Digital Innovation Hubs Federation
For Large Scale adoption of
digital technologies by European SMEs

Open call 2 Digital Challenge Guide for Applicants

Closing date for the 2nd Open Call: 15.12.2020, 5 pm (Brussels Time)

Important: DigiFed offers 3 opens calls, the third call is scheduled for March 2021

Short Description

The Guide for Applicants contains the basic information needed to guide you in preparing a proposal for submission to the DigiFed Digital Challenge Open Call 2. It describes the two stage application process and it gives an introduction on how to structure your proposal. It also describes how the proposal should be submitted, and the criteria on which it will be evaluated.

Version	Date	Author	Organization
Draft	14/05/2020	Isabelle Dor	CEA
Draft update	15/09/2020	Ana Gheorghe	DigiCat
Final version	21/09/2020	Ana Gheorghe	DigiCat

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List of abbreviations

CPS	*Cyber-Physical System*
DC	*Digital Challenge*
DCO	*Digital Challenge Owner*
FSTP	*Financial Support to Third Party, also called Cascade Funding*
I4MS	*ICT innovation for Manufacturing SMEs (**https://i4ms.eu/**)*
IP	*Intellectual Property*
SAE	*Smart Anything Everywhere initiative (**https://smartanythingeverywhere.eu/**)*

1. General information

The Digital Challenge **Guide for Applicants** contains the basic information needed to guide you in preparing a proposal for submission to the DigiFed Digital Challenge Open Calls. It gives an introduction on how to structure your proposal, how to submit the pre-selection form and the proposal and the evaluation criteria.

Notes:

All parties interested in submitted an application for the Digital Challenge are required to sign a NDA with the Digital Challenge Owner(s) prior to submitting the proposal, the template of this document can be found here **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

Every selected applicant will be required to sign a Standard Agreement, a model example of which can be found at the **https://digifed.org/open-calls/open-call-2/digital-challenges/** website.

> This Guide for Applicants does not supersede the rules and conditions laid out, in particular, in Council and Parliament decisions relevant to the H2020 framework programme.

DigiFed consortium

The DigiFed consortium brings together the following members:

▪ **CEA Leti**, France ▪ **AVL List GmbH**, Austria ▪ **Budapest University of Technology and Economics (BME)**, Hungary ▪ **Blumorpho**, France ▪ **Digital Catapult**, UK	▪ **Ikerlan,** Spain ▪ **Minalogic,** France ▪ **STMicroelectronics,** France & Italy ▪ **Steinbeis-Europa-Zentrum**, Germany ▪ **University of Ljubljana**, Slovenia ▪ **Zabala Innovation Consulting**, Belgium

2. Scope of the Call

The Digital Challenge (DC) is an open innovation challenge that allows European startups and SMEs to respond to real-world industry challenges for which no cyber-physical systems (CPS) or embedded systems solutions have been identified in the market. DigiFed and Digital Challenge Owners offer grants of up to €110k as well as technical and business support for the development of smart applications in Europe.

The Digital Challenge targets startups and SMEs with existing customer experience and minimum viable products or services, and offering innovative and breakthrough solutions. This is a unique opportunity for European SMEs to directly collaborate with a large corporation and add a relevant use case to their unique value proposition.

For more information on the Open Call scope please see **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

3. Rules and conditions

To avoid conflicts of interest, applications involving or coming from persons or organizations who are partners in the DigiFed consortium or who are formally linked to partners of the DigiFed consortium will not be accepted.
For the purposes of this call for proposals, "organizations formally linked to the partners of the DigiFed consortium" are understood according to the definition of affiliated entities and third parties with a legal link to a beneficiary described within the H2020 Annotated Model Grant Agreement – Art. 14 — Implementation of Action Tasks by Linked Third parties (available at:
https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf).

3.1 ELIGIBLE COUNTRIES

Legal entities established in the following countries are eligible to receive funding through this Open Call:

● Member States (MS) of the European Union (EU), including their overseas departments
● The H2020 Associated Countries
● UK companies remain eligible for grants and procurement procedures as if the UK was a member state for the entirety of the Horizon 2020 framework programme and previous framework programmes. This also applies for financial support to third parties according to Article 204 FR (cascading grants), and applies for the duration of H2020 projects.

The EU Associated Countries participate in Horizon 2020 under the same conditions as the EU Member States, as explained at **http://iprhelpdesk.eu/node/2552**.

A list with all eligible Associated Countries can be found here:
https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf

Legal entities established in any other country or region cannot receive funding in this open call.

3.2 TARGETED COMPANIES

DigiFed is targeting the following types of companies from the eligible countries mentioned above:

- Startups
- Small and Medium Sized Enterprises[1]

A legal entity will be considered **an SME** if it complies with the European Commission's definition. The main factors defining an enterprise as an SME are (i) staff headcount and (ii) either turnover or balance sheet total, as specified in the table below:

Table 1: SME definition

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Further requirements on the European Commission's SME definition can be found at:
https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/

Any applicant commits itself:

1) to have at the moment of the submission of the application, or at the latest by the kick-off of the DC activities (corresponding to the entry into force of the Standard Agreement), the necessary stable and sufficient resources to implement the DigiFed DC,

2) to guarantee that its organisation is not in any situation, which would exclude them from receiving financial support (including pending financial procedures concerning frauds or inappropriate management or undue previous appropriation of funds from other funding programmes),

3) not to cumulate the DigiFed funding with other forms of financial support for the same work (i.e. exclusion of double funding case).

3.3 ETHICAL ISSUES

DigiFed complies with the European policies regarding data protection and privacy and respects fundamental ethical issues particularly those outlined in the European Code of Conduct for Research Integrity".

Each Digital Challenge is responsible to respect European policies regarding data protection and privacy in particular to be GDPR compliant.

All data that are involved collected, generated, stored) into a Digital Challenge or that are processed in a Digital Challenge must be GDPR compliant and therefore completely anonymized beforehand.

For more information on ethical issues, please consult the documentation provided by the European Commission:
http://ec.europa.eu/research/participants/portal/doc/call/h2020/h2020-msca-itn-2015/1620147-h2020_-_guidance_ethics_self_assess_en.pdf.

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[1] http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

All applicants have to confirm that if their proposal does or does not have ethical issues by selecting the relevant check-boxes in the proposal template. If you suspect that you have to answer "Yes" to any of the questions in the template, please contact a Digifed Partner for guidance on the issue.

The DigiFed consortium may check during the evaluation of a proposal if this declaration is in line with the contents of the proposal itself and reserves itself the right to contact the companies for clarification and eventually take necessary steps depending on the ethical issues.

3.4 FINANCIAL SUPPORT TO THIRD PARTIES RULES

As per European Commission's rules, companies have the possibility to participate in different open calls during DigiFed entire duration. In that case, the maximum possible financial support per DigiFed Third Party is limited to **100 000 €.** Financial support to third party is called *cascade funding*.

As per European Commission's rules, financial support will not be awarded to individual legal entities that have already received more than 100 000 € via open calls (Financial support to Third parties = FSTP = Cascade funding) from H2020 I4MS (**https://i4ms.eu/**) and/or SAE (**https://smartanythingeverywhere.eu/**) projects.

The Digital Challenge funding is up to **110 000 €**, where **50%** of this is covered by DigiFed (via cascade funding) and 50% is covered by the Digital Challenge Owner. Only the 50% of funding (coming from DigiFed), is subject to the European Commission rules.

DigiFed will receive assistance from the European Commission to cross-check if an organization that has been shortlisted for getting funding under the current open call of DigiFed has already received funding via an open call from any H2020 I4MS and SAE project and to ensure that no funding is allocated to a Digital Challenge in case an entity exceeds the above threshold (including any DigiFed potential funding).

For example, if a 3rd party has already received 50 000 € of cascade funding through SAE/I4MS open call, the 3rd party will only be able to receive a maximum of 50 000 € from DigiFed (European Commission). In this case, the total maximum funding the 3rd party can receive for the Digital Challenge is 105 000 € (50 000 € from DigiFed and 55 000 € from the Digital Challenge Owner).

The limited amount does not include any EC contribution that your organization receives or has received via an EU-funded project (within FP7 or H2020) as a fully associated beneficiary. Participation as a beneficiary does not affect the participation in DigiFed open calls.

As per European Commission's rules, financial support will not be awarded for work that was previously or is currently funded under any other (Regional, National or EU) programme.

3.5 FUNDING OF PROPOSALS

The funding of proposals will follow the Financial Support to Third Party rules detailed in the previous section (§3.4).

The **maximum funding** per Digital Challenge per Third party – under the condition that the above-mentioned limits to FSTP do not apply - is 110**k€** for each Third party for one Digital Challenge, at a funding rate of **70%** of the budget. This refers to the base configuration, more details in section §3.6.

If the above-mentioned limits do apply to the applying company, the maximum funding is dependent on the sum of the already received funding via open calls from any H2020 I4MS and SAE project of the involved third party.

Each **Digital Challenge budget** will include justifications of cost and resources. The total European Commission available funding per Digital Challenge will represent 70% of the total cost involved by selected company.

The amount of financial support will be calculated on the basis of the estimated costs. Each Digital Challenge will include an implementation plan including milestones and deliverables, and a cost estimate justifying the costs and resources in relation to the implementation plan. The selected third party will be funded 70% of their respective cost and will receive pre-financing of up to **50%** of their respective total funding amount. The remaining payments

This project has received funding from the European Union's Horizon 2020
research and innovation programme under grant agreement No 864266.

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(50%) will be made at the end of the Digital Challenge upon successful completion of milestones and/or deliverables.

The **Digital Challenge budget** must follow H2020 rules, among them:

- It must respect the limit of **15%** for specific subcontracting tasks that the Third Party cannot carry out
- The Third Party shall not make a profit from the EC funding
- The funding rate is **70%** of the budget.

This means that if the solution costs 100k Euro to be completed, each Third Party will receive 70k Euro from DigiFed and the Digital Challenge Owner to complete the work.

It is strongly recommended that travel costs for dissemination in the "*other direct costs"* budget are included in the budget.

Please consider that all budgeted costs must comply with the applicable national law on taxes, labor and social security and must be in compliance with the rules and conditions laid out in Council and Parliament decisions relevant to the H2020 framework programme, in particular - but not exclusively - "REGULATION (EU) No 1290/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013".

Provisions for possible future losses or charges, exchange losses, costs related to return on capital, costs reimbursed in respect of another Union action or programme, debt and debt service charges and excessive or reckless expenditure are **ineligible costs** and **cannot be included** into the budget.

The expected duration of a Digital Challenge is **9 to a maximum of 12 months.**

Regardless of the planned duration of the Digital Challenge, it has to be finished by the end of the DigiFed project (31.12.2022), including any possible delays.

3.6 PARTNERS IN DIGITAL CHALLENGE

DigiFed partners support selected third parties in different ways and roles. In general, a successful Digital Challenge is built on a collaboration of the following parties depending on the DC type (see §3.9):

Digital Challenge Experiment

BASE CONFIGURATION:

- One Third party (= the applying company)
- DigiFed Monitoring partner
- Cascade funding partner
- Digital Challenge Owner (not part of the DigiFed Consortium, co-funding 50% of the experiment)
- Up to 55k Euro maximum of cascade funding for the applying company
- Up to 55k Euro maximum of commercial funding from the Digital Challenge Owner

The Third party company will have to ensure that the proposal is in line with the Digital Challenge Owner's expectations and targets. It will also need to make sure that both the administrative declarations and the ethical issues section (§4) of the proposal are fully completed and identify a main representative to engage with DigiFed monitoring partner.

DigiFed partners support and serve as points of contact for the third party(ies) during the creation of the proposal until the closure of the call.

In the case of the Digital Challenge, the DigiFed monitoring partner will ensure the project follows its workplan, manage the communication and expectations between the applicant and the Digital Challenge Owner during the

execution of the experiment. They will relay the Digital Challenge status and the validation of the defined milestones to the cascade funding partner.

DigiFed cascade funding partner (CEA) is in charge of the cascade funding (FSTP) payment to the third party(ies) following the payment schedule described in the standard contract and the validation of the milestones and associated deliverables by the competence or monitoring partners, depending on the Digital Challenge type. The co-funding from the Digital Challenge Owner will be released to the 3rd party at the same time as the DigiFed cascade funding.

3.7 DIGITAL CHALLENGE

A Digital Challenge involves one European company that brings an idea of innovation, a clear market vision, responding to a need raised by the Digital Challenge Owner for which **no** cyber-physical systems (CPS) or Embedded Systems Solution currently exists on the market.

- The cascade funding grant available for the company is up to Euro 55k

- In addition, up to Euro 55k commercial funding is available for the company

- The total funding available for the company is up to Euro 110k

- The company will work closely with the Digital Challenge Owner during the implementation phase of the project

- One DigiFed partner will be the monitoring partner for the Digital Challenge

- Together with CEA as cascade funding partner, they will constitute a dedicated consortium, committed together through the signed standard and specific Digital Challenge agreement, if selected. The European company will then be funded through the cascade funding, based on the workplan and payment schedule conditions defined in the standard and specific Digital Challenge agreement.

3.8 DIGITAL CHALLENGE SCOPE

DigiFed welcomes proposals including, but not limited to, the following fields:

Cyber-physical & embedded System / Smart application: software complexity, artificial intelligence, connectivity, application-specific semiconductor technologies, heterogeneous integration and smart miniaturized systems, additive manufacturing, micro and nano bio-systems, energy efficiency of systems.

The Digital Challenge responds to real-world industry challenges presented by corporate Challenge Owners. DigiFed welcomes proposals which respond to the following challenge:

GE Hydro France is looking for solutions to **Build an AIOT system of systems**:

'Today, we are living in a world of expectation and are addicted to connectivity and structured information. GE Smart components is a response to these trends. However, to acquire information is difficult and associated costs are more than ever a concern for our customers.

We address sensing and data collection with Condition Monitoring Systems on critical components of the plant. Raw analog data are collected with cables & processed on a local server where we build features and interpretations but this strategy becomes difficult on smaller components where the return on investment is not profitable.

Today, microcontrollers are evolving fast and become a great platform to collect, process and classify information at low cost, but GE Hydro assets are working in harsh environment and 'off the shelf' IOTs are not well industrialized to survive and do not exhibit sufficient reliability and cybersecurity to become Industrial IOTs.

In the Digital team, we are currently much focused on customer Services, Edge & Cloud deployments using GE Asset Performance Management solutions.

In this challenge, we expect an industrialized solution on a specific chosen GE use-case to accelerate our developments with external skilled resources. If the experience is a success, we will pursue on other asset types.'

For more information, please see **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

4. Proposal creation and submission

4.1 REGISTRATION ON THE SUBMISSION PORTAL

Applicants are encouraged to register in the DigiFed proposal submission portal as early as possible:
https://digifed.org/open-calls/open-call-2/digital-challenges/.

This way, DigiFed consortium is aware of the interest of a company in the Digital Challenge open call and can support the applicants even if they have not yet contacted a DigiFed partner.

4.2 TWO STAGES SUBMISSION

Proposals for a DigiFed Digital Challenge are submitted in two stages, by submitting first a pre-selection form, which if successful will be followed by a complete proposal through our submission portal.

The **first stage** requires the 3ʳᵈ party to register their interest in participating in the Digital Challenge Open Call by filling in the pre - selection form **https://digifed.org/open-calls/open-call-2/digital-challenges/** and submit it by **27ᵗʰ October**. Following this stage the 3ʳᵈ parties will have the opportunity to engage with the Digital Challenge Owners (subject to receiving a signed NDA).

The **second stage**, which constitutes the complete proposal, is formed of two documents:
- Proposal description report including technical solution and industrial relevance, impact, business plan etc.: small document (a dozen of pages) written in English and submitted under pdf format.
- A recorded pitch, business oriented: 5 min recorded video in English.

4.3 PROPOSAL DESCRIPTION LANGUAGE AND LENGTH

The proposal description has to follow the structure of the proposal template provided in Annexe 1 of this document. The template can be downloaded from the open call website as a Microsoft-Word file: **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

The proposal has to be written in English. Proposals submitted in any other language will not be evaluated. The proposal has to be submitted under a pdf format.

The proposal should be approximately 10 pages long, not including the title page, the administrative declarations and section 4. (Ethical Issues) of the proposal. Applicants are free to provide limited additional information such as letters of support or additional data or references in the Appendix that does not count to this page count.

4.4 RECORDED PITCH LANGUAGE AND LENGTH

The recorded pitch has to follow the guidelines as listed in Annexe 2 of this document. More information is provided during bootcamps and webinars. The webinar will be available on line and recorded pitch guidelines can be downloaded from the open call website at **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

The recorded pitch must be in English. Pitch submitted in any other language will not be evaluated.

4.4 SUPPORT DURING THE CREATION OF THE PROPOSAL

Applicants are strongly encouraged to contact one of the DigiFed partners in order to get more information the digital challenges proposed for Open Call 2 and advice on how to create a successful proposal prior to submitting.

DigiFed partners are pleased to help applicants with registration, submitting proposals and providing further clarification on the digital challenges proposed for Open Call2. If contacted in time, they can give feedback on certain aspects of a proposal to enable possible improvements to a proposal before it is submitted.

Applicants can contact DigiFed thanks to:

- The helpdesk: **info@digifed.org**
- Direct contact with DigiFed partners (point of contact of the Digital Challenges)
- Participation to Webinar and on-line version
- Participation to Bootcamps

- DigiFed Digital Innovation Hubs events.

Past experience indicates that proposals with engagement before submission are more likely to succeed.

4.5 SUBMISSION OF PROPOSALS

Proposals in DigiFed are submitted through our dedicated proposal submission portal.

Only proposals submitted through this portal before the closure of the call will be evaluated after its closure.

The pre - selection forms must be received by **Tuesday 27th October (5pm Brussels time**). The non-disclosure agreement (NDA) must be provided by 6th November, if the 3rd party would like to participate in the digital challenge focused webinars and interact with the Digital Challenge Owners.

Proposals must be received by the closing time and date of the call (**15/12/2020 Tuesday at 5:00pm Brussels Time**). Late proposals or proposals submitted to any other address or by any other means will not be evaluated.

If one of the documents is missing (pdf file or video), the proposal will be considered as incomplete and therefore will not be evaluated.

If you discover an error in your proposal you can at any time - provided the call deadline has not passed - submit a new version of your proposal in our portal. Only the last version received before the call deadline will be considered in the evaluation.

All proposals will be evaluated as submitted; after the close of the call, no additions or changes to received proposals will be taken into account.

> **Do not wait until the last minute to submit the final version of your proposal. A complete proposal includes the proposal description (pdf document) and the recorded pitch. Failure of your proposal to arrive on time for any reason, including communication delays, is not acceptable as a delay circumstance. The time of receipt of your submission as recorded by the portal system will be definitive.**

4.6 ACKNOWLEDGEMENT OF RECEIPT

The submission of a proposal will be confirmed by the proposal submission system through an automated email.

The acknowledgement of receipt will be emailed to you by DigiFed project (see Annexe 3 of this document).

The sending of an acknowledgement of receipt does not imply that your proposal has been accepted as eligible for evaluation.

5. Proposal evaluation and selection

5.1 ADMISSIBILITY AND ELIGIBILITY CHECK

A proposal is eligible if it complies with the following requirements:

1. The proposal description is written in English and the recorded pitch is in English
2. It was submitted by a legal entity established in one of the countries mentioned in section 3.1 Eligible countries
3. It confirms that the "Standard Agreement" on the website has been read and is intended to be signed if the proposal will be selected
4. Its content corresponds to the call topic description (in scope/out of scope)
5. The company(ies) are Start-up and SME (see definition in §3.2))

A proposal will only be deemed "out of scope" in clear-cut cases when there is no obvious link between the proposal and the scope of the call. If the proposal is partially within the scope of the call, it will be evaluated in any case.

If any of the above criteria do not apply to a proposal, the applicant will be informed about it and the proposal will not be furthered into the evaluation process. In any other case, the proposal will be evaluated as described in the following sections 5.2 and 5.3 of this document.

5.2 PROPOSAL EVALUATION OVERVIEW

DigiFed project will evaluate proposals received in the open calls in the light of the criteria that govern the European Commission's original evaluation and selection of their projects. All evaluations are carried out in the light of the same basic principles:

- ▪ **Excellence**: The proposals selected for funding must demonstrate a high quality in the context of the topics and criteria set out in the call
- ▪ **Transparency**: Funding decisions are based on clearly described rules and procedures, and all applicants will receive adequate feedback on the outcome of the evaluation of their proposals
- ▪ **Independence**: Evaluators assess proposals on a personal basis. Evaluators represent neither their employer nor their country.
- ▪ **Impartiality**: All proposals submitted to a call are treated equally. They are evaluated impartially on their merits, irrespective of their origin or the identity of the applicants[2].
- ▪ **Objectivity**: Evaluators assess each proposal as submitted[3] not on its potential if certain changes were to be made.
- ▪ **Accuracy**: Evaluators make their judgment against the official evaluation criteria of the call or topic the proposal addresses, and nothing else.
- ▪ **Consistency**: Evaluators apply the same standard of judgment to all proposals.
- ▪ **Confidentiality**: All proposals and related data, knowledge and documents are treated in confidence

The evaluation and selection process for the Digital Challenge is a two-stage process; this first stage involves the submission of the pre-selection form six weeks after the open call has been launched. These forms will be evaluated by the DigiFed evaluation committee based on the following criteria:

- Pertinence of the solution (responding to the digital challenge)
- Applicant's expertise in the technology area
- Digital maturity of the 3rd party / applicant, and
- The expected outcome of the proposed solution.

The second stage, the evaluation of Digital Challenge proposals is based on scores given according to four criteria:

Criteria	Associated documents
Excellence	These 3 criteria will be evaluated through the proposal description (pdf document)
Impact	
Implementation Quality	
Business Case	This criteria will be evaluated through the recorded pitch

The DigiFed Digital Challenge evaluation committee will perform a global evaluation of the proposals based on the results of both the technical and business case evaluation, in regards to the criteria mentioned above. The Digital Challenge Owners, as co-funders of the Digital Challenge (50%) and having the specific domain expertise and understanding of the challenge success criteria, will be part of the evaluation board along with the DigiFed partners. The final results will be validated by the European Commission.

The evaluation criteria and the scoring system for both stages are described in detail in the next section of this document.

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[2] In the frame of any restrictions provided for in the call
[3] This includes the input made during phone interview for the business case evaluation as described below

5.3 EVALUATION CRITERIA AND SCORE

For each of the two evaluation stages of the Digital Challenge, the pre-selection application form and the final proposal (including the pitch video) will be evaluated based on the criteria mentioned above.

For more guidance on what we will be looking to see in your applications for each of the evaluation criteria, please see below:

Stage 1: Submission of the pre-selection form – for this stage the following will be evaluated:

The **Pertinence of the solution** (responding to the digital challenge)

- How is your proposed solution is responding to the digital challenge?
- Does your solution meet the specific success criteria of the challenge?

The **Applicant's expertise in the technology area**

- Do you have expertise in the technology area required to deliver a solution for the digital challenge?

The **Digital maturity of the 3rd party / applicant**

- Do you have evidence in bringing products / services from TRL3 to TRL8?
- Do you have customer experience?

The **expected outcome of the proposed solution**

- What are the expected outcomes of the proposed solution and how do these respond to the digital challenge?
- Are the expected outcomes in line with the specific criteria?
- What benefits the expected outcomes will bring to the Digital Challenge Owners?

Stage 2: Submission of the complete proposal (application form and the pitch video) – for this stage the following will be evaluated:

The **Excellence** is evaluated according to the following criteria:

- How well does the proposed solution address the digital challenge as detailed in the open call text?
- Are the proposed objectives clear and **pertinent?**
- How well does the proposed solution integrate the required functionalities?
- How intuitive is the technology for the Digital Challenge Owner (end-user)? How easy can the technology be integrated into the Digital Challenge Owner's environment? How robust is the technology?
- Does it solve specific aspects of the digital challenges (see specific success criteria)?
- To what extent is the proposed work ambitious, has innovation potential, and is beyond the state of the art (e.g. ground-breaking objectives, novel concepts and approaches)?
- **Is the** concept sound and shows a clear plan for the development of a working solution? (no basic science or fundamental research is expected to be funded under this call)

The **Impact** is evaluated according to the following criteria:

- Does the **expected outcome** of the proposed solution solve the challenge needs as indicated in the success criteria?
- How the solution does fit within the company's **vision** and **opportunity** to be applied in other sectors?
- **Does the proposal enhance innovation capacity and the integration** of new knowledge of the company?
- **Are the proposed measures** to exploit and disseminate the project results (including management of IPR), to communicate the project, and to manage research data where relevant effective?
- Are any other **environmental and socially important impacts,** not already covered, relevant?

The **Quality** and the efficiency of the implementation will be evaluated according to the following criteria:

- How effectively will the Digital Challenge be managed? Is the proposed work plan coherent and effective?
- Are tasks, deliverables, deadlines well defined and adapted to the goals of the proposals?

▪ Is the allocation of tasks and dedicated resources (e.g. human capital, equipment, person-hours, etc.) appropriate and necessary to perform the scope of the proposal and achieve its objectives?

▪ Are the costs clearly defined and aligned with the required efforts?

▪ Have crucial risk (technological and other) to the success of the Digital Challenge been identified and how effectively will those be managed?

▪ Does the third party possess the technical skills and abilities necessary to perform the scope of the proposal?

▪ How are you planning to **engage** and **collaborate** with the Digital Challenge Owner?

The **Business case evaluation** of the proposal will be performed through a recorded (pitch) prepared by the company following given recommendations and describing

▪ **Differentiation** (UVP) highlight your unique value proposition in response to a real-world industry challenge

▪ **The business model** explaining the cost structure and the pricing model; what is your plan to engage with the Digital Challenge Owner for future business development and collaborations; what is the market access for the proposed solution.

▪ **Quality of the team** describing how the team is qualified for the execution of the business plan.

▪ **Strategic fit for the company** explaining what is the strategic coherence of the project for the company.

At each evaluation stage, the applications will be evaluated and for each criteria mentioned above a score between **0** and **5** will be assigned based on the following:

▪ **0** – Proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.

▪ **1 – Poor**. The criterion is inadequately addressed, or there are serious inherent weaknesses.

▪ **2 – Fair.** The proposal broadly addresses the criterion, but there are significant weaknesses.

▪ **3 – Good.** The proposal addresses the criterion well, but a number of shortcomings are present.

▪ **4 – Very Good.** The proposal addresses the criterion very well, but a small number of shortcomings are present.

▪ **5 – Excellent.** The proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

5.4 DIGITAL CHALLENGE SELECTION

Stage 1 – Pre-Selection

All applicants with a total score higher than **10** and no individual score (for each criteria) less than **2.5** will be invited to participated in further discussions with the DigiFed partners and the Digital Challenge Owners and continue the preparation of the final proposal.

*If 3rd parties wish to apply for a Digital Challenge but missed the **stage 1 – Pre – Selection form** submission deadline, they will need to contact the DigiFed partners and based on the timing of their request they may be allowed to submit their pre-selection form. In this situation, there is a **high chance** that the 3rd party will not be able to engage with the Digital Challenge Owner and miss the opportunity to learn more about the digital challenges, and hence prepare and submit a 'fit for purpose' proposal.*

Stage 2 – Final Selection

Each eligible application will be evaluated and scored against each evaluation criteria.

A total score of a proposal is reached by calculation the sum of all individual scores of the evaluated criteria of a proposal. Each criterion is equally weighted. Therefore, the overall maximum score for an experiment proposal is 20.

During DigiFed evaluation & selection meeting, each proposal will be discussed and a consensus formed on the scoring. To achieve a single score for each of the criteria of *Excellence*, *Impact* and *Quality, the scores from the Digiral Challenge Owners and the DigiFed evaluation committee will be averaged.*

For a proposal to be considered for funding, each individual score must meet a minimum threshold, which is 3 out of 5 points. The total sum of the individual scores must reach the minimum threshold of 13 points.

The outcome of the evaluation will be a ranked list of all proposals, ordered in descending order by the total score obtained by the proposal.

The final distribution will depend on the received proposals and the DigiFed consortium keeps the right to modify this distribution. Hence, the priority will be given to the best proposals in the areas of CPS and embedded systems and which respond to the needs of the Digital Challenge Owners.

Given the nature of the Digital Challenge, only **ONE** company will be selected to participate in the DigiFed-Digital Challenge programme and work closely with the Digital Challenge Owner and the DigiFed partner.

Whilst normally the highest-ranked proposals will be selected for funding, there might be objective reasons (as mentioned above) for objecting to a specific third party. In this case, the choice may pass to the next-ranked proposal.

The selected proposals will be reported the DigiFed project officer of the European Commission for a final granting decision.

5.5 FEEDBACK TO APPLICANTS

After the evaluation of the proposals, all applicants will be informed if their Digital Challenge application was accepted or not. The first call notifications are planned to be released during February 2021.

If a proposal is selected, the applicant will receive a short summary of the evaluation outcome along with further information about the upcoming steps.

If a proposal is not granted, they will receive a full evaluation report, including an extended summary with the main remarks of the evaluation to allow the improvement of the proposal for future submissions.

In any case, it is allowed to resubmit proposals to Digifed's further open calls.

6. Additional information

6.1 CALL HELPDESK

For further information on the call, contact our helpdesk:

Email: **info@digifed.org**

6.2 THE INDIVIDUAL PROPERTY RIGHTS

All partners involved in a funded and implemented Digital Challenge will sign a standard agreement before the Digital Challenge starts. All information of whatever nature and in whatever form or mode of communication, which is disclosed by a Party to any other during the implementation of the Digital Challenge and which has been explicitly marked as "confidential" at the time of disclosure, or when disclosed orally, has been identified as confidential at the time of disclosure and has been confirmed and designated in writing within fifteen (15) calendar days from oral disclosure, is "Confidential Information" and shall not be disclosed to any other third party.

Ownership of the developed product of a Digital Challenge will remain with the third party. In case any IP is transferred or developed during the implementation of the Digital Challenge, a bilateral contract between the involved parties will be concluded to define the exploitation rules.

For all questions on intellectual property rights please see the standard agreement which is available on the **https://digifed.org/open-calls/open-call-2/digital-challenges/**.

7. Checklist for a successful proposal

Please consider this checklist as a helpful tool to maximize the chances of your proposal to be successful:

1. **Register in our portal** and **contact a DigiFed Partner for support.** Past experience indicates that proposals with engagement before submission are more likely to succeed. Each applicant should contact a DigiFed partner as soon as possible for guidance and register in our portal.

2. **Does your planned work fit with the call for proposals?** Check that your proposal does indeed address the topic in this open call.

3. **Is your proposal eligible?** The eligibility criteria are given in chapter 3 of the guide for applicants. Make sure that you satisfy the formal participation requirements (eligible country, written in English)

4. **Readability:** Check that your proposal printable and all information (especially in charts, figures etc.) is readable.

5. **Budgetary limits:** Check that you comply with the budgetary limits.

6. **Did you use the current template?** All proposals have to be based on the current proposal template available on the website.

7. **Is your proposal complete?** Have you completed all mandatory questions?

8. **Does your proposal answer all requests/comments?** Proposals should be precise, concise and should answer to requested questions. Omitting requested information will almost certainly lead to lower scores in the evaluation.

9. **Did you maximize your chances? Have you submitted the pre-selection form and the NDA?**

    Only applicants who will be selected following the pre-selection form submission will be invited to participate in discussions with the Digital Challenge Owners.

    The DigiFed consortium members can give valuable feedback during the creation of your proposal that can significantly increase the quality of a proposal

10. **Have you submitted your proposal before the deadline?** It is strongly recommended not to wait until the last minute to submit the proposal. **The deadline is December,15th, 2020 at 5 p.m. Brussels time**

ANNEXE 1: Proposal Template

Call Information

Identifier: DigiFed02-02call

Project full name: Digital Innovation Hubs Federation For Large Scale adoption of digital technologies by European SMEs

Acronym: DigiFed

Grant agreement number: 864266

Deadline: 15.12.2020, 5 pm (Brussels time)

Title: *[Digital Challenge Name]*

Acronym of the project: *[Digital Challenge Short Name]*

Recommended number of characters: 10

Digital Challenge Applicant   20

Participant organization /company:
[Organization/Company name]

Organization/Company Number:
[Organization/Company number or national equivalent if available]

Country:

Contact person name:
[Name]

Contact person phone number:
[Phone number]

Contact person email:
[Email address]

Contact person position in the organization/company:
[Position in company]

Contact partner:
[DigiFed Partner contacted prior to submission]

Digital Challenge:
[Select the Digital Challenge you would like to propose a solution for]

☐ Build an AIOT system of systems

Please make sure that your information here is the same that you entered in the submission portal.

Email address to which the Acknowledgement of Receipt should be sent:

[insert]

Note:

*All parts of this document in **dark blue color** or **red** are explanatory guidance notes. Please delete these guidance notes and replace with your own text.*
Do not delete headings, subheadings and tables.

Administrative declarations

Please answer the following questions. Failure to answer them might render the proposal ineligible to be selected for funding.

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1. Funding will not be awarded to individual legal entities that have already received more than 100.000 € via open calls (Financial Support to Third Parties) from H2020 I4MS and SAE projects.

a) We confirm that we understand this and are required to declare any such funding:

☐ Yes   ☐ No

If you select "No" or do not select anything here, the proposal might be ineligible to be selected for funding.
Please contact DigiFed helpdesk for guidance if you do not know how to answer this.

b) Have you previously or are you currently receiving funding via open calls (Financial Support to Third Parties) from H2020 I4MS and SAE projects?

☐ Yes   ☐ No

If yes, please state the total amount of receiving funding:

If you select "Yes" please declare the total amount of funding you have received (or will receive) through the respective open calls. Please contact DigiFed Helpdesk for guidance if you do not know how to answer this.

If appropriate or necessary, please add a comment here, explaining your answer to the questions above.

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2. We confirm that the proposed work has not previously, or is not currently been funded under any other (Regional, National or EU) programme:

☐ Yes   ☐ No

If you select "No" or do not select anything here, the proposal might be ineligible to be selected for funding.
Please contact DigiFed Helpdesk for guidance if you do not know how to answer this.

If appropriate or necessary, please add a comment here, explaining your answer to the question above.

---

3. We confirm that the company "name of the company" does exists, is not bankrupted and have or will have the necessary stable and sufficient resources to implement the DigiFed Application Experiment,

☐ Yes   ☐ No

If you select "No" or do not select anything here, the proposal might be ineligible to be selected for funding.
Please contact DigiFed helpdesk for guidance if you do not know how to answer this.

If appropriate or necessary, please add a comment here, explaining your answer to the question above.

---

4. We confirm that we have read the "Standard Agreement" and that we intend to sign it in the event the Digital Challenge is selected for funding:

☐ Yes   ☐ No

If you select "No" or do not select anything here, the proposal might be ineligible to be selected for funding.
Please contact your DigiFed Helpdesk for guidance if you do not know how to answer this.

Table of Contents

List of abbreviations

CPS	*Cyber Physical Systems*
DC	*Digital Challenge*
DCO	*Digital Challenge Owner*
FSTP	*Financial Support to Third Party*
I4MS	*ICT innovation for Manufacturing SMEs (***https://i4ms.eu/***)*
IP	*Intellectual Property*
SAE	*Smart Anything Everywhere initiative (***https://smartanythingeverywhere.eu/***)*

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Proposal Summary

Mandatory (maximum of 2000 characters including spaces)

Describe your proposal at a high level. It has to be clear which challenge your proposal is focusing on.

Please note that this information may be used for dissemination purposes.

1. Excellence

1.1 CONCEPT AND OBJECTIVES

Describe the specific concept and objectives for the Digital Challenge (DC), which should be clear, measurable, realistic and achievable within the duration of the DC (max. duration 12 months – regardless of its duration, each DC has to be finished by the end of DigiFed on 31.12.2022, including all possible delays in the experiment). Objectives should be consistent with the expected exploitation and impact of the Digital Challenge.

RECOMMENDED 0.5 PAGE

1.2 PROPOSED INNOVATION DESCRIPTION

Give an overview of the proposal beyond state of the art, the potential innovation and the targeted CPS/ embedded system product:

Describe how you ensure to be GDPR compliant and how to respect security and privacy

- *Describe the advance your proposal would provide beyond the state-of-the-art, and to what extent the proposed work is ambitious. You may indicate the TRL[4] of your solution (start and target at the end of the project).*
  What is the main differentiator of your proposition compared to the state of the art or existing product?
- *Describe the innovation potential, which the proposal represents for your company(ies). Where relevant, refer to products and services already available on the market. Please refer to the results of any patent search carried out.*
- *Describe the CPS/Embedded system targeted product, highlighting the innovation / added value regarding the market offer.*
  What is your previous experience with this solution?
- *Describe the measures to respect European policies regarding data protection and privacy, how you ensure to be GDPR compliant.*

RECOMMENDED 2 PAGES

1.3 HOW DOES THE PROPOSED INNOVATION RESPOND TO THE DIGITAL CHALLENGE?

Describe the pertinence of your solution paying attention to specific areas of interest highlighted in the challenge. How does your proposed solution meet the requirements and demonstrate strong capabilities for solving the challenge?

RECOMMENDED 1 PAGE

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[4] **https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/faq/2890**

1.4 WHY IS THE PROPOSED INNOVATION UNIQUE?

Describe why the proposed innovation/solution is unique; consider describing unique features of the proposed solution and if possible, include a comparative assessment against two-three similar products/solutions *(DigiFed is looking for innovative solutions in response to the Digital Challenges for which NO solutions exist on the market)*.

RECOMMENDED 0.5 PAGE

2. Impact

2.1 POTENTIAL IMPACT WITHIN AND OUTSIDE THE DIGITAL CHALLENGE APPLICATION DOMAIN

Describe to what extent the proposed solution solves the challenge needs as indicated in the specific success criteria and explain how the solution fits within the company's vision and opportunity to be applied in other sectors.
Please be specific and provide only information that applies to the proposal and its objectives. Wherever possible, use quantified indicators and targets.

RECOMMENDED 0.5 PAGE

2.2 BUSINESS PLAN SUMMARY

The business evaluation will be performed via a recorded pitch with guidelines provided on the website **here**, bootcamps, webinar at **weblink**.

What is the market attractiveness of the proposal?

How do you differentiate from other solutions in the market? Please highlight **your unique value proposition** in response to the digital challenge proposed by DigiFed and the Digital Challenge Owner.

What is the business model? Explain how you will make money with this product or service (cost strategy and/or pricing model, etc.). Explain your sales and marketing strategy.

Please prepare a brief summary (based on your recorded pitch).

RECOMMENDED 1.0 PAGE.

3. Quality and Implementation

3.1 COMPANY DESCRIPTION

> ### *Digital Challenge: Applying company*
>
> *Provide a brief description of the legal entity (e.g., the type of company, age, size, country, focus domain(s), tech/non-tech, "newcomers" to EU programs or have prior experience), the main tasks and the previous experience relevant to those tasks. Provide also a short profile of the individuals who will be undertaking the work.*
>
> *Describe the needed expertise from the Digital Challenge Owner.*
>
> Note: *the selected 3ʳᵈ party will have access to the Innovation Management programme supported by DigiFed.*

RECOMMENDED 1 PAGE

3.2 QUALITY

Give an overview of your suggested work plan indicating relevant tech expertise and examples of other successful projects if applicable.

- Describe your technical implementation plan highlighting how you would successfully deliver the solution in response to the challenge.
- Indicate the level of expertise in the technology area providing relevant examples to demonstrate a good track record of working in this area.
- Describe how you would allocate tasks and resources to implement the solution at pilot site.
- Describe your approach to address and resolve deviations from the initial plan

RECOMMENDED 1.5 PAGE

3.3 DELIVERY TEAM

Please describe the team that will be involved in the project and explain why this project is important for the company.

Describe how the resources identified will ensure the success of your project to reach exploitation.

Describe what will be your delivery approach, in particular how will you work closely with the Digital Challenge Owner to deliver the proposed innovation (i.e. agile methodology, coordination of tasks between teams on different sites)

How would you like to collaborate with the challenge 'owner' beyond the pilot project?

RECOMMENDED 0.5 PAGE

3.4 WORKPLAN INCLUDING THE PROJECT DURATION

Please provide the following:
- *Brief presentation of the overall structure of the work plan and timing of the work plan (6-12 months recommended)*
- *List of necessary competencies*
- *List the expected support required from the Digital Challenge Owner (i.e. access to site, training etc.)*
- *Please add a GANTT-Chart to visualize the duration of the individual WPs over the duration of the Digital Challenge*
- *Detailed work description (use the template provided below; 1 table per WP)*
- *Please add a list of deliverables using the provided table.*

RECOMMENDED 2 PAGES

Work package number:	Start Date:	
Work package title:		
Planned Person-months[5]:		

Objectives

Description of work (where appropriate, broken down into tasks)

Deliverables (brief description and month of delivery)

---

[5] In case of more than one participating company, please assign values for all involved participants here.

Table 1: List of Deliverables

Deliverable (number)	Deliverable name	Work package number	Participant Name/ Responsible	Type[6]	Dissemination level	Delivery date

3.5 RISKS AND OPPORTUNITIES

What do you perceive as the top three risks for this project and how can they be mitigated?

What your approach is with regards any risks and opportunities raised during the development stage?

RECOMMENDED 0.5 PAGE

3.6 JUSTIFICATION OF PLANNED COSTS AND RESOURCES

Please provide a summary of required efforts per WP using the table below.
RECOMMENDED 0.5 PAGE

Participant Name	WP Number	Estimated eligible costs					
		Effort (PM)	Personnel Costs (€)	Other Direct costs (€)	Indirect costs (€)	Total costs (€)	Requested Funding (€)
Total							

---

[6] Use one of the following codes:

    R: Document, report
    DEM: Demonstrator, prototype
    DEC: Patents filing, press & media actions, videos, etc.
    OTHER: Software, etc.

In column 'Effort', insert the required person months for the work involved.[7]

In column 'Personnel Costs', insert your personnel costs for the work involved.

In column 'Other Direct costs', insert any other direct costs, for example material or travel costs (technical meetings, dissemination activities, etc.)

In column 'Indirect costs', insert your indirect (overhead) costs, 25 % of all your direct costs.

In column 'Total costs', calculate the sum of all your indicated costs.

In column 'Requested Funding', insert your requested EC contribution.

*You may **request up to 70% of the total costs***.*

Up to 15% of the cascade funding may be used for specific subcontracting tasks that neither the DigiFed partners nor the Third party can carry out. Please provide sufficient justification on what and why you need to subcontract some of your tasks.

** The maximum funding per Digital Challenge is **between € 55k and €110k** – representing 70% of your project's declared budget.*

Please consider that all budgeted costs must comply with the applicable national law on taxes, labor and social security and must be in compliance with the rules and conditions laid out in Council and Parliament decisions relevant to the H2020 framework programme, in particular - but not exclusively - "REGULATION (EU) No 1290/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013"

Provisions for possible future losses or charges, exchange losses, costs related to return on capital, costs reimbursed in respect of another Union action or programme, debt and debt service charges and excessive or reckless expenditure are ineligible costs and cannot be included into the budget.

*The maximum total funding that may be allocated to any individual legal entity via open calls from any H2020 I4MS (ICT Innovation for Manufacturing SMEs) or SAE (smart Anything Everywhere) cannot exceed **110.000 €**. Please consult our Guide for Applicants for more details.*

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[7] You may refer to the Guide of Applicants for further information on these different categories of costs.

4. Ethical issues

DigiFed complies with the European policies regarding data protection and privacy and respects fundamental ethical issues particularly those outlined in the European Code of Conduct for Research Integrity".

All data that is brought into a Digital Challenge or that is processed in a Digital Challenge must be GDPR compliant and therefore completely anonymized beforehand.

Please answer the following questions.

Does your proposed work involve:

1. Human embryos and foetuses	Yes ☐ / No ☐
2. Humans	Yes ☐ / No ☐
3. Human cells/tissues	Yes ☐ / No ☐
4. Personal data	Yes ☐ / No ☐
5. Animals	Yes ☐ / No ☐
6. Third countries	Yes ☐ / No ☐
7. Environment & Health and Safety	Yes ☐ / No ☐
8. Dual use	Yes ☐ / No ☐
9. Misuse	Yes ☐ / No ☐
10. Other ethics issues	Yes ☐ / No ☐

*If the answer is 'YES' to any of the questions, please contact DigiFed project at **info@digifed.org** or one DigiFed partner, for guidance on the issue.*

For more information on ethical issues, please consult the document provided by the European Commission:

http://ec.europa.eu/research/participants/portal/doc/call/h2020/h2020-msca-itn-2015/1620147-h2020 - guidance_ethics_self_assess_en.pdf

ANNEXE 2: Recorded pitch contents

Contents of the 5 min pitch in English

- Company profile, products and targeted market
- Introduction of the management team
- Selected technology building block and targeted use case
- Definition of the product to be developed
- Uniqueness of the proposed solution
- Business model – cost structure and pricing model
- Targeted customers and go to market strategy (including further collaboration with the Digital Challenge Owner)
- Expected level of demonstration at the end of the project – potential customer demonstration
- Meeting the digital challenge needs (success criteria)

ANNEXE 3: Acknowledgement of receipt

Stage 1: Pre-Selection

Dear xxx,

Thank you for submitting your pre-selection form for consideration as Digital Challenge in the H2020 project DigiFed.

The evaluation will take place in the next week. You will be notified as soon as possible after this whether or not your proposal has been successful.

If successful, you will be invited to participate in a dedicated webinar with the Digital Challenge Owner and to continue your proposal preparation for the main Open Call deadline.

Please remember to submit your signed NDA to us by **6th November**. Only those companies who have submitted a NDA will be able to participate in the dedicated webinars.

DigiFed consortium as a whole would like to thank you for your interest in our activities.

Yours sincerely,

Stage 2: Final Selection

Dear xxx,

Thank you for submitting your proposal for consideration as Digital Challenge in the H2020 project DigiFed.

The evaluation will take place in the next few weeks. You will be notified as soon as possible after this whether or not your proposal has been successful.

DigiFed consortium as a whole would like to thank you for your interest in our activities.

Yours sincerely,