

STRATEGY 2014-2020

FOR THE

ACTIVE AND ASSISTED LIVING PROGRAMME

***A European platform for ICT-based solutions developed with
SMEs and end-users to support older adults in everyday life***

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Context

Population ageing is an unprecedented phenomenon, never previously seen in the history of humanity, and it is happening in our lifetime.

As populations around the world grow older amid evolving economic conditions, societies face immense challenges in providing sustainable services to maintain quality of life, specifically for the majority of older adults.

These challenges apply to the political, economic, social, private and public sectors to meet the expectation of independent lifestyles and healthy ageing.

At the same time, economic opportunities will arise from state and consumer expenditure related to population ageing and the specific needs of the over-fifties: The so-called 'Silver Economy' is driven both by the emergence of new consumer markets and by the need to make ageing-related public expenditure more sustainable. By 2020, the private spending power of the older generation across the world will reach \$15 trillion. Public spending specific to older people in the European Union currently accounts for 25% of GDP or about 50% of general government expenditure and it is projected to grow by more than 4% of GDP until 2060¹.

And from another angle, 80% of age-related care in Europe is provided by family and friends and healthcare workers account for 17.2 million jobs.

We need to consider new ways to make ageing more enjoyable and rewarding in the coming years, and to re-imagine the delivery of health and care services.: We advocate that independent living should be an option for everyone.

The Active and Assisted Living Programme

The AAL Programme is an applied Research, Development and Innovation (R&D&I) funding programme that supports projects developing ICT solutions for ageing well. It is being undertaken jointly by EU Member States and countries associated with Horizon 2020 and co-funded by the European Union with an estimated overall budget of €700m.

The AAL Programme is set to bring new ICT-based products, solutions and service concepts onto the market within two to three years of the end of the funding period.

Large, medium and small enterprises are encouraged to participate in the projects and co-design the solutions with end-users. In this way the programme provides a unique opportunity for SMEs and large enterprises to develop innovative AAL solutions and bring their ideas closer to the market.

In the AAL Programme, we promote business, technology and social innovation, especially that based on ICT, to ensure that products, systems and services give effective support to older adults in their everyday lives. These solutions are being used by or for older people to enhance their quality of life in the context of active and healthy ageing.

In our vision, business innovation and the application of technology-based solutions will enable people to live their lives to the fullest, where and how they choose. For the AAL Programme, older adults are more than just an age category with specific needs: we place people first, with

¹ Growing the European Silver Economy; Background Paper from the European Commission (23/02/2015), p. 3: <http://ec.europa.eu/research/innovation-union/pdf/active-healthy-ageing/silvereco.pdf>

their wishes and aspirations. We envision a society in which the application of technology and innovative new services and systems create a level playing field for all, with regard to both consumer markets and services provided to the public. Furthermore, these technologies and services have the clear potential to generate jobs and boost the growing Silver Economy.

The AAL Programme will:

- ✓ benefit the individual and their family;
- ✓ benefit support and care systems across Europe;
- ✓ benefit European economies.

The AAL Programme will pursue an open and flexible approach, with calls for proposals and other instruments based on societal challenges. The annual work programmes, instruments and support actions will reflect this versatile approach, taking the lessons learned from its predecessor programme (AAL Joint Programme 2008–2013) into account. The AAL Programme will also build on achievements already made and outcomes from previous projects to ensure the best possible outcomes. In addition, particular attention will be paid to the emerging public sector and consumer markets. Furthermore, options will be explored to address the global market by enhancing links with countries outside Europe at project and programme level.

Involvement of end-users

In the AAL Programme, the participation of end-users in all projects is considered essential in order to increase the chances of the developed project solution entering the market in a timeframe of two to three years after the end of the project.

From our perspective, the involvement of end-users should start at the conception phase of the project and will:

- ✓ help create human-centred technology and solutions;
- ✓ prepare future users as project co-designers and partners;
- ✓ help project managers to adjust strategies and technologies;
- ✓ enable the AAL projects to be genuinely market-oriented and to understand the needs of the actual users.

Information and Communication Technology (ICT) is becoming ever more common across Europe, but to varying extents. In some countries, the ICT literacy of end-users is lower, partly due to some reluctance to use 'futuristic' devices. The AAL Programme wants to remove the barriers that currently prevent such ICT-based solutions from being deployed on a large scale, so that all older adults, users and consumers can benefit from the outputs of the AAL Programme.

The AAL Programme has identified three specific classifications of end-users:

1. The **Primary end-user** is the person who is actually using an AAL solution. He/she is considered as a single individual: *"the Well-Being Person"*;
2. **Secondary end-users** are persons or organisations directly in contact with one or more primary end-user(s), such as relatives, friends, neighbours (informal carers), care organisations and their representatives (formal carers);
3. **Tertiary end-users** are private or public organisations that are not directly in contact with AAL solutions, but somehow contribute by organising, enabling or paying for them.

Competitive Analysis and Advantage

The AAL Programme provides a unique space and ecosystem in Europe in the ICT-based area of 'ICT for Ageing Well':

- ❖ The AAL Programme provides a bridge between national/regional initiatives and the international market, in particular by helping SMEs to explore scalable markets across Europe and globally.
- ❖ The AAL Programme wants to boost the market potential for interactive AAL solutions, a market for which indicators clearly show large opportunities in the next few years.
- ❖ The calls for proposals launched under the AAL Programme are closely linked to challenges specific to issues of ageing and based on broad consultations with the main stakeholders.
- ❖ The framework of projects funded under the AAL Programme encourages the co-design/creation with end-users, leading to products and services closer to the market.
- ❖ The AAL Programme fosters the development of a broad AAL Community and an increased awareness of the benefits of AAL solutions for the end-user, for society and for the economy.

SWOT analysis

When examining the potential of the AAL Programme, the following SWOT (**S**trengths, **W**eaknesses, **O**pportunities and **T**hreats) analysis can help determine the likely internal and external resources, risks and rewards, understand the greatest challenges and find its most promising opportunities, based on the strong foundation created by its predecessor, the AAL Joint Programme (2008-2013):

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ❖ Building on the successful foundations of the AAL Joint Programme (2008-2013) ❖ High SME participation in projects (more than 40% participation with 49% of the available public funding) ❖ Systematic involvement of end-users ❖ 25% of the projects funded under the first two calls for proposals of the AAL Joint Programme (2008-2009) have sufficient finances to be able to enter the market ❖ A strong community has emerged around the AAL Programmes, with up to 1000 participants at recent AAL Forum events 	<ul style="list-style-type: none"> ❖ Innovation requirements in the AAL sector are wider than just ICT (e.g. finance, skills, cultural change...) ❖ The number of projects funded under the AAL Programmes reaching the market is encouraging but could be increased ❖ Innovative public procurement in general is underdeveloped ❖ Projects funded under the AAL Programmes are still not resulting in large-scale delivery ❖ Lack of sufficient data/information interoperability and standardisation ❖ The AAL Programme could be made more responsive to applicants (e.g. by improving the time-to-contract and becoming more flexible and responsive)

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✧ Strengthen links with other investors (Business Angels, Venture Capital, European Investment Bank, Institutional investors) ✧ Embrace business, market and social innovation as well as technology innovation ✧ Reinforce user-involvement in projects through iterative design and development approaches ✧ Build connections across the European innovation landscape ✧ Broaden the AAL scope to support the innovation aspects of the European Innovation Partnership on Active and Healthy Ageing (EIP-AHA) and related initiatives 	<ul style="list-style-type: none"> ✧ The Partner States and/or the European Commission decide not to support the AAL Programme as an AAL follow-up programme, thus removing an important mechanism from the innovation landscape ✧ Budgetary constraints resulting in lower commitments from national funding bodies ✧ Major players from related markets develop solutions at large scale using proprietary standards and their established channels ✧ AAL project solutions are overtaken by existing commercial products in the global market

Key Factors for Success

A suitable combination of the following important factors is required in order to accomplish the strategic objectives of the AAL Programme:

- Efficient usage of public funding resources
- Efficient implementation (time-to-contract, evaluation and selection processes, etc.)
- High involvement of SMEs
- High involvement of end-users
- Strong European cooperation
- Commitment of national funders/sponsors.

Key Success Indicators

The following key success indicators will help the AAL Programme define and measure its progress toward its goals and the impact of the funded projects in the domain.

Programme goals:

- Number of funded projects
- Public investment
- Maintaining a high number of SMEs
- Maintaining a high level of end-user involvement
- Perception of AAL
- Number of countries / national funding bodies participating in the AAL Programme.

Impact of projects funded under the AAL Programmes, products and services:

- Solutions going to market
- Number of users

- Successful scaling of solutions
- Satisfaction level of end-users
- Cross-border usage of solutions
- European coverage
- Affordable products
- Number of patents
- Spin-off companies.

Background

In order to address the challenges and opportunities of ageing population, the AAL Joint Programme (2008-2013) was established in 2008 by a co-decision² of the European Parliament and of the Council, based on Article 185 of the Treaty on the Functioning of the European Union (TFEU)³.

The AAL Joint Programme was co-financed by the European Commission and the following 22 Partner States: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Spain, Sweden, Switzerland and the United Kingdom, with an overall budget of €600m and 155 projects funded.

The final evaluation of the AAL Joint Programme carried out by the European Commission was very positive, concluding that:

1. The AAL Joint Programme has made good progress towards its objectives;
2. Given the growing importance of demographic ageing, which is a shared and urgent challenge across Europe, the AAL Joint Programme is very well justified. In forging new forms of collaboration among various stakeholders and stimulating the creation of new markets, it occupies a unique position in the policy landscape and matches well the specificities of the situation in Europe;
3. The AAL Joint Programme had been of value to Europe, by acting as a bridge between research and innovation;
4. Research, development and innovation activity associated with the AAL Joint Programme has now reached critical mass. New networks and communities are being created that together significantly enhance the prospects for European players in taking AAL innovations to the market. The strong participation of end-users and even more of SMEs is particularly noteworthy;
5. Activities aimed at improving conditions for commercial exploitation are significantly expanding.

² <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32008D0742&from=EN>

³ Article 185 of the Treaty on the Functioning of the European Union (TFEU) [ex Article 169 of the Treaty establishing the European Community (TEC)] enables the EU to participate in research programmes undertaken jointly by several Member States, including participation in the structures created for the execution of national programmes.

Synergies with other EU programmes and initiatives

All future activities of the AAL Programme will take account of the EU Framework Programme for Research and Innovation (Horizon 2020), the European Innovation Partnership on Active and Healthy Ageing (EIP-AHA) and other relevant initiatives (e.g. the related Joint Programming Initiatives, the Knowledge Innovation Communities in Healthy Living and Active Ageing), and will seek synergies with the EU deployment support mechanisms, including the SME instrument among others.

