



**DECISION OF THE GOVERNING BOARD OF THE SMART NETWORKS AND SERVICES JOINT UNDERTAKING No 22/2023**

**Adopting the SNS JU Phasing-out Plan**

THE GOVERNING BOARD,

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) point (a1) and 19(4) point (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;

Having regard to the SNS JU Governing Board Rules of Procedure, and in particular Article 10;

WHEREAS

- (1) The joint undertakings are set up as Union bodies for a period ending on 31 December 2031 and financed under the EU multiannual financial framework 2021-2027.
- (2) 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;
- (3) According to Article 17(2) point (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;
- (4) According to Article 3 of the Council Regulation (EU) No 2021/2085, in order to take into account the duration of Horizon Europe, calls for proposals under the joint undertakings shall be launched at the latest by 31 December 2027. In duly justified cases, calls for proposals may be launched by 31 December 2028, at the latest.
- (5) 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. It means the process leading to independence from Programme funding and the end of the Union's participation;

- (6) Given the fact that the Joint Undertakings should annually report on this phasing-out plan in the Consolidated Annual Activity Report;
- (7) In order to ensure a lean and pragmatic approach, the Executive Director should submit to the Governing Board a plan focused on the administrative and operational adaptations needed for a 'winding-up procedure', and the necessary steps, including procedural and process aspects, to complete the other elements of the phasing-out plan.
- (8) The other elements of the phasing-out plan related to short and long-terms targets, strategic alignment with the SRIA, and the future financial stability should be further completed during 2024. The revised plan, after consultation of the relevant advisory bodies, including SRG, should be submitted to the Governing Board for adoption by the end of 2024.

HAS ADOPTED THE FOLLOWING DECISION:

*Article 1*

The Governing Board of SNS JU hereby approves the phasing-out plan enclosed in Annex to this Decision.

*Article 2*

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

Done at Brussels, on 22 December 2023.

For the Governing Board

Pearse O'Donohue

The Chair

Annexes:

- SNS JU Phasing-out Plan

# Smart Networks and Services Joint Undertaking Phasing-out Plan



**Edition 2023**

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## Executive Summary

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The Smart Network and Services Joint Undertaking (SNS JU) is one of the European Public-Private Partnerships on Research and Innovation created under the Horizon Europe framework programme. These partnerships play an important role in achieving strategic objectives such as creating a human-centric digital world that reflects our European values and accelerating the transitions towards sustainable development goals and a green and digital Europe.

The present document constitutes the Phasing-out Plan of the Smart Networks and Services Joint Undertaking (SNS JU) as required by Article 19(4)(v) of the Single Basic Act and by Council Regulation (EU) No 2021/2085. Article 17.2. paragraph a1 of the aforementioned Council Regulation indicates that the Governing Board of the SNS JU 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.

On the basis of the adopted phasing-out plan, the SNS JU will establish over 2024, upon advice from the European Commission, inputs from its private member, the 6GIA and in collaboration with the other Programme stakeholders, a more detailed document allowing the monitoring and reporting of the progress of the phasing out plan.

Given that the SNS JU achieved financial autonomy only recently, on 24 October 2023 this document constitutes an initial version of the phasing-out plan. We expect that additional details will be incorporated in future editions. Additionally, concerning the potential continuation of activities currently performed by the SNS JU beyond its current time frame, several options have been identified, and further work will continue in 2024 to develop these options further.

# 1 Introduction

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## 1.1 Origin of the SNS JU

The 5G Infrastructure Public Private Partnership (5G PPP) was officially launched in 2013 as part of the European Commission's Horizon 2020 program, the EU's framework for research and innovation. It aimed to bring together key players from the telecommunications industry, SMEs, research institutions, and academia to collaborate on various projects and share resources, expertise, and knowledge to advance 5G technology in Europe. It delivered technology building blocks for global 5G standards and did bring solutions to the market in large-scale trials focussed on strategic verticals.

In the context of Commission priorities for 2019-2024 'A Europe fit for the digital age', 'An economy that works for people' and the policy objectives set out in the context of its communication on 'Shaping Europe's digital future', Europe expressed the need to continue developing critical digital infrastructures based on 5G networks and to build its technological capacities towards 6G with an expected time horizon of 2030.

The Smart Networks and Services Joint Undertaking (SNS JU) provides continuity to 5G PPP efforts through a new Public-Private Partnership established by the Council Regulation 2021/2085. The founding members are the European Union, represented by the European Commission, and the private sector, represented by the 6G Industrial Association (6G-IA).

SNS JU has two main missions:

- Fostering Europe's technology sovereignty in 6G by implementing the related research and innovation (R&I) programme leading to the conception and standardisation around 2025. It encourages preparation for early market adoption of 6G technologies by the end of the decade (2030). Mobilising a broad set of stakeholders is key to address strategic areas of the networks and services value chain. This ranges from edge- and cloud-based service provisioning to market opportunities in new components and devices beyond smartphones.
- Boosting 5G deployment in Europe in view of developing digital lead markets and enabling the digital and green transition of the economy and society. For this objective, the SNS JU coordinates strategic guidance for the relevant programmes under the Connecting Europe Facility, and in particular 5G Corridors. It also contributes to the coordination of national programmes, including under the Recovery and Resilience Facility (RRF) and other European programmes and facilities such as Digital Europe Programme (DEP) and InvestEU.

The Smart Networks and Services Joint Undertaking also supports technological sovereignty for Europe, in line with the 5G Cybersecurity Toolbox, the Cybersecurity Strategy and the industrial strategy.

SNS JU had its legal personality independent from the Commission since 30 November 2021. However, the Parent DG CNECT of the European Commission was responsible for the establishment and initial operations of the SNS JU until the latter became financially autonomous on 24 October 2023.

## 1.2 Policy context of the SNS JU

The Digital Decade Policy Programme<sup>1</sup> is the guiding policy framework to achieve European Union's competitiveness, strategic leadership and technological sovereignty. Given the essential role of connectivity in European citizens' daily lives and for European businesses, this includes both 5G roll-out and research and innovation towards future smart networks and services (6G), which will be key backbones of the twin digital and green transitions.

6G corresponds to the next generation transformative systems and networks that will equip the European society with digital connectivity. These future networks and services will incorporate values into technology developments on sustainability, accessibility and coverage, affordability, privacy, security and resilience while supporting emerging technologies like augmented and virtual reality, artificial intelligence (AI), and the Internet of Things (IoT).

The geopolitical and technological dimensions have become inseparable in the realm of 6G. Today, only 2 out of the top 30 suppliers of 5G technologies are from Europe. The global competition is increasing and the level of scale required to compete is enormous, which in turn necessitates that Europe leverages its full combined potential to collaborate with a wide-ranging set of stakeholders, from the vertical sectors to SMEs, across the value chain and to strategically align Member States' initiatives in the field.

Europe's sovereignty requires ensuring a leading position in this race by supporting cutting edge world-class research and innovation on pre-commercial 6G architectures and systems. The SNS JU represents the platform where, by strong collaboration between the private and public sectors, Europe can influence the definition of a future global 6G standard aligned with European values.

SNS JU was created to help conceiving, designing, developing and deploying smart networks and services on top of this new ecosystem. More specifically, SNS JU addresses multiple European policies and priorities linked to the digital and green transition of the economy and society, such as:

- Availability of advanced smart connectivity infrastructures (Gigabit Society package<sup>2</sup>)
- Digitalisation of the industry (Digitising European Industry - DEI package<sup>3</sup>) addressing sectors like transport, automotive, energy, healthcare and public administration.
- Technology leadership, sovereignty, and competitiveness, with focus on cybersecurity, network resilience, Artificial Intelligence, quantum, next-generation microchips and 6G.
- Climate change and Green Deal fostering new technologies for sustainability and deployment of greener networks with reduced energy consumption

SNS JU covers both the deployment aspects and the longer-term R&I activities related to 6G smart networks and services. The strong presence of leading R&I actors in Europe is directly linked to the

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<sup>1</sup> Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 establishing the Digital Decade Policy Programme 2030 [EUR-Lex - 32022D2481 - EN - EUR-Lex \(europa.eu\)](#)

<sup>2</sup> [Communication – Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society | Shaping Europe's digital future \(europa.eu\)](#)

<sup>3</sup> [The Digitising European Industry initiative in a nutshell | Shaping Europe's digital future \(europa.eu\)](#)

availability of lead markets in Europe. To consolidate European excellence in the networking domain, to advance 5G and make Europe “6G ready” as well as a global supplier of future 6G technologies, and to federate European positions to influence global standards.

In summary, SNS JU is a foundational building block for the European Union’s competitiveness, strategic leadership, and technological sovereignty on digital infrastructures for Europe’s key industrial sectors.

### **1.3 Priorities of the private member of SNS JU (6G-IA)**

The 6G-IA, along with the supporting associations, has acknowledged the afore-mentioned challenges and drivers for the development of 6G networks and smart services for all vertical sectors (e.g., transportation – including naval, aviation, railway, automotive -, industry 4.0, e-health, media and entertainment, public safety, smart cities, agriculture, education, etc.). This is why, in conjunction with the European Commission, it has developed the proposal for the SNS JU<sup>4</sup>. This proposal is closely linked with the vision of the European private side for the evolution of networks and services<sup>5</sup>. Moreover, 6G-IA has developed a position paper to a comprehensive set of key strategic reflections and recommendations for 6G smart networks and services, capturing the views and priorities from the members of the 6G-IA<sup>6</sup>. The goal is that this document will be used to further elaborate the SNS JU SRIA as well as the R&I Work Programmes. It also aims to offer directions for collaboration opportunities for European Stakeholders that will go beyond the scope of the SNS JU. It is the plan of 6G-IA to use this as a “living document” where topics will be updated or highlighted (by producing specific strategic documents) in the coming years, following the technological advances, market uptake and ecosystem evolution.

### **1.4 SNS JU’s objectives and contribution to EU policy objectives**

The SNS JU targets reinforced European leadership in the development and deployment of next generation network technologies, connected devices and services, while accelerating the digitalisation of European industry and public administrations. It aims at positioning Europe as a lead market and positively impact the citizens’ quality of life, by supporting key Sustainable Development Goals (SDGs), boosting the European data economy, and contributing to European technological sovereignty in relevant critical supply chains in line with the 5G Cybersecurity Toolbox, the Cybersecurity Strategy and the industrial strategy.

The main objective of SNS JU is to enable European actors to develop and validate the set of technologies that will define 6G networks and services, ensuring their alignment with EU policies, values and societal needs. The novel technologies researched in the SNS programme cover multiple

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<sup>4</sup> Smart Networks and Services proposal, 30.06.2020 available at: [https://ec.europa.eu/info/sites/info/files/research\\_and\\_innovation/funding/documents/ec\\_rtd\\_he-partnership\\_smart-networks-services.pdf](https://ec.europa.eu/info/sites/info/files/research_and_innovation/funding/documents/ec_rtd_he-partnership_smart-networks-services.pdf)

<sup>5</sup> 6G-IA, European Vision for the 6G network ecosystem, available at: <https://5g-ppp.eu/wp-content/uploads/2021/06/WhitePaper-6G-Europe.pdf>

<sup>6</sup> 6G-IA, Key Strategies for 6G Smart Networks and Services, position paper, available at: <https://6g-ia.eu/plans-papers/>

domains of the future 6G system such as network and computing architectures, software technologies, cybersecurity, radio, optical and non-terrestrial networks, devices and components and emerging technologies which may have deep impact in the future, but without a clear industrial path yet.

Additionally, SNS JU seeks to create synergies with other EC programmes as reported in the SNS JU SRIA, including the Chips JU, High-Performance Computing (HPC), AI, Data and Robotics, Photonics Europe Partnership and CCAM, . Additionally, the SNS JU has established a collaboration with Rail JU and as captured in the Single Basic Act, the SNS JU has the responsibility to provide to the CEF2 the Strategic Deployment Agenda (SDA).

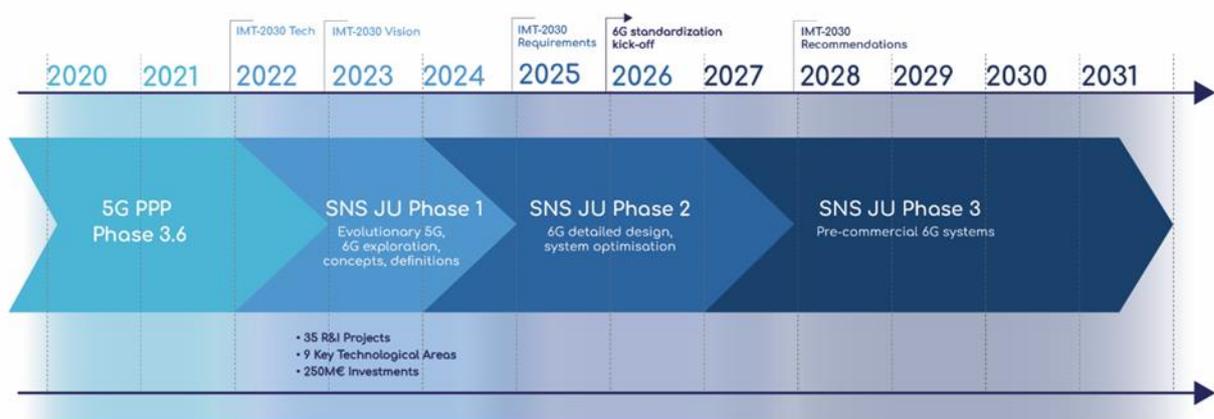
Finally, the SNS JU acts as a facilitator for the exchange of information for related activities with Member States and vertical industries on future services (e.g., transport, media, health).

## 2 Short and Long-term Targets of SNS JU

### 2.1 Objectives of the SBA and of the SRIA

An institutionalized partnership like SNS evolves in a field of global competition that requires a clear vision and strong commitment towards a long-term undertaking.

The development of 6G technology will require significant technological breakthroughs to enable its ambitious goals. Our activity is based on launching waves of projects grounded on well-developed multi-annual Work Programs. As agility is key for long term impact, SNS JU develops both short and long-term activities in different phases, according to the levels of technology maturity and impact. The specific contents of these phases will be updated based on the continuous monitoring of global challenges and opportunities. These include business and societal aspects, regulatory and ethical issues, cybersecurity and trustworthiness and sustainability.



The specific objectives of the SNS JU defined in Article 159(2) of the Single Basic Act aim at:

- facilitating the development of technologies able to meet advanced communication requirements.
- supporting European excellence in SNS technologies in their evolution towards 6G.
- accelerating the development and widespread deployment of 5G by 2025 and the evolution towards 6G infrastructures in Europe (expected) by 2030.
- accelerating the development of energy-efficient network technologies with the aim of significantly reducing the energy and resource consumption of the whole digital infrastructure by 2030 and decreasing the energy consumption of key verticals industries.
- fostering a sustainable and diverse supply and value chain.
- strengthening the positioning of the Union's industry in the global smart network and services value chain by creating a critical mass of public and private actors.
- supporting alignment with ethical and security requirements, in line with the 5G Cybersecurity toolbox.

The Strategic Research and Innovation Agenda (SRIA)<sup>7</sup> is the agreed roadmap between the public and the private side in the SNS JU. Based on the input from NetworkEurope European Technology Platform ETP, (former Networld2020 ETP), representing more than 1000 entities, the SNS JU SRIA includes contributions from the 6G Industry Association (6G-IA), the Alliance for Internet of Things Innovation (AIoTI) and the Networked European Software and Services Initiative (NESSI).

The SNS JU SRIA is updated on a biannual basis<sup>8</sup>. For the first phase of the SNS JU the technological topics to be investigated have been grouped into 4 main streams. More specifically:

- **Stream A:** Targets the development of smart communication components, systems, and networks following the further evolution of 5G systems. It follows an evolutionary path towards the development of 6G networks, relying on the development of an intermediate technology point.
- **Stream B:** Covers research for revolutionary technology advancements, in preparation for 6G and revolutionary advancements of IoT, devices and software. This Stream targets Low Technology Readiness Level (TRL) technologies that are expected to deliver innovative solutions towards real life networks in a long-term time-period.
- **Stream C:** Focuses on SNS Enablers and Proof of Concepts (PoCs) used to develop experimental infrastructure(s), ideally aiming to be used during later phases of the SNS.
- **Stream D:** Targets towards large-scale SNS Trials and Pilots with Verticals, including the required infrastructure. The aim is to explore and demonstrate technologies and advanced applications and services in the vertical domains.

These Streams, with the exception of Stream A (which stopped from Phase 2) are expected to be active for the whole duration of the SNS JU and their topics are expected to be updated on a biennial basis.

## 2.2 Translation of SNS Objectives into operational activities:

Collaboration activities and synergies with other EU initiatives, partnerships and vertical stakeholders are instrumental to maximise the efficiency of public investments in Europe and create positive multiplier effects.

There is a strong collaboration with the private members of the JU in shaping the overall strategy and implementing the contents of the work programmes through established working groups and other programmatic activities. Member States are also closely associated through the States Representatives Group (SRG).

In parallel, SNS JU places a special emphasis on developing synergies with other partnerships and associations in Europe, and with our international partners to cooperate in mutually relevant domains.

As a long-term target, by way of illustration, SNS JU identifies microelectronics as a priority area. Microelectronics in EU represents only a fraction of the telecommunication equipment market albeit is

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<sup>7</sup> [Networld2020 SRIA 2020 Final Version 2.2 .pdf \(5g-ppp.eu\)](#)

[122021\\_sns\\_gb\\_decision\\_sria\\_including\\_annexdocx\\_89dnouztkolqi0m6dij7feh9da\\_82079\\_compressed-1.pdf \(europa.eu\)](#)

<sup>8</sup> [sns-ju-sria-2021-2027-second-edition-2023.pdf \(europa.eu\)](#)

essential for the telecommunication sector. It has the highest importance on the EU political and strategic agendas. Thus, microelectronics in conjunction with telecommunications has the potential to reinforce the European ecosystem. Strengthening the existing collaboration with Chips JU is key.

There are multiple directionalities of action in the current MFF, e.g., the Chips JU Focus Topic on sub-THz communication, the SNS JU microelectronic-based solutions for 6G networks, and activities financed under the Important Project of Common European Interest (IPCEI) in microelectronics and communication technologies. Seven projects funded by the SNS JU bring together the telecommunication and microelectronics communities. These will be complemented by the Microelectronics Lighthouse of the SNS WP2024. The governing idea of these efforts is to provide test and experimental platforms where solutions from microelectronics developed either in the context of SNS JU and solutions developed under Chips JU, will be validated in terms of performance and applicability for 6G networks.

As an illustration of additional long-term synergies, in this case between smart networks and rail networks, we can mention the future European transport ecosystem. Ensuring a greater connectivity and seamlessness is welcomed at all levels: political, communities, and public. This will allow for more predictable, affordable and sustainable mobility for passengers everywhere. The synergy call between SNS JU and EU-RAIL JU in our WP2024 is deemed an essential first step for the improvement of the European transport networks. The call is focusing on the development, validation and testing of the Future Rail Mobile Communications System (FRMCS).

As part of the other long-term targets areas, SNS JU also identified Connected and Autonomous Mobility (CAM) as one of the priorities. In this respect, a Memorandum of Understanding (MoU) was signed between the 5G Automotive Association (5GAA) and the 6G-IA as an expression of the mutual interest in strengthening the use of future connectivity in key vertical sectors, such as CAM.

Among the International Collaboration activities of SNS JU, we must highlight calls in collaboration with the Republic of South Korea and Japan to advance cooperation on technology developments that foster economic growth and a human-centric digital transformation based on common values. A similar initiative has been launched with the US with focus on Artificial Intelligence.

Any existing or potential international collaborations are considered by SNS JU as fundamental in the frame of its Strategic and Research missions. The EU-US Trade and Technology Council, the forum to coordinate approaches, to address key trade and technology issues, and to deepen transatlantic cooperation based on shared values is active in launching cooperative pilot projects. The 6G-IA and the Next G Alliance (USA) have signed a MoU to exchange information regarding their work programmes in areas of mutual interest in the field of 6G communication systems and networks.

### ***3 Strategic alignments of SNS JU***

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The phasing-out plan is part of the JUs' overall strategy and central to its future operations and as such will be feed into the updated versions of the JUs' SRIA.

SNS JU is equally connecting the phasing out strategy to the evolution of the composition of the undertaking. The partnership is currently supporting a broad research and innovation community. Together with that community and the 6G Smart Networks and Services Industry Association (6G-IA), SNS JU nurtures and develops a vibrant ecosystem in the field that will need additional support to scale-up in the future. Translating research into business and societal impact is an integral part of the SNS JU mission.

The 6G-IA community keeps constantly growing in terms of membership. SNS JU observes an increase in activities and content developed, which are essential for delivering the expected impact, given the increasingly multidisciplinary challenges that the communications technology field presents.

Several options for the future evolution of the SNS JU activities beyond the current MFF have been identified. These options allow for maintenance of the public-private partnership and/or ensure long-term continuity to its strategic objectives. At this stage, only some general aspects can be described, and further work will continue in 2024.

The main driver for the options will be the future decision by the EU on the next MFF. Such a decision can be expected in 2027 after a general agreement on the next MFF. To assist such a decision, the SNS JU Office will a) evaluate the progress and success of the SNS JU based on the set of Programme KPIs and the Monitoring Framework as captured in the SNS SRIA and b) analyse the competitive environment of telecommunication and services to identify the need or not for future related activities.

The SNS JU office will be exploring several potential approaches for adapting or evolving a potential follow-up partnership.

## ***4 Financial Sustainability***

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During the 2023 discussions with the European Commission in the run up towards financial autonomy, it was agreed that this first version of the draft phasing-out plan will be presented for GB decision focusing mainly on Chapter 5, Administrative and operational adaptations.

## 5 Administrative and operational adaptations

### 5.1. Staffing

As the SNS JU has only been financially autonomous for approximately 2 months at the time of the adoption of the current phasing out plan and has not reached full staffing yet, this section is largely based on early estimations (made in 2020) included in the Legislative Financial Statement (referenced below). We expect these early estimates to be updated over time as empirical evidence becomes available based on the JU's development.

In a scenario of winding up the SNS JU and closure in 2031, SNS JU would still need to keep a level of staffing until 31/12/2031 to ensure that the functions for which SNS JU has a regulatory obligation, are adequately performed.

The staff of the SNS JU after 2027, in case it would not be renewed or extended, would need to be progressively reduced, in the first place by not replacing departing staff (retirement, end of contract, transfer to other agencies). The estimate amount of budget for salaries below is calculated on this basis. The corresponding headcount per year is the basis for the calculation of other administrative costs that are proportionate to staff.

The budgetary planning will have to be analysed to have adequate resources in place to successfully finalise the closure of the SNS JU Programme Office. This specifically refers to the administrative budget devoted to staff costs (Title 1) and support activities such as communication, project monitoring, IT and others (Title 2).

#### ESTIMATED FINANCIAL IMPACT on the EU's Multiannual Financial Framework (EUR million)<sup>9</sup>

SNS JU BUDGET Title 1 & 2		2021	2022	2023	2024	2025	2026	2027 <sup>10</sup>	Post 2027	TOTAL
Title 1	CA <sup>11</sup>	1,03	1,14	1,19	1,129	1,06	0,99	2,79		9,34
	PA <sup>12</sup>	1,03	1,14	1,19	1,129	1,063	0,99	0,92	1,87	9,34
Title 2	CA	0,50	0,56	0,58	0,553	0,52	0,48	1,37		4,58
	PA	0,50	0,56	0,58	0,553	0,52	0,48	0,45	0,91	4,58
<b>TOTAL</b>	CA	1,535	1,703	1,776	1,682	1,584	1,481	4,168		13,929
	PA	1,535	1,703	1,776	1,682	1,584	1,481	1,374	2,794	13,929 <sup>13</sup>

<sup>9</sup> Excerpt from the Legislative Financial Statement, European Commission Proposal for a COUNCIL REGULATION establishing the Joint Undertakings under Horizon Europe {SEC(2021) 100 final} - {SWD(2021) 37 final} - {SWD(2021) 38 final}. This represents an early estimate, which might need to be updated in accordance with the SNS JU's development over time.

<sup>10</sup> Titles 1 and 2 for year 2027 contain the commitments for the year and the frontloading of the commitments for the remaining years of the JU in the period 2027-2031.

<sup>11</sup> Commitment appropriations

<sup>12</sup> Payment appropriations

<sup>13</sup> Article 162 of the Council Regulation sets the ceilings of the Union's financial contribution: 'The Union financial contribution to the Smart Networks and Services Joint Undertaking, including EEA appropriations, to cover

**ESTIMATED FINANCIAL CONTRIBUTIONS OF THE PRIVATE MEMBER (6G-IA TO THE ADMINISTRATIVE COSTS OF THE SNS JU)**

	Amount of financial contribution in EUR
Year 2021	0
Year 2022	310.509
Year 2023	605.969
Year 2024	767.021
Year 2025	779.382
Year 2026	791.991
Year 2027	804.852
Year 2028	602.060
Year 2029	313.681
Year 2030	289.659
Year 2031	295.452
<b>TOTAL</b>	<b>5.560.577</b>

The legislative financial statement attached to the Commission proposal for the Council Regulation establishing the Joint Undertakings under Horizon Europe already foresees this gradual reduction of staff from its peak of 17 staff members for the period from 2024-2027 towards the planned end of the Joint Undertaking on 31 December 2031, with 7 staff foreseen for the year 2031.

**ESTIMATED IMPACT ON THE JU'S HUMAN RESOURCES<sup>14</sup>**

**- Estimated evolution of staffing numbers (FTEs)**

<i>STAFF STATUTE</i>	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	2027-2031
Temporary staff	5	6	7	7	7	7	7	12
Contract staff	9	10	10	10	10	10	10	23
<b>TOTAL</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>35</b>

**- Estimated evolution of staff related administrative costs (EUR million)**

<i>STAFF STATUTE</i>	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	Post 2027	<b>TOTAL</b>
Contract staff	0,523	0,593	0,605	0,617	0,629	0,642	0,655	1,570	5,834
Temporary staff	0,648	0,793	0,943	0,962	0,982	1,001	1,021	1,840	8,19
<b>TOTAL</b>	<b>1,171</b>	<b>1,386</b>	<b>1,548</b>	<b>1,579</b>	<b>1,611</b>	<b>1,643</b>	<b>1,676</b>	<b>3,41</b>	<b>14,024</b>

*administrative costs and operational costs shall be up to EUR 900 000 000, including up to EUR 18 519 000 for administrative costs.'*

<sup>14</sup> Supra footnote 5

- **Estimated evolution of staffing numbers (FTEs) during the winding down period**

<i>STAFF STATUTE</i>	2028	2029	2030	2031	TOTAL 2027- 2031
<b>Temporary Agents (TA)</b>	3	3	3	3	12
<b>Contract Agents (CA)</b>	10	5	4	4	23
<b>TOTAL</b>	<b>13</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>35</b>

Due to its limited size, many key roles in the JU (for example HR, IT, Internal Control, Communication) are undertaken by officers performing also other tasks (like Legal, Project management, Administrative and Financial tasks). These positions should therefore 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 project officers in the last two years of the lifetime of the JU.

In case of phasing out of the current JU without a renewal of a new Programme building up on its achievements and further innovating with new Policy objectives, the likelihood of an early departure of SNS JU staff is considered high (inter-agency mobility, recruitment from other EU executive agencies with more permanent/long term career opportunities, etc.). This scenario will impact the closure of the programme, with the difficult challenge to recruit qualified staff to support the phase out of the programme. Should that be confirmed, an annual assessment of available human resources is needed from 2026 onwards to estimate the needs and possibly adjust the current estimation and phasing-out plan activities.

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.

## **5.2. Accounting and Cashflow**

In accordance with the above mentioned Legal and Financial Statement the estimated impact on expenditure for the years 2028-2031 is expected as follows.

### **ESTIMATED APPROPRIATIONS POST 2027 (EUR million)<sup>15</sup>**

<b>Joint Undertaking Budget forecast</b>		<i>Post 2027</i>
Title 1	CA	
	PA	1,875
Title 2	CA	
	PA	0,919
Title 3	CA	
	PA	63,993
<b>TOTAL</b>	CA	
	PA	66,787

<sup>15</sup> Supra footnote 5

The accounting functions would have to be assured as long as the JU exists as a legal entity either under the current scheme of the Back Office Arrangement (BOA) on accounting or via the European Commission. The final accounts of the JU – due by June 2032 together with the 2031 Annual Activity Report will have to be prepared in the context of the legacy management.

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.

These years are planned to be executed with (EU budget) payment appropriations from the implementation and closure of existing administrative and operational expenditures of procurement contracts and grant agreements.

Regarding the Horizon Europe funds for projects, last commitments would be done in 2027 and the corresponding payment appropriations would be transferred each year from 2028 to 2030.

However, some new administrative commitments and contracts between 2028 and 2031 will be necessary for the functioning of the JU. The SNS JU Programme Office should be in position to conclude such commitments by making use of the JU unused commitment appropriations, and the Private Member’s contributions to the JU’s administrative expenditure. These commitments include the staff expenditure (salary, mission, and others), as well as the JU running costs (renting contract, audits, etc.).

SNS JU will have to fulfil its financial and reporting obligations, in accordance with the JU’s Financial Rules. The Programme Office will therefore continue to prepare the JU’s annual accounts, monitoring the financial contributions from partners and the assets of the organisation until 31/12/2031. The final accounts of SNS JU – due by June 2032 together with the 2031 Annual Activity Report will have to be prepared in the context of the legacy management.

Post 2031, in case of phasing-out of the current JU without a renewal of a new Programme building up on its achievements and further innovating with new Policy objectives, all the remaining obligations will be transferred to the relevant EC Services.

### **5.3. Procurement, Logistics, and IT**

The current contracts in place from 2024 include:

<b>Agreements in place</b>	<b>Description</b>
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 matters
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 the White Atrium	Contract to cover the building locations from January 2025 until 31/12/2031

New SLAs may be concluded in the next few years. However, in view of the phasing-out and regarding logistics, a limited number of contracts linked to the building would have to be terminated. By the date of 31/12/2031 a move will have to be budgeted and organised in order to vacate the premises. For what concerns the IT infrastructure, the framework contract with the IT service providers shall be maintained until that date.

In the next version of the report, a phasing out plan will be also made for the decommissioning of the SNS communications infrastructure, the repositories and the social media channels.

Except in what relates to the appointment of the liquidator(s), the duration of any contractual commitment placed from 31 December 2027 should be limited to 31 December 2031 and an early unilateral termination clause without compensation of the contractor shall be added to all contractual commitments signed by SNS JU or on its behalf from 31 December 2027.

The Programme Office will monitor from 2027 onwards the duration of contracts, framework contracts and SLAs taking into account the date of the winding up of the JUs. progressively over the years, the JU should conclude a lower number of contracts and any of them shall go beyond the 31/12/2031. A strong effort will be done in 2030. Some payments could still be due beyond 2031 and this should be dealt with in the context of the Legacy management. The administrative phase-out of any commitment and associated contractual obligation, as well as fixed assets or physical items will be withdrawn from inventory by 2031.

#### **5.4. Follow up of grant agreement obligations after the end of projects**

Regarding the JU’s legal obligations, the Programme Office will monitor from 2027 onwards the duration of contracts, framework contracts and SLAs taking into account the date of the winding up of the JUs. Progressively over the years, the JU should conclude a lower number of contract and none of

them shall go beyond the 31/12/2031. A strong effort will be done in 2030 to ensure the respect of the deadline, with the object to prevent any payments to be concluded beyond.

An inventory of legal commitments in the form of procurement contracts and grant agreements will be established between 2028 until 2031, establishing the list of obligations such as record keeping, archiving, result delivery, data protection elements and document management retention period that are expected for each legal commitment. It will be of utmost importance to ensure that the archiving and maintenance of all the documentation related to the SNS JU Programme is kept operative for its use.

With the current planning of the SNS JU Programme, the last call under SNS JU will be implemented before the end of 2027; and the projects should be completed before the end of 2030<sup>16</sup>. It is unlikely that, in a winding-up and closure scenario, any extension of projects to 2030 could be granted.

Audits would then take place in 2031, although additional audit activity could extend beyond 2031 under the responsibility of the liquidator.

It is challenging to estimate the number of grant agreements still running on 31 December 2030. Based on the current situation of about 25 to 30 grants being signed per year and this during the year following the launch of the call and project duration (normally 36 months but this may be subject to extension), One would assume that a significant number of grants from the 2026 and 2027 calls would still be active by the time the SNS JU is supposed to be wound up. After the end of the grant, at least 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.

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<sup>16</sup> Final payments may take place in 2031.

## Annex 1- SNS JU Phasing-out Action Plan 2024-2031

The tasks indicated below should be specified in the corresponding SNS JU Annual work plans and should be followed in the corresponding Annual Activity Reports.

Tasks	Lead	2024	2025	2026	2027	2028	2029	2030	2031	Beyond 2031
EC proposal for a new R&I FP	EC			X						
Legacy decision (Successor JU to SNS JU in the next R&I FP or other decisions)	EC				X					
Update of the SNS JU phasing-out/Preparation of the next phase (if any)	SNS JU	X	X	X	X	X	X	X	X	X
Workload analysis	SNS JU	X	X	X	X	X	X			
HR planning/adjustment	SNS JU	X	X	X	X	X	X			
Budget planning/adjustment	SNS JU	X	X	X	X	X	X			
Annual accounts	SNS JU	X	X	X	X	X	X	X	X	
Logistics and IT	SNS JU	X	X	X	X	X	X	X	X	
Monitoring of contractual obligations	SNS JU	X	X	X	X	X	X	X	X	
Monitoring of JU contributions	SNS JU	X	X	X	X	X	X	X	X	
KPIs monitoring	SNS JU	X	X	X	X	X	X	X	X	
Transfer to legacy management entity (if any)	EC								X	X
SNS JU AAR and Accounts 2031	EC								X	X
SNS JU legacy management	EC									X