



Horizon Europe: Coordination
and Support Actions



ET-PP 1st review meeting

14/12/2023

Grant agreement: N° 101079696

WP 3: Introduction and objectives

FINANCIAL architecture WP — Define the financial model for construction and operation

- Investigate the funding architecture to ensure construction, operation and decommissioning of ET considering different legal status, designs and construction settings.
- Set a strong financial model and a common tool for all financial data
- Define guidelines with fair sharing of costs and scientific, industrial and socio-economic returns among all parties



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WP 3: Deliverables and milestones

D3.1 - M36 - Handbook for design and construction phase

D3.2 - M42 - Handbook for operation phase

D3.3 - M48 - Financial Plan and Scenario Analysis

M3.1 - M33 - Constitution / first meeting of the resource board, accompanied by a workshop

There were no deliverables nor milestones planned during the first 12 months of the project

The plan of having late deliverables/milestones is a consequence of the dependence of our work on the legal status / site / design choices / ...

WP 3: Tasks

The three deliverables are mainly interlinked and require

D3.1 - M36 - Handbook for design and construction phase

D3.2 - M42 - Handbook for operation phase

D3.3 - M48 - Financial Plan and Scenario Analysis

Define guidelines with fair sharing of costs and scientific, industrial and socio-economic returns among all parties

Investigate the funding architecture to ensure construction, operation and decommissioning of ET considering different legal status, designs and construction settings.

- 1) Analysis of the existing RI to capitalize experience (documents etc...)
- 2) Interviews with people from other RI to know pro/cons/problems/solutions/...

WP 3: Tasks

Interview for the legal structure of international research infrastructures (RIs)

	Legal status	WP	Meeting(s)	Who
CTAO	ERIC	WP3	Online	Managing direct and head of finance office
ESS	ERIC	WP2+WP3+ WP7	Online	Head of finance and procurement office
EGO	Public/private Italian institution	WP3	In-person	Director and finance and administration manager
CERN	IGO	WP3	From documentation	
SKAO	IGO	WP3+WP7		Head of finance and procurement office
XFEL	GMBH	WP3+WP7		Head of industrial liaison office

WP 3: Tasks

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

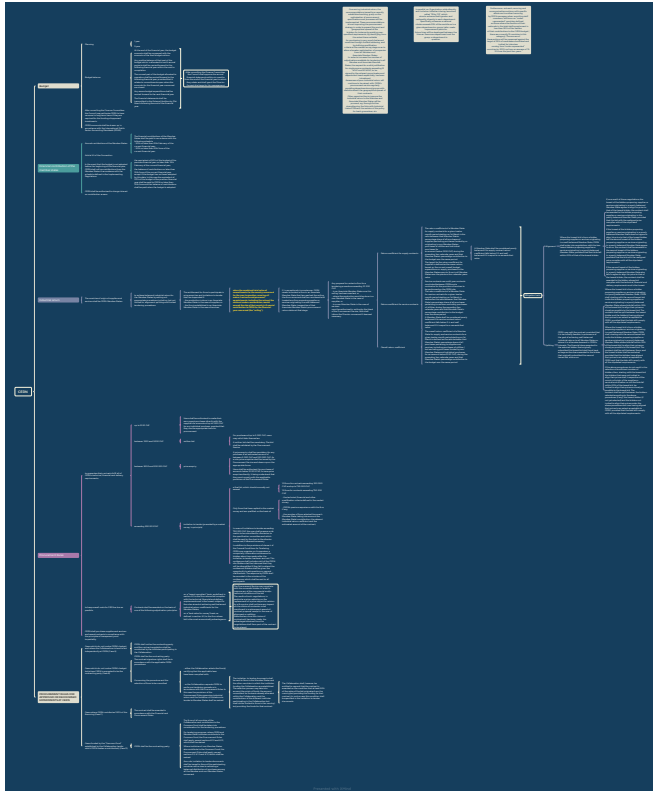
- Balance among member states
- Procedure for tendering
- Cap to national supplies
- ...

Procurement rules

- Definition of rules for technical, financial and delivery requirements (keep overall costs as low as possible; purchase with transparency and impartiality principles)

To this aim we have submitted to all RIs the same questionnaire

WP 3: Tasks



Lesson learned: balance and inclusion are key factor to succeed paying attention that the aim is not a condo but a community

CERN example

- Awareness of poor industrial return is raised by CERN's procurement service regularly providing 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

WP 3: Tasks

Refinement of SWOT analysis for ERIC @ F2F meeting Barcelona June

Recruitment process And attractiveness

STRENGTHS

Recruitment policy shall:

- Set out clear guidelines on how the Organization 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.** In case of a distributed RI under ERIC legal form it is challenging to establish fair employment conditions and to facilitate the movement of staff from a country to another.

SWOT

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.

WP 3: Tasks

Refinement of SWOT analysis for ERIC @ F2F meeting Barcelona June

Procurement, VAT, ...

STRENGTHS

Autonomy in defining the procurement procedures and the financial rules but mostly **aligned** with the **hosting country and EU regulations**.

Procurement policy shall:

- respect the principles of transparency, proportionality, mutual recognition, equal treatment and non-discrimination.
- ensure that the acquisition of goods and services is made in the most economic and efficient way ensuring sound expenditure of the Organisation's financial resources.
- reflect the principles of Demanded quality at the lowest cost, Accountability and transparency; Competition and equal treatment; Objectivity and professionalism; Efficient, effective and ethical use of resources; Openness

WEAKNESS

VAT exemptions limited to purchases which are for the official and exclusive use by the Organisation and in line with its activities. VAT exemptions limited to purchases exceeding the value of EUR 300.

Excise Duty exemptions limited to purchases which are for the official and exclusive use by the Organisation in line with its activities (purchase must exceeds the value of EUR 300).

SWOT

OPPORTUNITIES

- Capacity to contract with third Parties.
- Costs and financing determined in the Cost Book recommended by the AFC to the ERIC's governing bodies for approval.
- Industrial return under control via IKCs.
- Ability to receive cash and in-kind contributions
- IKCs open to all private companies and public research Institution in the Organisation's partner countries and subject to written contracts
- Update of costs and financial contributions using basic financial tools and projections

THREATS

- Procurement activities firstly limited to EU countries and ERIC members and secondly opened to other countries
- Unforeseen additional costs due to inflation, increase of energy costs, raw materials etc to be negotiated with Governments through their representing entities.

WP 3: Tasks

F2F Barcelona meeting June 2023 triggered some other questions:

Data organisation ↔ interaction with WP8

- an ERP for accounting is needed and the choice will be oriented by the international accounting standard adopted (linked to the legal status too). The market offers some major players but the choice will be lead by usability, accessibility, interoperability, data management and protection, cybersecurity and, last but not least, cost.

Handbooks and financial structures ↔ strong interactions with A. Variola (WP5, project office)

- Common need of financial manager
- Definition of practices that overlap with WP3
- ...

It is very important to develop a single and interrelated data framework for the management of all the project phases.

WP 3: Critical risks, deviations from Annex I, contingency plans

So far no critical risks have been identified that can possibly affect the deliverables and milestone reach

- A project of this size with such heterogeneity of participants involved an onboarding and teambuilding phase
- This period allowed for a better awareness of the needs of the project



Final plan of past year:

- Structured meetings with WP2 and WP7 and for the interviews
- We achieved a good profiling of the financial manager to be recruited

WP 3: Contribution from each partner

INSTITUTION		PM as per Annex I	PM in the period
2 INFN	CONTRIBUTIVES	10	2,75
	REQUESTED EC	14	-
6 UCL	CONTRIBUTIVES	11	2,6
	REQUESTED EC	6	1,2
9 DESY	CONTRIBUTIVES	24	-
	REQUESTED EC	9	-
Total Person Months	CONTRIBUTIVES	45	5,35
Total Person Months	REQUESTED EC	29	1,2
		74	6,55

% PMs used = 9

PM will be used in the coming period with the hiring of a financial manager to achieve the deliverables at the end of the project

WP 3: Outlook and perspectives

Main closest objective is the consolidation of the WP3 team

- Opening the position for financial manager at INFN in Rome (use of PMs and EC resources related to INFN)
- Hiring of the financial manager (hopefully in place by end of spring 2024)
- Inclusion of a new member from KULeuven (third party)
- In-person meeting with all WP3 components (close in time with the new hiring)

→ Bigger and more consolidate team

Objectives towards deliverables

- Work in collaboration with WP2 and WP7 to define procurement recommendations / financial benefits for partners in relation with different legal statuses (or focusing on one specific when the choice will be done) → D3.1, D3.2
- Work on the recollection of in-kind contributions → All deliverables
- Mapping of stakeholders from ET collaboration and industrial partners (connection with WP7) → D3.1, D3.2
- We will work with the financial manager on the financial plan and its actuation → D3.3



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