

RAMIRI handbook

Finance

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RI specifics with respect to financial issues

- **RI are long-term initiatives**
 - Traditional to consider the financial sustainability by phase (also for management purposes)
 - Funding model likely to evolve from a phase to the next (different types of costs and amounts, different funding opportunities)
 - Need for a “business model” that creates optimal conditions for the sustainability of the RI
- **Most RIs have very substantial financial needs for each phase**
 - RIs require the pooling of expertise and funding contributions on a European or even international scale
 - Strong interplay between funding and governance: financial sustainability is achieved through “political” decisions
- **RIs involve a high level of complexity**
 - Reputation for generating cost overruns
 - Complexity + evolution of the boundary conditions + duration = risks
 - Need for excellent management practices

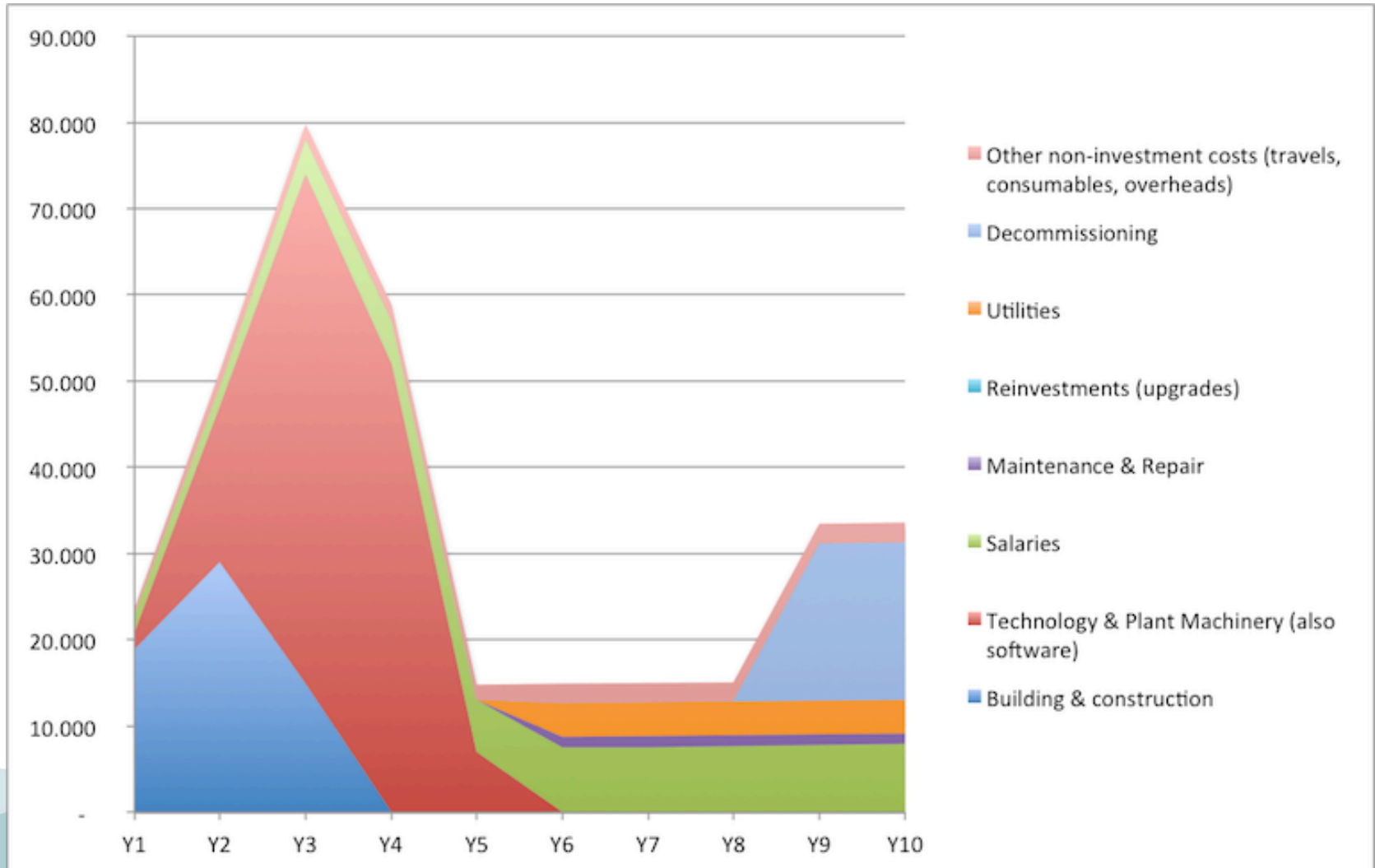
Content of the chapter

- **What are the financial needs of the various kinds of RIs?**
 - Costing, estimating, defining a budget and building a financial model
- **What financial and in-kind resources and financial instruments are available in the successive development phases of a RI to ensure its financial sustainability?**
 - Typology of funding sources, types of contributions to a RI consortium and management of in-kind contributions, loans
- **How do funding and contributions issues interact with governance and political concerns?**
 - What rewards and returns for contributors

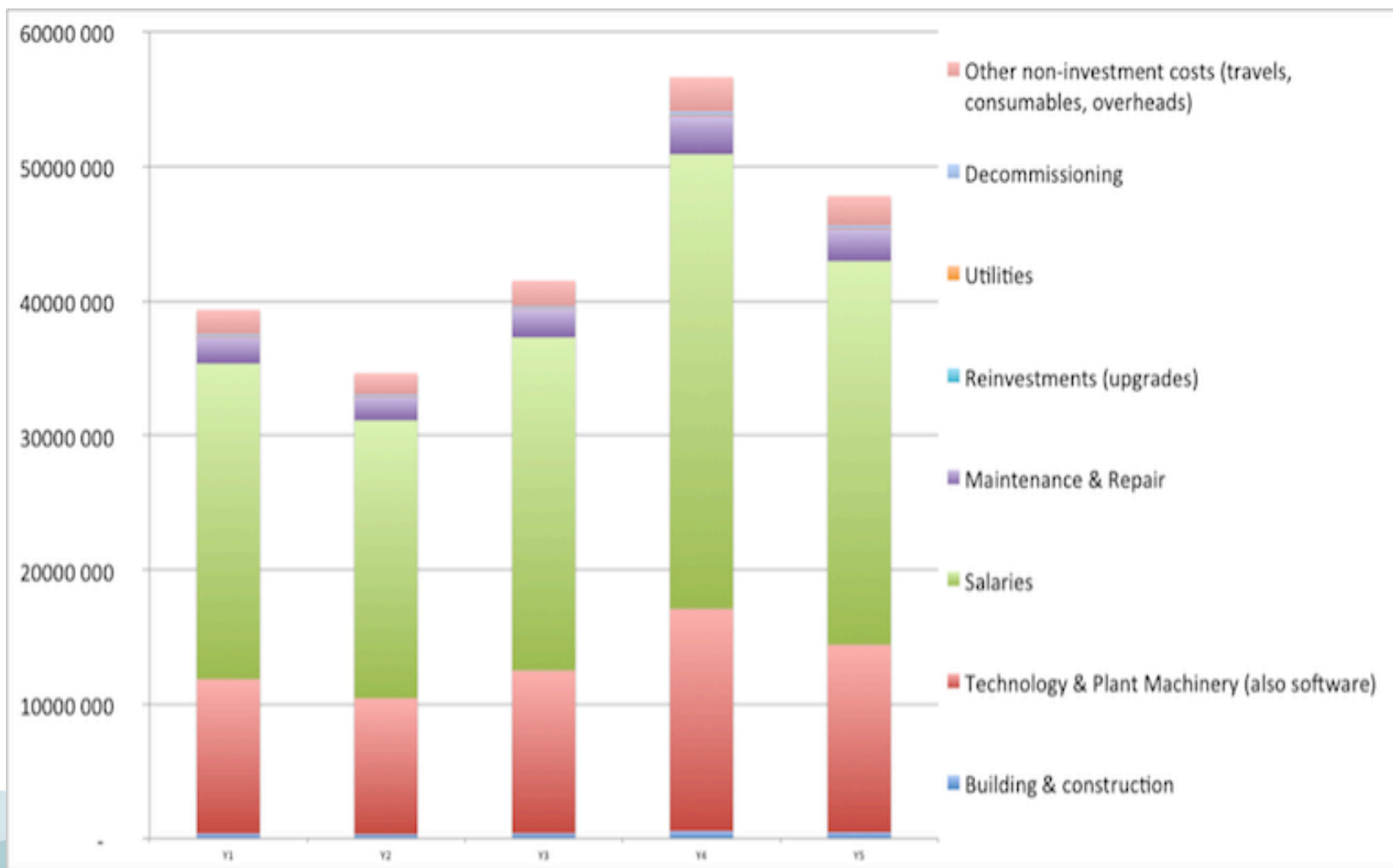
Estimating, costing and budgeting the needs of a RI

- **Budgeting principles and steps**
 - Needed for professional management, accountability, political negotiations and decisions
 - Underpinning principles and good practices applicable to all RIs defined in report “Cost control and management issues of global research infrastructures” (EC, 2010)
 - Need for founding agreement and common understanding between the political stakeholders on the scope, the schedule, the costs **and the risks** of the undertaking, on the nature, volume and timing of their relative contributions and on the framework for the conduct of the project
- **Main cost categories of RIs and their characteristics**
 - Cost item, type of cost, description, estimation issues, risks

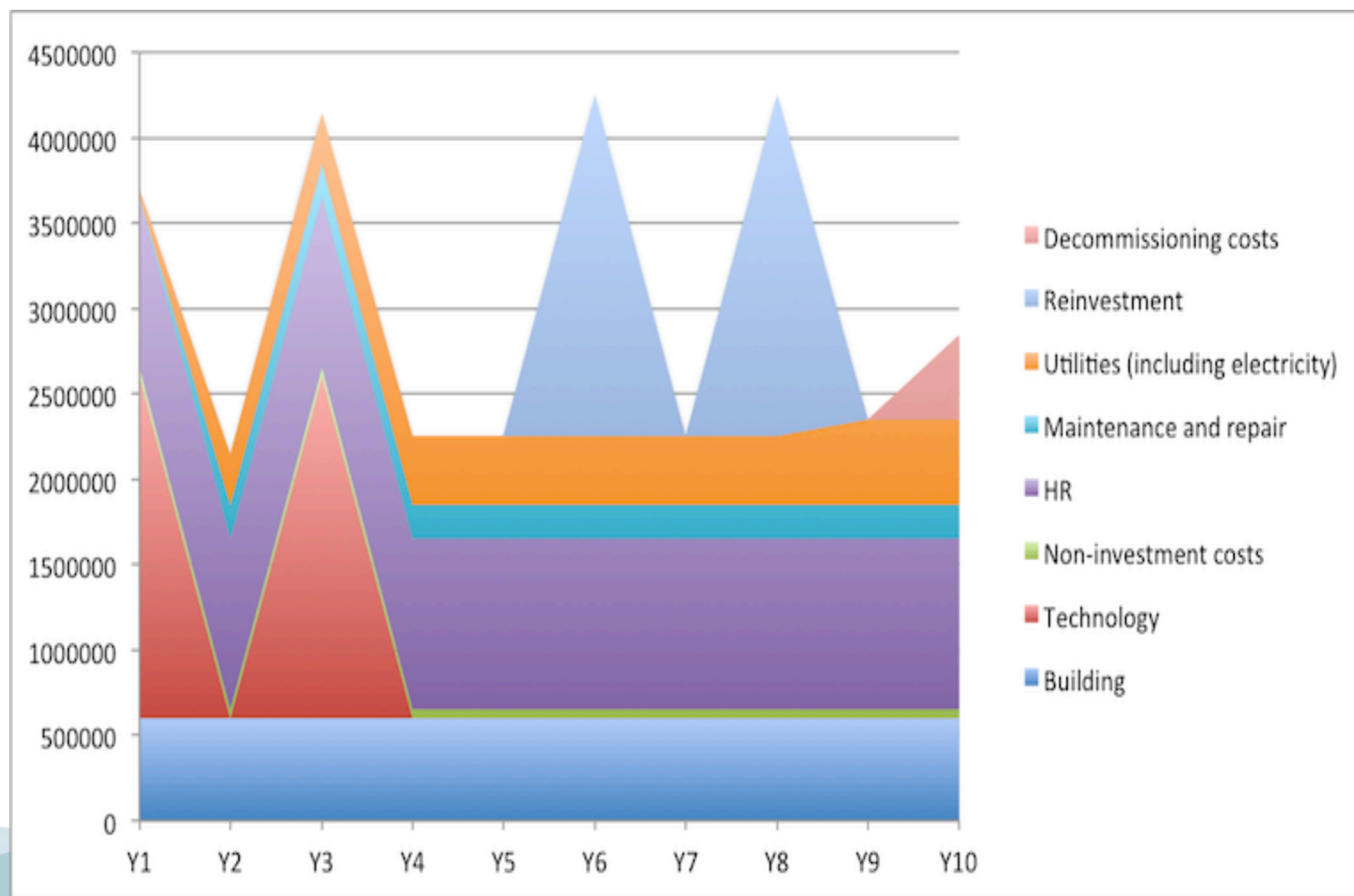
- Single-sited hardware based RI



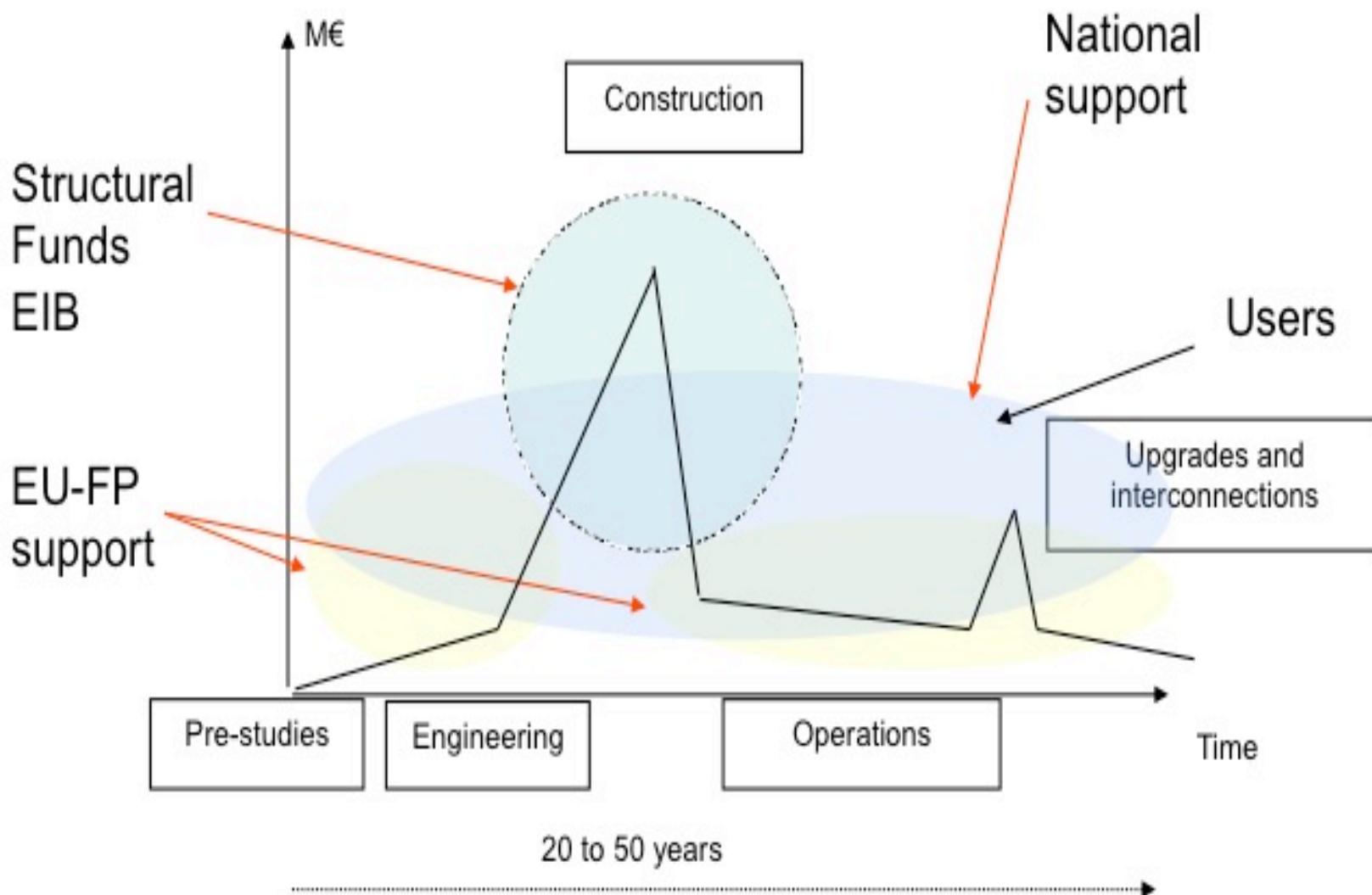
- Virtual RI



- Computing centre



Funding sources and financial instruments



Funding and governance

- Interplay between funding and governance
- Narratives
- What level of contribution per country (equal amount, GDP-indexed, etc.)?
- What returns to expect?
 - Voting rights
 - Access rights
 - Socio-economic development (hosting region + in-kind contributors)
 - The concept of “juste retour”
- How to deal with financial negotiations?

Thank you!