

The background of the slide is a photograph of a city street at dusk or night. On the left, there is a large, multi-story brick building with many windows, some of which are illuminated from within. In the foreground on the left, there is a dark, curved structure, possibly a fountain or a planter. On the right, a dark motorcycle is parked on the street. The sky is dark, and there are some lights visible in the distance. The overall scene is urban and somewhat dimly lit.

Antonella Calvia-Goetz (Former Chair AEG)

**Investing in Research
Infrastructures: bankability,
financial and business plans**

**A journey to develop RI financial
and managerial maturity**

9th March

Amsterdam



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PART ONE

Overall funding
cycle



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PART TWO

Business Plan



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PART THREE

Sustainable
funding and
bankability



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PART FOUR

Governance



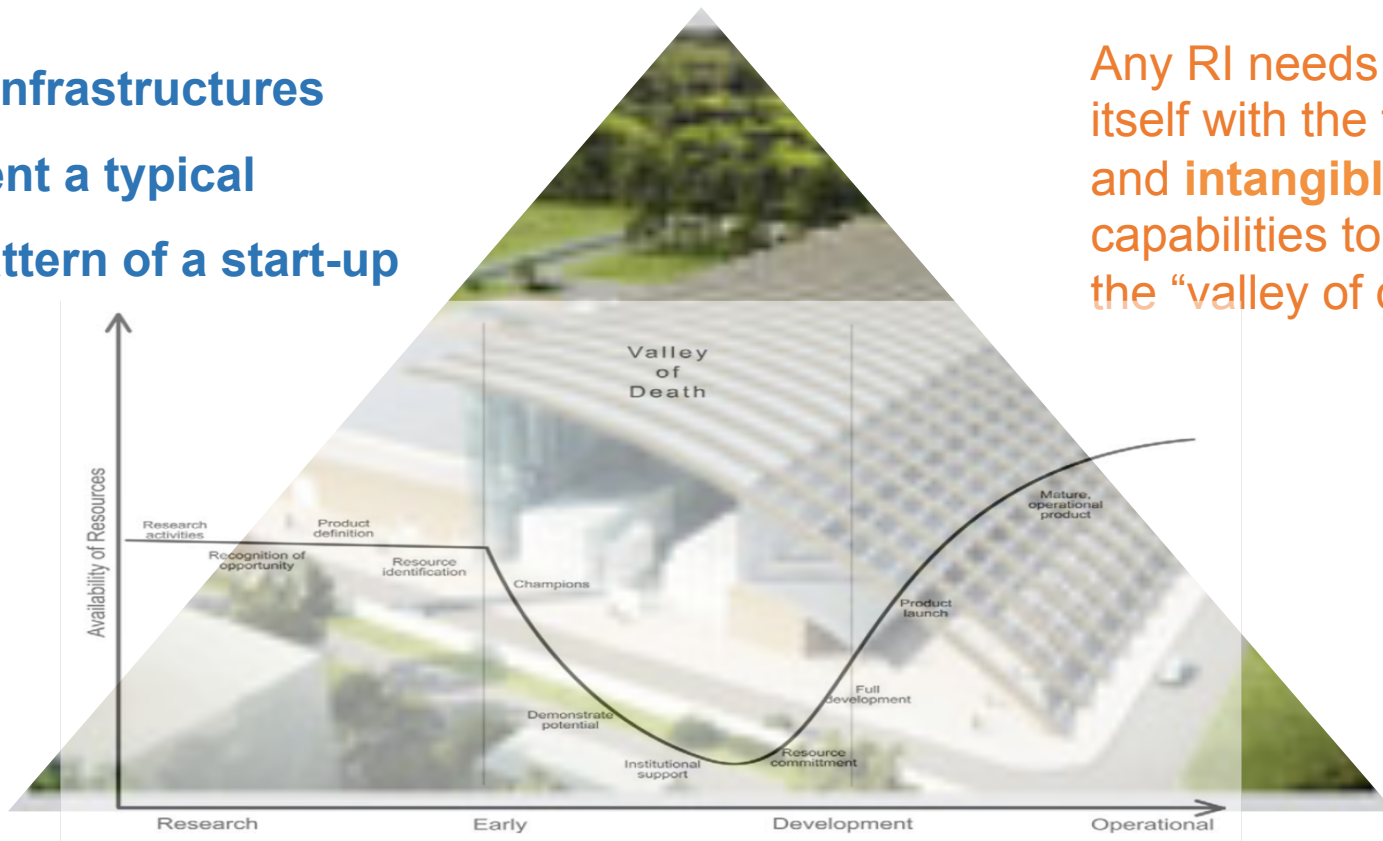
1

Overall
Funding
Cycle

What are the priorities for a sustainable
RI?

Research Infrastructures (RIs) present a typical funding pattern of a start-up

Any RI needs to equip itself with the tangible and **intangible** capabilities to manage the “valley of death”



Preparatory Phase

Pre-Implementation Phase

Implementation Phase

Priorities

Pre-Implementation Phase

Develop Leadership

Set HR organisation

Test business case

Verify value proposition

Manage governance (ERIC)

Agree the funding strategy

Preparatory Phase

Propose feasibility

Review RI facilities

Launch science case

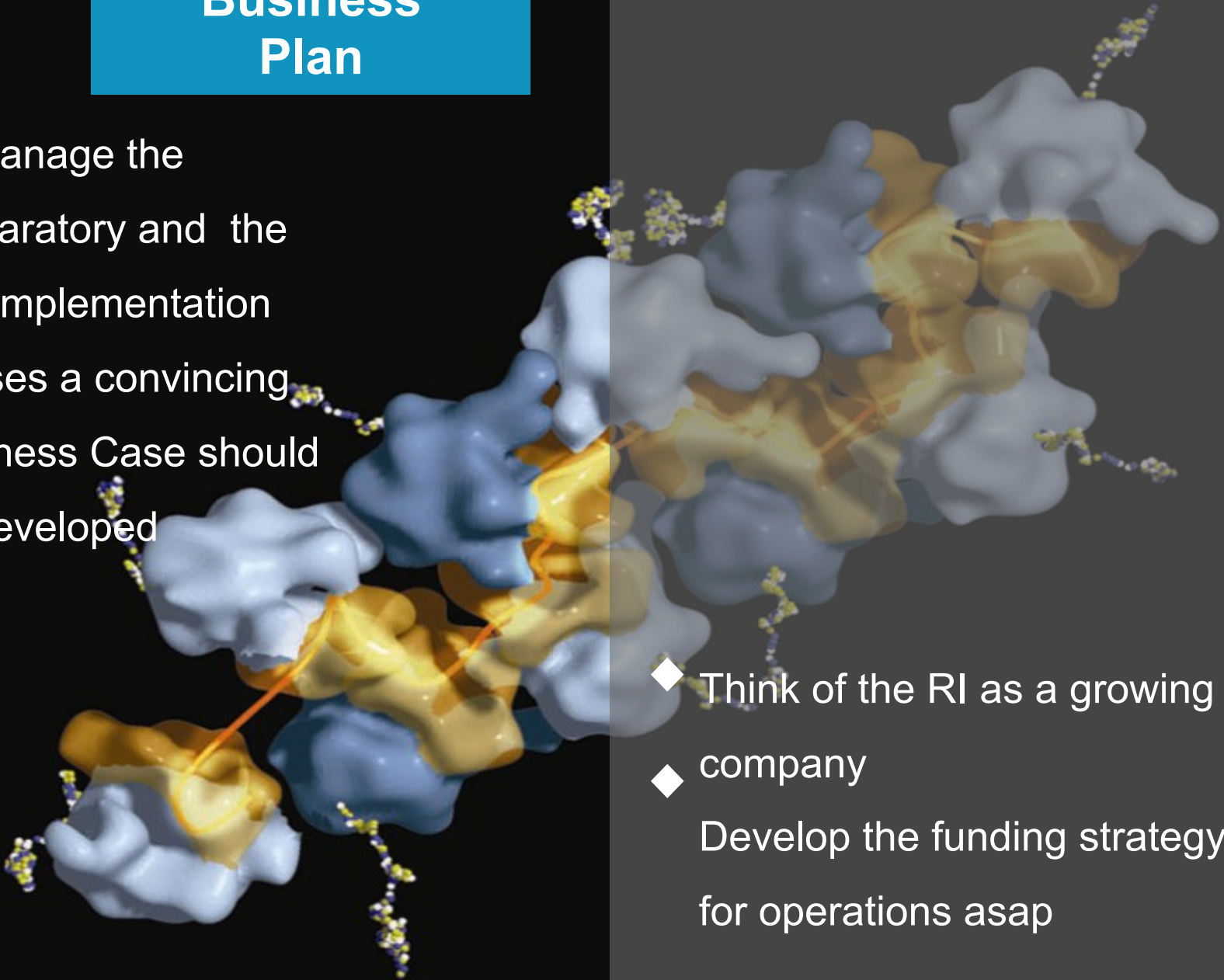
Define the business case

Enhance communication

Business Plan

To manage the Preparatory and the Pre-Implementation Phases a convincing Business Case should be developed

- ◆ Think of the RI as a growing company
- ◆ Develop the funding strategy for operations asap





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Business Plan

What does the growing process require?

Science mission

Scientific vision
Data and ICT
Infrastructure preparation
Engagement with the scientific community

Funding approvals

Identification of partners
Development of platforms
Data policies
Engagement with the funding community

If you were a funding partner what would you require on top of ideas?

HR needs

Building the organisation
HR policies
HR selections
Engagement with stakeholders

Innovation

Testing of platforms
Readiness of ICT
Prioritisation of market needs
Engagement with users



"Your most unhappy customers are your greatest source of learning." -Bill Gates



"Whoever is careless with the truth in small matters cannot be trusted with important matters"
— Albert Einstein

MIRRI

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Sustainable Funding and bankability

In the PP Phase, grants are a point of departure.

In the Pre-Implementation Phase, funding is a point of arrival.

What are the issues for sustainability?

A credible Business Plan is essential to address these issues and negotiate funds

Timing and agreements of public budget commitments

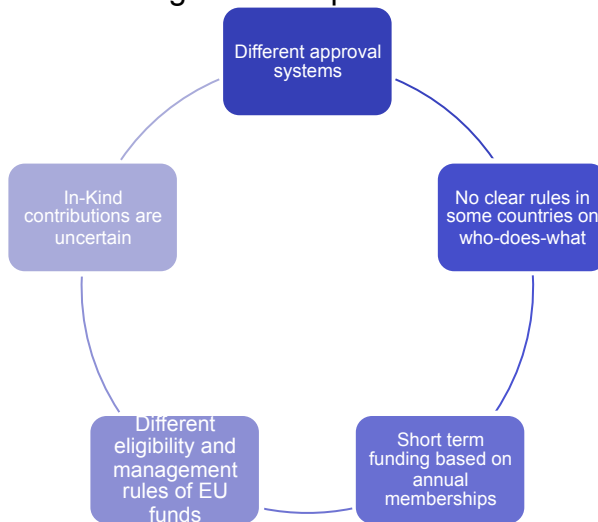
- High uncertainty at the outset, notably for multi-countries agreements
- Gaps in “full cost financing” strategy

Project definition and costs

- Estimates are very optimistic
- Significant cost overruns possible
- Technical changes impact financial sustainability

Short horizons of operating budgets

- RIs require long-term financial planning
- Public budget approvals are multi-annual
- Mismatch of financing needs/requirements



Few RIs met the AEG definition of a mature RI

- Cost and financial plans are defined
- Firm financial commitments for the relevant investments
- Approved statutes and governance structure
- Existence of a credible project organisation
- KPIs are established and staff planning outlined
- User strategy is well planned
- Risk analysis is included



The shareholder and funding strategy is more complex for distributed infrastructures

ERIC Objectives and Strategy

The Vision

The Context

The lead-up to ERIC: FP6 and FP7

Scientific challenges and gaps addressed

ERIC objectives


Societal benefits and Horizon 2020 funding

Value added of ERIC

Infrastructure description

Implementation strategy

Contribution to European policies and priorities



FUNDING
RESULTS
FROM
CULTIVATING
CREDIBILITY
WITH THE
PUBLIC

ERIC User Strategy

The ERIC Value Proposition
ERIC as a Platform for Innovation
ERIC Multidisciplinary User Community
Large enterprises and SMEs
The ERIC Certifications
ERIC Services: examples
The brand
The Instrumentation and Technologies
Market Trends and Outlook
Main markets affected
Data policy and access
Education objectives
Capacity Building and Talent Attraction
Communications and Branding

FUNDING
RESULTS
FROM
CULTIVATING
CREDIBILITY
WITH USERS

Financial sustainability and bankability depend on the ability to demonstrate that your partners are supporting your ideas



Complete your BP by engaging all your stakeholders



Start as soon as possible to involve users to give you feedback



Ensure that Member States put the RI in their roadmap



Think carefully on the governing bodies, by introducing “balance and checks”



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Governance And Funding Strategy

How to achieve your sustainability long term?

Accountability

High standards to shareholders

Responsibility

High standards to stakeholders

Transparency

High standards to users

Fairness

High standards to next generation

Successful innovation depends upon key pillars of governance



ERIC Governance and Organisation

The ERIC legal entity

The Host Country:

Full Members and Observers

Other Countries

Tasks and activities

Governance and Governing Bodies

Governance Structure and Responsibilities

The Interim Central Management Office (CMO) for the ERIC

The Transition Phase from the interim CMO to the ERIC Office

Ethics A key challenge for Host countries is to ensure a level playing field, where all partners' culture, rights and expectations are fully respected.

The Advisory and Ethical Board as well as the General Assembly should be established early on to create a sense of common ownership.

Interim leaders should be appointed.



Project Management and Human Resources

The CMO Management: **in-house capabilities must be developed by involving young researchers. Use of consultants should be limited**

Financial Management and Control Systems: **audits are key for big projects**

Employment Regulations

Employment and Staffing

Gender Balance

Staff Training

Performance Management: **success depends on management skills. Funding agencies should monitor KPI and set high "entry" criteria**

Premises and Facilities

Business Practice and Responsibilities

Insurance

Additional issues to sustainable funding



Team leadership

Capitalise via open dialogue upon the skills of all the team members in a constructive way. **Managers need to have international credibility**



Better engagement with the funding community and users

Start soon testing some of the value-propositions with potential industrial and academic users. **Proof of concepts are key for success**



Fast reaction to feedbacks

A fast growing organisation means inner mechanisms to develop new and better processes based on recurrent feedback. **Value “friendly recommendations”**

Financial-Funding Framework, Implementation and Risk

General Assumptions

Member and Host Country Contributions

Incomes and Revenues

Costs

In-kind Staff Cost for Regional Teams (Nodes)

Financial Plan: **if countries support this FP, a loan could be asked and the RI reaches “bankability”**

Implementation Funding Requirements

Financial Sustainability: **ministries of Education and Finance agree on backing up financially the RI. Bankability makes resources immediately available**

Implementation

36-month Activity Plan

Milestones

Key Performance Indicators

Risk Management Plan

- ✓ Validation of investment costs requires advanced work-packages, which need to be evaluated before being submitted to Funders



A pessimist sees the difficulty in every opportunity;
an optimist sees the opportunity in every difficulty.
Winston Churchill

My contact for any question regarding the Business
Plan or “bankability” of your RI
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Thank you: Q&A