

Short Finance Plan of the Microbial Resource Research Infrastructure MIRRI – a European Research Infrastructure Consortium (MIRRI-ERIC)

(MIRRI-ERIC Short Finance Plan)

October 2015 – Version 3



PROPOSED FINANCIAL PLAN

The MIRRI approach assumes a revenue model gaining not-for-profit financing sustained by a mixed funding implying long term core support by participating Member States and income generation through centrally coordinated activities. The balance between core support and income generation is projected to evolve as the consortium is constructed and as operations (including income generation) come on stream. This is designed to reduce Member State contributions to 10% of original contribution at year 6. There are two distinct cost centres, the MIRRI-ERIC implemented by the Central Coordinating Unit (CCU) and the second around National Nodes (NNs) and their networked mBRCs; it is only the former that is addressed here. The cost for establishment and operation of National Nodes (NNs) along with the enhancement and participation of the national mBRCs affiliated with them is dependent upon a number of factors. These include the number of mBRCs participating, the degree of development and maturation of the node, the extent to which mBRCs have devolved some of their activities to a central unit and local costs. This is a national obligation outside the costings for the MIRRI-ERIC.

Table 1. Costs and membership fees*

	year 1	year 2	year 3	year 4	year 5	year 6
Revenue lines						
Membership Fees *	645.631 €	676.119 €	708.411 €	742.629 €	978.175 €	244.636 €
Partner and User Fees	22.250 €	62.000 €	88.000 €	155.000 €	162.000 €	209.000 €
Sponsoring	3.875 €	13.650 €	32.500 €	95.250 €	116.500 €	161.750 €
Third Party grants	0 €	40.000 €	75.000 €	110.000 €	150.000 €	405.000 €
Income based on experts and training offer	3.250 €	6.825 €	15.500 €	42.500 €	61.000 €	85.500 €
TOTAL Income	675.006 €	798.594 €	919.411 €	1.145.379 €	1.467.675 €	1.105.886 €
CCU Costs for statutory seat at host country						
Accommodation	20.000,00 €	20.600,00 €	21.218,00 €	21.854,54 €	22.837,99 €	23.865,70 €
Consumables	11.000,00 €	11.825,00 €	12.711,88 €	13.665,27 €	14.690,16 €	15.791,92 €
Communication and Outreach	40.000,00 €	43.000,00 €	46.225,00 €	49.691,88 €	53.418,77 €	57.425,17 €
CCU Operating Costs						
Stakeholder, Advisory Board, National Coordinators	30.000,00 €	32.250,00 €	34.668,75 €	37.268,91 €	40.064,07 €	43.068,88 €
Consultancy/Agency	30.000,00 €	32.250,00 €	34.668,75 €	37.268,91 €	40.064,07 €	43.068,88 €
Advisory Board	20.000,00 €	21.500,00 €	23.112,50 €	24.845,94 €	26.709,38 €	28.712,59 €
Travel and accommodation	90.000,00 €	96.750,00 €	104.006,25 €	111.806,72 €	120.192,22 €	129.206,64 €
IT Node	50.000,00 €	53.750,00 €	57.781,25 €	62.114,84 €	66.773,46 €	71.781,47 €
CCU Personnel costs						
Director	125.730,00 €	129.501,90 €	133.386,96 €	137.388,57 €	141.510,22 €	145.755,53 €
Assistant & Back Office	31.750,00 €	32.702,50 €	33.683,58 €	34.694,08 €	35.734,90 €	36.813,90 €
Communication - customer relationship, training and education (year 1-4)	82.550,00 €	85.026,50 €	87.577,30 €	90.204,61 €	92.910,75 €	95.698,07 €
Financial & Legal Officer – finance, legal, compliance, risk, QMS	106.680,00 €	109.880,40 €	113.176,81 €	116.572,12 €	120.069,28 €	123.671,36 €
Business development					127.000,00 €	130.810,00 €
Training and education					76.200,00 €	78.486,00 €
TOTAL costs CCU	637.710,00 €	669.036,30 €	702.217,01 €	737.376,37 €	978.175,29 €	1.060.956,12 €
Liquidity p.a.	37.296,44 €	129.557,49 €	217.193,88 €	408.002,27 €	489.500,00 €	44.929,42 €

* Membership fees in the first 5 years are based on the expected participation of Belgium, France, Germany, Greece, Poland, and Spain; in year 6 income from 8 observer countries are included. More detailed information is presented in the 3rd Iteration Business Case

Central Coordinating Unit (CCU) costs include office accommodation and operations, communication and outreach, meetings, Advisory Board, IT node, expert platforms and personnel costs. When costs are divided between Member States on a GDP basis the share depends on the number and which countries join. The annual liquidity of 50K achieved in the first 5 years is subject to a repatriation plan. This plan envisages that 50% of the remaining liquidity will be returned to the respective Members for e.g. help towards the establishment of the NN, 10% will be dedicated to the Partner mBRCs and 40% shall be reinvested in the development and improvement of the MIRRI infrastructure.

The main principles of the MIRRI business development considers a reasonable implementation period for the MIRRI offer over 5 years and the transfer of market demands into the MIRRI offer (e.g. sponsoring, advertisement, expert advisory, summer school). Figure 1 reflects this development of MIRRI revenues, which will be opened up within 5 years into a broader range of income sources. This means in addition a spread of risk, mainly the most vital risks.

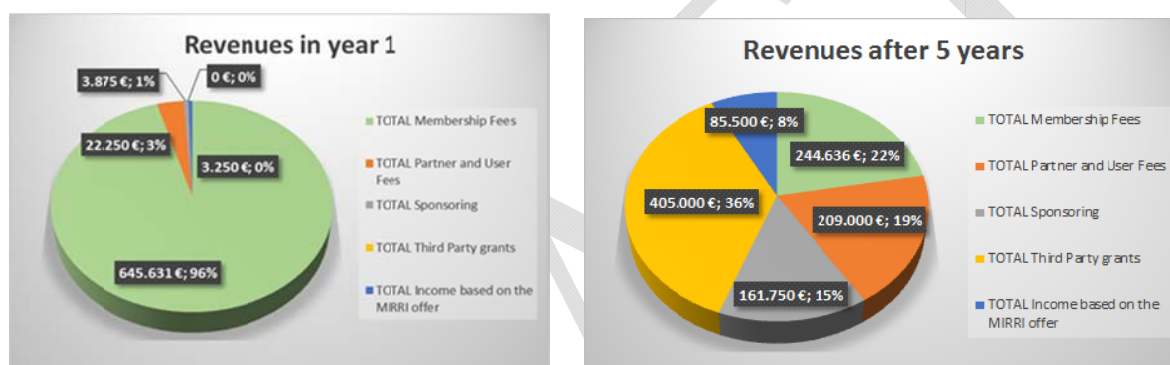


Figure 1: Five-year-development of revenues

Figure 2 presents a model that assumes all 19 countries currently partner to or associate participants to MIRRI sign the MIRRI ERIC and pay a share of the CCU costs. Contributions per state are relatively small with costs reduced to 10% as revenue lines come on stream. This income arises from various sources including partner and user fees (e.g. mBRCs, companies, Industrial Associations, Public Associations) Sponsoring including Advertisement; Third party grants to MIRRI will contribute substantially (over 30% of revenues), there will also be income based on experts and training offer. At year 6 the cost of running the CCU is estimated at approximately €1.06 million with revenues at around €1.1 million. This provides almost 45K revenue above cost providing a positive contribution to a contingency fund. A risk analysis and contingency plan is in place providing a robust basis for these financial projections. Already MIRRI has had success in securing project funding in H2020 totalling around €1.7 million for various activities; potentially 10% of this would be functions the MIRRI CCU could provide. Therefore it is the intention that MIRRI will be 90% self-funded at year 6.



Figure 2: Membership fee distribution between all 2012-2016 MIRRI Member States in case all of them participate in the establishment of a MIRRI-ERIC in 2017 (Membership fees based on GDP).

DRAFT