



ET-PP INFRA-DEV WP3

Financial Architecture

Executive report

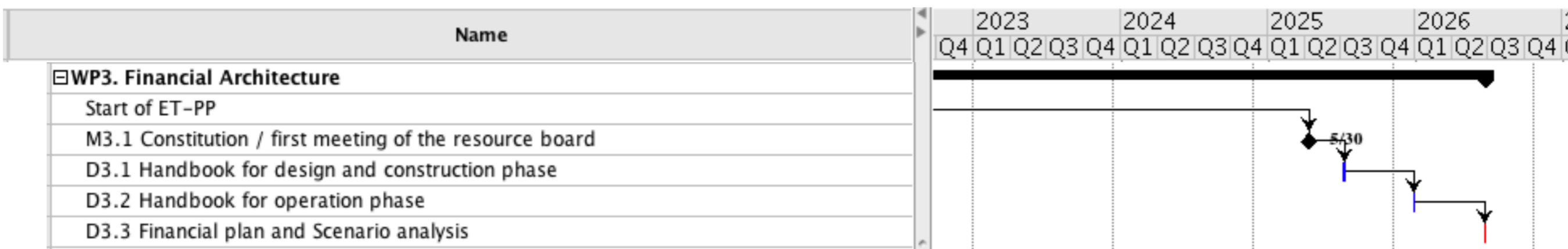
Barcelona 12th 2023

WP Coordinators

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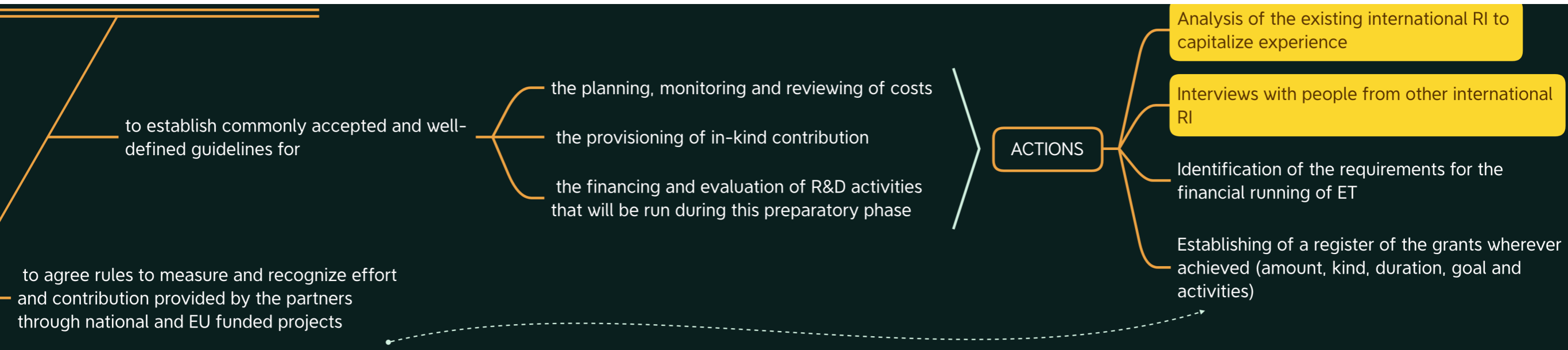
WP3 scope/milestones and deliverables

- (1) To investigate all aspects of the funding architecture required to ensure the construction, operation, and eventual decommissioning of ET with different alternatives in construction and legal settings
- (2) To define guidelines with a fair sharing of costs and scientific, industrial and socio-economic returns among all participating parties
- (3) To identify risks (price, time, technological, legal, etc...)
- (4) To set a strong financial model and a common tool for all financial data

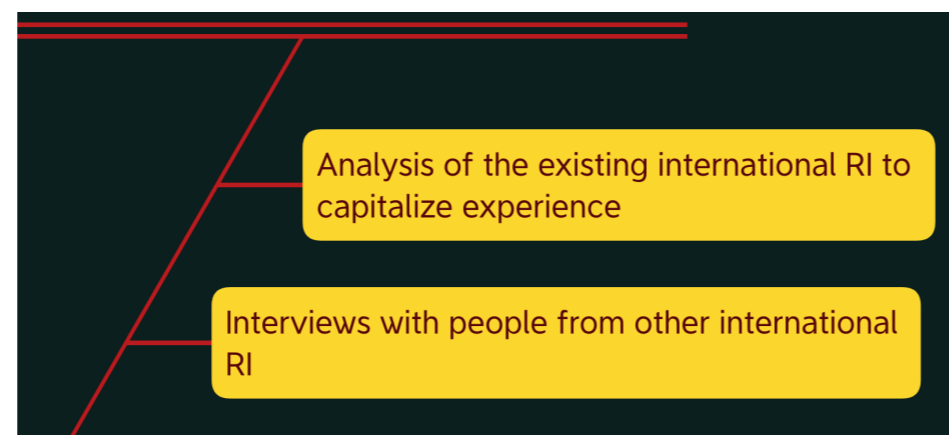


WP3 main goals so far

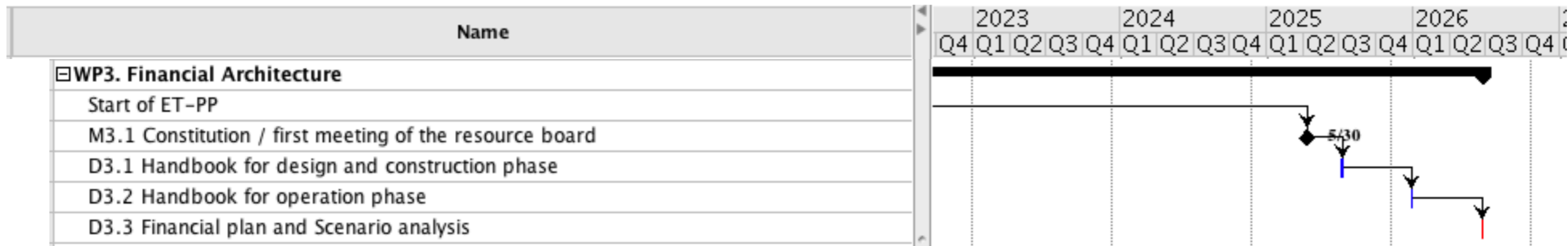
(1) To investigate all aspects of the funding architecture required to ensure the construction, operation, and eventual decommissioning of ET with different alternatives in construction and legal settings



(2) To define guidelines with a fair sharing of costs and scientific, industrial and socio-economic returns among all participating parties



WP3 current work



- Internal milestones, closer in time with respect to month 36
- Preparation of an analysis of the financial and procurement structure of RIs (IGO, ERIC, private company, IO, ...)
 - ✓ Related to main goals (1) and (2)
 - ✓ Possibility to work closely and timely with WP2 (legal status) and WP7 (industrial liason)
 - ✓ More in the parallel session Tuesday morning on financial/legal aspects

Analysis of documents/interviews

For each international RI we study the same characteristics

Budget system

- Planning of budget
- Council for finance
- Balance
- Loans/Debts
- Recruitment policy
- Secondment policy
- ...

Financial contribution of member states

- How annual contributions are provided and collected
- How to collect in-kind contributions
-

Industrial return

- The countries shall be member state
- Balance among member states
- Procedure for tendering
- Ceiling
- ...

Procurement rules

- How rules for technical, financial and delivery requirements are defined (e.g. purchases)
- To keep overall costs as low as possible
- Purchase with transparency and impartiality principles

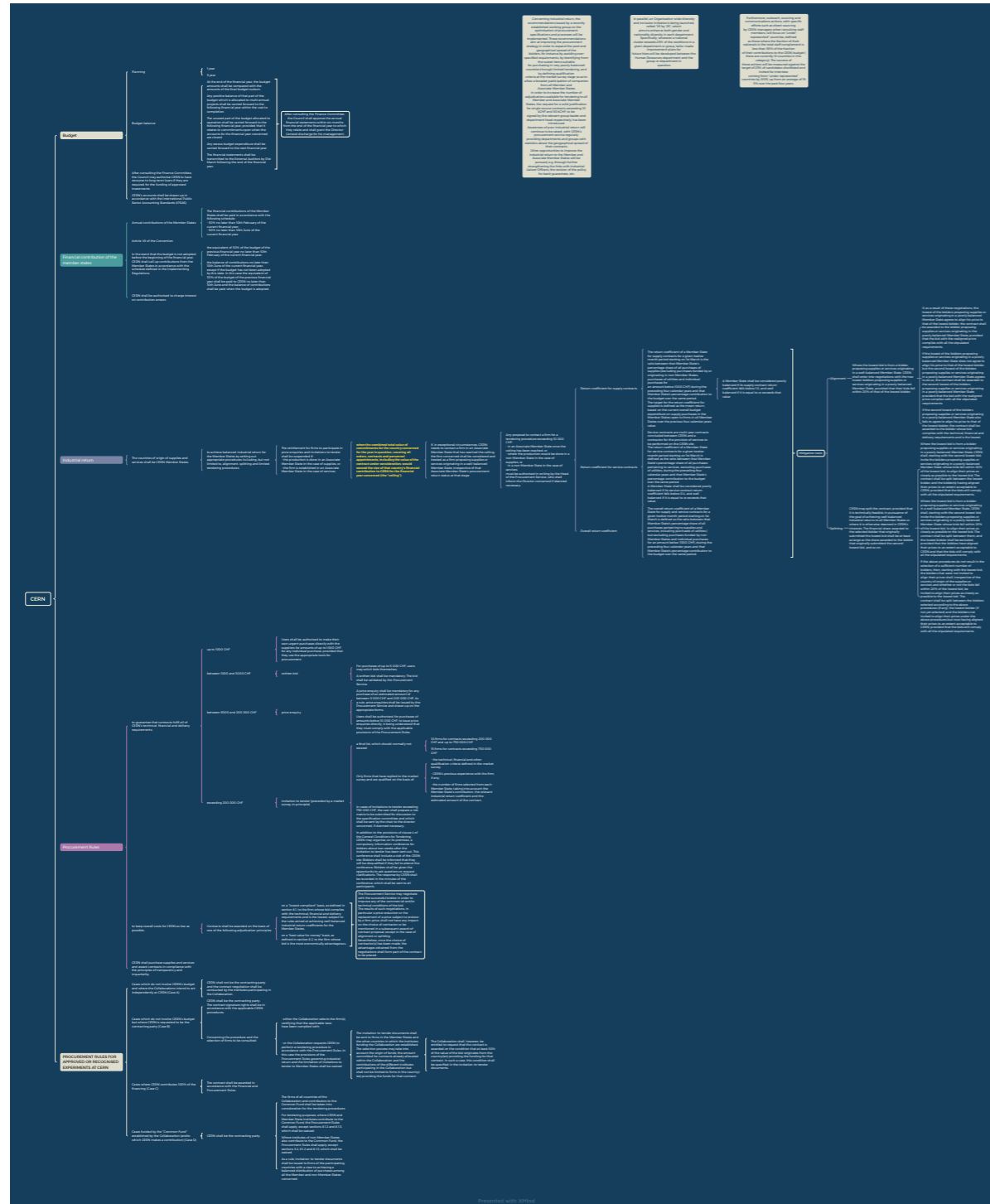
Many documents are shared among WP2 and WP7
Many interviews are performed together with WP2 and WP7

WP3 ongoing activities

- Meeting with Antonio Bonucci (head of industrial liaison office), XFEL, probably a new meeting will be planned on procurement
 - Meeting with SKAO (IGO) head of direction (Simon Berry) and procurement (Ian Hastings) has been done in collaboration with WP7 coordinator
 - Meeting in person at EGO with its director (Massimo Carpinelli) and the finance and administration manager (Veronica Colautti)
 - Meeting with CTAO (ERIC) with its managing director (Federico Ferrini) and head of finance (Stephan Haid)
 - Meeting with ESS (ERIC) last week with WP2 and WP7 coordinators
 - All meetings are recorded
- Major focus for the final set up of ETO

CERN example

Here it is a summary document with main lessons:



- Awareness of poor industrial return will continue to be raised, with CERN's procurement service regularly providing departments and groups with statistics about the geographical spread of their contract
- Recommendations issued by a recently established working group on the optimisation of procurement specifications and processes will be implemented
- Improving the procurement strategy in order to expand the pool and geographical spread of the bidders.
- Enhance both gender and nationality diversity in each department. Specifically, wherever a national cluster exceeds 25% of the workforce in a given department or group, tailor-made improvement plans for future hires will be developed
- Specific efforts such as direct sourcing by CERN managers when recruiting staff members, will focus on “under- represented” countries, defined as those where the fraction of their nationals in the total staff complement is less than 50% of the fraction of their contributions to the CERN budget

Lesson learned: balance and inclusion are key factor to succeed

SWOT example for recruitment for ERIC

STRENGTHS

Recruitment policy shall:

- Set out clear guidelines on how the Organisation conducts an effective and professional recruitment process enabling it to meet its objectives.
- Seek to facilitate the movement and residence of nationals of the Members, Observers and Strategic Partners involved in the tasks of the Organization and of the family members of such nationals.
- Guarantee that selection procedures and employment of the ERIC staff positions are transparent, non-discriminatory and respect equal opportunities.
- Encourage the formation of an institutionalized employee representation.

WEAKNESS

ERIC provides autonomy in defining the recruitment procedures but **employment contracts shall be governed by the laws of the country or territory in which staff is employed.**

SW
OT

OPPORTUNITIES

Salary scales.

Salaries are benchmarked considering the internal and the external market value of the competence. The aim of the salary scale is to enable the Organization to attract staff based on internationally competitive salary levels.

Secondment.

Representing entities of Member States can second staff as in-kind contribution

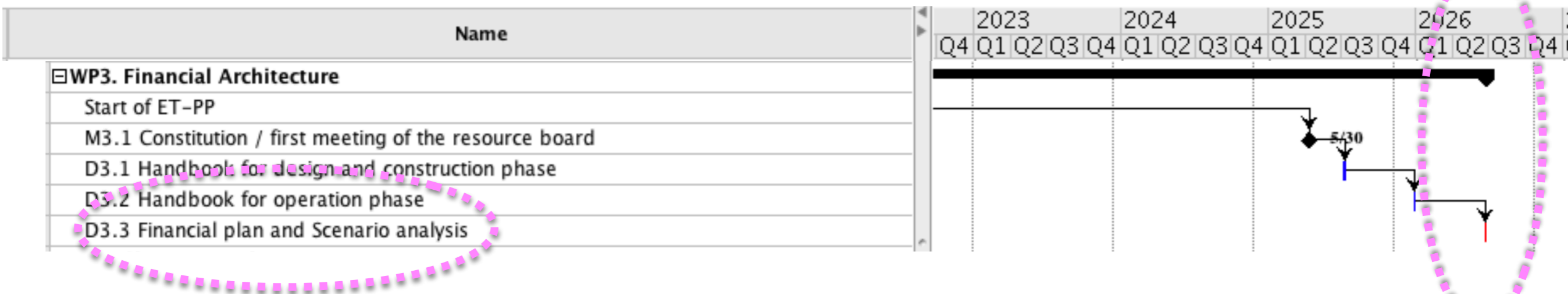
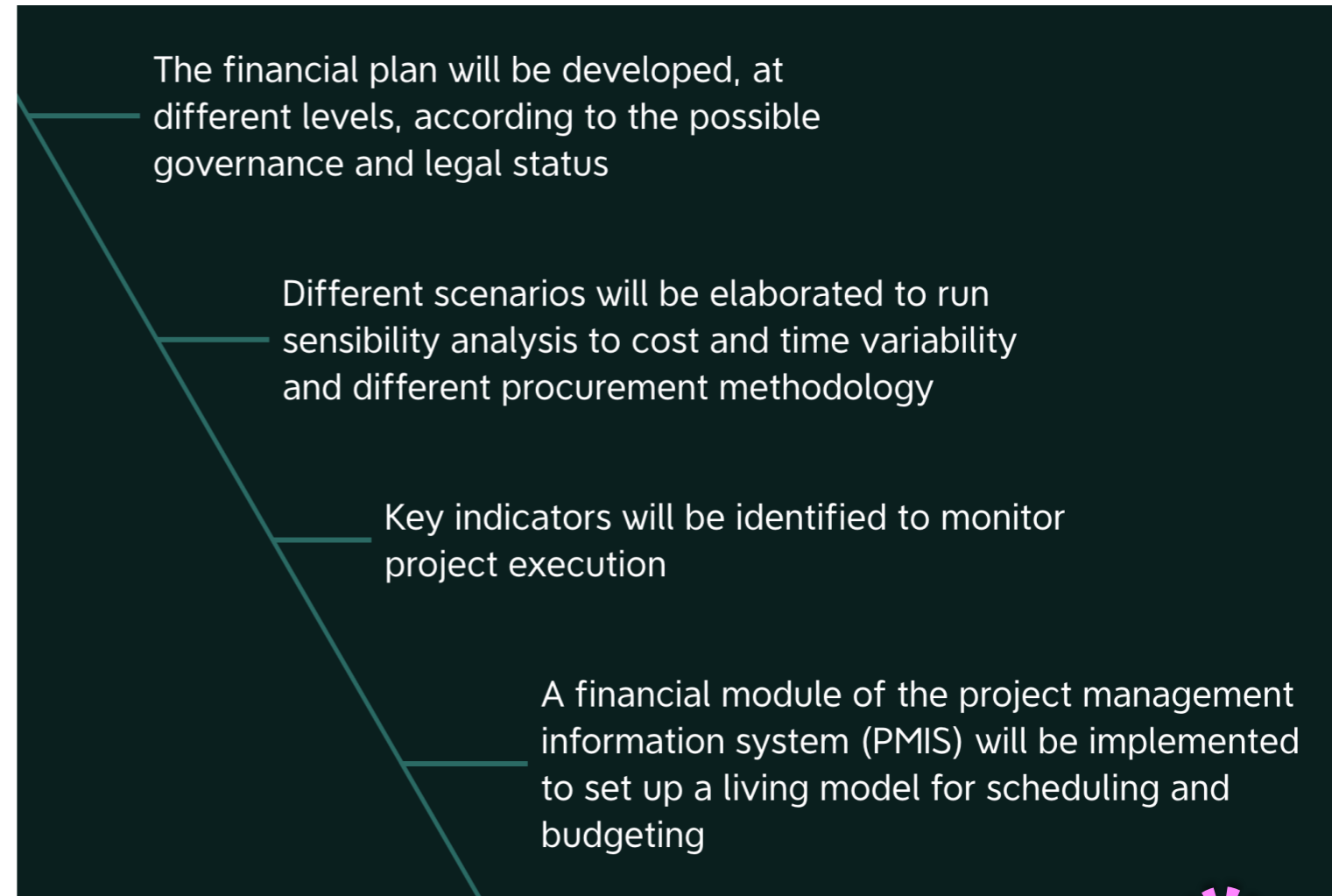
THREATS

- In the event of an ERIC with interim company established, transfer of personnel from such company to the ERIC does not take place automatically. Company's employment contracts must be terminated and staff is recruited according to the ERIC recruitment policy approved by the Council.
- In case of a distributed RI under ERIC legal form, salaries should be kept at the same level in order to avoid unfair employment conditions and to facilitate the movement of staff from a country to another.

More details in the parallel session

WP3 further work

- (3) To identify risks (price, time, technological, legal, etc...)
- (4) To set a strong financial model and a common tool for all financial data



WP3 connection with other WPs



Last, WP3 is growing ...



Hiring of financial manager

Small team so far, in the next year we expect an increase in size and work-power due to:

- the hiring of a financial manager (100% on the project), definition of the profile and opening after summer 2023, effectively in place hopefully beginning of 2024
- Addition to the team from in-kind contributions from third parties, details will be defined after revisions and decisions on the Eols

Thank you for your attention!