



GOVERNING BOARD OF THE GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING

DECISION N° GB/05/2024

approving the phasing-out plan of the Global Health EDCTP3 Joint Undertaking

THE GOVERNING BOARD OF THE GLOBAL HEALTH EDCTP3 JOINT UNDERTAKING (hereafter referred as “GH EDCTP3 JU”),

Having regard to Council Regulation (EU) No 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014, and in particular Article 17(2)(a1) and 19(4)(v);

Having regard to European Parliament and Council Regulation (EU) 2021/695 of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013, and in particular Article 10(2)(c) and Annex III on the European partnerships;

WHEREAS:

- (1) According to Article 10 of the Parliament and Council Regulation (EU) 2021/695, the European partnerships should have a clear life-cycle approach, be limited in time and include conditions for phasing-out the Programme funding;
- (2) According to Article 17(2)(a1) of the Council Regulation (EU) No 2021/2085, the Governing Board should adopt by the end of 2023 a plan for the phasing-out of the joint undertaking from Horizon Europe funding upon recommendation of the Executive Director;
- (3) According to Annex III of the European Parliament and Council Regulation (EU) 2021/695, the European Partnerships should define a common strategic vision, including in particular exit-strategies and measures for phasing-out of the programme;
- (4) The Joint Undertakings should annually report on this phasing-out plan in the Annual Activity Report;
- (5) The Executive Director should submit to the Governing Board a first version of the plan focused on Chapter 5– Administrative and operational adaptations, and the necessary steps to be taken before filling in Chapters 2 to 4;
- (6) Chapters 2 to 4 of the phasing-out plan should be further completed and submitted to the Governing Board by the end of 2024;

HAS DECIDED AS FOLLOWS:

Article 1

The Governing Board of the GH EDCTP3 JU hereby approves the phasing-out plan.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, on 24 January 2024.

For the Global Health EDCTP3 Joint Undertaking

Irene Norstedt

Chairperson of the Governing Board

Annex:

1. Phasing-out plan

Phasing-out plan of the Global Health EDCTP3 Joint Undertaking

December 2023

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1. Executive Summary and Introduction

Pursuant to Article 17(a1) of the Council Regulation 2021/2085, the Governing Board shall adopt by the end of 2023 a plan for the phasing-out of the joint undertaking from Horizon Europe funding upon recommendation of the executive director.

Based on this obligation, the phasing-out plan of the Global Health EDCTP3 Joint Undertaking (Global Health EDCTP3 JU) will be finalised in 2024, with this first version on the preparedness stage to be adopted by 31/12/23 focusing mainly on Chapter 5. It may be complemented by 2025.

Please find below the executive summary that provides the context of the scope and the objectives of the Global Health EDCTP3 JU.

1.1. A brief history of the JU including its predecessors

The Global Health EDCTP3 JU is a partnership between the European Union (EU), represented by the European Commission and the EDCTP Association, which brings together several European and African countries. The Global Health EDCTP3 JU has been established by Council Regulation 2021/2085 of 19 November 2021 establishing the joint undertakings under Horizon Europe and operates in the frame of the Horizon Europe programme.

EDCTP was initially established as the first initiative based on Article 185 of the Treaty on the Functioning of the EU (ex-Art. 169), which allows the EU's participation in research programmes jointly undertaken by several EU countries. During its first programme (EDCTP1, 2003-2015), EDCTP operated as a European Economic Interest Grouping (EEIG) incorporated in the Netherlands, with its membership restricted to 16 countries in the European Economic Area. Based on the success of EDCTP1, the second EDCTP programme (EDCTP2) was launched in 2014 as another Article 185 Initiative as part of the next European Framework Programme for Research and Innovation – Horizon 2020.

1.2. A brief outline of the policy context of the focus area of the JU

In the context of the European Commission's priorities of the United Nations Sustainable Development Goals, in particular Sustainable Development Goal 3, and the joint communication from the Commission of 9 March 2020 entitled 'Towards a Comprehensive Strategy with Africa', the EU is committed to contribute to ensuring healthy lives and promoting well-being for all, to building an even stronger partnership between the two continents and to supporting the development of research and innovation capacities within Africa. The Global Health EDCTP3 JU should address the lack of appropriate diagnostics, treatments and vaccines, among other so-called health technologies, to address infectious diseases, such as HIV, malaria and tuberculosis but also other poverty-related and neglected infectious diseases, that are prevalent in Africa, especially in sub-Saharan Africa. The COVID-19 pandemic has revealed that, with the increased connectivity of different regions in the world, through world trade and tourism, infectious diseases can rapidly spread all over the world. Developing health technologies is therefore crucial to limit the spread of infectious diseases, as well as to fight them once they have spread, to protect the health of citizens in the countries concerned and in the EU. In order to achieve a stronger global health leadership than the preceding EDCTP2 initiative, the scope of the partnership has been extended to cover preparedness and response to (re)-emerging infectious diseases threats, the increasing problems of antimicrobial resistance and non-communicable diseases co-morbidities.

1.3. An outline of the JU's objectives and contribution to broader strategic EU priorities.

Based on Article 99(1) of the Council Regulation 2021/2085, the objectives of the Global Health EDCTP3 JU are to contribute to the reduction of the socioeconomic burden of infectious diseases in sub-Saharan Africa by promoting the development and uptake of new or improved health technologies and to contribute to the increase of health security

in sub-Saharan Africa and globally by strengthening the research- and innovation-based capacities for preparedness and response to control infectious diseases.

Furthermore, based on Article 99(2) of the Council Regulation 2021/2085, the Global Health EDCTP3 JU has specific objectives, such as:

- (a) to advance the development and use of new or improved health technologies for tackling infectious diseases by supporting the conduct of the clinical trials, in sub-Saharan Africa;*
- (b) to strengthen research and innovation capacity and the national health research systems in sub-Saharan Africa for tackling infectious diseases;*
- (c) to facilitate better alignment of Member States, associated countries and sub-Saharan countries around a common Strategic Research and Innovation Agenda in the field of global health to increase the cost-effectiveness of European public investment;*
- (d) to strengthen capacity in sub-Saharan Africa for epidemic preparedness through effective and rapid research response to develop essential diagnostics, vaccines and therapeutics for early detection and control of emerging diseases of epidemic potential;*
- (e) to promote productive and sustainable networking and partnerships in the area of global health research building North–South and South–South relationships with multiple private and public-sector organisations.*

2. Short and long-term targets

During 2024, the Global Health EDCTP3 JU will work on the identification of new opportunities for future development and progress for the purpose of maintaining the drive necessary to achieve the objectives of the JUs beyond the end of the Union's participation.

To do so, it will take into consideration as the basis of this exercise, identified short-, medium- and long-term targets listed below. These targets set criteria for the purpose of monitoring and evaluating the JUs' activities and progress. If needed, these monitoring and key impact indicators are included in the Strategic Research and Innovation Agenda (SRIA) may be revised during the continuous work and finalisation of the Global Health EDCTP3 JU's phasing out plan the following years.

Short-term targets

- 1. Launching calls to pursue EU-Africa Global health partnership (# of calls launched and projects funded in each scheme research & innovation action (RIA), training and mobility action (TMA), coordination and support action (CSA), and € invested).*
- 2. Engaging stakeholders to promote generation of high-quality scientific knowledge of relevance to EU Africa global health (GH) priorities (Outcomes of stakeholders' consultative meetings (# of topics informing future calls for proposals).*
- 3. Supporting studies into cost-effectiveness and economic benefits of products (# of projects addressing improved efficiency of research resources).*
- 4. Facilitating industry and private foundations participation in Global Health EDCTP3 to speed up R&I process (# of projects with industry and/or private foundations participation).*
- 5. Supporting human capital in R&I through training and mobility schemes (# of TMA calls launched, # of TMA projects supported by gender).*

6. *Supporting enabling environment for conducting clinical studies in sub-Saharan countries, compliance with fundamental ethical principles and relevant national, Union and international legislation (# number of Coordination and Support Action projects funded).*

Medium-term targets

1. *Generating high quality research & innovation (R&I) scientific knowledge of relevance to EU-Africa GH priorities (# of peer-reviewed international publications generated by the partnership projects).*

2. *Increased cooperation and additional joint actions with other public and private funders, including WHO initiatives and increased aligned strategy with key global players including development agencies (# of new or strengthened international networks sharing good practice, extending capacity, and creating platforms for multicentre trials).*

3. *Building South-South and North-South networks to facilitate (rapid) decisions, actions and information exchange for making (urgently needed) clinical resources and products available (# of countries and institutions participating in Regional Networks, # of countries and institutions participating in projects addressing epidemic preparedness (# of clinical resources and products on track to gather information for regulatory approval).*

4. *Leveraging investments in R&I and developing partnerships to support joint working and minimising duplication (€ leveraged through partnerships with other public and private funders, # of public - private publications).*

5. *More closely aligned national research programmes and activities on poverty-related diseases, at scientific, management, and financial levels Improving coordination of national PSs investments (Participating States' budget in centrally funded activities and in joint activities with other Participating States).*

6. *Addressing through research specific needs of more vulnerable groups (# of clinical studies targeting vulnerable populations: women, children, adolescents, etc.).*

7. *Building and sustaining engagement and co-ownership EU-Africa Global health partnership and increased cooperation and additional joint actions with development partners (#of sub-Saharan Africa and European institutions and countries participating in partnership projects, # of sub-Saharan African and European countries participating in EDCTP both through ongoing activities, and through political and financial commitment as members of the Partnership or joint undertaking).*

8. *Encouraging uptake of new or improved health technologies (# of calls and projects addressing uptake of research results into policy and practice).*

Long-term targets

1. *Advancing development of diagnostic kits, candidate vaccines and treatment products for addressing infectious diseases related challenges of relevance to EU and Africa (# of new or improved health technologies progressed to licence; # of new or improved health technologies (diagnostics, vaccines, drug candidates, etc.) having progressed through key milestones).*

2. *Improving R&D preparedness for diseases that might lead to epidemics (surveillance, response and health capacity) and readiness to promptly conduct R&D during an emergency (#of projects resulting in, e.g. guidance and good practices, response mechanisms and other tools facilitating a coordinated response in case of epidemics, # of projects with activities/ deliverables oriented towards "twinning" between stronger and weaker regions/sites # of robust early warning systems in place; effectiveness of investments in building preparedness capacity as judged by independent evaluations).*

3. *Driving forward advancements in GH R&I through innovative public-private collaborations (# of new or improved health technologies (diagnostics, vaccines, drug candidates # of new or improved health technologies submitted to standardisation or regulatory approval, or in use in at least one country, etc.) having progressed through key milestones).*

4. *Increased number of co-funding programs and co-funded activities in Europe (# of new co-funded health technologies activities between Participating States programmes).*

5. *Pursing effective and sustainable investments into and retention of human capital in R&I (number of trainees retained by gender, career advancement and professional recognition of researchers following funding).*

6. *Increased clinical research capacity and scientific leadership, including advancement of women scientists. #projects completed -- categorised by gender, country and regional representation. Enhanced ethics and regulatory capacities and more closely aligned regulatory mechanisms across countries, with increased common regulatory reviews of new products (# of projects completed and committees created and active two years after creation - categorised by country and regional representation).*

7. *Increased influence on national and international policy guidelines and improved policy research uptake (# of policy changes to which EU-Africa research contributed to –e.g. citations in clinical reviews, clinical guidelines, systematic reviews or other policy documents issued by national, regional or international policy-making bodies) Enhanced implementation of evidence-based interventions (# of interventions whose implementation has been enhanced).*

3. Strategic alignment

In terms of strategic alignments, the JU's strategy should be aligned with other relevant EU programmes such as initiatives of DG INTPA. This could be achieved through institutional discussions with other initiatives. Similarly, the JU should continue looking for synergies with other funders in the global health sector, for example governments outside Europe and Africa or philanthropies. Boosting the synergies' potential could be achieved through communication and awareness raising activities, as part of the JU's communication strategy.

Also, the planning and the implementation of this strategic alignment should be expressed in the JU's operations but also be part of the JU's overall strategy, in particular of the Strategic Research and Innovation Agenda (SRIA).

4. Financial sustainability

Global Health EDCTP3 JU already seeks to attract funding sources other than the EU by involving so-called contributing partners. Thus far the EDCTP Association has not communicated intentions to provide significant financial contributions to the JU. This is unlikely to change in the future as its constituent entities already fund research at national level or for many indirectly at EU level, by their contributions to the EU budget or specifically to the Horizon Europe programme in the case of associated countries. In addition, the SBA provides that the entirety of the administrative costs of the JU is to be funded by the EU.

Without EU funding, this JU will not be in capacity to operate.

5. Administrative and operational adaptations

5.1. Legal status [legal form, private entity, public/private association...]

The Global Health EDCTP3 JU is an EU body and its private member is the EDCTP Association. The EDCTP Association is established as a private organisation under Dutch law, with offices in The Hague. The members of the EDCTP

Association are several countries from Europe and sub-Saharan Africa. Other countries may also participate in the programme on a case-by-case basis as contributing partners.

The EDCTP Association could task itself with the continuation of the implementation of the policy objectives of the JU, as it did implement a programme under Article 185 of the TFEU in the past. However, by definition without EU funding the EU would not be part of this partnership and the EDCTP Association may lack resources to fund research projects on its own, unless its members decide to contribute financially for this purpose. The governance structure already exists within the association.

5.2. Staffing

The legislative financial statement attached to the Commission proposal for the Council Regulation establishing the Joint Undertakings under Horizon Europe already foresees a gradual reduction of staff from its peak of 34 staff members for the period from 2024-2027 towards the planned end of the Joint Undertaking on 31 December 2031, with 16 staff foreseen for the year 2031.

Due to its limited size, many key roles in the JU (for example HR or IT officers) are only undertaken by one or two officers. These positions would have to be maintained in any event. Depending on the volume of ongoing grant agreements and their duration (which cannot be anticipated yet), it might be realistic to reduce the number of posts of scientific project officers and financial officers in the last two years of the lifetime of the JU.

After 2031, without programme funding, there would be no budget for administrative costs. There can therefore not be any staff after phasing out of programme funding. The small staff at the EDCTP Association managing and organising the contribution from the private member cannot take on roles beyond the limited remit.

5.3. Accounting and Cashflow

The needs are considered stable. The accounting functions would have to be assured as long as the JU exists as a legal entity either under the current scheme of BOA or via the European Commission.

The needs of cashflow should follow the operational needs and are expected to follow the payment scheme as per the Legislative Financial Statement of the legislative proposal.

5.4. Procurement, Logistics and IT

The list below includes commitments (service level agreements and framework contracts) that may need to be concluded before the date of the JUs' winding up.

Agreements in place	Description
Service Level Agreement – DG BUDG	ABAC and Treasury services
Service Level Agreement – DG HR	HR services: Use of HR tools and related services, learning and development, medical services, and health & wellbeing and security services

Service Level Agreement – PMO	Services related calculation of salaries, health and accident insurance (JSIS), pensions, leaving and unemployment allowances, determination of rights upon employment, expert and mission reimbursements (MIPS)
Service Level Agreement – DIGIT	Access to DIGIT ICT framework contracts
Service Level Agreement – EPSO / EUSA	Services on personnel selection and development
Service Level Agreement – SG	Repository, Recording and Document Management System for official documents, including HERMES, ARES and NONCOM (HAN)
Service Level Agreement – EU-RAIL JU	Back Office Arrangement with the other JUs Accounting services
Service Level Agreement – CBE JU	Back Office Arrangement with the other JUs on HR
Service Level Agreement – CAJU	Back Office Arrangement with the other JUs on Procurement
Service Level Agreement – CHJU	Back Office Arrangement with the other JUs on ICT
Service Level Agreement – EU-RAIL JU	Back Office Arrangement with the other JUs on Data Protection Officer externalisation
Service Level Agreement – CERT-EU	Organisation and operation of a computer emergency response team for the Union’s institutions, bodies and agencies (CERT-EU)
New Usufruct Contract with White Atrium SA	Offices
FWC Baker Tilly	Accounts auditing services
FWC Aqua Vital	Water supplies
FWC Real Dolmen	IT services
FWC Netcompany-Intrasoft	Events organisation
FWC MGH SRL	Coffee machines rental and coffee supplies
FWC GUSTO COMMUNICATIONS ('CIBACCO') and HUIS VAN DIJCK	Catering services

Where these agreements do not come to an end before late 2031, Global Health EDCTP3 JU will have to ensure that it terminates its participation at an adequate effective date. One needs to make sure that the rental contract contains a clause that obligations do not reach beyond the end of the existence of the organisation.

5.5. Follow up of grant agreement obligations after the end of projects.

It is challenging to estimate the number of grant agreements still running on 31 December 2031. Based on the current average situation of about 25 to 30 grant agreements being signed per year and considering that the year following the launch of the call and project duration of the clinical trial projects often extending to 60 months, one would assume that a significant number of grants from the 2026 and 2027 calls would still be active by the time the Global Health EDCTP3 JU is supposed to be wound up. Clinical trial projects may also run into delays during project implementation,

further extending the termination of the grants. After the end of the grant, 6 months need to be assumed as the time required for receiving the reporting and finalising the assessment (approving deliverables and reports and financial operations) and paying the outstanding balance at the end of the project.

If the legal entity of the Global Health EDCTP3 JU no longer exists, the European Commission or HADEA could be considered a natural legal successor to ensure a proper follow-up of the grant agreement obligations of all parties.

Need for a follow-up is considered highly likely since:

(a) at least some projects may last beyond 2031 and

(b) for several projects that would have finished by 2031, obligations of the beneficiaries and other participants that go beyond the end of the project still need a follow-up (eg additional exploitation obligations that last up to 4 years after the end of the project).

Contact: DG RTD Common Service Funding Bodies RTD-CSFB@ec.europa.eu

Addendum 1

Legal basis, procedural aspects, including reporting and timeline

Legal basis

Horizon Europe Regulation¹

- Article 10(2)(c): *“European Partnerships shall (...) have a clear life-cycle approach, be limited in time and include conditions for phasing-out the Programme funding”.*
- Annex III: *“in the absence of renewal, appropriate measures ensuring phasing-out of the Programme funding according to the conditions and timeline agreed with the legally committed partners ex ante, without prejudice to possible continued transnational funding by national or other Union programmes, and without prejudice to private investment and on-going projects”.*

Single Basic Act (SBA)²

- Article 17(2)(1a): The Governing Board (GB) shall *“adopt by the end of 2023 a plan for the phasing-out of the joint undertaking from Horizon Europe funding upon recommendation of the executive director”.*
- Article 19(4)(v): The Executive Directors shall *“prepare and submit for adoption to the governing board a plan for the phasing out of the joint undertaking from Horizon Europe funding”.*
- Article 45: The JUs shall be wound up on the 31 December 2031. This will require the Governing Board of each of the JUs to *“appoint one or more liquidators, who shall comply with the decisions of the Governing Board”.*
- Article 171(4): *“The evaluations shall also take due account of the phasing-out plan adopted by the Governing Board in accordance with Article 17(2), point (1a)”.*
- Article 171(8): *“Periodic reviews and evaluations shall be taken into consideration in the winding up or phasing out of the joint undertaking referred to in Article 45 of this Regulation, in line with Annex III to the Horizon Europe Regulation”.*

Nota bene: Although the Regulation setting up the **EuroHPC JU** does not expressly refer to an obligation to adopt a phasing-out plan, this JU is bound by the provisions of the Horizon Europe Regulation requiring the Governing Board to set out “conditions” and “timeline” for such phasing out.

Procedure for the adoption of the plan

- Article 19(4)(v) SBA: *“Each JU Executive Director prepares a draft that s/he submits to the GB; The GB adopts the plan before the 31 December 2023. Following which it will oversee and monitor the appropriate implementation and ensure that all relevant targets are met.”*

In adopting the plans, JUs should seek the advice and **consult their advisory bodies** (although this is not mandatory). This could provide insight to identify possibilities of future collaboration or new synergies while identifying new avenues for the continuation of research in the relevant field.

¹ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

² Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014 (OJ L 427, 30.11.2021, p. 17).

The JU may **amend** the plan as necessary, following this same adoption procedure. This may be necessary also by (lack of) progress and new realities in implementing the Framework Programmes.

Renewal of the JUs

The adoption of phasing-out plans does not predetermine the (dis)continuation of a JU. This decision will rest on:

- **JU evaluations** based on Article 171(4) SBA, and particularly: *a)* the assessment of the most effective policy intervention mode for future action; *b)* the relevance and coherence of renewal with overall policy priorities and the R&I support landscape, notably compared to other initiatives supported by the Framework Programme;
- **JU contribution to broader strategic EU priorities;**
- JU assessment in the **overall European Partnerships landscape** and policy priorities.

Some **indicators may justify non-renewal** and should be duly considered when developing the plan (*see “Monitoring and evaluation criteria”, below*). In particular:

- The JU has fully **delivered** on its expected impact and met its objectives and targets;
- The JU has been renewed over more than one Framework Programme and is still **far from delivering** its objectives and expected impact;
- The activities still to be implemented are **not eligible for funding** under the Framework Programme (e.g., deployment under Horizon Europe);
- Union **participation is no longer necessary** as the members other than the Union can deliver without the need for Horizon Europe funding.

Winding up

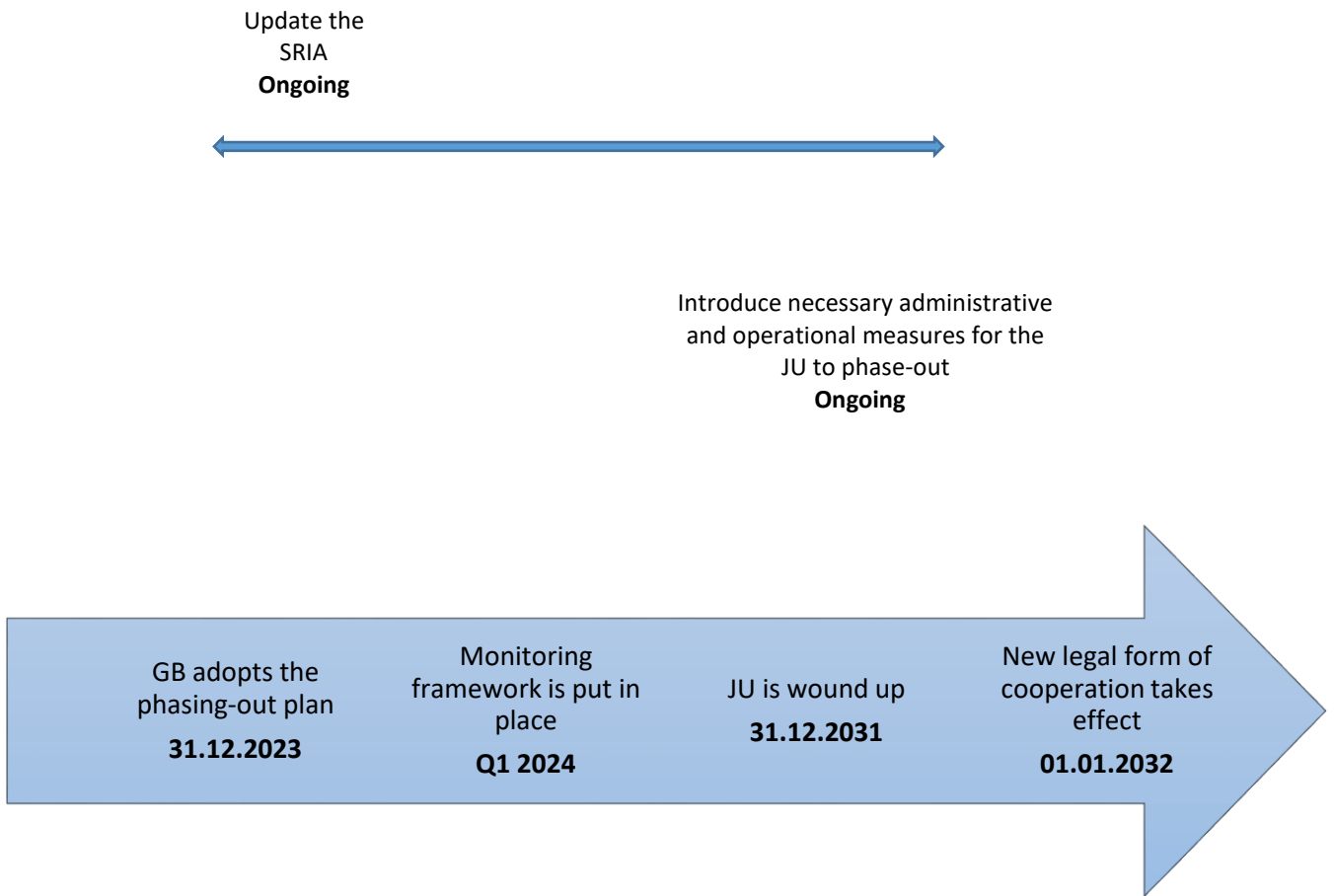
- In terms of the SBA, the JUs will be wound up on the 31 December 2031. For this purpose, the Governing Board of each of the JUs will appoint one or more liquidators. The procedure for winding up is **without prejudice to the possibility of a renewal** of any (or all) of the JUs and the possibility that specific provisions in the applicable legislative act(s) may impact the relevant provisions in the SBA,
- The **liabilities of the JUs and any costs relating to the winding up procedure** itself will be covered by **its own assets**. In case of any **surplus**, this will be distributed among all the members of the JU in proportion to their share of the financial contribution.
- The Governing Board will adopt **ad hoc procedures** addressing the impact of the winding up on ongoing contractual obligations including procurement contracts as well as on decisions adopted by the JU. Such procedures will take due account of the relevant elements in the phasing out plan.

Reporting and timeline:

- **Report in the Annual Activity Reports (AARs):** The **JUs’ respective AARs** should outline both the progress made towards achieving the targets and milestones for the administrative and operational adaptations as well as indicating how the plan coincides with the JUs’ strategy as included in the SRIA.
- **Report to the Governing Board:** The Executive Director will **regularly report to the Governing Board** on progress, thereby allowing it to maintain a continuous supervision and enabling it to provide strategic guidance as necessary. The Governing Board may also decide on remedial or corrective action if progress is inadequate or does not sufficiently reflect existing realities.
- **Commission support:** The Commission will support JUs in developing and monitoring plans, both as a representative of the Union in the Governing Boards of each JU, as well as within the wider scope of operational cooperation between Commission services and the JUs. In its role as member of the Governing Board, the

Commission will ensure that the targets set in the phasing-out plans will be sufficiently ambitious to achieve financial independence while, at the same time, that the necessary level of commitment is in place to drive forward the JU's objectives. The Commission will also set out the groundwork for assessing possibilities for future cooperation with the Union.

- **Generic Timeline:**



Addendum 2

Additional substantive information and contextual elements

Non-exhaustive list of elements to be addressed

Cross-cutting aspects:

- **Short and long-term targets, including monitoring and evaluation criteria:** The phasing-out plans will be set on clear and well-defined short- and long-term targets that will capture the necessary ambition from a financial, operational and administrative perspective, towards the financial independence of the programme/initiative from Union funding. These targets should determine the form of future cooperation and activities to be carried out for the purpose of maintaining the drive necessary to achieve the objectives of the JUs beyond the end of the Union's participation. In turn, these targets should be set on **clear, measurable, and transparent criteria and include relevant benchmarks** for the purpose of monitoring and evaluating the JUs' activities and progress in terms of the plans towards the achievement of these same targets. The plans will also look into the systematic, organisational, and behavioural adaptations necessary to achieve the targets.
- **Administrative and operational adaptations:** Phasing-out plans will set out concrete milestones and timeframes for administrative and operational adaptations necessary for the JUs' winding up in relation to staffing, accounting, procurement, logistics, follow up of grant agreement obligations that must be respected after the end of the project (e.g. IPR related including right to object, record keeping) etc.
- **Alignment with the Strategic Research and Innovation Agendas (SRIA):** Phasing-out plans are **not intended to be standalone documents**. The phasing-out strategy developed in the plans will be part of the JUs' overall strategy and central to the JUs' operations and as such this should be aligned with (and feed into) the JUs' SRIA. As the JUs progress, the plans will be reviewed in line with the JUs' own evolution.

Sustainability and alternative funding sources

- **Self-sustainability:** The plans should foresee adequate measures to ensure that the JU continues contributing to the policy objectives supported by Horizon Europe funding once it is wound up. To this end, the objective is for the JU to **achieve self-sustainability** while continuing to pursue its objectives in a smooth and orderly manner.
- **Funding sources:** A smooth phasing-out will require commitment by the members other than the Union towards achieving and building on the objectives of the JUs. Accordingly, plans will include **measures to mobilise alternative private and/or public funding** sources with due regard to avoiding conflicts of interest and safeguarding the Union's financial interests. To ease this shift, the strategy should **promote a lesser dependence** on EU funding towards the end of the life of the JU.
- **Revenue streams:** The JUs should look into mechanisms that will enable a **diversification of the revenue streams** generated by the JUs themselves while ensuring due regard of the JUs' financial rules and the principle of sound financial management. The contribution by these revenue sources towards the JUs' financial independence will be monitored and regularly reported to the Governing Board.
- **Establishment of a legal entity:** The plan will require a clear definition of the legal form of the collaboration following the winding up of the JU and therefore, following the end of its status as an institutionalised European partnership. To this end, the strategy may foresee the establishment of a **separate legal entity** operating under national law, developing alternative sources of revenue for the purpose of its economic subsistence while focusing on following up on the R&I activities of the JU. Alternatively, a memorandum on future cooperation among members other than the Union could be concluded that could be extended to other stakeholders and set the framework for pursuing the work of the JUs.

Continued stakeholder engagement

- **Long-term commitment of the members other than the Union:** Beyond the mobilisation of alternative funding and revenue sources, the plans should ensure the **long-term engagement of the members other than the Union** beyond the lifetime of the JU, presupposing a gradual incrementation of their financial contribution to the JUs. For this purpose, the plan should foresee the reduction of funding rates as a means to leverage an increased level of private and public funding thereby driving forward the JUs' financial independence. In determining the applicable funding rates, the Governing Board should assess progress made towards the targets.
- **Benefit of collaboration:** Plans should focus on **accentuating the benefits of collaboration** among members, and how this collaboration can be sustainably increased over time to new actors and therefore on making the JU more attractive to diverse stakeholders. This should seek to promote benefits such as increased visibility, co-creation, knowledge-sharing, as well as new and innovative forms for future stakeholder engagement.

Simplification

- **Reduction of administrative burden:** Phasing-out plans should be implemented and monitored efficiently, effectively and in a timely manner, while being mindful not to be unduly onerous on the JUs' resources. In addition, the administrative costs of implementing the provisions of the present Guidance should be kept to a minimum.

Synergies:

- **Collaboration between JUs:** Plans should explore how the JUs can **maintain existing synergies while establishing new ones** between the JUs themselves as well as with national and regional initiatives and with other Union programmes and policies. This should build on identified R&I priorities and make full use of potential interconnections and collaborations for the purpose *inter alia* of establishing new revenue and funding sources but also garnering efficiencies and know-how.
- JUs are encouraged to **cooperate and exchange among themselves** also as they develop and implement their plans. In addition to these guidelines and to the support that will be provided by the Commission, these exchanges will promote a common coherent approach. These exchanges should also help identify potential synergies and collaboration opportunities following the phasing-out.