



COMMISSION OF THE EUROPEAN COMMUNITIES

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2007/0116 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the participation by the Community in a research and development programme aimed at enhancing the quality of life of older people through the use of new Information and Communication Technologies (ICT), undertaken by several Member States

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

1.1. Objectives of the proposal

The objective of this proposal is the adoption of a decision by the Council and Parliament, on the basis of Article 169 of the EC Treaty, concerning the participation by the Community in the Ambient Assisted Living joint research and development programme undertaken by several Member States (hereinafter AAL joint programme).

The overall objective of the AAL joint programme is to enhance the quality of life of older people and strengthen the industrial base in Europe through the use of Information and Communication Technologies (hereinafter ICT). The AAL joint programme has the following specific aims:

- **Foster the emergence of innovative ICT-based products, services and systems for ageing well** at home, in the community, and at work, thus increasing the quality of life, autonomy, participation in social life, skills and employability of elderly people, and reducing the costs of health and social care;
- **Create critical mass of research, development and innovation at EU level in technologies and services for ageing well in the information society**, including the establishment of a favourable environment for participation by small and medium-sized enterprises (SMEs);
- **Improve conditions for industrial exploitation** by providing a coherent European framework for developing common approaches and facilitating the localisation and adaptation of common solutions which are compatible with varying social preferences and regulatory aspects at national or regional level across Europe.

1.2. Grounds for the proposal

"i2010 - A European Information Society for growth and employment", launched a flagship initiative on caring for people in an ageing society. A corresponding action plan for ageing well in the Information Society was adopted on XX/X/2007.

The 2006 Riga e-Inclusion Ministerial Declaration¹ set the scene for a comprehensive policy on e-Inclusion, and recommended launching a joint research initiative in the area of ICT and ageing.

In its 2006 Communication on "The demographic future of Europe – from challenge to opportunity"², the Commission underlined the fact that ageing is one of the main challenges facing all countries in the EU and that new technologies could help to control costs and improve well-being and active participation in society by older people, while also improving competitiveness, in support of the revised Lisbon Strategy for growth and jobs.

¹ Riga Ministerial Conference on ICT for an Inclusive Society and Riga Ministerial Declaration, June 2006.

² COM(2006)

Requests to address the demographic challenge including for FP7 have been made in the Council Resolution of 22 February 2007 on "Opportunities and challenges of demographic change in Europe: the contribution of older people to economic and social development".

The 7th Framework Programme (FP7) places significant emphasis on the coordination of national research programmes. One of the main mechanisms proposed for this purpose is the participation of the Community in jointly implemented national research programmes (Article 169 of the Treaty). Four areas have been identified in the Specific Programme decisions, including "Ambient Assisted Living (AAL)" in the "Cooperation" Specific Programme as adopted on 19 December 2006. Finally, the ICT work programme of the Cooperation Programme explicitly mentions the AAL initiative, and identifies the synergies and complementarities with FP7.

1.3. General context

Demographic Ageing and the role of ICT

Europe's population is ageing: average life expectancy has increased from 55 in 1920 to over 80 today. With the baby-boom generation retiring, the number of people aged from 65 to 80 will rise by nearly 40% between 2010 and 2030. This demographic change poses significant challenges to Europe's society and economy. ICT can play an important role in dealing with these challenges.

ICT can help older individuals to improve their quality of life, stay healthier and live independently for longer. Innovative solutions are emerging to help counteract impairments which are more prevalent with age. ICT enables older persons to remain active at work or in their community. ICT also makes it possible to provide more efficient health and social care (for which demand will rise significantly with demographic ageing), better public health management, as well as opportunities for community- and self-care and service innovation.

Collectively, the older population has a lot of buying power and, with ageing becoming a global phenomenon, a strong base of ICT-enabled solutions in Europe could be a springboard for export opportunities worldwide.

It is also clear that market forces alone do not ensure the timely availability and take-up of the necessary ICT-enabled solutions. Besides the high cost of development and validation, the reasons include low awareness of opportunities and user needs, insufficient sharing of experiences, fragmentation of reimbursement and certification schemes, and lack of interoperability.

Coordination of National R&D Programmes

Over 80% of publicly funded research in Europe is conducted at national level, mainly under national or regional research programmes. Coordinated implementation of national programmes would have a considerable positive effect on the impact and results of the research, due in particular to the critical mass of the financial and human resources mobilised, diverse and complementary aspects covered by the national programmes, rapid delivery of results from combining existing initiatives and competences across Europe and removal of fragmentation and duplicated efforts. It also paves the way for a European research policy to emerge in areas of common economic and social priority, i.e. the ageing of the population.

The "Impact assessment and ex ante evaluation" of FP7 has identified the lack of coordination of national research policies as a major structural deficit of the EU R&D system.

Previous activities and experience

In the previous framework programmes, numerous research and development projects addressing ICT for older people and for persons with disabilities as well as e-Health have been funded, creating a knowledge and technology base for future applied research adapted to national circumstances.

The key lesson from the previous Article 169 initiative (on clinical trials in Africa, EDCTP) is that such initiatives entail three elements of scientific, management and financial integration between the national programmes, where the latter requires a clear, multiannual financial commitment of the participating countries.

1.4. Existing provisions in the area of the proposal

The present proposal fully complements other provisions related to ICT and Ageing within FP7 and the Competitiveness and Innovation Programme (CIP).

Research within the ICT priority of FP7 for ICT and Ageing addresses longer-term research and development of standard platforms and enabling technologies (time to market 5+ years) for new products and services. The AAL joint programme complements this by adding market-oriented research streams which are particularly attractive for European cooperation between SMEs on specific ICT-based products, services and systems for ageing well (time to market 2+ years).

The market-oriented research in the AAL joint programme lays down a basis for activities in the CIP, which will focus on innovation and market validation of existing solutions, with close links to national innovation environments. This will help to complete the cycle from research and innovation to market uptake.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

2.1. Consultation of interested parties

Consultation methods, main sectors targeted and general profile of respondents

Consultations have been held with a broad range of stakeholders, including public administrations, research institutes, universities, large companies, SMEs, associations, international organisations and interested individuals as well as Member States.

The very high level of responses (1 727) to the FP7 stakeholder consultation provides a good indication of the views of the research community and research users. Specific questions were raised on the use of Article 169 to strengthen the integration and coherence of research in Europe and reduce fragmentation of effort.

At the request of the Council, the national members of CREST (Scientific and Technical Research Committee) have been regularly consulted, in particular on integration aspects (scientific, management and financial).

Further consultations were held during 2006 with the IST programme advisory committee ISTAG, with senior national officials in the i2010 subgroup on eInclusion and with the group of national ICT directors.

Complementing previous expert workshops, an open workshop was held in November 2006, attended by more than 100 stakeholders from academia and industry, addressing industry views, the evaluation of a related national-level programme and a national strategy in support of the AAL initiative.

Summary of responses and how they have been taken into account

The FP7 public consultation showed strong support for the use of Article 169 to coordinate national research programmes. In the light of the consultations with CREST as well as experience gained from the ECDTP Article 169³, scientific, management and financial integration represent essential boundary conditions for successful initiatives. The European Commission has insisted that these criteria have to be met satisfactorily for Article 169 initiatives. Consultations with senior Member State officials have guided the positioning of the joint programme with regard to FP7 and the CIP, confirmed the importance of EC financial support as well as produced recommendations for ensuring that there are few barriers to participation, especially for SMEs.

The open consultation of the R&D stakeholders revealed strong support and confirmed the chosen area as being of the utmost social and economic relevance, with a key role for ICT and Community support. It also reaffirmed the focus on applied R&D, with a strong role for SMEs. Thus, emphasis has been placed on reducing bureaucracy as much as possible to facilitate their involvement.

2.2. Collection and use of expertise

During two workshops in 2005 with over 40 experts representing the main stakeholders involved, including researchers, suppliers, SMEs, user organisations (such as the AGE platform and the European Disability Forum) and policy-makers (such as research ministries and local authorities), policy options for Community support to ICT and ageing were developed.

An ERA-NET support action performed a comprehensive analysis during 2005-2006, including national consultations, covering rules of participation and the legal basis for existing national programmes, the possible organisational structure, operational procedures and content for a joint programme. The results have been directly applied in the proposed implementation of the AAL joint programme.

Market studies (Walter studies, Seniorwatch, EU@inclusion) have provided strong evidence both of the potential of the ageing market, if age-friendly ICT can be developed, and of the need for solutions to fit with individual user needs and with varying social patterns across Europe. Studies at the (inter-)regional level, e.g. from the Silver Economy network, have confirmed this.

A particular recommendation was to give better support to shorter-term research to develop and demonstrate solutions based on available technology (addition to longer-term research in

³ Europe developing countries clinical trials platform

FP7), with involvement of the full value chain of actors, and to improve coordination of EU, national and regional RTD to overcome current fragmentation. The proposed joint programme will therefore focus on applied and market-oriented R&D, with strong involvement of stakeholders and users beyond the usual research community.

A further recommendation, which has been taken up, was to ensure that ethical issues are properly taken into account.

2.3. Impact assessment

Baseline: No joint programme, No FP.

As usual a baseline option is included, in this case the (hypothetical) situation that the research community needs to rely on the available national programmes only. While several national programmes support R&D in ICT for ageing well, the majority of them are not capable of supporting collaboration along the value chains across Europe. There is also no mechanism for establishing a common approach and vision. This option would result in greater fragmentation of research effort and less effective use of public spending in R&D due to unnecessary duplication and lack of a coherent approach.

Option 1: No joint programme; only FP7

In this option there would be only research within FP7 for ICT and Ageing addressing longer-term R&D of standard platforms and enabling technologies (time to market 5+ years). However, this highly innovative and forward-looking research leaves a critical gap in European-level market-oriented research and development on ICT for ageing well with a 2-3 year market horizon and for engaging the full value chain at national, regional and local level.

For many of the SMEs involved in the ICT and ageing sector, the Framework Programme does not provide the best match for market-oriented research and also presents them with significant learning curves for participation. FP7 ERA-NET and ERA-NET+ coordination schemes do not ensure a lasting leverage effect on the coordination of national programmes.

Therefore, FP7 mechanisms are not considered sufficient.

Option 2: the AAL joint programme

- Community participation in the AAL joint programme is the option that best meets the need for a long-term solution for R&D on ICT for ageing well with a coherent approach, critical mass and effective support for all relevant players across the value chain. This will at the same time help to realise the objectives of FP7, as it covers a key part of applied research and innovation with strong SME involvement not easily addressed by the FP7 instruments.
- By using Article 169 there will also be increased leverage of EU funding compared to FP7 through corresponding national investments, and matching co-funding in projects by industry/research. At 50% public co-financing in projects, EU investment of up to €150 million is expected to leverage a minimum total investment of €600 million between 2008-2013 by the participating states and research actors, i.e. at least a doubling of the leverage effect in comparison to FP7.

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1 Summary of the proposed action

The AAL joint programme provides the legal and organisational framework for a large-scale European programme between Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Portugal and Spain and Israel, Norway and Switzerland on applied research and innovation in the area of ICT for Ageing Well in the Information Society. They have agreed to coordinate and implement jointly activities aimed at contributing to the AAL joint programme. The overall value of their participation is estimated at a minimum of €150 million during the period 2008-2013.

In order to increase the impact and critical mass of the AAL joint programme, the Community should participate therein by making a financial contribution of up to €150 million, subject to efficient implementation and financial commitments by Member States in line with the criteria set out in the co-decision.

A mid-term and final review will be carried out by independent experts to assess the effectiveness and overall impact of the Community contribution to the initiative.

The Commission and the Court of Auditors may carry out all the checks and inspections needed to ensure proper management of the Community funds and protect the financial interests of the Community against any fraud or irregularity.

3.2 Legal basis

The proposal for the AAL joint programme is based on Title XVIII of the Treaty, Article 169, concerning the participation of the Community in research programmes jointly undertaken by several Member States, including participation in the structures created for the execution of those programmes.

This proposal corresponds to the indirect centralised management, according to the provisions of Art 54(2)(c) of the Financial Regulation.

3.3 Subsidiarity principle

The subsidiarity principle applies as the proposal does not fall within the exclusive competence of the Community. Subsidiarity is safeguarded:

- by basing the proposal on Article 169, which explicitly provides for the participation of the Community in a joint programme between several Member States;
- by implementing all operational aspects where possible at national level, while ensuring a coherent approach at the European level of the joint programme.

The objectives of the proposal cannot be sufficiently achieved by the Member States alone as:

- the specific knowledge and excellence required for research and development of ICT-based products and services for ageing are spread across national borders and hence cannot be combined at national level only;

- without a coherent approach at European level with critical mass, there is a high risk of duplication of effort with resultant increased costs;
- it is unlikely that a genuine internal market for interoperable ICT solutions for ageing well can be established without a joint programme with a European dimension.

The added value of the Community's involvement is substantial because:

- the Community intervention will ensure a higher leverage of national and private-sector funding (with a factor 4 compared to a factor 2 in FP7);
- the proposed scheme will create incentives for increased national and industrial investments in R&D and innovation in the field of ICT and ageing, thus contributing to the Barcelona objective of 3% of European GDP for R&D.

The proposal therefore complies with the subsidiarity principle.

3.4 Proportionality principle

The proposal complies with the proportionality principle for the following reasons.

Through a lightweight approach with a large catalytic effect, the role of the Community is limited to providing incentives for improved coordination as well as ensuring synergy with the relevant complementary activities in FP7 and the CIP. Member States will be responsible for developing their joint strategic work programme and all operational aspects.

Notably, the proposed organisational structure ensures a minimum of administrative burden, by channelling the main administrative work through national agencies under the supervision and overall responsibility of the common legal structure created for this purpose.

3.5 Choice of instruments

The proposed instrument is a co-decision by the European Parliament and the Council, which is the means for implementing Article 169 of the EC Treaty.

4. BUDGETARY IMPLICATIONS

The budgetary implications of this Decision have already been included in the legal basis of the 7th Framework Programme (Decision 1982/2006/EC of 18/12/2006, JO L 412, 30.12.2006) as well as in the "Cooperation" specific programme of the 7th Framework Programme (Decision 2006/971/EC of 19/12/2006, JO L 400, 30/12/2006)..

5. ADDITIONAL INFORMATION

5.1 Simplification

The proposal provides for simplification of administrative procedures for private parties. In particular, recipients of the research funding from the new joint programme will benefit from having to adhere only to familiar national rules without any need for separate reporting concerning the Community contribution.

5.2 Review/revision/sunset clause

The proposal includes a review clause for a mid-term review after two years. The overall duration will be limited to six years.

5.3 European Economic Area

The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.

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(Text with relevance for the EEA)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 169 and 172, second paragraph, thereof,

Having regard to the proposal from the Commission⁴,

Having regard to the opinion of the European Economic and Social Committee⁵,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁶,

Whereas:

- (1) Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (hereinafter referred to as "the Seventh Framework Programme")⁷ provides for Community participation in research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes, within the meaning of Article 169 of the Treaty.
- (2) The Seventh Framework Programme has defined a series of criteria for the identification of areas for such Article 169 initiatives: the relevance to Community objectives, the clear definition of the objective to be pursued and its relevance to the objectives of the Framework Programme, the presence of a pre-existing basis (existing or envisaged national research programmes), European added value, a critical mass with regard to the size and the number of programmes involved and the similarity of

⁴ OJ C , , p. .

⁵ OJ C , , p. .

⁶ OJ C , , p. .

⁷ OJ L 412, 30.12.2006, p.1

activities they cover, and the efficiency of Article 169 as the most appropriate means for achieving the objectives.

- (3) Council Decision No 971/2006/EC of 19 December 2006 concerning the Specific Programme “Cooperation” implementing the Seventh Framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013)⁸ (hereinafter referred to as the “Specific Programme Cooperation”) identifies an “Article 169 initiative in the field of Ambient Assisted Living” as one of the fields suitable for Community participation in national research programmes jointly implemented on the basis of Article 169 of the Treaty.
- (4) In its Communication of 1 June 2005 entitled “i2010 – A European Information Society for growth and employment”⁹, the Commission proposed to launch a flagship initiative on caring for people in an ageing society.
- (5) In its Communication of 12 October 2006 entitled “The demographic future of Europe – from challenge to opportunity”¹⁰, the Commission underlined the fact that demographic ageing is one of the main challenges facing all countries in the European Union and that increased use of new technologies could help to control costs and improve well-being and active participation in society by elderly people, as well as improving the competitiveness of the European economy, in support of the revised Lisbon Strategy for growth and **jobs**.
- (6) Building on active ageing as a core element in the renewed employment guidelines, the EU approach to ageing aims at mobilising the full potential of people of all ages and stresses the need to shift from fragmented to comprehensive ageing strategies based on a lifecycle approach.
- (7) At present, a number of research and development programmes or activities undertaken by Member States individually at national level in the field of ICT for Ageing Well are not sufficiently coordinated at European level and do not allow a coherent approach at European level for research and development of innovative ICT-based products and services for ageing well.
- (8) Wishing to have a coherent approach at European level in the field of ICT for Ageing Well and to act effectively, several Member States have taken the initiative in setting up a joint research and development programme entitled “Ambient Assisted Living” (hereinafter referred to as the “AAL Joint Programme”) in the field of ICT for ageing well in the information society, in order to obtain synergies in terms of management and financial resources and the combination of additional expertise and resources available in various countries across Europe.
- (9) The AAL Joint Programme aims at addressing the Demographic Ageing challenge by providing the necessary legal and organisational framework for large-scale European cooperation between Member States on applied research and innovation in the area of Information and Communication Technologies (ICT) for Ageing Well in an ageing society. Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Hungary,

⁸ OJ L 400, 30.12.2006, p.86

⁹ COM(2005)

¹⁰ COM(2006)

Italy, the Netherlands, Poland, Portugal and Spain (hereinafter referred to as "the participating Member States") and Israel, Norway and Switzerland have agreed to coordinate and implement jointly activities aimed at contributing to the AAL Joint Programme. The overall value of their participation is estimated at a minimum of EUR 150 million for the duration of the Seventh Framework Programme.

- (10) In order to increase the impact of the AAL Joint Programme, the participating Member States, Israel, Norway and Switzerland have agreed to Community participation in the AAL Joint Programme. The Community should participate therein by making a financial contribution of up to EUR 150 million. Given that the AAL Joint Programme meets the scientific objectives of the Seventh Framework Programme and that the research field of the AAL Joint Programme falls within the Information and Communication Technologies (ICT) theme of the Specific Programme Cooperation of the Seventh Framework Programme, the Community financial contribution should be taken from the budget appropriation allocated to that theme.
- (11) The Community financial support should be provided subject to the definition of a financing plan based on formal commitments from the competent national authorities to implement jointly the research and development programmes and activities undertaken at national level and to contribute to the financing of the joint execution of the AAL Joint Programme.
- (12) The joint implementation of the national research programmes requires the establishment or existence of a dedicated implementation structure, as provided for in the "Cooperation" Specific Programme.
- (13) The participating Member States have agreed on such a dedicated implementation structure to implement the AAL Joint Programme.
- (14) The dedicated implementation structure should be the recipient of the financial contribution from the Community and should ensure the efficient execution of the AAL Joint Programme.
- (15) In order to efficiently implement the AAL Joint Programme, the dedicated implementation structure should grant financial support to third parties participating in the AAL Joint Programme which are selected following calls for proposals..
- (16) The Community contribution is subject to commitment of resources by the participating Member States, Israel, Norway and Switzerland and the effective payment of their financial contributions.
- (17) The Community should have the right to reduce its financial contribution if the AAL Joint Programme is implemented inadequately, partially or late, or if the participating Member States and Israel, Norway and Switzerland do not contribute or contribute partially or late to the financing of the AAL Joint Programme, on the terms set out in an agreement to be concluded between the Community and the dedicated implementation structure laying down the detailed arrangements for the Community contribution.
- (18) Any Member State should be able to join the AAL Joint Programme.

- (19) In accordance with the Seventh Framework Programme, the Community should have the right to agree the conditions for its financial contribution to the AAL Joint Programme in relation to the participation therein of any country associated with the Seventh Framework Programme or, where essential for implementing the AAL Joint Programme, of other countries, in the course of its implementation, in accordance with the rules and conditions set out in this Decision.
- (20) Appropriate measures should be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used in accordance with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests¹¹, Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities¹², and Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹³.
- (21) In accordance with Council Regulation (EC, EURATOM) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁴ (hereinafter referred to as the "Financial Regulation") and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities¹⁵ (hereinafter referred to as the "Implementing Rules"), the Community contribution shall be managed in the framework of indirect centralised management according to the provisions of Articles 54(2)(c) and 56 of the Financial Regulation, and Articles 35 and 41 of the Implementing Rules.
- (22) It is essential that the research activities carried out under the AAL Joint Programme conform to basic ethical principles, including those reflected in Article 6 of the Treaty on European Union and in the Charter of Fundamental Rights of the European Union, and follow the principles of gender mainstreaming and gender equality.
- (23) The Commission should conduct an interim evaluation, assessing the quality and efficiency of the implementation of the AAL Joint Programme and progress towards the objectives set, as well as a final evaluation,

¹¹ OJ L 312, 23.12.1995, p. 1

¹² OJ L 292, 15.11.1996, p.2.

¹³ OJ L 136, 31.5.1999, p.1.

¹⁴ OJ L 248, 16.09.2002, p.1; Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p.1).

¹⁵ OJ L 357, 31.12.2002, p.1; Regulation as last amended by Regulation (EC, Euratom) No XXXX/2007 (OJ L ...).

HAVE ADOPTED THIS DECISION:

Article 1

1. In implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (hereinafter referred to as "the Seventh Framework Programme"), adopted by Decision No 1982/2006/EC, the Community shall make a financial contribution to the Ambient Assisted Living research and development programme (hereinafter referred to as "the AAL Joint Programme") undertaken jointly by Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Portugal and Spain (hereinafter referred to as "the participating Member States") as well as [Israel, Norway and Switzerland.
2. The Community shall pay a financial contribution amounting to a maximum of EUR 150 million for the duration of the Seventh Framework Programme for the implementation of the AAL Joint Programme, in accordance with the principles set out in Annex I.
3. The Community financial contribution shall be paid from the budget appropriation allocated to the Information and Communication Technologies (ICT) theme of the Specific Programme "Cooperation" implementing the Seventh Framework Programme.

Article 2

The Community financial contribution shall be conditional upon:

- (a) demonstration by the participating Member States, Israel, Norway and Switzerland that the AAL Joint Programme as described in Annex I to this Decision has been efficiently set up;
- (b) the formal establishment or designation by the participating Member States, Israel, Norway and Switzerland, or organisations designated by participating Member States, Israel, Norway and Switzerland, of a structure with legal personality (for the purposes of this Decision referred to as "dedicated implementation structure"), which shall be responsible for implementing the AAL Joint Programme and for receiving, allocating and monitoring the Community financial contribution in accordance with 54(2)(c) and 56 of the Financial Regulation;
- (c) establishment of the appropriate and efficient governance model for the AAL Joint Programme in conformity with the guidelines set out in Annex II to this Decision;
- (d) efficient carrying out of the activities under the AAL Joint Programme described in Annex I to this Decision by the dedicated implementation structure, which entails the launch of calls for proposals for the award of grants;

- (e) commitments by the participating Member States, Israel, Norway and Switzerland to contribute to the financing of the AAL Joint Programme and the effective payment of the financial contribution, in particular the funding of participants in the projects selected following the calls for proposals launched under the Programme;
- (f) compliance with the State aid rules of the Community, and in particular the rules set out in the Community Framework for State Aid for Research, Development and Innovation¹⁶;
- (g) ensuring a high level of scientific excellence and observance of ethical principles in accordance with the general principles of the Seventh Framework Programme; and
- (h) formulation of provisions governing the intellectual property rights stemming from the activities carried out under the AAL Joint Programme and the implementation and coordination of the research and development programmes and activities undertaken at national level by the participating Member States, Israel, Norway and Switzerland in such a way that they aim at promoting the creation of such knowledge and at supporting wide use and dissemination of the knowledge created.

Article 3

The granting of financial support by the dedicated implementation structure to third parties in the implementation of the AAL Joint Programme, and in particular financial support provided to participants in projects selected following calls for proposals for the award of grants, shall be subject to the principles of equal treatment and transparency. The financial support to third parties shall be granted on the basis of scientific excellence and in accordance with the principles and procedures set out in Annex I to this Decision.

Article 4

The arrangements for the Community financial contribution and the rules relating to financial liability and intellectual property rights as well as the detailed rules for the provision of financial support by the dedicated implementation structure to third parties shall be established by means of a general agreement to be concluded between the Commission, on behalf of the Community, and the dedicated implementation structure, and annual financing agreements.

Article 5

If the AAL Joint Programme is not implemented or is implemented inadequately, partially or late, or if the participating Member States, Israel, Norway and Switzerland do not contribute, contribute partially or late to the financing of the AAL Joint Programme, the Community may reduce its financial contribution in line with the actual implementation of the AAL Joint

¹⁶ OJ C 323, 30.12.2006, p.1.

Programme and the amount of public funding allocated by the participating Member States, Israel, Norway and Switzerland for the implementation of the AAL Joint Programme, on the terms laid down in the agreement to be concluded between the Commission and the dedicated implementation structure.

Article 6

In implementing the AAL Joint Programme, the participating Member States, Israel, Norway and Switzerland shall take all the legislative, regulatory, administrative or other measures necessary for protecting the Communities' financial interests. In particular, the participating Member States, Israel, Norway and Switzerland shall provide adequate guarantees as regards full recovery from the dedicated implementation structure of any amounts due to the Community.

Article 7

The Commission and the Court of Auditors may, through their officials or agents, carry out all the checks and inspections needed to ensure proper management of the Community funds and protect the financial interests of the Community against any fraud or irregularity. To this end, the participating Member States, Israel, Norway and Switzerland and/or the dedicated implementation structure shall, in due course, make all relevant documents available to the Commission and the Court of Auditors.

Article 8

The Commission shall communicate all relevant information to the European Parliament, the Council and the Court of Auditors. The participating Member States, Israel, Norway and Switzerland are invited to submit to the Commission, through the dedicated implementation structure, any additional information required by the European Parliament, the Council and the Court of Auditors concerning the financial management of the dedicated implementation structure.

Article 9

Any Member State may join the AAL Joint Programme on the basis of the rules set out in this Decision.

Article 10

Any third country may join the AAL Joint Programme on the basis of the rules set out in this Decision, provided that such participation is covered by the relevant international agreement and provided that both the Commission and the participating Member States, Israel, Norway and Switzerland agree to it.

Article 11

The conditions for the Community financial contribution in relation to the participation, in the AAL Joint Programme, of any country associated with the Seventh Framework Programme or, where essential for implementing the AAL Joint Programme, of any other country, may be agreed by the Community on the basis of the rules set out in this Decision and of any implementing rules and arrangements.

Article 12

1. The annual report on the Seventh Framework Programme presented to the European Parliament and the Council pursuant to Article 173 of the Treaty shall include a summary of the activities of the AAL Joint Programme.
2. An interim evaluation of the AAL Joint Programme shall be carried out by the Commission two years after the start of the Programme, but in any case no later than 2010. This evaluation shall cover the quality and efficiency of the implementation, including scientific, management and financial integration, of the AAL Joint Programme and progress towards the objectives set, including recommendations on the most appropriate ways to further enhance integration. The Commission shall communicate the conclusions thereof, accompanied by its observations and, where appropriate, proposals for the adaptation of this Decision, to the European Parliament and the Council.
3. At the end of 2013, the Commission shall conduct a final evaluation of the AAL Joint Programme. The results of the final evaluation shall be presented to the European Parliament and the Council.

Article 13

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Article 14

This Decision is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

Description of the objectives, the activities and the implementation of the AAL Joint Programme

I. Specific Aims

The AAL Joint Programme has the following specific aims:

- **Foster the emergence of innovative ICT-based products, services and systems for ageing well** at home, in the community, and at work, thus increasing the quality of life, autonomy, participation in social life, skills and employability of older people and reducing the costs of health and social care. This may be based e.g. on innovative utilisation of ICT technology, new ways of customer interaction or new types of value chains for independent living services.
- **Create critical mass of research, development and innovation at EU level in the areas of technologies and services for ageing well in the information society**, including the establishment of a favourable environment for participation by small and medium-sized enterprises (SMEs).
- **Improve conditions for industrial exploitation of research results** by providing a coherent European framework for developing common approaches and facilitating the localisation and adaptation of common solutions which are compatible with varying social preferences and regulatory aspects at national or regional level across Europe.

By focusing on applied research, the AAL Joint Programme will complement related longer-term research activities envisaged under the Seventh Framework Programme, as well as the demonstration activities forming part of the Competitiveness and Innovation Programme (2007 to 2013) established by Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006¹⁷, which focuses on large-scale uptake of existing solutions.

Due account shall be taken of possible ethical and privacy issues in line with international guidelines.

II. Activities

There are two types of activities in the AAL Joint Programme:

Research, development and innovation activities implemented via shared-cost transnational projects involving partners from at least three different participating Member States or other participating countries addressing research, technological development, demonstration and dissemination activities. These should be targeted at market-oriented research, should be of short to medium-term duration and should demonstrate the capability to exploit the project results within a realistic time frame.

Brokerage, programme promotion and networking activities, which may be implemented through dedicated events or in combination with existing events. These shall include the

¹⁷ OJ L 310, 9.11.2006, p.15.

organisation of workshops and the establishment of contacts with other stakeholders in the value chain.

The AAL Joint Programme shall entail consultation with relevant European stakeholders (such as decision-makers from ministries and public sector authorities, private-sector service and insurance providers as well as industry, SMEs and user representatives) concerning the research priorities to be addressed and the implementation of the programme.

III. Programme implementation

The AAL Joint Programme shall be implemented on the basis of annual work programmes identifying topics for calls for proposals to be agreed with the Commission as a basis for the financial contribution by the Community.

The AAL Joint Programme shall issue regular calls for proposals in line with the agreed work programme. Proposals are submitted centrally to the dedicated implementation structure by the applicants (single entry point).

Project proposals shall be evaluated and selected at central level on the basis of transparent and common eligibility and evaluation criteria, as set out in the work programme, which shall be binding on the participating Member States and Israel, Norway and Switzerland, except for a limited number of well-defined cases to be further specified in the implementation of the Programme.

The dedicated implementation structure shall be responsible for monitoring projects, and common operational procedures to manage the full project cycle shall be put in place.

As administrative matters concerning national project partners within AAL projects shall be handled by their national Programme Managing Agency, the national funding principles shall also be applied. Each country shall finance their national participants whose proposals are successful through national agencies that shall additionally channel the central funding from the dedicated implementation structure, on the basis of an agreement to be concluded between the respective national agencies and their national participants for each project.

The AAL Joint Programme shall ensure scientific integration of the participating national programmes through the elaboration of common work programmes and call topics across all the national programmes.

Management integration of the national programmes shall be ensured by the legal entity set up by the participating Member States and Israel, Norway and Switzerland. Management of the AAL Joint Programme shall include:

- central organisation of the calls for proposals;
- central, independent and transparent evaluation by experts at European level based on common rules and criteria for the evaluation and selection of the proposals on the basis of scientific excellence;
- single submission address (electronic submission is envisaged).

The AAL Joint Programme shall strengthen financial integration by:

- ensuring overall national funding commitments for the duration of the initiative as well as annual commitments for each proposed work programme;
- ensuring that the final ranking of proposals agreed on the basis of the evaluation will be binding on Partner States, except in duly identified cases such as legal problems or financial viability;
- promoting flexibility in national budget allocation as far as possible to handle exceptions, e.g. by increasing national contributions or cross-financing.

Every effort shall be made by the participating Member States to strengthen integration and remove existing national legislative barriers for international cooperation as part of the initiative.

IV. Funding Principles

The Community contribution shall represent a fixed percentage of the overall public funding from the participating national programmes, but shall in any case not exceed 50% of the total public funding of a participant in a project selected following calls for proposals under the AAL Joint Programme. This fixed percentage shall be defined in the agreement between the dedicated implementation structure and the Commission and shall be based on the multiannual commitment of the participating Member States and Israel, Norway and Switzerland and the Community contribution.

Projects shall be co-financed by the project participants.

V. Deliverables expected from the implementation of the AAL Joint Programme

An annual report shall be provided by the dedicated implementation structure, which shall give a detailed overview on the implementation of the AAL Joint Programme (number of projects submitted and selected for funding, use of the Community funding, distribution of national funds, type of participants, country statistics, brokerage events and dissemination activities, etc.) and the progress towards further integration.

The deliverables expected shall be set out in greater detail in the agreement to be concluded between the Commission, on behalf of the Community, and the dedicated implementation structure.

ANNEX II

Guidelines for the governance of the AAL Joint Programme

The organisational structure for the AAL Joint Programme is as follows:

The AAL Association, an international not-for-profit association established under Belgian law, constitutes the dedicated implementation structure created by the participating Member States and Israel, Norway and Switzerland.

The AAL Association is responsible for all the activities of the AAL Joint Programme. The AAL Association's tasks include contract and budget management, the development of the annual work programmes, organisation of the calls for proposals, handling of the evaluation and ranking of projects. In addition, it supervises project monitoring and transfers the associated payments of the Community contributions to nominated national programme agencies. It also organises dissemination activities.

The AAL Association is governed by the General Assembly. The General Assembly, which is the decision-taking body of the AAL Joint Programme, appoints the members of the Board of Directors and supervises the implementation of the AAL Joint Programme, including approval of annual work programmes, allocation of national funding to projects and applications for new membership. It will work on the basis of a one-country one-vote principle. Decisions are taken by simple majority, except for decisions on succession, admission or exclusion of members or dissolution of the Association, for which specific voting requirements may be set out in the statutes of the Association. The Commission has observer status in the meetings of the General Assembly.

The AAL Board of Directors – consisting of a Director and two Vice-Directors (alternatively one vice-director and one treasurer) – is elected by the General Assembly to undertake the specific management responsibilities such as budget planning, staffing and contracting. It legally represents the Association and reports to the General Assembly.

National Programme Management Agencies are authorised by the participating Member States and Israel, Norway and Switzerland to undertake work associated with project management and administrative and legal aspects for the national project partners as well as to provide support for evaluation and negotiation of the project proposals. They work under the supervision of the AAL Association.

An Advisory Board with representatives from industry and other stakeholders will provide recommendations for priorities and topics to be addressed in the calls for proposals of the AAL Joint Programme.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Participation by the Community in a research and development programme aimed at enhancing the quality of life of older people through the use of new Information and Communication Technologies (ICT), undertaken by several Member States.

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Research and Technological Development: 7th Framework Programme.

Article 169 of the EC Treaty.

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

09 04 01 "Appui à la coopération en matière de recherche dans le domaine des technologies de l'information de la communication (TIC-Coopération)"

09 01 05 "Dépenses d'appui aux activités de recherche du domaine politique Société de l'information et medias"

3.2. Duration of the action and of the financial impact:

The Community contribution to the joint programme is expected to be established through co-decision by the Council and Parliament in December 2007 for an initial period running until 31 December 2013. Its financial impact on the EU budget will cease after 2013.

3.3. Budgetary characteristics:

| Budget line | Type of expenditure | | New | EFTA contribution | Contributions from applicant countries | Heading in financial perspective |
|-------------|---------------------|----------|-----|-------------------|--|----------------------------------|
| 09.0401 | Non-comp | Diff | YES | YES | YES | No [1A] |
| 09.0105 | Non-comp | Non-diff | YES | YES | YES | No [1A] |

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

| Expenditure type | Section no. | | Year 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|------------------|-------------|--|-----------|------|------|------|------|----------------|-------|
|------------------|-------------|--|-----------|------|------|------|------|----------------|-------|

Operational expenditure¹⁸

| | | | | | | | | | |
|--------------------------------|------|---|---|----|----|----|----|----|-----|
| Commitment Appropriations (CA) | 8.1. | a | 0 | 25 | 25 | 25 | 25 | 50 | 150 |
| Payment Appropriations (PA) | | b | 0 | 10 | 25 | 25 | 25 | 65 | 150 |

Administrative expenditure within reference amount¹⁹

| | | | | | | | | | |
|---|--------|---|---|-------|-------|-------|-------|-------|-------|
| Technical & administrative assistance (NDA) | 8.2.4. | c | 0 | 0.320 | 0.345 | 0.345 | 0.345 | 0.715 | 2.070 |
|---|--------|---|---|-------|-------|-------|-------|-------|-------|

TOTAL REFERENCE AMOUNT

| | | | | | | | | | |
|----------------------------------|--|-----|---|--------|--------|--------|--------|--------|---------|
| Commitment Appropriations | | a+c | 0 | 25.320 | 25.345 | 25.345 | 25.345 | 50.715 | 152.070 |
| Payment Appropriations | | b+c | 0 | 10.320 | 25.345 | 25.345 | 25.345 | 65.715 | 152.070 |

Administrative expenditure not included in reference amount²⁰

| | | | | | | | | | |
|---|--------|---|--|--|--|--|--|--|--|
| Human resources and associated expenditure (NDA) | 8.2.5. | d | | | | | | | |
| Administrative costs, other than human resources and associated costs, not included in reference amount (NDA) | 8.2.6. | e | | | | | | | |

Total indicative financial cost of intervention

| | | | | | | | | | |
|---|--|---------|---|--------|--------|--------|--------|--------|---------|
| TOTAL CA including cost of Human Resources | | a+c+d+e | 0 | 25.320 | 25.345 | 25.345 | 25.345 | 50.715 | 152.070 |
| TOTAL PA including cost of Human Resources | | b+c+d+e | 0 | 10.320 | 25.345 | 25.345 | 25.345 | 50.715 | 152.070 |

Co-financing details

A fixed Community contribution of up to 25 million euro per year shall be provided subject to an investment of at least 25 million euro per year by the Partner States, who will contribute at least 150 million euro between 2008-2013 from national budgets to the Joint Programme.

The operational costs of the Joint Programme are maximum 6% of the overall annual budget.

¹⁸ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

¹⁹ Expenditure within article xx 01 04 of Title xx.

²⁰ Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

The Community contribution shall represent a fixed percentage of the overall public funding from the participating national programmes, but shall in any case not exceed 50% of the public funding of the Joint Programme. This fixed percentage shall be defined in the contract between the dedicated implementation- structure and the Commission, and will be based on the multiannual commitment of the participating Partner States and the Community contribution.

EUR million (to 3 decimal places)

| Co-financing body | | Year 2007 | 2008 | 2009 | 2010 | 2011 | 2012 and later | Total |
|--|-----------------------|-----------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| Partner States..... | f | 0 | Min. 25 | Min. 25 | Min. 25 | Min. 25 | Min. 50 | Min. 150 |
| TOTAL CA including co-financing | a+c +d +e +f | 0 | Min. 50.320 | Min. 50.345 | Min. 50.345 | Min. 50.345 | Min. 100.715 | Min. 302.070 |

Moreover, the organisations participating in R&D projects selected through the calls for proposals launched by the Programme will co-finance these projects. These contributions are expected to amount to a minimum of about 300 million euro for the duration of the Programme.

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement²¹ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial impact on revenue
- Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

| | | Prior to action | Situation following action | | | | | |
|-------------|---------|-----------------|----------------------------|-------|-------|-------|-------|---------------------|
| Budget line | Revenue | [Year n-1] | [Year n] | [n+1] | [n+2] | [n+3] | [n+4] | [n+5] ²² |
| | | | | | | | | |

²¹ See points 19 and 24 of the Interinstitutional agreement.

²² Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

| | | | | | | |
|--|------------------------------|----------|--|--|--|--|
| | a) Revenue in absolute terms | | | | | |
| | b) Change in revenue | Δ | | | | |

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

| Annual requirements | Year 2007 | N + 1 | n + 2 | n + 3 | n + 4 | n + 5 and later |
|---------------------------------|-----------|-------|-------|-------|-------|-----------------|
| Total number of human resources | 1 | 2.5 | 2.5 | 2.5 | 2.5 | 5 |

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

Community contribution to the establishment and operation of the Ambient Assisted Living (AAL) Joint Programme between Partner States, in order to allow for payments to contribute to the cost of the programme operation and to the costs of national participants in R&D projects that are selected following open calls for proposals.

5.2. Added value of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The AAL Joint R&D and Innovation Programme will combine Community, national and private resources to pursue innovative ICT solutions for allowing Europe's citizens to age independently and well, while contributing to the overall sustainability of their care and providing new economic opportunities for European industry.

The added value of the Community's involvement is substantial because:

- The Community intervention will make it possible to create a new legal framework whereby Community and national funding can be combined under a common strategy to stimulate international collaborative R&D and innovation projects, in particular involving SMEs. This would not otherwise be feasible using the existing structures.
- The new Joint Programme will help to address the demographic ageing challenge by fostering the emergence of new innovative ICT-based products and services for ageing well, at home, in the community, and at work, thus increasing their quality of life, autonomy, participation in social life, skills and employability of older people and reducing the cost of care. This will be done in a coherent and non-fragmented way with higher critical mass leading to more cost-effective and interoperable solutions.

- Industry, and SMEs in particular, will be supported more efficiently by providing a critical mass and a coherent European approach for developing interoperable solutions. In addition, it will be possible to adapt AAL solutions to national/regional social preferences and regulations. This is an important prerequisite for commercial exploitation and market development, and provides strong potential for SME involvement.
- Finally, the proposed scheme will create incentives for increased national and industrial investment in R&D and innovation in the field of ICT and ageing, thus contributing to the Barcelona objective of 3% of European GDP for R&D.
- The macro-economic added value for the European economy and society that will result from exploitation of the results of the AAL Joint Programme has not been addressed in this financial statement.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The main operational objective of this legislative proposal, namely the participation by the Community in a Joint R&D and Innovation Programme undertaken between several Member States in the field of Ambient Assisted Living, has already been set out in the 7th Framework Programme for RTD and in its "Cooperation" Specific Programme.

Policy objectives associated with this operational objective:

- - Respond to the challenge of Demographic Ageing by stimulating investment in research, development and innovation in new ICT-based solutions for ageing well across Europe.
- - Create critical mass of research, development and innovation at EU level in the areas of technologies and services for ageing well in the information society, including the establishment of a favourable environment for participation by small and medium-sized enterprises (SMEs).

Technological and economic objectives:

- - Foster the emergence of innovative ICT-based products, services and systems for ageing well at home, in the community, and at work, thus increasing the quality of life, autonomy, participation in social life, skills and employability of older people and reducing the costs of health and social care. This may be based e.g. on innovative utilisation of ICT technology, new ways of customer interaction or new types of value chains for independent living services.
- - Improve conditions for industrial exploitation of research results by providing a coherent European framework for developing common approaches and facilitating the localisation and adaptation of common solutions which are compatible with varying social preferences and regulatory aspects at national or regional level across Europe.

The inputs by the Commission are the resources listed in Section 4.1.

The outputs are (a) the establishment of the Joint Programme and (b) R&D and innovation projects selected and launched following open calls for proposals under the Joint Programme.

The following expected results will be measured through related indicators (2008):

- Leveraging investment and national efforts; by providing incentives for investment following common strategies and implementation.
- Indicators: (i) number of countries participating; (ii) commitments and payments according to the provisions of Section 4.1.1; (iii) national funding committed and spent for projects of the Joint Programme; (iv) resources invested by industry and other stakeholders through their participation and co-funding of projects.
- Improving coherence of R&D and innovation in ICT for Ageing Well across Europe; by removing the current fragmentation of effort by developing common strategies and joint calls for proposals with critical mass.
- Indicators: This result will in effect be achieved when the Joint Programme becomes fully operational with a significant number of participating countries.
- Programme Efficiency; by providing certainty about availability of national budgets, having a central proposal submission, evaluation and selection scheme and by providing a user-friendly scheme for European collaborative applied and market-oriented research and innovation based on familiar national rules. This should result in new and more efficient support for participants, in particular SMEs, thus leading to higher industrial investments and shorter time to market and exploit results.
- Indicators: (v) time interval between proposal submission and project launch; (vi) number of SMEs participating; (vii) overhead costs for operating the Joint Programme.
- Significant economic and social benefits and contribution to key policy objectives; this will be measured as part of the planned independent mid-term and final evaluation in addition to the other indicators presented.

5.4 Method of Implementation (indicative)

X ***Centralised Management***

directly by the Commission

X indirectly by delegation to:

executive Agencies

bodies set up by the Communities as referred to in Article 185 of the Financial Regulation

X national or international public-sector bodies/bodies with public-service mission

- Shared or decentralised management***
 - with Member States
 - with third countries
- Joint management with international organisations (please specify)***

Relevant comments:

The financial contribution of the Community will be paid to the dedicated implementation structure established by Partner States for the Joint Programme, which will manage the Community contribution in accordance with Articles 54 and 56 of the Financial Regulation. The Community contribution will be provided subject to approval of a work programme and associated national budgetary commitments.

The organisational structure for the AAL Joint Programme is as follows:

The AAL Association, an international not-for-profit association established under Belgian law, constitutes the dedicated implementation structure created by the participating Member States and Israel, Norway and Switzerland.

The AAL Association is responsible for all the activities of the AAL Joint Programme. The AAL Association's tasks include contract and budget management, the development of the annual work programmes, organisation of the calls for proposals, handling of the evaluation and ranking of projects. In addition, it supervises project monitoring and transfers the associated payments of the Community contributions to nominated national programme agencies. It also organises dissemination activities.

The AAL Association is governed by the General Assembly. The General Assembly, which is the decision-taking body of the AAL Joint Programme, appoints the members of the Board of Directors and supervises the implementation of the AAL Joint Programme, including approval of annual work programmes, allocation of national funding to projects and applications for new membership. It will work on the basis of a one-country one-vote principle. Decisions are taken by simple majority, except for decisions on succession, admission or exclusion of members or dissolution of the Association, for which specific voting requirements may be set out in the statutes of the Association. The Commission has observer status in the meetings of the General Assembly.

The AAL Board of Directors – consisting of a Director and two Vice-Directors (alternatively one vice-director and one treasurer) – is elected by the General Assembly to undertake the specific management responsibilities such as budget planning, staffing and contracting. It legally represents the Association and reports to the General Assembly.

National Programme Management Agencies are authorised by the participating Member States and Israel, Norway and Switzerland to undertake work associated with project management and administrative and legal aspects for the national project

partners as well as to provide support for evaluation and negotiation of the project proposals. They work under the supervision of the AAL Association.

An Advisory Board with representatives from industry and other stakeholders will provide recommendations for priorities and topics to be addressed in the calls for proposals of the AAL Joint Programme.

6. MONITORING AND EVALUATION

6.1. Monitoring system

Once established, the Joint Programme will be monitored through annual reports which will be provided by the dedicated implementation- structure. These will give a detailed overview on the implementation of the Joint Programme according to the indicators presented in Section 5.3.

6.2. Evaluation

6.2.1. Ex-ante evaluation

The proposed initiative has been addressed as part of the ex-ante evaluation of the proposal for Framework Programme 7.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

The proposed governance model has been based on the experience gained from the first Article 169 initiative undertaken during Framework Programme 6, that is the EDCTP initiative on Clinical Trials in Africa.

6.2.3. Terms and frequency of future evaluation

A mid-term evaluation will be carried out after two years of operation with the assistance of independent experts and will assess: (1) the implementation of the Programme in terms of further scientific, management and financial integration; (2) the added value and effectiveness of the Programme in meeting its objectives. An ex-post evaluation by external experts will be conducted at the end of the Programme.

7. ANTI-FRAUD MEASURES

Article 6 of the Decision on the AAL Joint Programme states that in implementing the AAL Joint Programme, the participating Member States, Israel, Norway and Switzerland shall take all the legislative, regulatory, administrative or other measures necessary for protecting the Communities' financial interests. In particular, the participating Member States, Israel, Norway and Switzerland shall provide adequate guarantees as regards full recovery from the dedicated implementation structure of any amounts due to the Community.

Article 7 of the Decision on the Joint Programme states that the Commission and the Court of Auditors may, through their officials or agents, carry out all the checks and inspections needed to ensure proper management of the Community funds and protect the financial

interests of the Community against any fraud or irregularity. To this end, the participating Member States, Israel, Norway and Switzerland and/or the dedicated implementation structure shall, in due course, make all relevant documents available to the Commission and the Court of Auditors.

Further anti-fraud measures will be implemented as part of the detailed agreement between the Commission and the dedicated implementation- structure.

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

| (Headings of Objectives, actions and outputs should be provided) | Type of output | Av. cost | Year 2007 | | Year 2008 | | Year 2009 | | Year 2010 | | Year 2011 | | Year 2012 and later | | TOTAL | | |
|---|--|----------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|---------------------|------------|-------------|------------|--|
| | | | No. outputs | Total cost | No. outputs | Total cost | No. outputs | Total cost | No. outputs | Total cost | No. outputs | Total cost | No. outputs | Total cost | No. outputs | Total cost | |
| OPERATIONAL OBJECTIVE ²³ Establishment and operation of the AAL Joint Programme | | | | | | | | | | | | | | | | | |
| Action 1 | | | | | | | | | | | | | | | | | |
| - Output 1 (*) | Establishment and operation of Joint Programme | | | 0 | 1 | 1.75 | 1 | 1.75 | 1 | 1.75 | 1 | 1.75 | 2 | 3.5 | 6 | 10.5 | |
| - Output 2 (**) | Projects | 0.5 | | 0 | 46.5 | 23.25 | 46.5 | 23.25 | 46.5 | 23.25 | 46.5 | 23.25 | 93 | 46.50 | 279 | 139.5 | |
| Sub-total Objective 1 | | | | 0 | 47.5 | 25.00 | 47.5 | 25.00 | 47.5 | 25.00 | 47.5 | 25.00 | 95 | 50.00 | 286 | 150.0 | |
| TOTAL COST | | | | 0 | | 25.00 | | 25.00 | | 25.00 | | 25.00 | | 50.00 | | 150.0 | |

(*) The cost of management of the Joint Programme will be covered jointly by the Community and the Partner States (maximum 6%)

(**) Assuming an average total cost per project of EUR 2 million, 50% of which will be covered by public funding, to be shared between the Community and the Partner States in accordance with the ratio between the respective annual commitments (estimated ~40-50%).

²³ As described under section 5.3.

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

| Types of post | | Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs) | | | | | |
|--|------------|---|-----------|-----------|-----------|-----------|-----------|
| | | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 |
| Officials or temporary staff ²⁴ (XX 01 01) | | | | | | | |
| Staff financed ²⁵ by art. XX 01 02 | | | | | | | |
| Other staff ²⁶ financed by art. XX 01 04/05 | A*/AD | 0.50 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| | B*, C*/AST | 0.50 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | | 1.0 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |

8.2.2. Description of tasks deriving from the action

The main tasks deriving from the action will be:

- Participation in meetings of the General Assembly of the AAL Association as Commission observer, 4 two-day meetings/year (Director level)
- Participation in workshops and dissemination events 3 times per year (HoU level)
- Negotiation and Preparation of grant contracts with the dedicated implementation structure (Project Officer level + B/C Assistant level)
- Monitoring of implementation + assistance to mid-term and ex-post evaluations (Project Officer level)
- Financial and legal auditing of the implementation of the Joint Programme (Financial Officer level)

8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n

²⁴ Cost of which is NOT covered by the reference amount

²⁵ Cost of which is NOT covered by the reference amount

²⁶ Cost of which is included within the reference amount

- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

| Budget line (number and heading) | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 and later | TOTAL |
|---|--------------|--------------|--------------|--------------|--------------|------------------------------|-------|
| 1 Technical and administrative assistance (including related staff costs and missions) | 0 | 0.320 | 0.320 | 0.320 | 0.320 | 0.640 | 1.920 |
| Executive agencies ²⁷ | | | | | | | |
| Other technical and administrative assistance | | | | | | | |
| - <i>intra muros</i> | | | | | | | |
| - <i>extra muros</i> | 0 | 0 | 0.025 | 0.025 | 0.025 | 0.075 | 0.150 |
| Total Technical and administrative assistance | 0 | 0.320 | 0.345 | 0.345 | 0.345 | 0.715 | 2.070 |

²⁷ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount (not applicable)*

EUR million (to 3 decimal places)

| Type of human resources | Year n | Year n+1 | Year n+2 | Year n+3 | Year n+4 | Year n+5 and later |
|--|--------|----------|----------|----------|----------|--------------------|
| Officials and temporary staff (XX 01 01) | | | | | | |
| Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line) | | | | | | |
| Total cost of Human Resources and associated costs (NOT in reference amount) | | | | | | |

Calculation – *Officials and Temporary agents*

The human resources of Section 8.2.1 are used with an average cost of 117 000 euro per post FTE.

Missions: Costs are based on 1 250 euro average cost per mission and: 2 missions per year for 2 officials to attend meetings of the General Assembly, 3 missions per year for one official to attend meetings of the executive board and 3 missions per year for one official to attend workshops and proposers events. A further 12 missions per year have been added for auditing purposes.

External assistance: Cost estimates for external support for annual reviews and interim/final evaluation are based on one annual review/interim evaluation per year (with 3 external experts at 485 euro per day for three days + travel 1 250 euro per expert) for six years + one final evaluation in 2013.

Calculation– Staff financed under art. XX 01 02

8.2.6. *Other administrative expenditure not included in reference amount (not applicable)*

EUR million (to 3 decimal places)

| | Year 2007 | Year 2008 | Year 2009 | Year 2010 | Year 2011 | Year 2012 and | TOTAL |
|--|-----------|-----------|-----------|-----------|-----------|---------------|-------|
| | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|-------|--|
| | | | | | | later | |
| XX 01 02 11 01 – Missions | | | | | | | |
| XX 01 02 11 02 – Meetings & Conferences | | | | | | | |
| XX 01 02 11 03 – Committees ²⁸ | | | | | | | |
| XX 01 02 11 04 – Studies & consultations | | | | | | | |
| XX 01 02 11 05 - Information systems | | | | | | | |
| 2 Total Other Management Expenditure (XX 01 02 11) | | | | | | | |
| 3 Other expenditure of an administrative nature (specify including reference to budget line) | | | | | | | |
| Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount) | | | | | | | |

Calculation - Other administrative expenditure not included in reference amount

²⁸ Specify the type of committee and the group to which it belongs.