



AAL
PROGRAMME



**ANNUAL
REPORT**

2017

ACTIVITIES
FINANCE
OUTLOOK



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Foreword of the President



Dear Members of the AAL Association,

In many aspects 2017 was an important year for the AAL Programme. With this first ever produced Annual Report we would like to share with you the highlights of the year and at the same time, provide a more inclusive and participatory approach of engaging with the AAL member countries and the regions as the protagonists of this European Programme.

When AAL started in 2008, its mission statement was clear - and it still is. We put our focus on addressing the needs of our ageing population by developing ICT based solutions to enhance the quality of life of older people - and throughout the years we have seen some promising products emerging from this innovation environment.

2017 saw an increasing involvement of regions within our programme: Denmark under the impulse of its five regions re-joined our annual call 2018, the Friuli-Venezia Giulia region of Italy joined the AAL Association and the Biscay Province in Spain proposed to organize the 2018 AAL Forum. Our total AAL membership encompasses 20 countries with 16 of them actively involved in the programme and a total of 26 individual members with currently 21 members active.

The AAL Forum 2017 in Coimbra has exceeded our most optimistic expectations in terms of numbers and participants' engagement. Thanks also to our professional and welcoming Portuguese hosts!

The 2017 AAL call for proposals resulted in 14 successful proposals currently being prepared for contracting. Amongst the many support activities to our AAL project portfolio several projects participated in investment meetings to help them get in contact with the finance world and be confronted with investor requirements.

Finally, our Central Management Unit was successfully restructured under the leadership of the Executive Board. A new Director was appointed in April 2017 bringing in the respective strategy and leadership skills.

The moment has come now for us to capitalize on these 10 years of joint work and experience. The AAL is a distinguishable actor of the innovation scene of Europe. It clearly has a niche at the crossroads between digitalization and the ageing society. Momentum has been created in 2017 with the launch of our strategy work group to position ourselves in the upcoming new Framework Programme, which the European Commission is currently shaping. That is why I call on your strong involvement in shaping together the future agenda at the European level as concerns the use of digital technology for active & healthy ageing.

It has been a pleasure to serve you as your President.

Yours,

Rafael de Andrés Medina
President of the AAL Association

INTRODUCTION

While the AAL Association's purpose is to manage the AAL programme, it is at the same time a member-based organisation in its own right with its own governance and management structure. The introduction of this annual report aims to recognize this fact by providing the AAL Association's members with an annual activity report for discussion and adoption at the General Assembly in spring.

This report will provide you with an overview of the activities that the AAL Association has carried out over the year 2017. It highlights major events and actions, but also provides a deeper understanding of what has happened and how to better communicate it. The more there is exchange and engagement between members, the stronger the collaboration becomes, and new joint opportunities emerge.

In this short introduction, I would like to highlight three major developments, which have unfolded over 2017: the design and implementation of a number of actions to improve the current management and running of the AAL programme, the launch of the future strategy reflections and the associated re-engagement of members over the course of 2017.

The mid-term review of the AAL programme by the EU Commission, which had been carried out during the second half of 2016, stressed the unique positioning of the programme and its achievements. At the same time, it also highlighted some shortcomings and challenges with a number of members leaving the programme and others becoming inactive. In order to address those challenges, a significant effort was done to make the 2018 annual call more attractive for members to engage again, but also to bring new project applicants into the AAL community. Thanks to the considerable investment by the Call Content Working Group, the Call 2018 on 'smart solutions

for ageing well' has introduced a number of innovative changes, which members as well as stakeholders had requested for some time.

The growing importance of the AAL's support actions, which had been highlighted in the annual evaluation in October, has been given greater attention to develop a more coherent and integrated package of services for ensuring better project outcomes, linking projects with markets & investors and in communicating more and differently about the programme. The fact that around 800 people participated in the 2017 Forum provided evidence that there is a vibrant community that is willing to engage in AAL and that recognizes the Programme as its European reference.

At the same time, members recognized the need to look into the future and what is required next to help support the emergence and sustainability of viable markets for making use of digital solutions for active & healthy ageing. A strategic roadmap was approved by members with a working group mandated to develop a new narrative for the future. 'If you want to climb a mountain, then you need to start with the first step.' 2017 has achieved this and probably even more already.

Finally, a member-based organisation is as good as it manages to get its members engaged. For that it needs to take into account the diverse expectations, competences and needs. 2017 helped to restrengthen the AAL's membership base and at the same time opened up the dialogue with countries, which are not involved in the programme anymore. This path will need to be continued as collaboration across geographic and sectoral borders is what the programme is all about. May this annual report be of use to you and I look forward to having informative exchanges at the General Assembly in Ljubljana.

Klaus Niederländer
Director of the AAL Association

PROGRAMME OPERATIONS OVERVIEW

The AAL's Programme Operations has two key functions focusing on the management of the annual call and the provision of direct and indirect project support services.

Call Management

This report covers the implementation of the 2017 call as well as the preparation of the 2018 call.

Call 2017

Call 2017 focused on "AAL packages/Integrated solutions". It was published on 15th February 2017 and closed on 24th May of the same year. Out of the 45 submitted entries, a total of 43 proposals were eligible.

The central and national eligibility check was carried out in June, with the remote evaluation in July. The Evaluation panel meeting took place in Brussels on July 18. The ranking list was approved by the General Assembly.

At the time of writing this report, all 14 approved projects have been invited for clarifications and negotiations with the starting dates of the projects to be communicated by the coordinators between March 1 and May 1, 2018.



Call 2018

In May 2017 the General Assembly was invited to nominate its representatives for the Content Working Group and, in the same month, the call definition approved by the Executive Board in May 2017 was the basis for kicking off the preparation of the Call text 2018.

The following people actively participated in the Working Group, which met five times in Brussels and Vienna during 2017:

- Gerda Geyer, FFG (Chair)
- Geja Langerveld, ZONMW
- Jeff Warren, CIHR
- Susan Rogers, CIHR
- Jessica Nadigel, CIHR
- Marco Carulli, AAL CMU
- Klaus Niederländer, AAL CMU
- Dominique Repapis, AAL CMU

The new call brought two main novelties by providing the AAL application areas as well as the concerned key markets as the call framework and, on the other hand, a more agile and focused funding instrument, namely the Small Collaborative Project. A very inclusive call text development process was used by actively involving the AAL members (General Assembly, Executive Board, Advisory Board and National Contact Persons) as well as key AAL stakeholders (via a stakeholder meeting held in Brussels in September).

Financial commitment letters from members as well as the national eligibility criteria were collected from the NCPs of the Funding Agencies participating in the Call 2018. The Guide for Applicants was updated on the basis of the new call provisions. And finally, the call text together with the 2018/19 Work Programme was sent to the European Commission for approval by mid-December 2017 (in line with the EC's requested timeline).

Next to developing the new call text, a number of call management-related aspects required attention to improve their user-friendliness. The following activities were launched by the CMU:

- The upgrading of the AAL Programme proposals submission and evaluation platform
- The improvement of the application form for the AAL proposals
- The review of some of the evaluation processes currently in use

The development of an improved version of the AAL submission platform was started in October in order to make it more intuitive, user friendly and visually captivating. An experienced service provider was identified, with whom the CMU worked in close cooperation to ensure that the platform is ready by February 2018.

PROJECT SUPPORT SERVICES

General Project support

Mid- and end-term project reviews are part of the core activities undertaken by the AAL Programme Operations. These external project consortium level reviews provide additional input and support to the nationally carried out project monitoring. A physical review is carried out at mid-term and a remote review at the end of the project. In case of project underperformance at the mid-term review an additional Mid-Term review can be decided by the CMU together with the concerned national members.

Each review results in a written report assessing the progress of the project against the defined objectives and providing a series of recommendations to help the consortium meet these goals. One particularity of the final review is to also assess whether the recommendations made in the scope of the Mid-Term review have been taken into account.

A periodic overview of the performance of the AAL funded projects, both at mid-term and final stage, highlighting the problematic and particularly promising ones is being provided. In 2017 a total of 34 mid-term and additional reviews took place as well as 23 final reviews were carried out.

Specific project support - AAL2Business

40 persons participated in the 2017 Consortium Building Seminar in Brussels on March 7 after the Call 2017 Info Day. A representative from the IPR helpdesk presented the main provisions related to IPR in a collaborative research project.

The first AAL2Business methodology workshop on 'How to build viable business model in AAL projects' took place in Brussels on May 11 with a follow-up one at the 2017 AAL Forum in Coimbra with 31 participants.

Finally, the call for tender for the second edition of the AAL2Business Support Action was published in May 2017 and a new support action with a business consortium made up of VTT, Nordic HealthCare Group, HimSA and EBAN was launched at the end of the year.

Market Intelligence & Investor Meetings - Market Observatory

The market observatory was kicked off in October 2016 with a first version of an AAL Technology & market investment trends report being produced by Technopolis in 2017. The final report will be published in 2018 after input from the involved stakeholders.

Two investors' events took place in 2017, where AAL funded project representatives pitched their project solutions in front of investors. The first one took place in Hasselt on May 23 during the occasion of the Ageing 2.0 conference with 8 AAL projects participating. The second one took place on October 3 during the 2017 AAL Forum in Coimbra with 7 AAL projects presenting their ideas in front of investors and business angels.

2nd edition of AAL Challenge Prize

After an intense scoping activity carried out by the members of the AAL Programme and external stakeholders, the second edition of the AAL Smart Ageing Prize was launched in November 2017. The defined challenge this time focuses on "Social inclusion through digitalization". Applicants will be able to submit their proposal until March 2018 with the 15 selected finalists to be communicated in April. Three awards will be provided at the 2018 AAL Forum.

PROGRAMME COMMUNICATION AND NETWORKING

Programme Promotion: Launch of revised communication strategy

To better address the promotion of the AAL Programme a more targeted communication strategy has been developed of 2017. Its aim is to broaden the audience for the call for proposals, raise more interest about best practices developed in AAL projects and support the promotion of project outcomes.

A refreshed narrative will address the key message of the AAL Programme, i.e. 'The AAL Programme is an applied Research, Development and Innovation (R&D&I) funding programme that supports projects developing ICT/digital-based solutions for ageing well. The AAL Programme is set to bring new products, solutions and service concepts onto the market within two to three years of the end of the funding period.

The associated revised communication plan provides an integrated approach to outreach to the AAL community and to promote the AAL programme via online; events and innovation promotion; printed; segmented newsletter; and social medias. The general message of this new approach aims to take a more positive approach towards ageing and the opportunities linked with an ageing society. An abstract of this revised communication approach is provided below:

Increasing Online Visibility for the AAL programme

The more online visibility your organization/activity has, the more likely it will attract people to your products or services. Starting from this simple marketing assumption, the AAL Programme made increased use of digital communication and marketing in 2017. These tools have the power to increase the number of participants to call for proposals and help diversify the type of organizations participating in project consortia.

This strengthened digital communication approach was used in 2017 for fresher storytelling with regard to some of the AAL support actions, such as the Challenge Prize, the Hackathons and the promotion of project success stories. For each of them a narrative was developed around interviews with participants, judges and experts, see for example:

- [Hackathons](#)
- [Interviews](#)
- or for other articles, [AAL FORUM](#)

Online advertising was used to achieve an increase in registrations for the AAL Forum 2017.

Social Media

The use of social media (in particular LinkedIn, Facebook and Twitter) was integrated into the AAL communication strategy, in order to drive traffic to our main websites, raise registrations at the Forum and increase the involvement of more diverse audiences to the annual call.

The use of influencers in the AAL arena was leveraged in the social media communication by developing the use of hashtags and tailor-made advertising campaigns. Facebook has been used to grow the AAL community and to start a two-way communication (sending messages and receiving feedbacks). Thanks to this, the number of followers grew by 108% over the last six months to 1.099. We have first evidence that this growth had a direct impact on the registrations at the Forum 2017, for instance. Twitter has been used as the main online carrier for AAL Programme messages. The current number of follower's stands at 2.759 (data as of March 2018). Finally, the community of professionals via LinkedIn has been used as a great space for providing visibility to AAL scientific and call content.

Major AAL Events in 2017

The Active and Assisted Living (AAL) Programme promotes innovative technological product ideas and services for active and healthy ageing. These innovations linked to the Call 2017 were presented during the 2017 Info Day and at the annual AAL Forum.

Info Day 2017

The 2017 AAL Info Day took place at the Royal Flemish Academy for Sciences and Arts on March 6.

The purpose of this year's event was to inform the European community about the call challenge of the AAL Programme, namely: "AAL packages/Integrated solutions" - Packages integrating different solutions based on ICT to support active, healthy and independent living of older adults.

During the event, which was attended by 114 people, a series of presentations were given to present the call challenges, explain the application procedures and present some projects. Next to these presentations, match-making meetings were organized, in order to bring together companies, technology deployers, investors, corporations, researchers, to help them seize opportunities and build (technological and/or commercial) collaboration across borders.

The event was also video streamed on the AAL website.

AAL Forum 2017

The AAL Forum provides an excellent opportunity to network within the AAL community and to discuss issues around AAL within workshops, keynote presentations and a large exhibition area.

The forum is a meeting place for:

- Professionals involved in the technology sector with an interest in ageing
- Social care and care providers
- Investors looking for new solutions and innovations
- Individuals and organisations implicated in the AAL funded projects
- EU, national and regional decision makers in the field of health, social issue, technology and innovations

The 2017 forum took place in the beautiful Convento de São Francisco in Coimbra, Portugal, between October 2 and 4, bringing delegates from 24 countries together.

The overall goals of the event were well exceeded with 800 attendees, 30 exhibition stands, 35 posters' presentations and 60 speakers.

Re-imagining the narrative about old age was a key theme of the event, with financial correspondent of The Economist Mrs. Sacha Nauta delivering a stirring speech at the opening evening about what it means to be old today.

A new demographic of older people has emerged – ‘the new old’ – who are living their lives to the full, travelling the world and trying out new things. Nauta told the audience that we need to treat these people as they see themselves – active, healthy, in society with time to spend doing the things they love. Her words were echoed by many in the following days, with the idea of the ‘new old’ reappearing in a number of the interactive workshops. These workshops brought people together to brainstorm, learn from each other and get new ideas to take away and apply in their own work.

Four sub-topics for the workshops at the forum were defined. The first was “AAL’s contribution to the European Strategy on Active Ageing”. This theme aimed to present how the main European Initiatives are implementing actions related to active and assisted living, and how they are aligning their strategies to leverage Europe’s competitiveness in that domain. The second sub-topic focused on “Deployment of AAL solutions: Innovative financial models”. Business models for technology in this field are difficult to design because what is needed for deployment is complex. Finding a good way to finance things is very important. In fact, working out how to finance the deployment of AAL solutions is a far greater issue than financing the original research. “Increasing the adoption of AAL solutions” was the third topic. Gaps remain between AAL solutions and the actual needs of users. It is important that AAL projects follow and understand processes and activities that add value to products and services, in order to meet customer needs and expectations. The final sub-topic was titled “Enhancing the impact of AAL projects”. It is always important to learn from the mistakes and successes of the past, and this theme was designed to help people look back on previous experiences of successful and not so successful cases, answering the question, “If our project started today, what we would do differently?”.

The first plenary session on Tuesday introduced an innovative format to the AAL Forum, bringing together buyers, users, and suppliers of AAL solutions to offer their unique perspectives on the AAL ecosystem. The need for new business models was discussed at length, as well as the need to focus on social care. People should come first, then technology.

Another new event for this year’s AAL Forum was the investor’s event. Eight AAL projects pitched their ideas to investor and business angels. All participants received invaluable advice about how to pitch, as well as feedback on the actual technology. “Lots of these projects are doing the same thing – investors won’t invest until there’s consolidation,” said one investor. Another offered: “You need to be bold. Go with one problem and find one solution – don’t try to do too much.”

Making sure that AAL solutions match the needs of the users has always been a key thrust of the forum, and this year 125 older adults from the surrounding central region of Portugal were invited to come and assess the products and solutions on display at the exhibition, providing direct feedback to the researchers. A prize for the best exhibitor was up for grabs, which was eventually presented to 2PCS Solutions GMBH.

The annual AAL Hackathon preceded the AAL Forum being dubbed this year as “Hack 4 Ageing Well”. Ten teams had just 24-hours and one pitch to impress the judges. The hackathon is a competition where ideas are explored, tested and cultivated by expert developers and designers under a strenuous 24-hour period, resulting in a five-minute pitch to demonstrate not only how the solution will enable the ageing population to live healthier and more independent lives, but also the next steps for the product and possible funding prospects. In the end, the plaudits went to hello technology with their solution that supports impaired people with interactions beyond touch interfaces by using physical space.

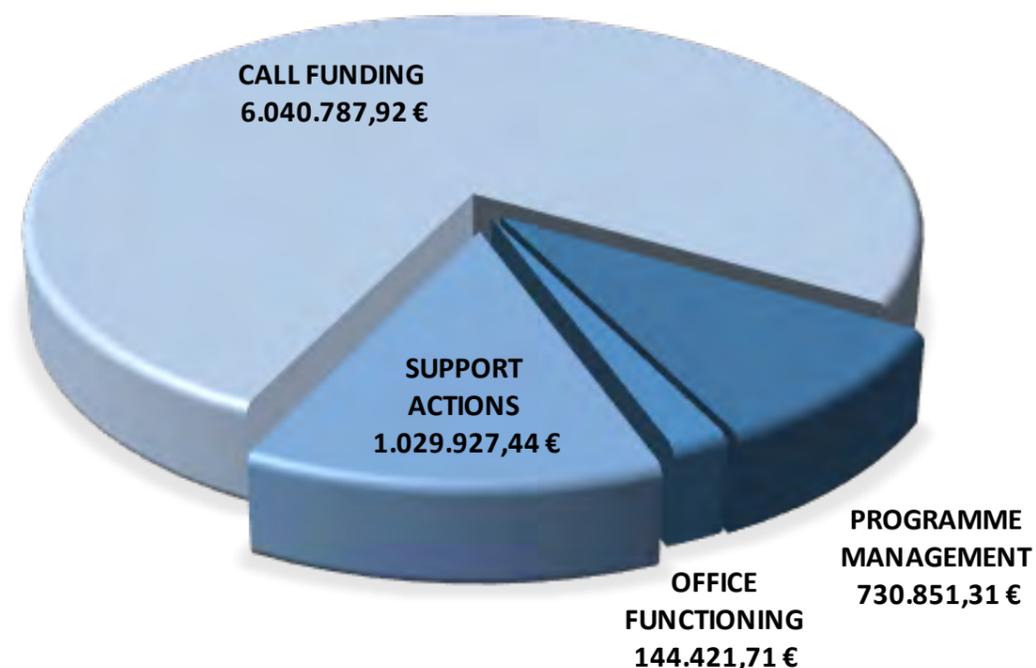
The plenary session on the second day brought together representatives from regional, national and European levels. They compared and discussed current and planned AAL and demographic change related policy actions and funding initiatives and how these initiatives can address stakeholders at all levels (including care organisations, SMEs and the end-users themselves). The Estonian government official, Mr. Rait Kuuse, summed up the discussion succinctly: “Social policy is expected to fix the malfunctions of other policies. But to have great social policy, it has to engage with all sectors – that is the challenge.”

PROGRAMME FINANCE

There is no AAL programme without finance. This section will provide a short overview of the AAL programme finances in terms of 2017 spending and the evolution of the membership call commitments in AAL2.

The breakdown of the 2017 programme expenses

The table below provides a breakdown of the different expense types incurred during the year 2017.



The largest part of the AAL budget is directed towards the annual Call funding of the EC contribution representing a bit more than 6 million Euros in payments to the AAL members. This amount includes all transfers executed in 2017 for Call 2008 up until the Call 2016.

The second largest part of the expenses were used for the provision of project support activities, such as AAL2Business or the AAL Forum. A bit more than one million Euro were spent in 2017 on these activities.

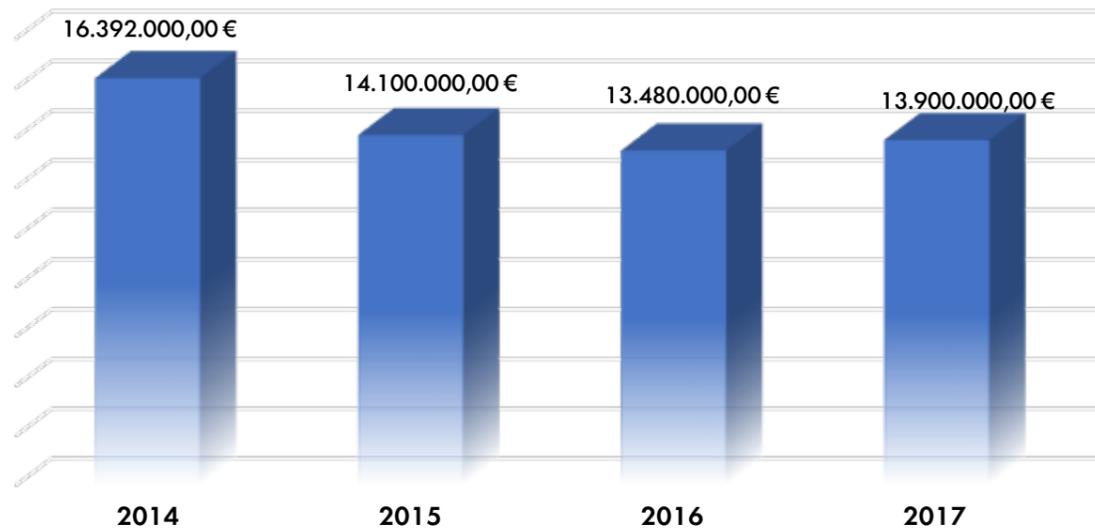
The Programme management expenses amounted to around 730.000 Euros including personnel of the AAL Association, AAL governance as well as the yearly organisation & implementation of the calls. Finally, the functioning of the central office expenses amounted to roughly 144.000 Euros, which includes the rental costs, the IT infrastructure, depreciations as well as the daily office running costs.

GOVERNANCE

The AAL Membership commitments 2014-2017

The below table shows the evolution of the AAL member commitments to the calls in AAL2.

AAL.2 MEMBERSHIP COMMITMENTS TO THE YEARLY CALLS - EVOLUTION 2014-2017



The above table provides the data on the evolution of the total actual commitments by our members. After a dip in 2016, the membership commitments started to increase again in 2017 with an expected commitment in 2018 of more than 15 million Euros.

The EC Counterpart evolution 2014-2017

The table below provides a breakdown of the EC counterpart contribution.

BREAKDOWN OF THE EC COUNTERPART FUNDING - PERIOD 2014 - 2017

■ ADMINISTRATION ■ SUPPORT ACTIONS ■ EC CALL FUNDING



The AAL Association is an international Association by Belgian law governed by its General Assembly, which is made up of the participating member countries.

The General Assembly elects the Executive Board, which administers and legally represents the Association. The Executive Board is supported with strategic advice by an Advisory Board made up of members, who represent the different stakeholders of the AAL community.

The operational management of the AAL Association lies with the Management Unit, which is composed of the national contact persons appointed by each member and the Central Management Unit in Brussels.



The General Assembly met twice in 2017 in Budapest, Hungary in April and in Coimbra, Portugal in October 2017.

The Executive Board convenes generally by teleconference about every six weeks. In 2017 three new members joined the Executive Board as Vice-Presidents, i.e. Mr. Alain Thielemans from Belgium (currently acting Vice-Treasurer), Mrs. Gerda Geyer from Austria and Mrs. Alex Mihailidis from Canada next to the current President, Mrs. Rafael de Andrés Medina from Spain, whose mandate got prolonged until April 2018 and the current Treasurer Mr. Chris Flim from the Netherlands.

Special thanks for their commitment and engagement goes to the outgoing Executive Board members Mr. Daniel Egloff from Switzerland and Mrs. Kerstin Zimmermann from Austria.

The Management Unit has met four times in 2017: in Brussels in February after the Call Info Day, in Vienna in June, in Leuven in September and in The Hague in December.

OUTLOOK FOR 2018

The year 2018 started with the launch of the annual call on 'smart solutions for ageing well' with the organisation of a central information day in Brussels in January bringing together more than 120 interested participants. At the same time a number of national information days were organised, physical meetings as well as webinars, such as in Denmark, Austria, Italy or Canada. The outcome of this call is targeted for the end of May, in order to analyse the overall response to the revised call focus as well as to the introduction of the small collaborative projects.

As part of the operational implementation in 2018 the 2nd edition of the challenge prize will be presented at the planned AAL Forum in Bilbao in October.

The implementation of the second edition of the AAL2Business support services will go into fully swing, in order to provide targeted consulting and coaching services for the current AAL project portfolio to strengthen their commercial and market focus while ensuring continuously improved end-user involvement. In order to provide AAL projects will exposure to potential future investors, the Market Observatory will target two more rounds of investor meetings in 2018 plus the first AAL market report will be published in 2018.

As concerns the future of this partnership programme, the strategy development will enter into a crucial phase. Members will need to be closely engaged and involved in the emerging future strategy narrative to bring in their views and priorities and to arrive at a firm content and financial commitment of current AAL members as well as non-member countries over the course of the year. Given the cross-geographic (regional, national and European), cross-sector implementation (e.g. in health & care, transport & mobility, building & environment, etc.) and cross-member (Ministries of R&D, of Health, Innovation Agencies, regional bodies) nature of the programme, broad support at national level (including in many countries also with and via the involvement of regional level) will be necessary to make the case for a joint future European programme. At the same time stakeholders will be consulted in bringing in the angle and requirements from the field. Linkages will be developed with relevant European initiatives, such as the EIP AHA (European Innovation Partnership on Active & Healthy Ageing) or EIT Health to properly position a future programme in the emerging European landscape and policy framework. A close collaboration with the EU Commission services will be ensured, in particular with the AAL's key Directorate of DG Connect.

Finally, 2018 will be important as well as to bring up and leverage more the knowledge, experience and learnings from the implemented collaborative projects over the last 10 years. Members and the AAL Association will need to work closely together to further and deeper assess the impact so far achieved through the programme and how this can be capitalized for future endeavours.

Our topics have never been more prominent than today as can be witnessed in many national debates around Europe. It will be important for AAL to demonstrate the uniqueness of this partnership approach and why European collaboration is essential in shaping those future markets.



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