;
- research centres;
- associations;
- profit making entities.

Natural persons are not eligible.

For British applicants: Please be aware that eligibility criteria must be complied with for the *entire* duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article II.17.3 of the grant agreement.

Affiliated entities

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

An application may be submitted by **one** applicant (the “sole” applicant), whether established specifically or not for the action, provided that:

- it is formed of several legal entities complying with the eligibility, non-exclusion and selection criteria set out in this call for proposals, and implementing together the proposed action;
- the application identifies the said entities.

For the purpose of declaring eligible costs as specified under section 11.2, the entities composing the “sole” applicant shall be treated as affiliated entities in accordance with Article 187 of the Financial Regulation⁶.

Country of establishment

Only applications from legal entities established in the following countries are eligible:

- EU Member States;
- candidate and associate countries.

Proposals from applicants in candidate or associated countries may be selected provided that, on the date of award, agreements have entered into force setting out the arrangements for the participation of those countries in the programme.

Supporting documents

In order to assess the applicants' eligibility, the following supporting documents are requested:

- **private entity:** extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);
- **public entity:** copy of the resolution, decision or other official document establishing the public-law entity ;
- **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

⁶ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union (OJ L 193, 30.7.2018, p.1)

6.2. Eligible activities

The following types of activities are eligible under this call for proposals:

- conferences, seminars (such as bootcamps, matchmaking events);
- short visit periods;
- training and mentoring activities;
- development activities;
- evaluation and monitoring of projects;
- awareness and dissemination actions (including website hosting and editing);
- impact assessment activities;
- actions aiming at the creation and improvement of networks, exchanges of good practices;
- studies, analyses, mapping projects;
- financial support to third parties (see point 11.8. d)).

Implementation period

- the maximum duration of the project is 15 months.

Applications for projects scheduled to run for a longer period than that specified in this call for proposals will not be accepted.

7. EXCLUSION CRITERIA

7.1. Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
 - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;

- (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;
 - (iv) attempting to influence the decision-making process of the Commission during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
- (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
 - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
 - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
 - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
 - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);

- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
- (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
 - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
 - (iv) information transmitted by Member States implementing Union funds;
 - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
 - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2. Remedial measures

If an applicant declares one of the situations of exclusion listed above (see section 7.1), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

7.3. Rejection from the call for proposals

The authorising officer shall not award a grant to an applicant who:

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative sanctions (exclusion) may be imposed on applicants, or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

7.4. Supporting documents

Applicants and affiliated entities must provide a declaration on their honour certifying that they are not in one of the situations referred to in Articles 136(1)

and 141 FR, by filling in the relevant form attached to the application form accompanying the call for proposals and available at <https://ec.europa.eu/digital-single-market/news-redirect/645864>.

This obligation may be fulfilled in one of the following ways:

for mono-beneficiary grants:

- (i) the applicant signs a declaration in its name and on behalf of its affiliated entities; OR
- (ii) the applicant and its affiliated entities each sign a separate declaration in their own name.

for multi-beneficiary grants:

- (i) the coordinator of a consortium signs a declaration on behalf of all applicants and their affiliated entities; OR
- (ii) each applicant in the consortium signs a declaration in its name and on behalf of its affiliated entities; OR
- (iii) each applicant in the consortium and the affiliated entities each sign a separate declaration in their own name.

8. SELECTION CRITERIA

8.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- a) Low value grants (\leq EUR 60 000):
 - a declaration on their honour.
- b) Grants $>$ EUR 60 000:
 - a declaration on their honour

AND

- the profit and loss account as well as the balance sheet for the last two financial years for which the accounts were closed;
- for newly created entities: the business plan might replace the above documents;
- the table with the financial figures provided for in Annex to the application form, filled in with the relevant statutory accounting figures.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

In the case of legal entities forming **one** applicant (the "sole applicant"), as specified in section 6.1, the above requirements apply to each one of those entities.

On the basis of the documents submitted, if the Responsible Authorising Officer (RAO) of the Commission considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 11.7.2 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries.

If the RAO considered that the financial capacity is insufficient s/he will reject the application.

8.2. Operational capacity

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action. The applicants must demonstrate/have proven multidisciplinary knowledge or previous activity in the fields of: blockchains and other distributed ledger technologies, incubation and acceleration of emerging technology-based solutions, digital social innovation, and social impact investment.

In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation (accompanied where appropriate, like in the field of research and education, by a list of relevant publications);
- an exhaustive lists of previous projects and activities performed and connected to the fields mentioned above;
- a description of the technical equipment, tools or facilities at the disposal of the applicant.

In the event of an application grouping several applicants (consortium), the above requirements shall apply to the combined capacity of all members of the consortium. Combined capacity means that individually, each member of the consortium should comply with the criteria corresponding to its task in the project.

In the case of legal entities forming **one** applicant (the "sole" applicant), as specified in section 6.1, the above requirements apply to each one of those entities.

9. AWARD CRITERIA

Eligible applications/projects will be assessed on the basis of the following criteria:

<u>Award criterion</u>	<u>Maximum score</u>	<u>Threshold</u>
Impact and dissemination of the expected results (to reach and engage the broad ecosystem of developers of blockchains for Social and Public Good in Europe and worldwide, considering also the sustainability of the expected results);	30	22
Quality and appropriateness of the concept (relevance and contribution to the objectives and expected results of the call)	30	20
Effectiveness and rationale of the proposed methodology and organisation (including timetable and monitoring)	25	15
Quality and effectiveness of the proposed implementation (including the allocation of resources in relation to the objectives envisaged)	15	10
TOTAL	100	70

Minimum score per criterion (threshold): Proposals scoring less than the indicated minimum score for any award criterion will be considered of insufficient quality and rejected.

Minimum total score (threshold): Proposals with a total score of less than 70 points at the end of the evaluation process will be considered of insufficient quality and rejected.

10. LEGAL COMMITMENTS

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

Two copies of the original agreement must be signed first by the beneficiary/ coordinator on behalf of the consortium and returned to the Commission immediately. The Commission will sign it last.

11. FINANCIAL PROVISIONS

11.1. Form of the grant

11.1.1 Reimbursement of costs actually incurred

The grant will be defined by applying a maximum co-financing rate of 95% to the eligible costs actually incurred and declared by the beneficiary and its affiliated entities.

For details on eligibility of costs, please refer to section 11.2.

11.2. Eligible costs

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
 - The period of eligibility of costs will start as specified in the grant agreement.
 - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature. Under no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents.

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

11.2.1. Eligible direct costs

The eligible direct costs for the action are the costs which:

with due regard to the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly, such as :

- (a) *the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, provided that these costs are in line with the beneficiary's usual policy on remuneration.*

Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration. They may also comprise additional

remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:

- (i) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);*
- (ii) the result of the work belongs to the beneficiary (unless exceptionally agreed otherwise); and*
- (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;*

The recommended methods for the calculation of direct personnel costs are provided in Appendix.

- (b) costs for the work of volunteers up to the limit of 50 % of the overall Union and other co-financing of the action; - NOT APPLICABLE*
- (c) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;*
- (d) the depreciation costs of equipment or other assets (new or second-hand) as recorded in the beneficiary's accounting statements, provided that the asset:
 - (i) is written off in accordance with the international accounting standards and the beneficiary's usual accounting practices; and*
 - (ii) has been purchased in accordance with the rules on implementation contracts laid down in the grant agreement, if the purchase occurred within the implementation period;**

The costs of renting or leasing equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;

Only the portion of the equipment's depreciation, rental or lease costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account when determining the eligible costs. By way of exception, the full cost of purchase of equipment may be eligible under the Special Conditions, if this is justified by the nature of the action and the context of the use of the equipment or assets;

- (e) costs of consumables and supplies, provided that they:
 - (i) are purchased in accordance with the rules on implementation contracts laid down in the grant agreement; and**

- (ii) *are directly assigned to the action;*
- (f) *costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the rules on implementation contracts laid down in the grant agreement;*
- (g) *costs derived from subcontracts, provided that specific conditions on subcontracting as laid down in the grant agreement are met;*
- (h) *costs of financial support to third parties, provided that the conditions laid down in the grant agreement are met;*
- (i) *duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the grant agreement.*

11.2.2. Eligible indirect costs (overheads)

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

A flat-rate amount of maximum 7% of the total eligible direct costs of the action, is eligible as indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

Applicants' attention is drawn to the fact that if they are receiving an operating grant financed by the EU or Euratom budget, they may not declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.

In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads)* attributable to the operating grant and the action grant. For that purpose the beneficiary should use *reliable accounting codes and allocation keys* ensuring that *the allocation* of the costs is done in a *fair, objective and realistic way*.
- b. *record separately:*
 - all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
 - all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

11.3. Ineligible costs

The following items are not considered as eligible costs:

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT.

11.4. Eligible costs that may be covered by the single lump sum

NOT APPLICABLE

11.5. Balanced budget

The estimated budget of the action must be attached to the application form. It must have revenue and expenditure in balance.

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros should use the exchange rate published in the Official Journal of the European Union.

The applicant must ensure that the resources which are necessary to carry out the action are not entirely provided by the EU grant.

Co-financing of the action may take the form of:

- the beneficiary's own resources,
- income generated by the action,
- financial contributions from third parties.

Overall co-financing may also include in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. providing a meeting room or equipment for free, etc.

In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their approximate value shall be indicated in the estimated budget and shall not be subject to subsequent changes.

11.6. Calculation of the final grant amount

The final amount of the grant is calculated by the Commission at the time of the payment of the balance. The calculation involves the following steps:

Step 1 — Application of the reimbursement rate to the eligible costs

The amount under step 1 is obtained by applying the reimbursement rate specified in section 11.1.1 to the eligible costs actually incurred and accepted by the Commission. .

Step 2 — Limit to the maximum amount of the grant

The total amount paid to the beneficiaries by the Commission may in no circumstances exceed the maximum amount of the grant as indicated in the grant agreement. If the amount obtained following Step 1 is higher than this maximum amount, the final amount of the grant is limited to the latter.

Step 3 — Reduction due to the no-profit rule

‘Profit’ means the surplus of receipts over the total eligible costs of the action, where receipts are the amount obtained following Steps 1 and 2 plus the revenue generated by the action for beneficiaries and affiliated entities other than non-profit organisations.

In-kind and financial contributions by third parties are not considered receipts.

The total eligible costs of the action are the consolidated total eligible costs approved by the Commission. The revenue generated by the action is the consolidated revenue established, generated or confirmed for beneficiaries and affiliated entities other than non-profit organisations on the date on which the request for payment of the balance is drawn up.

If there is a profit, it will be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Commission.

Step 4 — Reduction due to improper implementation or breach of other obligations

The Commission may reduce the maximum amount of the grant if the action has not been implemented properly (i.e. if it has not been implemented or has been implemented poorly, partially or late), or if another obligation under the Agreement has been breached.

The amount of the reduction will be proportionate to the degree to which the action has been implemented improperly or to the seriousness of the breach.

11.7. Reporting and payment arrangements

11.7.1 Payment arrangements

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.). The payment requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request	Accompanying documents
A pre-financing payment corresponding to 80% of the maximum grant amount.	[financial guarantee (see section 11.7.2)]
<p>Payment of the balance</p> <p>The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 11.6 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order.</p>	<p>(a) final technical report</p> <p>(b) final financial statement</p> <p>(c) summary financial statement aggregating the financial statements already submitted previously and indicating the receipts</p> <p>(d) [a certificate on the financial statements and underlying accounts]⁷</p>

Please note that the beneficiary/consortium will deliver an interim report not linked to a payment. The purpose of this report is mentioned in Objective 1 of Section 2.

In case of a weak financial capacity, section 8.1 above applies.

11.7.2 Pre-financing guarantee

A pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the EU Member States. When the beneficiary is established in a third country, the Commission may agree that a bank or financial institution established in that third country may provide the guarantee if it considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by:

- a joint and several guarantee by a third party or,
- a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or the payment of the balance, in accordance with the conditions laid down in the grant agreement.

⁷ The decision on the request for certificates on the financial statements and the threshold will be taken by the RAO during the evaluation of the proposal.

11.8. Other financial conditions

a) **Non-cumulative award**

An action may only receive one grant from the EU budget.

Under no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.

b) **Non-retroactivity**

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application the need to start the action before the grant agreement is signed.

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

c) **Implementation contracts/subcontracting**

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary may award the contract in accordance with its usual purchasing practices provided that the contract is awarded to the tender offering best value for money or the lowest price (as appropriate), avoiding conflicts of interest.

The beneficiary is expected to clearly document the tendering procedure and retain the documentation in the event of an audit.

Entities acting in their capacity as contracting authorities within the meaning of Directive 2014/24/EU⁸ or contracting entities within the meaning of Directive 2014/25/EU⁹ must comply with the applicable national public procurement rules.

Beneficiaries may subcontract tasks forming part of the action. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- a) subcontracting does not cover core tasks of the action;

⁸ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65-242)

⁹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243-374)

- b) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- c) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- d) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
 - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
 - (ii) after recourse to subcontracting if the subcontracting:
 - is specifically justified in the interim or final technical report and
 - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- e) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

d) Financial support to third parties

The applications may envisage provision of financial support to third parties. In such case the applications must include:

- an exhaustive list of the types of activities for which a third party may receive financial support out of the following fixed list:
developments and training activities in the broad area of blockchains for Social and Public Good;
- the definition of the persons or categories of persons which may receive financial support out of the following categories:
natural persons, profit and non-profit entities;
- the criteria for awarding financial support as follows:
the criteria to be defined as part of objectives 2 and 5 and detailed in the interim report;
- the maximum amount to be granted to each third party and the criteria for determining it as follows:
The amount of financial support per third party must not exceed 50.000 EUR (fifty thousand euros), *as defined in accordance with the Objectives proposed by the applicant.*

The total maximum amount of financial support to all third parties shall not exceed 350.000 EUR (three hundred and fifty thousand euros).

12. PUBLICITY

12.1. By the beneficiaries

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the emblem and the disclaimer available at http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

12.2. By the Commission

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level¹⁰ if he/she is domiciled within the EU or equivalent if domiciled outside the EU;
- subject of the grant;
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

13. PROCESSING OF PERSONAL DATA

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 2018/1725 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by Mr Olivier Bringer Head of Unit, Unit CNECT E3

¹⁰ Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), OJ L39, 10.2.2007, p.1.

Next-Generation Internet, Directorate-General for Communications Networks, Content and Technology.

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of Regulation (EU, Euratom) 2018/1046¹¹. For more information see the Privacy Statement on:

https://ec.europa.eu/info/data-protection-public-procurement-procedures_en.

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need to clarify certain aspects or to correct clerical mistakes, the Commission may contact the applicant during the evaluation process.

Applicants will be informed in writing about the results of the selection process.

Application forms are available at <https://ec.europa.eu/digital-single-market/news-redirect/645864>.

Applications must be submitted in the correct form, duly completed and dated. They must be submitted in *three* copies (one original clearly identified as such, plus *two* copies) and signed by the person authorised to enter into legally binding commitments on behalf of the applicant organisation.

Where applicable, all additional information considered necessary by the applicant can be included on separate sheets.

An electronic version (pdf) on USB stick or CD must be provided together with the printed original and copies requested. This electronic version must not be a scan of the paper version but must be searchable.

Applications must be sent to the following address:

*European Commission
Directorate-General for Communications Networks, Content &
Technology
Directorate E – Unit E3 – Next Generation Internet
For the attention of the Head of Unit (BU31 05/052)
B-1049 Brussels
Belgium*

- by post (evidence will be constituted by the postmark),
- by hand-delivery, (evidence will be constituted by the acknowledgement of receipt), or
- by courier service (evidence will be constituted by the acknowledgement of receipt).

Applications sent by fax or e-mail will not be accepted, but please send an email to cnect-e3@ec.europa.eu to inform us about your submission on paper.

¹¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

➤ **Contacts**

- *Fabrizio Sestini, Fabrizio.sestini@ec.europa.eu, tel +32-2-299.52.60*
- *cnect-e3@ec.europa.eu*

➤ **Annexes:**

- Grant application form and its annexes
 - Checklist of documents to be provided
 - Estimated budget form
 - Legal entity form
 - Bank account form
 - BS and P&L table
- Model Declaration of honour
- Model grant agreement and its annexes

(e-signed)
Pearse O'Donohue
Authorising Officer by sub-delegation
Directorate E

Appendix
Specific conditions for direct personnel costs

1. Calculation

The ways of calculating eligible direct personnel costs laid down in points (a) and (b) below are recommended and accepted as offering assurance as to the costs declared being actual.

The Commission may accept a different method of calculating personnel costs used by the beneficiary, if it considers that it offers an adequate level of assurance of the costs declared being actual.

a) for persons working exclusively on the action:

{ monthly rate for the person

multiplied by

number of actual months worked on the action }

The months declared for these persons may not be declared for any other EU or Euratom grant.

The **monthly rate** is calculated as follows:

{ annual personnel costs for the person

divided by 12 }

using the personnel costs for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the monthly rate of the last closed financial year available;

b) for persons working part time on the action

(i) If the person is assigned to the action at a fixed pro-rata of their working time:

{ monthly rate for the person multiplied by pro-rata assigned to the action

multiplied by

number of actual months worked on the action }

The working time pro-rata declared for these persons may not be declared for any other EU or Euratom grant.

The monthly rate is calculated as above.

(ii) In other cases:

{hourly rate for the person multiplied by number of actual hours worked on the action}

or

{daily rate for the person multiplied by number of actual days worked on the action}

(rounded up or down to the nearest half-day)

The number of actual hours/days declared for a person must be identifiable and verifiable.

The total number of hours/days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours/days used for the calculations of the hourly/daily rate. Therefore, the maximum number of hours/days that can be declared for the grant are:

{number of annual productive hours/days for the year (see below)}

minus

total number of hours and days declared by the beneficiary, for that person for that year, for other EU or Euratom grants}.

The ‘**hourly/daily rate**’ is calculated as follows:

{annual personnel costs for the person

divided by

number of individual annual productive hours/days} using the personnel costs and the number of annual productive hours/days for each full financial year covered by the reporting period concerned.

If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly/daily rate of the last closed financial year available.

The ‘number of individual annual productive hours/days’ is the total actual hours/days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

2. Documentation to support personnel costs declared as actual costs

For **persons working exclusively on the action**, where the direct personnel costs are calculated following **point (a)**, there is no need to keep time records, if the beneficiary signs a **declaration** confirming that the persons concerned have worked exclusively on the action.

For **persons assigned to the action at a fixed pro-rata of their working time**, where the direct personnel costs are calculated following **point (b)(i)**, there is no need to keep time records, if the beneficiary signs a declaration that the persons concerned have effectively worked at the fixed pro-rata on the action.

For **persons working part time on the action**, where direct personnel costs are calculated following **point (b)(ii)**, the beneficiaries must keep **time records** for the number of hours/days declared. The time records must be in writing and approved by the persons working on the action and their supervisors, at least monthly.

In the absence of reliable time records of the hours worked on the action, the Commission may accept alternative evidence supporting the number of hours/days declared, if it considers that it offers an adequate level of assurance.