

CEF TELECOM – 2020-1 CALLS FOR PROPOSALS

FREQUENTLY ASKED QUESTIONS

Blockchain – 8 June 2020 version

Commonly used abbreviations in this FAQ:

EBSI	European Blockchain Service Infrastructure
NIS Directive	<u>Directive on security of network and information systems</u>
GDPR	General Data Protection Regulation
eIDAS	electronic Identification, Authentication and Trust Services
EBP	European Blockchain Partnership
PCP	Pre-Commercial Procurement

1. What is the European Blockchain Partnership?

The European Blockchain Partnership (EBP)¹ was created in April 2018 by a Joint Declaration and includes all EU Member States and members of the European Economic Area (Norway and Liechtenstein). The signatories of this Joint Declaration commit to working together towards realising the potential of blockchain-based services for the benefit of citizens, society and the economy. As part of this commitment, the Partnership is building a European Blockchain Services Infrastructure (EBSI), which will deliver EU-wide cross-border public services using blockchain technology. In 2020, EBSI will deploy a network of distributed blockchain nodes across Europe, supporting applications focused on selected use-cases.

2. What is the European Blockchain Services Infrastructure (EBSI)?

The European Blockchain Services Infrastructure (EBSI)² is a joint initiative from the European Commission and the European Blockchain Partnership (EBP) to deliver EU-wide cross-border public services using blockchain technology. The EBSI will be materialised as a network of distributed nodes across Europe (the blockchain), leveraging an increasing number of applications focused on specific use cases. In 2020, EBSI will become a CEF Building Block, providing reusable software, specifications and services to support adoption by EU institutions and European public administrations.

3. How does the European Blockchain Services Infrastructure (EBSI) work?

The EBSI Platform is a peer-to-peer network of interconnected nodes. The Commission will operate a minimum number of EBSI nodes at European level and the Member States' authorities mandated by the European Blockchain Partnership (EBP) Policy group will operate EBSI nodes at a national level. All the nodes will be able to create and broadcast transactions that will update the ledger. The architecture of each node will be composed of two main functional areas: (1) A set of layers comprising components which together provide the EBSI infrastructure, which contain capabilities common to all use cases. These layers will include generic capabilities and connectivity to Blockchain networks. (2) A set of two layers comprising use case-specific components enabling support for hosting of business applications.

¹ <https://ec.europa.eu/digital-single-market/en/blockchain-technologies>

² <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/ebsi>

4. Which are the use-cases for cross-border digital public services that will be supported by the EBSI?

An initial set of four use cases have been selected in 2018 for deployment by EBSI in 2020. These use cases were: (1) Notarisation of official audit documents, (2) Verification of diplomas and education credentials, (3) Trusted data sharing amongst customs and tax authorities and (4) Generic self-sovereign identity capability compatible with eIDAS. For each use case, a Member State led and composed user group has been established within the European Blockchain Partnership. These user groups aim to deliver a prototype application on the EBSI blockchain by early 2020. A new set of use-cases will be selected by the EBP Policy Group during 2020 for deployment in 2021.

5. How can the applicant prove that they are supported by the Member State representative in the European Blockchain Partnership (EBP) Policy Group?

A specific [template for a letter of endorsement](#) has been created in order to facilitate this process and is available on the [Blockchain call page](#). The letter must be signed by the Member State representative in the European Blockchain Partnership (EBP) Policy Group and must be provided together with the application.

6. Can a regional government apply to this call?

Proposals must be submitted by Member States and/or EEA countries participating in the CEF Telecom programme. Applicants can be an international organisation, Joint Undertaking, public or private undertaking or body provided that they are established in a Member State, have the agreement of the Member State(s) or EEA country(ies) concerned, and of the Member State representative in the European Blockchain Partnership (EBP) Policy Group. A maximum of one grant per Member State will be funded.

7. Is there an indicative budget for the Actions funded under this call?

There is no indicative budget for individual Actions as the requested budget of the Actions depends on the scope of each proposal and the activities proposed. As indicated in section 4 of the call text, there is a €3 million indicative total budget available for the call. The maximum CEF co-financing per Member State is €150,000. However, the Commission reserves the right to award a grant of less than the amount requested by the applicant.

8. Are there any requirements that the Actions will have to comply with to verify the capability of the connected service upon the completion of the Action (objectives 1 and 2)?

Yes. All Actions will need to prove and demonstrate by the end of the Action that e-services/systems/online platforms operating at national level and covered by the proposed Action are integrated with the EBSI in a production environment, and support one or more EBSI cross-border use cases.

In addition, all Actions that address objective 1 must demonstrate that, by the end of Action, a node has been set up, is integrated with the EBSI and if applicable has been improved with new technical features. All Actions that address objective 2 must provide evidence of integration between e-services/systems/online platforms operating at national level and the EBSI node set up in the Member State. All Actions that address objective 3 must provide evidence of all the activities that have contributed to capacity building and training activities carried out within the Member State.

In addition, all funded Actions will be subject to validation by the EBSI core service platform (European Commission). For that purpose, the proposed Actions will be expected to provide information on the URLs, accessible through the Internet, where the services under the scope of the call can be reached.

9. Who should sign the letter of endorsement if the Declaration Establishing the European Blockchain Partnership is signed by one Ministry but the member of the Policy group is

from another Ministry?

The Letter of Endorsement should be signed by the member of the European Blockchain Partnership (EBP) Policy Group. This is because since the Joint Declaration Establishing the European Blockchain Partnership (2018) was signed, the representative of the signatory Member State in the EBP may have changed.

10. Where can we find information about the national members of the Policy group?

The list of national members of the Policy group is published in the Blockchain [call](#) page and is also available on this link:

<https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/List+of+EBP+representatives>.

11. Is it possible to apply to both the Pre-Commercial Procurement (PCP) call on Blockchain and to this CEF call?

Yes, it is possible to apply to any or both initiatives. On the one hand, this CEF -TC-2020-1 Blockchain call was launched to support the implementation of the European Blockchain Services Infrastructure (EBSI), in particular to support the use cases identified by the EBP using existing blockchain technology. On the other hand, there are gaps in existing blockchain solutions to enable the delivery of more demanding cross-border blockchain services (e.g. regarding full compliance with the EU legal framework, security, interoperability, robustness, sustainability). Therefore, the future evolution of the EBSI requires new, improved blockchain technology solutions that can be developed and tested through the **Pre-Commercial Procurement Action** launched by the European Commission in December 2019.

12. Are there any consortium requirements to be met or can a proposal be submitted by only one company and without the endorsement of the MS?

The call for proposals does not impose a minimum number of applicants. *Proposals can be submitted by one or more legal entity(ies), provided that they are established in the same Member State or EEA country.*

In order to be eligible, applicants must provide:

- the endorsement letter from the national representative of the European Blockchain Partnership (EBP) Policy Group and
- the agreement of the relevant Member State (usually a Ministry) through signature of the application form part A2.3. Please refer to questions 6.6 and 6.8 of the General FAQs for further details.

For further guidance please refer to questions 3A.3, 6.6 and 6.8 from the general FAQs.

13. Under this Blockchain call, do all 3 objectives need to be addressed in the proposal?

As specified in Section 2.1. Priority Outcomes of the call text, proposals to be funded must address at least two of the three listed objectives.

14. Can funding be used by a MS for implementing new use-cases on top of EBSI not covered by EBSI central development?

As specified in Section 2.1. Priority Outcomes of the call text, actions funded through this call must be related to the EBSI development and implementation of its use cases. Notably, they must meet at least two of the three objectives: EBSI infrastructure development and operations, EBSI cross-

border use-cases and EBSI capacity-building. Therefore, actions funded through this call cannot relate to activities that are not linked to the EBSI.

According to the Joint Political Declaration, the European Blockchain Partnership is mandated to identify and decide on new use-cases that will be supported by the EBSI. This process of identification and agreement by the Member States of the EBP is not part of the CEF funded Blockchain call. This call is destined to fund the implementation of activities that will support the deployment of the use-cases identified by the European Blockchain Partnership only.

15. Can a MS submit a proposal for funding regarding an existing EBSI node that is hosting already?

Please refer to Section 2.1. Priority Outcomes of the call text and, in particular, to Objective 1. EBSI infrastructure development and operations. The call can fund inter alia the operation of EBSI nodes and the improvement of existing EBSI nodes already in operation within the Member State. However, please note that only costs incurred between the date of submission of the application and the completion date of the proposed action may be considered as eligible. Please refer to question 11.2 in the general FAQs for further details.

16. Can a university serve as node for EBSI? What specific features are required to become node? Moreover, will there be a single node across a country?

The European Blockchain Partnership defines the technical and governance requirements to be met by EBSI nodes. You can find the minimum technical requirements to host a EBSI node here: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/Minimum+Technical+Requirements+for+a+n+EBSI+v1.0+NODE+Deployment>. There are currently no requirements to limit the number of nodes per Member State.

17. Can we get some technical information to establish a node, in terms of rough deployment of node?

The European Blockchain Partnership defines the technical and governance requirements to be met by EBSI nodes. You can find the minimum technical requirements to establish a EBSI node here: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/Minimum+Technical+Requirements+for+a+n+EBSI+v1.0+NODE+Deployment>.

18. What does the 2nd objective of the call "Support to the acquisition of services and applications for participation of the MS in one or more EBSI cross-border use-cases" entail?

Objective 2 entails the acquisition of any relevant services or applications, provided that the beneficiary can demonstrate a verifiable link between these services and applications acquired and the deployment of EBSI cross-border use-cases in a particular Member State. For example, this could include any upgrades to national systems/databases to make them compatible to be interoperable with the EBSI ecosystem - in the fields of identity management, education certificates, audits and taxation (see the EBSI use cases description). It is up to the applicants to explain in their proposal the added value of the particular services and/or applications.

Please refer to section 11 Eligibility of costs of the general FAQs for further details as well as the general CEF Guidelines on Eligible Costs.

19. According to the Eligibility criteria, all proposals must provide an endorsement letter from the national representative in the European Blockchain Partnership (EBP) Policy group. However, the country I am considering to apply from does not yet have a representative. What should I do in this case? Is there a more updated list with representatives or whom I need to contact?

Some Member States still need to appoint a national representative in the European Blockchain Partnership Policy group and other Member States still need to confirm that the name of the national representative may be published. We expect to update the list as soon as national representatives are confirmed and publication of their names is authorised by the Member States' authorities. In the meantime, we recommend that you contact your respective Ministry who signed the Joint Political Declaration on the European Blockchain Partnership in order to obtain this endorsement letter.

20. The EBSI roadmap states that the first nodes should be set in 2019. Where can we find information regarding the nodes and the infrastructure that is already developed?

The EBSI Infrastructure Specification gives Member States the infrastructure requirements needed to establish an EBSI node. Information concerning the Minimum Technical Requirements for an EBSI node deployment are available here:

<https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/Minimum+Technical+Requirements+for+a+n+EBSI+v1.0+NODE+Deployment>

The EBSI is still under development. This website will be regularly updated with information on the state of play of the EBSI. Applicants are also invited to contact their national representatives in the European Blockchain Partnership (please see reply to Q21) for information on the EBSI.

21. Where can we find information on the progress made with the development of the use-cases?

To find out information about the progress made by the different use-cases, you should contact your EBP representative, who has all the information about the levels of development of each use-case, and also in which use-cases your Member State is actively participating. Please note that not all Member States take part in the development of all use-cases. See Q10 above concerning the list of EBP representatives.

22. Who is the UK representative for the EBP policy group? (the person is not listed on the Commission's website)

Further to the withdrawal of the UK from the EU, the UK no longer participates in the EBP policy group and has not taken part in recent discussions on the European Blockchain Service Infrastructure (EBSI).

However, as indicated in Q19 above, in case no contact person is indicated in the list for some EU Member States and UK, the applicants can contact the Ministry who signed the Joint Political Declaration on the European Blockchain Partnership in order to receive an endorsement letter.

Please note that the current lack of involvement of the UK in the EBSI will impact the active participation of any UK applicant in activities concerning the EBSI. Potential UK applicants should take this into account when preparing their application, in particular when addressing the award criteria upon which all proposals are assessed, notably relevance (i.e. alignment with the EU level policies, activities and strategies), impact and sustainability.

23. Can the 25% of own contribution be matched in non-financial resources (e.g. in kind contribution) instead of finance?

The EU contribution for Blockchain actions will be calculated based on the costs actually incurred (only 75% can be covered by the EU contribution and the remaining part needs to be funded by the

beneficiary). Non-financial resources such as kind contributions cannot be taken into account for the calculation of the own contribution of the applicant/beneficiary.

25. Can an applicant apply by himself or is an EU partner (partner coming from other Member State than my own) needed to form a consortium?

Please see section 6.1 of the call: an applicant can either apply alone or with another entity(-ies) established in the same Member State.

26. How can an applicant check whether anyone else from the same Member State has already applied or is making an application under this call?

INEA does not disclose information on the applications made to the calls. However, applicants may contact the national authorities in charge of providing the endorsement letter under this call to check whether this information can be obtained.

27. What is the rationale for building a network of nodes before knowing what they will be used for or by whom?

This call aims to support Member States to prepare and start implement the European Blockchain Service Infrastructure (EBSI) and first use cases as agreed in the European Blockchain Partnership declaration. Four use cases are already identified and there are plans for first nodes to be integrated into the EBSI in 2020. It is up to each Member State to decide who should operate and how many nodes should be operated in their Member State in first stages of the EBSI.

28. Are there any plans for each university or legal notary (for example) to run a node?

The EBSI is still under development, which include also the integration of the first nodes in the Member States. Other nodes will be then added gradually. Please note that it is up to each Member State to decide who should operate and how many nodes should be operated in their Member State and whether each university or other entity(ies) should be running their own nodes.

29. What happens if/when it turns out that a node installed/configured for national entity A actually needs to be under the control of entity B for the most promising use-case?

As indicated in the previous reply (Q28), the EBSI is still under development and it is up to each Member State to decide who should be operating the node(s). In case there is a change of the operator of the node during the Action implementation, a request to amend the grant agreement can be proposed by the Action in line with the grant agreement if properly justified.

30. What happens if the "sizing" of the node (CPU, memory, storage, etc.) turns out to be incorrect for the production use-case(s)?

As the EBSI is still under development and new use-cases are being added, it is not excluded that the EBSI evolution will affect the "sizing of node" over time. However, please note that this call aims to kick start the implementation of the EBSI in the Member States and the sizing of the node is considered sufficient at this stage of the EBSI development.

31. What will happen if there is a Blockchain technology that is more promising than the two selected for the EBSI 1.0? What will happen if the community is no longer supporting one of the solutions selected for the EBSI?

This call does not address a blockchain technology that is used in the EBSI. Any decisions on the technologies to be used will be considered by the governance bodies of the EBSI. However, please note that the EBSI aims to become agnostic to underlying technical solutions and protocols. New solutions will be integrated as the EBSI evolves and in case current solutions used are no longer supported, migration could be envisaged.

32. How is the infrastructure going to be funded after the end of the operation of nodes mentioned in the CEF-TC-2020-1 call? What are the expectations for long-term sustainability of such initiative? Who is going to pay and how (for transactions, for gas, etc.)?

The future funding of the EBSI is not subject of this call and it will be up to the European Commission and the Member States to decide jointly how the EBSI infrastructure should be funded in the future.

The applicants are invited to address the long term sustainability (financial and operation) of their national EBSI infrastructure in their proposals as this is one of the award criteria used in the evaluation of the proposals.

33. What exactly does the "Support to the acquisition of services and applications for participation of the Member State in one or more EBSI cross-border use-cases" refer to? We would assume this will vary between the different Member States. Are there any KPIs associated with this task? Does it mean that we need to connect the node infrastructure with existing e-services or online platforms? What is the case when there are no such systems or there is a lack of desire for cooperation from the e-service side?

Please see answer to question 18. Indeed, the services and ICT applications that can be covered by this objective can vary between the Member States, but also between e-services, systems and online platforms. There are no defined KPIs associated with this objective. In order to enable the EBSI cross-border use cases, existing e-services or online platforms need to be connected to the node. When no system is in place yet, the proposal should anticipate and prepare for such tasks that would be implemented in one or two years to come. Cooperation from the e-service side should be ensured to enable that the implementation can effectively take place.

34. What are the technical specifications for the "Support to the acquisition of services and applications for participation of the Member State in one or more EBSI cross-border use-cases"? What are the "common applications"? What is their role and structure?

There are no technical specifications or common applications for objective 2 of this call for proposals. The acquisition of services and applications has to be assessed on a case-by-case basis, taking into account the needs of the specific use-cases and specific e-services, systems and/or online platforms, in order to support the cross-border deployment of the EBSI.

35. We would like to submit a proposal in which we implement a Blockchain for another EU Member State (different than the country in which we are established). Would that be possible and from which country should we receive the EBP endorsement letter (from our MS or the Member State for which we will be implementing the Blockchain)?

In line with the section 6.1. of the call for proposals, all proposals need to provide an endorsement letter from the national representative of the MS/EEA country of the applicant, i.e. the country where the applicant is established. The Member State in which the entity is established can only provide an endorsement letters regarding the Blockchain implementation in its own country. It is not possible for an entity established in country A to apply for this call to implement the Blockchain in the country B (even with the agreement of the country B).

36. The next generation of EBSI will be developed under the PCP project (Blockchain Pre-Commercial Procurement). Can you specify how this next generation will be incorporated into the existing EBSI? How this new/updated infrastructure will affect the EBSI node's technical specifications and/or standards to be implemented? We are concerned to fall into transition period between two EBSI versions (generation) and would like to ensure interoperability of the developed EBSI. Can you provide the schedule for those new releases?

It is too early to predict what will be the outcomes of the Blockchain PCP and, in particular, which blockchain solutions could be incorporated into the EBSI in the future. However, it is clear that the

evolution of the ESBI will require the upgrading of the EBSI, including the nodes. Future releases of the technical specifications will be done on a regular basis in agreement with the EBP. They will take into account the need to integrate new capacities (i.e. in terms of security), but also new functionalities for use cases. To be noted that the next releases of the EBSI are indicatively scheduled for Q1 and Q4 2021, and 2022 respectively. The integration of the PCP results will be probably incorporated with the 2022 release.

The proposals under this call (in particular for objective 1) should take this into account and foresee updates to the EBSI nodes in order to ensure the operation of the nodes in line with the latest version of the technical specifications. The version of the technical specifications that should be complied with by the Action will depend on the availability of the technical specifications during the Action's timeline.

37. What improvement will be needed if a node is going to be set up in the middle of 2021? Would any mandatory certification or mandatory testing in EBSI be required (and when, indicatively) since next generation of EBSI will be developed?

As indicated in the question above, the evolution of the EBSI will require the updates to the nodes in order to ensure their compliance with the latest version of the technical specification. In line with the call text for objective 1, all proposals will be required to demonstrate that by the end of the Action the node is set up, operational, integrated with the ESBI and/or improved with enhanced technical features. In order to verify that, all Actions will be required to test their nodes with the European Commission (more information on the testing is available at: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/Get+Started+EBSI#ebsi-get-started-get-started>). There is currently no specific certification scheme in place for the EBSI and therefore the proposals are not request to receive any specific certification when implementing the actions under this call. However, it is not excluded that a certification scheme will be introduced in the future for the ESBI.

38. Is there a requirement for the nodes to be hosted physically in the respective Member State? Can cloud providers be used for the hosting of the node?

There are no specific requirements for the hosting of the nodes. It is up to the applicants to decide how they would like to host their nodes, either physically or in a cloud.

39. Every proposal to be submitted under this call needs an endorsement letter by the member of the Blockchain Policy Group of a given Member State. There are several proposals which want to apply for the call from our Member State. Is it possible to give several proposals an endorsement letter or is it only possible to give one endorsement letter per Member State?

Indeed in line with the section 4 of the call for proposals, only one proposal per Member State can be funded. It is up to the relevant national authorities themselves from the Member States to decide whether to provide an endorsement letter to only one or to several proposals. Please be reminded that, in case more proposals are submitted under this call from a given Member State, all eligible proposals will be evaluated against the award criteria indicated the section 9 of the call, then ranked according to the scores obtained. The proposal from a given Member State with the highest ranking score will be recommended for funding.

40. Can the newly selected use cases be funded under this call?

Yes, the proposals submitted under this call can cover, in addition to the already defined use cases, any of the newly selected use cases (please see Q.4 above).

The European Blockchain Partnership has recently selected a set of new use cases to be implemented in EBSI v2. The three newly selected use cases are: 1) SME financing; 2) European Social Security Identification number; and 3) asylum process management and these can be also funded under this call.