

KATANA

CUTTING EDGE TECH IN AGRIBUSINESS

Guide for Applicants

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1. Overview

1.1 Background information on KATANA

"KATANA - Emerging industries as key enablers for the adoption of advanced technologies in the agrifood sector" supports European SMEs in the agrifood value chain to simultaneously access knowledge, technology, capital and markets in order to respond to the global competitive environment. KATANA aims to provide this access to companies by leveraging upon the multiplier potential of cross-border/cross-sectoral collaboration and the systemic approach which homogenizes services towards the overall aim to place new products/ services in the market.

For whom: *SMEs and single entrepreneurs from the agrifood value chain (farmers, food producers, retailers, nutritionists etc.), ICT and internet based SMEs, SMEs active in emerging industries (e.g. eco sustainability, mobile markets, and functional foods)*

Objective: *KATANA aims to support the use of advanced technologies within the agrifood sector and to boost the development of innovative products and services in the field*

Reason: *In order to cope with a growing awareness for nutrition and health issues, an increasing demand for sustainability in supply chains and the breakthrough of ecommerce and mobile marketing in relation to agrifood products, the way of doing business in the sector is currently being transformed*

How: *KATANA addresses the traditional agrifood value chain in order to strengthen cooperation and support the smallest market players in accessing knowledge, technology, capital and markets. A customized set of financial and support services will be provided to selected participants who also get the chance to participate various matchmaking events, an investor forum as well as e-pitches in front of market players, investors and business angels.*

Areas of interest: *eco sustainability, mobile markets for agriculture, functional food, supply chains in agribusiness.*

When: *From July 2016 to December 2018.*

Funded by: *European Commission, Horizon 2020 Programme*

1.2 Target topics

KATANA project is focused on three specific topics: **Precision Agriculture for sustainable farming, Mobile Services in Accessing Agrifood Markets and Functional Foods for personalized nutrition.** These categories are the ones that every proposal should be targeting to. Every proposal should address at least one of the three topics. The specific topics are closely presented below:

1.2.1 Precision Agriculture for sustainable farming

Proposals that target Precision Agriculture (PA) should address the need of farmers for affordable precision agriculture services. Newly developed solutions should enable farmers to exploit the high potential of PA for achieving cost reductions and increased profitability sector, allowing for a more efficient utilisation of resources, and agricultural consultants PA solution providers to provide high quality services to their customers. Typical projects under this domain could be aimed to optimize processes such as tillage, seeding, fertilization, herbicide & pesticide application, harvesting and animal husbandry. Controlled Traffic Farming (CTF) and auto-guiding systems are some of the solutions in the field of Precision Agriculture.

Applicants will have to develop their solution by using the elements of KATANA PA Marketplace. PA Marketplace will address the need of farmers for affordable precision agriculture services. The platform will be driven by its users, farmers, agricultural consultants and PA solution providers who will co-create and test services. This will enable farmers to exploit the high potential of PA for achieving cost reductions and increased profitability, allowing for a more efficient utilisation of resources, and agricultural consultants PA solution providers to offer high quality services to their customers.



Example: Drone and sensor-based smart farming service: Innodrone Ltd is a start-up in Aarhus, Denmark, engaged in providing drone-based solutions. In the course of KATANA they collaborate with Nikos Vasiliadis, a Greek agronomist and an Italian company called Sensoriada Ltd, to provide ***an innovative service for the collection and archiving of data on crops and their presentations to the farmers.*** The source of crop data is two-folded: aerial images and sensor measurements. The aerial images are taken using an unmanned aerial vehicle equipped with cameras (RGB, NIR, IR, multispectral, etc.), while mobile sensor stations are used for monitoring changes in temperature, humidity, pH, etc. Such information provides a comprehensive image of crops growth and indications of its changes due to diseases, lack of fertilization or inadequate agricultural technical actions. The PA marketplace is the platform upon which they construct their service in the following way: The agronomist ***bids for farmers' requests for services*** related to disease and fertilization management, charging an overall price per hectare and per cultivation season. Then he sends the digital map of the farms to the sensor company and receives back a full set of sensors for this particular field accompanied by full instructions on installation. Through the service provided by the drone company he rents a number of flight hours per month and receives back processed images that allow him to provide site specific consultation to farmers. The three companies ***use the PA Costs calculator to apply a revenue sharing model***, taking into account all costs related to the service. On the basis of this business model they start a crowdfunding campaign in KATANA where they offer a special price per hectare to farmers and promote it heavily among young farmers and agricultural cooperatives.

1.2.2 Mobile Services in Accessing Agrifood Markets

With the rise of mobile services and the Internet of Things (IoT), the agrifood market has the potential to be disrupted with new services regarding the wholesales from producer to customer. Typical projects under this domain should build apps for mobile marketing of agrifood products, by leveraging upon the capabilities of IoT. Apps running on mobile devices or *smart home kitchen appliances* will be eligible as well.

Applicants will have to develop their solution using the KATANA VRM architecture. VRM stands for "Vendor Relationship Management". VRM tools provide customers with both: independence from vendors and better ways of engaging with vendors. KATANA VRM platform will support the setup of mobile concepts such as direct sales from agrifood producers, same day delivery, shopping on demand and share economy. Matching results will be improved by real time information of connected things and devices. To build such dynamic services the KATANA mobile VRM platform will provide an open API architecture with unitized tools for stakeholders to setup own mobile apps and to connect their existing service to the supply chain. Overall KATANA mobile VRM aims to be more economic and less data proceeding than today's CRM driven retail in the agrifood supply chain.



Example: Traceability app for fresh seafood: Mariscos frescos is a small company in Vigo, Spain engaged in packaging, wholesale and distribution of fresh seafood. They buy seafood from fishermen and deliver it to small fish shops around Spain. In the course of KATANA they cooperate with a Slovenian startup called Trace.It to develop Seafood Watch, ***a traceability***

app for fresh seafood. The app will provide information to consumers and other interested parties about the packaging, transportation and storing conditions of seafood and gets feedback from them. Seafood Watch allows fishermen, packers transporters and retail fish shops to fill-in any kind and level of information that will enhance the added value of their products if seen by the customers. This process, will pair the information inserted by the users with the product through a QR-code sticker which will bear a unique connection with the database where the users will insert information. Consequently the application will ensure the identification of every LOT of products allowing traceability for the products involved in the process. The underlying business model foresees that retail fish shops will have their own individual UI to communicate with customers and they will pay a small commission fee for the seafood sold through the app. The two companies **use the mobile interface, the same-day delivery API and the toll for location based services of the KATANA toolbox** to connect consumers with high quality fresh fish provided in the fish shop near them. Once they prepare the app prototype they start a crowdfunding campaign in KATANA aiming at both fish shops and consumers, offering special prices to early adopters.

1.2.3 Functional Foods for personalized nutrition

Nowadays, food standards are continuously changing due to socio-cultural environment, fashion or advertising. Consumers have turned to the consumption of functional foods that provide beneficial properties to human health. On the same context, personalized foods and diets are also designed in order to adapt the food to each individual depending on the age, gender, activity, habits, tastes, or associated diseases. As a result, food companies are interested in producing new and innovative products with determined health benefits targeted to specific groups of people. A strong need has arisen for companies to have access both to nutritional aspects and to technologies of producing innovative products with beneficial properties and increased shelf-life, in order to sustain competitiveness and to ensure the company's growth. So far, few web-based tools for the design of personalized nutrition are available, containing databases of healthy and delicious recipes, tailored for a range of health conditions, depending on their nutritional and chemical content.

Applicants will have to develop their product by using the web platform - FunFood platform - that will be user friendly and will be able to give the opportunity to the user to adapt the tool directly to his/her criteria and needs. The platform will suggest new processes and recipes for functional foods that can be adopted by SMEs in order to design products with beneficial health properties for specific groups of people.

Typical projects under this domain could be aimed to address the needs of companies for innovation, competitiveness, sustainability and flexibility to legislation changes. A Web-platform that integrates the nutritional and the technical part of producing novel products with required health characteristics and more efforts are needed in target-group oriented food. Novel technologies that are economically affordable, easy to use, sustainable and available by the participating consortium, as well as industrial and RTD experts will also be suggested.



Example: New Juice products with desirable functionalities targeted to specific groups:

Martin Alfonso is an organic fruit and vegetable producer from Valencia Spain, recently awarded for the premium quality of his products in an international exhibition in Vienna. However, he wants to expand his activities by valorizing the wastes from the fields. In Vienna he made a contact with BioJuices SA, a small Italian company producing juices of high nutritional value. Together they are planning to design functional juices based on fruits and vegetables for particular target groups, such as athletes, children and pregnant women. Based on that they establish a collaboration with Agata Gozdzik, a nutrition scientist from Poland. The nutritionist provides the requirements according to the particular profile of each group. Based on these nutrient requirements KATANA FunFood toolbox will propose

different scenarios (bioactive compounds category, new innovative processes, etc.). The juice company will then choose from the proposed scenarios in order to develop specific products for particular target groups. Additional information of the chosen products such as market analysis, cost analysis, recipes and legislation will be also available. The consortium of three (3) European SMEs starts a crowdfunding platform offering packs of juices to supporters and various promotional material to early supports.

Important notice 1: The examples above are indicative aiming to give concrete examples to interested applicants. Any other solution not specifically mentioned as an example, but contributing to one of the three axes is also eligible. Additionally, all companies and people names mentioned above are totally fictional and any similarity with reality is totally due to coincidence.

2. KATANA approach: Open Call 1 - Call for Teams and Open Call 2 – Call for Products/Services

KATANA foresees a funnel approach implemented through 2 Open Calls. The first call, the **“Call for Teams”** aims to identify the best teams across the value chain through an innovative peer-to-peer evaluation method. Through this process 100 beneficiaries (SMEs or individual entrepreneurs) from all over Europe will be selected. These beneficiaries will receive small direct financial support (2,000 EUR) aiming to cover part of their travel costs but most important, they will receive a bouquet of supporting services (Matchmaking facilities, Comprehensive on-line training program and 3-days on-site bootcamp). The purpose of these services is two-fold: (i) to bring them in contact with the other KATANA beneficiaries, namely other European players across the value chain, so as to form consortia and prepare their products/services for the second Open Call and (ii) to support SMEs and entrepreneurs in defining and fine-tuning their ideas about new products/services.

The second open **“Call for Products/Services”** aims to identify products and services with high market potential. Cross-border (from different eligible countries) and/or cross-sectoral (from different sectors) consortia of 2-4 members each are invited to participate in the second call, providing that at least one (or more) of the partners in each consortium was among the winners/beneficiaries of the 1st stage KATANA call and has successfully participated in the KATANA training program. Products and services have to make use of at least one of the KATANA LSDs - KATANA will provide the technological framework for three large scale demonstrators (LSDs) in selected emerging industries tangent with the challenges of the agrifood sector. For the 2nd stage, consortia apply by preparing a Reward Crowdfunding Campaign. The winners will be the 10 consortia that will raise the largest amount of funds through crowdfunding. Those winners will receive 100,000 EUR per consortium (20,000-50,000 EUR per SME/entrepreneur). On the top of that they will receive 2nd stage support services (Investment readiness program, Coaching and Export promotion services) but also an access to the KATANA Equity Crowdfunding platform in order to raise an additional 100,000 EUR each from private investors to support their expansion. As already mentioned in the next, KATANA will provide the access to the KATANA Equity Crowdfunding platform but additional 100,000 EUR will depend on the individual team’s ability to attract capital. KATANA consortium reserves the right to invite to the Equity Crowdfunding platform also the non-successful beneficiaries.

3. Open Call 1 – Call for teams

3.1 Applicants eligibility

The accepted applicants for KATANA Open Call 1 – Call for teams have to be:

- Natural persons and companies that comply with the Commission Recommendation for Small and Medium-sized Enterprises (SMEs) 2003/361/EC¹
- Located in Eligible countries
- From following sectors: ICT and internet based business companies, companies from the agrifood value chain or companies active in emerging industries that are in focus of the KATANA project (eco sustainability, mobile markets and personalized health)

Important notice 2: Individual persons or representative of the companies can apply to KATANA. Natural persons are eligible only in the application phase. When entering the 1st stage of KATANA, selected Beneficiaries will have to register in order to sign the Travel Grant Agreement and perceive the 2,000 EUR funding. However, it is sufficient when only one representative member of a team registers.

3.1.1 Definitions of SMEs

A SME will be considered as such if accomplishing with the European Commission Recommendation 2003/361/EC² and the SME user guide³. As a summary, the criteria that define a SME are:

- Independent, partner or linked enterprises, with financial and staff figures calculated in accordance to instructions given by Recommendation 2003/361/EC to fulfil SMEs criterion.
- Headcount in Annual Work Unit (AWU) less than 250.
- Annual turnover less or equal to €50 million OR annual balance sheet total less or equal to €43 million.

3.1.2 Eligible countries

Participants, either SMEs, Start-ups established in the following countries and territories or natural persons that are residents of the following countries will be eligible to receive funding through Horizon 2020 grants⁴:

a. European Union countries including their overseas departments

- **European Union countries:** Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom;
- **The Overseas Countries and Territories (OCT) linked to the Member States:** Anguilla, Aruba, Bermuda, Bonaire, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands, French Polynesia, French Southern and Antarctic Territories, Greenland, Montserrat, New Caledonia, Pitcairn Islands, Saba, Saint Barthélemy, Saint Helena, Saint Pierre and Miquelon, Sint Eustatius, Sint Maarten, South Georgia and the South Sandwich Islands, Turks and Caicos Islands, Wallis and Futuna.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

³ http://ec.europa.eu/regional_policy/sources/conferences/state-aid/sme/smedefinitionguide_en.pdf

⁴ http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules_en.pdf

- b. **H2020 Associated countries**⁵: Iceland, Norway, Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Israel, Moldova, Faroe Islands, Ukraine, Tunisia, Georgia;

3.2 General information

3.2.1 Important Dates

KATANA Open Call 1 – Call for teams will be launched on 01 December 2016. The submission deadline time will be on 28 February 2017 at 17:00 CET (Central European Time).

Any proposal submitted after 28 February at 17:00 CET will be automatically rejected from the Call.

3.2.2 Projects Funding

Supported by the European Union (EU), KATANA will give selected SMEs, Start-ups and natural persons access to a total grant of 200,000€ in the 1st project stage. 100 selected KATANA beneficiaries will receive vouchers for traveling allowing them to attend regional matchmaking workshops. The value of each voucher will be 2,000 €.

3.2.3 Means of submission

KATANA.eval - <http://katanaproject.eu/apply-now/> - a software platform intended to enable pitches submission and evaluation performed by the teams/applicants - will be the entry point for all proposals/pitches in the Open Call 1.

3.2.4 Language

English is the official language for both KATANA Open Calls. Submissions done in any other language will not be evaluated.

3.2.5 Application type

The pitch video must be submitted electronically in a format of a valid YouTube link for video without restrictions for reviewing. The pitch should be a presentation of the applicants' competencies, their understanding of the dynamics across the value chain and their vision of the sector. Take note that is in the applicants' interest that the videos are of high quality, **minimum required resolution is VGA video quality (640x480)**.

3.2.6 Origin of the funds

Any selected proposer will sign a dedicated Travel Grant Agreement with the KATANA coordinator. The funds attached to the Travel Grant Agreement come directly from the funds of the European Project KATANA via the European Commission Grant Agreement Number 691478, and are therefore, funds owned by the European Commission.

As it will be defined in the Travel Grant Agreement template, this relation between the sub-grantees and the European Commission through the KATANA project carries a set of obligations to the sub-projects with

⁵ http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf

the EC. Selected beneficiaries will be obligated to travel to Matchmaking events organized by KATANA, actively participate and connect with other KATANA beneficiaries and stakeholders.

3.2.7 Number of proposals per applicant

The applicants can submit only one proposal.

3.2 KATANA services for 1st stage beneficiaries

KATANA envisions the provision of a broad range of services to its 1st stage beneficiaries, including: Financial support (the best 100 applicants will receive 2.000,00 EUR as a travel voucher per each) and various business services like Matchmaking facilities, a comprehensive Training Programme and an On-site Bootcamp.

3.3.1 Financial support

100 selected KATANA beneficiaries will receive travel vouchers aiming to cover part of their travel costs allowing them to attend regional matchmaking workshops. The value of each voucher will be 2.000,00 EUR.

3.3.2 Matchmaking facility

Building partnerships requires trust. Therefore, KATANA aims to bring together as many 1st stage beneficiaries as possible in seven regional matchmaking workshops. The workshops shall facilitate the exchange between the SME participants and support them in finding suitable consortium members for 2nd stage applications.

The workshops will follow a concept that allows participants to get to know each other and to create teams around specific ideas. The concept that will be applied is part of the entrepreneurship methodology Effectuation (Sarasvathy, 2009) and aims to enable beneficiaries to enter in dialogue about ideas, visions and potential collaboration spaces. Thus, the claim accompanying the workshops is *“Where ideas and people meet”*.

Each of the workshops will consist of three parts: 1. short pitch presentations of the present participants, 2. bilateral dialogues between the participants focusing on shared visions and ideas, and 3. the formation of consortia after the presentation of the freshly developed project ideas in a final plenum. The final plenum will be recorded and videos of the project presentations will be uploaded to a specific KATANA Matchmaking group. Like this, potential collaborators that did not participate in a specific event can still commit to the presented project ideas by joining the respective consortia.

3.3.3 Training programme

KATANA will support all 1st stage beneficiaries in coming from an initial idea to a concrete business model. During the Training programme, participants will get to know their customers and acquire all relevant knowledge for building a market ready product. To that goal various online and onsite training services will be provided. First of all, a comprehensive online webinar programme will be made available to beneficiaries covering topics like Business Model Generation, Agile Development, Customer Needs, and Intellectual Property Rights. These will be open to all beneficiaries and can be accessed online at any time.

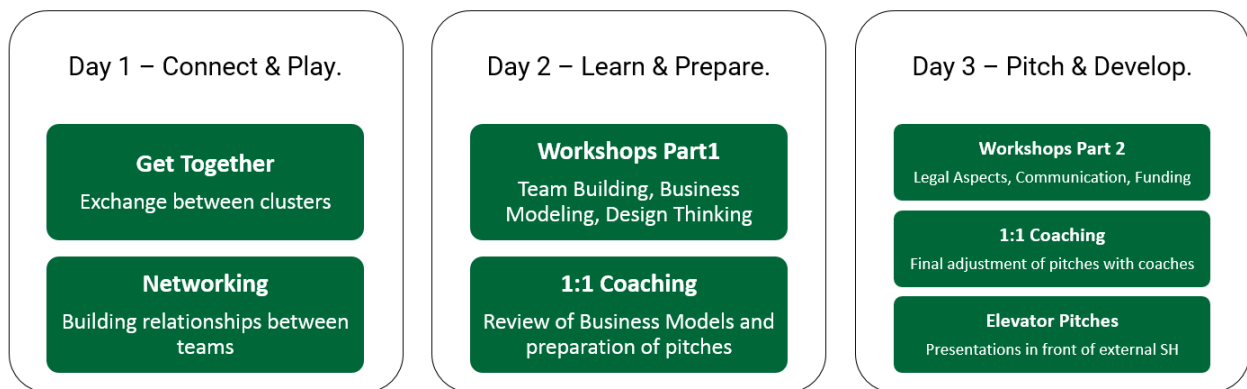
Secondly, beneficiaries will be offered a customer focused business modelling training inspired by the **Lean Start-up** methodology: This training programme will last for eight (8) weeks with fixed, weekly online

meetings. Participants will get some theoretical input for each of the online meetings and some homework to do afterwards. Homework will particularly consist of interviews with potential partners, customers and experts as it is considered key to test the actual market needs for a new business idea as early as possible. During the online meetings, participants of the course will get the chance to ask questions and discuss on how to adapt the initial business model with the KATANA experts. Topics that will be covered during the curriculum are, amongst others: **(i)** Value Proposition Design, **(ii)** Definition of Customer Segments & Relationships, **(iii)** Choice of Marketing & Distribution Channels, and **(v)** Different Revenue Models.

3.3.4 On-site bootcamp

As a culmination of the KATANA support services for 1st stage beneficiaries, a three (3) day onsite bootcamp will bring together all beneficiaries in Germany. The aim of the bootcamp is to strengthen cross-border relationships and to provide targeted business training for the teams. With regard to the upcoming reward crowdfunding process, special attention will be paid to topics such as online-marketing and communication as well as to the preparation of 2nd stage applications.

The 3-day bootcamp concept will be as follows



Day 1: Connect & Play

The aim of the first day will be to connect the teams and to support exchange and relationships between the clusters. Therefore, day one (1) will include an initial get together and focus on the aspect of networking.

Starting with so-called innovation talks, participants will quickly get to know their peers. During the format, two (2) randomly chosen teams will get on stage and present themselves and their idea in a one (1) minute pitch. In the following two (2) minutes, they will identify synergies between the two teams as well as potential joint projects. Besides, participants will get a proper introduction on how to apply for 2nd stage and will get the chance to ask all questions concerning the application procedure at the KATANA help desk.

Day 2: Learn & Prepare

The focus of day two (2) will be the fine-tuning of ideas. In addition to the general networking of teams in specific networking areas, participants will be offered workshops in various entrepreneurship methodologies. Amongst others, sessions will cover topics such as:

- Team Building
- Blue Ocean Strategy
- Design Thinking
- Effectuation
- etc.

Also, dedicated business coaches and KATANA consortium members will be available for 1:1 coaching sessions in order to review the teams' business models and assist them in the preparation of investor pitches.

Day 3: Pitch & Develop

Just as day two (2), day three (3) will allow the teams to work on their projects with the support of the present coaches. Besides, the main programme will consist of specific workshops.

With regard to the reward crowdfunding process as part of the 2nd stage application, workshops on day three (3) will cover topics such as:

- IP Rights
- Legal aspects of founding a start-up
- Marketing & Communication
- Investor Negotiations & Funding
- etc.

The highlight of the onsite bootcamp will be three (3) minutes pitch presentations held in front of external stakeholders.

3.4 Open Call 1 Submission and Evaluation process

3.4.1 Open Call 1 publication

KATANA Open Call 1 – Call for Teams will be launched on December 1st 2016 and will be supported by:

- Call Fiche, which provides the scope and objectives of the Open Call 1.
- Guide for Applicants, this document.
- Declaration of Honour on exclusion criteria and absence of conflict of interest.

Please download the relevant files and read them carefully before you submit your pitch video. The submission deadline is 28 February 2017 at 17:00 CET (Central European Time).

3.4.2 Applicants registration

Interested applicants should register at KATANA.eval - <http://katanaproject.eu/evaluation> - a software platform intended to enable pitches submission and evaluation performed by the teams/applicants. The platform will be the entry point for all pitch videos in the Open Call 1.

3.4.3 Pitch preparation

All applicants should prepare a short pitch video with duration of max 2 minutes. For Open Call 1 it is not requested to apply with a concrete idea fitting to one of the three main topics, the applicants rather have to present their skills, competences, their understanding of the dynamics across the agrifood value chain and their vision of the sector. The more concrete these pitches become, the easier will it be for the fellow applicants to evaluate the entity. Concrete ideas will emerge as a result of collaboration and the consortia building prior to Open Call 2.

3.4.4 Evaluation criteria and process

KATANA proposes an innovative and agile evaluation method for its Open Call 1 that is tailor-made to the needs of SMEs. The method has already been successfully applied, was upgraded for the purpose of KATANA and holds potential to roll out in future EC Calls with similar requirements. KATANA brings the platform-based evaluation system for its Open Call 1 that includes **Peer-to-Peer (p2p) evaluation**, where applicants evaluate other teams and their pitches. The novelty of this system is that the Applicant and the Evaluator roles are shared by the same set of people. Namely, the Applicants are at the same time Evaluators for other applications at the same call. The ranking algorithm takes into account not only the evaluations received by the others, but the competence in evaluating other applicants as well, because it is not only the application, but much more **the competencies of the applicants that guarantee future success on the market**. This will allow KATANA to offer its 1st stage supporting services to the most promising teams that market players themselves find as ones with the most potential for future commercialisation.

Important notice 3: Within the peer-to-peer evaluation method, there is a specific mechanism in the algorithm that prevents skewed evaluation. Applicants will rank other applicants by being presented two of them. They will have to state which of the two they find better, but they will not give marks that could result in skewed results. Additionally, applicants will be evaluated on the quality of their ranking in relation to other applicants. According to that, if they try to skew the evaluation by ranking good proposals worse than bad ones, they will be downgraded by the algorithm automatically.

This evaluation methodology is based on the platforms and algorithms that have proved as very reliable, bias-free and agile tools for the evaluation of applications submitted by SMEs at open calls. The algorithm used has an objective to form a ranking according to different criteria in two consecutive rounds. In order to suppress deliberate distortions in the evaluation process intended to boost one's own application, two rankings are produced: one of the applications and the other of the applicants/evaluators and their expertise. The final ranking is a linear combination of the two.

In the case of KATANA, the evaluation of pitches will be based upon three concrete criteria. All of them will be weighted as follows:

Nr.	Criterion	Weight
1	Previous experience and current activities	30%
2	Understanding of the dynamics across the value chain	32.5%
3	Vision for new products/services	37.5%

Within the first round, each self-evaluator (SE) is given at first to compare two other applications (preferably not from his/her country), randomly chosen. Each SE compares the allocated applications according to the three criteria by which two or three proposals can be compared. The process is repeated in several sub-rounds. The number of evaluation comparisons required by each team depends on the number of applications, but is not expected to exceed 100 in the worst case. Consider that the required time for one evaluation to be made is not more than 10 minutes per pitch, so that the total time allotted to the evaluation procedure at this stage should not exceed 17 hours in total dispersed through one month, which means that average time dedicated to evaluation will not exceed half an hour per day.

Important notice 4: The Applicants to KATANA project understand that their applications processes will include evaluating of other applications competing for the same funding. To provide the evaluations, the applicants agree to receive other applicants' video presentations, to watch them carefully, and to submit their feedback according to the instructions that will be provided by KATANA project management team. Applicants also understand that failing to provide their evaluations of other applications within the deadline set by the project management team, will automatically exclude their application from the

KATANA project. The evaluation process will start on March 01, lasting for 30 days, while the amount of evaluations expected to be performed by the applicants will depend on total amount of applications received in the project.

3.4.5 Award criteria for Open Call 1

Award criteria will be based on the ranking list as result of the p2p community evaluation.

4. Open Call 2 – Call for products/services

4.1 Applicants eligibility

The accepted applicants for KATANA Open Call 2 have to be:

- Natural persons and companies that comply with the Commission Recommendation for Small or Medium-sized Enterprises (SMEs) 2003/361/EC⁶
- Applicants based in Member States or H2020 associated countries, of August 17th 2015

Important notice 5: Natural persons are eligible only in the application phase. When entering the 2nd stage of KATANA, selected Beneficiaries will have to register in order to sign the Sub Grant Agreement and perceive the 100,000 EUR funding. However, it is sufficient when only one representative member of a consortia registers.

Additional eligibility criteria:

- Consortia of 2-4 partners, where at least one of the partners is a successful beneficiary from the previous phase (Open Call 1),
- Each consortium must propose a product/service using at least one of the three LSD platforms.
- Consortia have to fulfil at least one of the following criteria:
 - ✓ From the same sector, but different countries (Cross-border),
 - ✓ From different sectors but the same country (cross-sectoral), or
 - ✓ Both from different sectors and different countries.

Examples of eligible consortia:

- Two ICT SMEs, one established in Denmark and one in Greece – cross-border;
- One SME engaged in agricultural logistics and one ICT Start-up engaged in development of advanced solutions for farm management, both established in Hungary - cross-sectoral;
- One ICT SME engaged in development of PA equipment e.g. soil moisture sensors, established in Germany and one farmer with apple orchards from Croatia – both cross-border and cross-sectoral.

Important notice 6: The examples above are indicative aiming to give concrete examples to interested applicants. Applicants from all eligible countries (see 4.1.2) operating in all eligible sectors are welcome to apply for funding.

4.1.1 Definitions of SMEs

A SME will be considered as such if accomplishing with the European Commission Recommendation 2003/361/EC⁷ and the SME user guide⁸. As a summary, the criteria that define a SME are:

⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

⁸ http://ec.europa.eu/regional_policy/sources/conferences/state-aid/sme/smedefinitionguide_en.pdf

- Independent, partner or linked enterprises, with financial and staff figures calculated in accordance to instructions given by Recommendation 2003/361/EC to fulfil SMEs criterion.
- Headcount in Annual Work Unit (AWU) less than 250.
- Annual turnover less or equal to €50 million OR annual balance sheet total less or equal to €43 million.

4.1.2 Eligible countries

Participants, either SMEs, start-ups established in the following countries and territories or natural persons that are residents of the following countries will be eligible to receive funding through Horizon 2020 grants⁹:

a. European Union countries including their overseas departments

- **European Union countries:** Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom;
- **The Overseas Countries and Territories (OCT) linked to the Member States:** Anguilla, Aruba, Bermuda, Bonaire, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Curaçao, Falkland Islands, French Polynesia, French Southern and Antarctic Territories, Greenland, Montserrat, New Caledonia, Pitcairn Islands, Saba, Saint Barthélemy, Saint Helena, Saint Pierre and Miquelon, Sint Eustatius, Sint Maarten, South Georgia and the South Sandwich Islands, Turks and Caicos Islands, Wallis and Futuna.

b. H2020 Associated countries¹⁰: Iceland, Norway, Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey, Israel, Moldova, Faroe Islands, Ukraine, Tunisia, Georgia;

4.2 General information

4.2.1 Important Dates

KATANA Open Call 2 – Call for products/services will be launched on 01 April 2017. The submission deadline time will be on 31 August 2017 at 17:00 CET (Central European Time).

Any proposal submitted after 31 August at 17:00 CET will automatically be rejected from the Call.

4.2.2 Projects Funding

Supported by the European Union (EU), KATANA will give to Consortia access to a total grant of 1,000,000 €. In addition to the money the collected in campaign KATANA will provide the 10 best projects with 100,000€. The value of each prize cannot exceed 100,000 € per consortia (Consortia of 2-4 partners, where the prize can be max. 50,000 € per applicant, min. 20,000 € per applicant).

4.2.3 Means of submission

The KATANA Reward Crowdfunding platform - will be the entry point for all Reward Crowdfunding campaigns for products/services in the Open Call 2. This platform will be specifically created for the needs of KATANA Open Call 2.

⁹ http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules_en.pdf

¹⁰ http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cp/h2020-hi-list-ac_en.pdf

4.2.4 Language

English is the official language for both KATANA Open Calls. Submissions done in any other language will not be evaluated.

4.2.5 Application type

The applicants will have to prepare the presentation of their idea/prototype for a common product/service based on at least one of three large scale demonstrators (precision agriculture, mobile applications and functional foods) using the KATANA Crowdfunding campaign template.

4.2.6 Origin of the funds

Any selected proposer will sign a dedicated Sub-Grant Agreement with the KATANA coordinator. The funds attached to the Sub-Grant Agreement come directly from the funds of the European Project KATANA via the European Commission Grant Agreement Number 691478, and are, therefore, funds owned by the European Commission.

As it will be defined in the Sub-Grant Agreement template, this relation between the sub-grantees and the European Commission through KATANA project carries a set of obligations to the sub-projects with the EC as explained in chapter 4.3.1.

4.2.7 Number of proposals per applicant

The applicants can submit only one proposal.

4.3 KATANA services for 2nd stage beneficiaries

4.3.1 Financial support

The top 10 consortia in terms of amount raised will receive an additional 100,000€ financial support from KATANA by signing **sub-grant agreements** with the KATANA consortium. Prior to the sub-grant agreement signature the successful consortia will be required to provide a detailed table with the allocation of resources, timetable, milestones and deliverables based upon a pre-defined template that will be an Annex to the sub-grant agreement. The KATANA consortium will closely monitor this allocation of resources and the financial support to consortia will be based upon the **review of deliverables**. The sub-grants are considered as a global amount deemed to cover all costs of the action or a specific category of costs i.e. lump-sum costs as defined in Article 5 of H2020 AGA — Annotated Model Grant Agreement. The reimbursement will be provided in three stages during the course of one 1 year as follows:

Reviews	Date	Payment
Advance payment	M01	Up to 10%
1 st Review	M06	Up to 50%
2 nd Review	M12	Up to 100%

4.3.2 Investment readiness programme

The investment readiness programme will be adopted for consortia that have been chosen to proceed to the equity crowdfunding stage. In order to get through that, the consortia will need to match a 40 criteria benchmark that is used to evaluate their potential and their position in the market. The evaluation is done on a binary basis (0-1), i.e. either the company meets the criterion or not. If not, through the program our trainers will try to improve so as to match.

This programme is split in two phases. During the first one, the programme will focus on:

- The business plan that explores the business environment, opportunities and relative assessment,
- The financial plan that translates all the above to a concrete model for the following 5 years.
- The presentation of the project like the pitch, the marketing, etc.

In the second phase, the further preparation will be in two major fields:

- The investment offer shall be fully prepared including the term sheet and even more the shareholders agreement, and

After all the aforementioned packages, consortia will be fully ready to go out to the market and raise the capital that is described as needed in their financial plans.

4.3.3 Coaching services

The KATANA project will support beneficiaries in getting access to business angels and VCs and will prepare them thoroughly for financial and legal issues related to negotiations with private investors.

First of all, beneficiaries will get access to dedicated online webinars on topics such as Finance & Accounting, Negotiation with investors, International Marketing and Trademark Rights. Also, KATANA will offer all 2nd stage beneficiaries the opportunity to get in touch with KATANA experts and coaches in order to discuss final questions with respect to their business and financial plans.

Beneficiaries will then be given the opportunity to present their ventures to various external stakeholders (e.g. experts, investors, VCs, serial entrepreneurs, potential customers or partners) in online pitches, consisting of a three minutes project presentation via Skype. The audience will get the chance to ask questions during the online session and will be asked to provide feedback on the ideas they have listened to afterwards.

Being both, investor and market ready, consortia can apply for a two (2) day coaching & investment forum where they will pitch their ventures in front of corporates, VCs and investors.

4.3.4 Export promotion training

KATANA will provide training courses to the beneficiaries that will enrich their key skills to design a successful plan in export promotion. The beneficiaries will get skills on how to get market information, which are the European/rest of the world buying strategies, which are the main export networks and other opportunities. Specific module of the e-learning training course will be dedicated to:

- the trade structures in the European Union;
- various marketing and trade promotion techniques
- how to carry out research on the European market;
- how to design and implement an export marketing plan;
- how to match your exporters' needs and products with EU market requirements;
- international contract;
- rest of the world, focus in BRICs (Brazil, Russia, India, China).

The trainers of these modules will be export managers of multinational companies, experts in internationalizations and, for the focus on BRICs, country managers of the ICE – Italian Trade Promotion Agency, with vast experience in each of the targeted countries. For the beneficiaries, in addition to the e-

learning course, it will also be possible to schedule one-to-one Skype meetings with member of the KATANA consortium (8 countries represented) that can provide them with specific information about their country and will help the beneficiaries to set up their export promotion plan.

4.4 Open Call 2 Submission and evaluation process

4.4.1 Open Call 2 publication

KATANA Open Call 2 – Call for Products/Services will be launched on April 1st 2017 and will be supported by:

- Call Fiche, which provides the scope and objectives of the Open Call 2.
- Guide for Applicants, this document.
- Declaration of Honour on exclusion criteria and absence of conflict of interest.

Please download the relevant files and read them carefully before you submit your proposal. The submission deadline is 31 August 2017 at 17:00 CET (Central European Time).

4.4.2 Applicants registration

Interested applicants should register at the KATANA Reward Crowdfunding platform. The platform will enable (i) the receipt and collection of the project proposals and investments; (ii) payment mechanism and documentation delivery mechanism; (iii) promotion of the platform among the investors and interested stake-holders and (iv) launch of social media mechanisms.

4.4.3 Proposal/campaign preparation

The application is uploaded in 2 steps:

STEP 1: Initial information on the company – coordinator or even the idea. In detail:

1. **Company - coordinator** (Name, Address, VAT, Legal Responsible)
2. **Brief Info < 100 words** (Market, revenue model, status, team)

STEP 2: Pitch information. In more detail:

1. **Company-coordinator/consortium presentation, Campaign pitch/purpose, Duration, Amount –**
It is very important to make a good first impression: introduce your campaign objectives and entice people to learn more
2. **Video, Pictures**
3. **Description of the Perks: Pictures & Text** (What is it – Title and description, The Price, Available number and Estimated Delivery date)

KATANA Reward crowdfunding platform will allow you to create perks, which are a way to help motivate your donors to give more. **Perks** are completely optional, but are a powerful tool that will aid in your efforts to reach your fundraising goal. There are two ways to approach Perks. They can either be tangible rewards that you send donors or defined giving levels that are symbolic of your work. There should be a variety of perks at increasing donation amounts.

In particular, applicants will be provided with a KATANA template for their **company presentation** which is structured as in the following slides:

1. **The Company** - all the information concerning the company-coordinator/consortium like name, address, products etc. Also a small description in 1-2 lines of the core business.
2. **The Problem** - what is the problem that you are trying to solve and what may be the opportunity your customers will be able to realize.
3. **The Value Proposition** – the product and its value in solving the aforementioned problem.
4. **The Technology** – the technology and - in few words - how it adds to the value proposition.
5. **The Business Model** - how exactly your company will make money out of this product or service.
6. **The Team** - the whole management team and their short biographies.
7. **The Use of Funds** - how much funds you will need and how they will be used vs the milestones.

The presentation will be uploaded as a PowerPoint.

Also, there will be a specific frame in the platform, where the perks will be described in detail.

At the end, some last tips for a successful campaign preparation:

- Contributors fund ideas they can be passionate about and to people they trust. Introduce yourself and your background. Keep it concise, yet personal.
- Explain and justify how much funding you need and where it's going. Be transparent and specific-people need to trust you to want to fund you.
- Describe where the funds go if you don't reach your entire goal.
- Explain why your project is valuable to the contributor and to the world.
- Explain the risks and obstacles you may face on the way to achieving your goal and share what qualifies you to overcome these setbacks.
- Present your perks. Set an amount that you want to collect from backers who claim these perks.

4.4.4 Evaluation criteria and process

The consortia that will be formed after the Open Call 1 will be asked to launch crowdfunding campaigns with three major requirements:

- 1) They need to fulfil the **eligibility criteria** presented in the chapter 4.1
- 2) They need to have a **product or service prototype** ready for market validation that fills an unmet need,
- 3) They must be able to **create traction**, by sharing that product or service through direct marketing campaigns (email), social media campaigns and any other relevant activity, asking for financial support, anticipating specific questions from potential supporters and making compelling asks.

Important notice 7: The KATANA consortium reserves the right to reject a campaign for reasons ranging from technical errors, incomplete information or in case it carries a risk of fraud, according to the Code of Conduct of the European Crowdfunding Network – ECN (<http://www.eurocrowd.org/about-us/code-of-conduct-2/>)

Important notice 8: Prior to launching any campaign through the KATANA crowdfunding platform, the consortia of beneficiaries will be required to sign a binding agreement with the KATANA consortium, undertaking all possible legal responsibilities in case of legal disputes between consortia and supporters/backers.

The KATANA reward crowdfunding platform will provide a formalized channel through which consortia will be able to answer the questions of potential customers/early adopters, build their confidence and persuade them to support and share their crowdfunding campaigns.

It is a requirement that all crowdfunding campaigns clearly mention that in case they achieve to be among the top 10 in terms of amount raised they will receive additional 100.000 EUR from KATANA project. Amounts raised will be transferred to all consortia in due time after the end of the crowdfunding campaigns, providing that no complaints on behalf of backers have been filled. Consortia that have raised small amounts of funding that do not allow them to deliver rewards to supporters will not receive any

funds and the money will be returned to the supporters.

Important notice 9: The KATANA consortium reserves the right to reject to fund the project in case involved parties fail to reach the consensus during the negotiation phase.

4.4.5 Award criteria for Open Call 2

Ten (10) consortia that will collect the highest amount of money and, thus, attract the most potential customers will be awarded with additional 100,000€ from KATANA.

5. Intellectual Property Rights (IPR)

Given the nature of the project and the ultimate goal of KATANA, which is to support European SMEs to develop innovative applications and rapidly bring them on the market, special emphasis will be given to the protection of Intellectual Property Rights, derived from the research and development work of SMEs, ensuring that **any IPR generated by the SMEs shall rest with them**. Under this framework, **a set of both protective and supportive measures** will be undertaken by the KATANA consortium in order **to create confidence** to applicants and beneficiaries that their Intellectual Property will be protected in KATANA. Foreseen measures include:

- 1) **All involved actors** in the various steps of the project **will be asked to sign Non-Disclosure Agreements (NDAs)**, verifying that they will not proceed to improper use of the information, technical designs and other sensitive information of beneficiaries, made available to them through their involvement in KATANA;
- 2) The KATANA consortium shall ensure that **no unauthorized third party will have access** to such information, applying information security policies and standards;
- 3) In the course of KATANA services for the beneficiaries, they will be **thoroughly informed and strongly encouraged** to apply, where applicable IPR protection actions such as applying for patents, trademarks etc. When needed, KATANA consortium members have all the necessary know-how to support beneficiaries in various steps of their IPR protection assignment such as searching databases for patents, deciding upon strategic approach to patenting and associated costs etc.

6. Checklist

- **Does your planned work fit with the call for proposals?** Check that your proposed work does indeed address one of the topics open in this call.
- **Does your proposal address requested topics - Precision Agriculture for sustainable farming, Mobile Services in Accessing Agrifood Markets and Functional Foods for personalized nutrition?** Check that your proposed work does indeed address requested topics.
- **Is your proposal eligible?** The eligibility criteria are given in chapters 3.1 and 4.1. In particular, make sure that you satisfy the minimum participation requirements.
- **Have you submitted your pitch/proposal/campaign before the deadline?** It is strongly recommended not to wait until the last minute to submit the proposal. Failure of the proposal to arrive in time for any reason, including network communications delays, is not acceptable as an extenuating circumstance. The time of receipt of the message as recorded by the submission system will be definitive.
- **Open Call 1 - Have you checked that link for your pitch is valid?** The pitch must be submitted electronically in a format of a valid YouTube link for video without restrictions for reviewing and with minimum required resolution of VGA video quality (640x480).
- **Open Call 2 - Budgetary limits.** Check that you comply with any budgetary limits - for the Open Call 2 – max 100,000 € per consortium (Consortia of 2-4 partners, where the prize can be max. 50,000 € per applicant, min. 20,000 € per applicant). Any proposal not meeting the eligibility requirements will be considered ineligible and will not be evaluated.
- **Open Call 2 - Is your proposal/campaign complete?** Have you completed the entire Campaign template for Reward crowdfunding?
- **Open Call 2 - Does your proposal/campaign follow the required structure?** Proposals should be precise and concise, and must follow exactly the proposal/campaign structure described in the proposals/campaign template document. Omitting requested information will almost certainly lead to lower scores and possible rejection.
- **Open Call 2 - Have you maximized your chances?** There will be strong competition. Therefore, edit your proposal/campaign tightly, strengthen or eliminate weak points.
- **Has the legal representative signed the Declaration of honour** on exclusion criteria and absence of conflict of interest?
- **Have you virus-checked your computer?** Any file containing a virus will be automatically blocked.

7. Points of Contact

Region	Name	Contact
Denmark	Anne-Luise Skov Jensen	alsj@agropark.dk
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Serbia and Western Balkans	Mladen Radisic	mladen.radisic@vojvodinaictcluster.org
Spain	Macarena Baylos	mbaylos@clusterfoodmasi.es
Rest of H2020 eligible countries	Mladen Radisic	mladen.radisic@vojvodinaictcluster.org