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| The Extreme Light Infrastructure Delivery Consortium  ELI ERIC Documents  Final Presentation – September 12, 2019 |
| **Annex 2 - Estimate of ELI ERIC Operations Costs and Contributions** |
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**Background**

This document describes the estimated costs and contributions for the ELI ERIC Members. It also outlines the terms and conditions for Observers and Founding Observers.

**Considerations**

This version is a revision of the version presented on July 8. The revision includes an updated version of the table showing the contributions by country, clarifying where contributions are only indicative. The Republic of Lithuania has been included based on their recent commitment. The wording of 3(d)(iii) regarding Founding Observers has been adapted to be consistent with article 15 of the Statutes.

**Annex 2 - Estimate of ELI ERIC Operations Costs and Contributions**

# The purpose of this document is to provide:

## A high-level baseline estimate of ELI ERIC operating costs, based on the scope of operations as described by the ELI Delivery Consortium peer reviewed cost analysis established in spring 2018.

## A mechanism to calculate the contributions by Members and Observers and other contributors.

# Cost of Operations

## The overall operational budget includes the costs of operations foreseen to fulfil the ELI ERIC tasks and activities in accordance with the Statutes.

### Initial Operations (2019-2021);

### Steady State Operations (starting 2022);

### Upgrades.

## The Initial Operations Period corresponds to the period in which the scientific instrumentation is to be made available for access to users through ELI ERIC. The budget includes costs for the start of the user programme, the ramping up of the laser sources, beamlines and spare parts. No construction or implementation costs are included. The following table summarises the results of the cost analysis and the estimate:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ELI Estimated Operating Costs (k€)** | **2019** | **2020** | **2021** | **2022** | **2023** |
| **ELI-ALPS** | 915 | 7,238 | 15,404 | 17,998 | 20,883 |
| **ELI-BL** | 10,290 | 18,984 | 24,422 | 24,497 | 24,570 |
| **ELi ERIC** | 1,531 | 2,477 | 2,551 | 2,564 | 2,641 |
| **Total** | **12,736** | **28,700** | **42,378** | **45,060** | **48,094** |

## The Steady State Operations is foreseen to start in 2022 and includes all estimated costs for sustainable operations. The annual Steady State Operations baseline budget projection for the years 2022-2023 is estimated in the table above.

## Upgrade and development costs are related to the need to maintain the world unique and leading capacities of the ELI Facilities. They are not included here. The particular scope and investment activities and upgrade projects shall be subject of the GA decision in accordance with Article 21 (9) p. of the Statutes.

# Contributions

## The overall level of contributions to be paid by Members and Observers shall be defined in the Annual Budget in accordance with a five-year Financial Plan and the Annual Activity Plan approved by the GA. The Annual Activity Plan shall be adjusted yearly.

## The GA shall decide contributions of Strategic Partners on a case-by-case basis.

## Any contribution received under paragraph (3b) shall be deducted from the contribution according to paragraph (3a) unless otherwise agreed.

## Contributions to Initial Operations

### The Host Members, during the Initial Operations period specific for each of the respective ELI Facilities shall contribute 50% of the budget of their respective ELI Facility.

### The following non-Host countries have committed, as founding members, to making the following *total cash contributions* towards the Initial Operations 2019-2021:

### The Italian Republic 6 M EUR

### The Lithuanian Republic 0.4 M EUR

### The following countries will join ELI ERIC as Founding Observers during the Initial Operations period:

### The Federal Republic of Germany

### The United Kingdom

### The French Republic

Founding Observers are countries that intend to join ELI ERIC as full Members, but are not able to commit as members at the time of founding. They are not subject to an Observer Fee, and have no rights to vote at the ELI ERIC General Assembly.

### Any new Member during the Initial Operations period shall contribute as agreed with the ELI ERIC General Assembly, taking into account expected future use of ELI.

### An Observer shall contribute during the Initial Operations period with a fixed fee of EUR 250 000 per year, or as decided by the GA in accordance with Articles 15 and 21.

### The Host Members shall cover any deficit in the operational budget of their respective ELI Facilities, being given the possibility to provide in-kind contributions. Such contributions are calculated to the overall Host Member contribution.

## Contributions to Steady State Operations

### A Member shall contribute to the Steady State Operations Budget based on the principle of the proportionality of their use of ELI. The Member contributions shall take into account the average percentage usage of ELI in the previous three years. In case of new Members, the contribution shall be defined in taking into account the expected future use of ELI.

### The Host Members shall jointly contribute 20% to the Steady State Operations budget. Each Host contribution shall be proportional to the budget of their respective ELI Facility.

### No non-Host Member shall pay more than 25 % of the operating costs in the first five years.

### An Observer shall contribute to the Steady State Operations budget at a fixed fee of EUR 250,000 per year, or as decided by the GA in accordance with Articles 15 and 21.

### The Host Members, during the first 2 years of the Steady State Operations period shall also cover any deficit in operational budget of their respective ELI Facilities in case not covered, being given the possibility to provide in-kind contributions. Such contributions are calculated to the overall Host Member contribution.

## In-kind Contributions

### In-kind Contributions (IKC) are possible to support Initial and Steady State Operations must be consistent with 3(a) and based on the GA approval. The IKC shall be limited to levels that ensure sufficient cash flow to maintain ELI’s operational effectiveness.

### IKCs shall be defined by ELI ERIC in advance of the annual budget commitment, reviewed by the AFC and approved by the GA. They shall, upon approval, be treated as cash-equivalent contributions with regards to voting rights/weights.

### IKCs shall be delivered on the basis of an IKC agreement between ELI ERIC and the delivering party.

## Indication of contributions

### The following countries have committed to or indicated (\*) making the following contributions towards the operating costs of the ELI (all amounts refer to February 2018 prices, M EUR):

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Member (k€)** | **2019** | | **2020** | | **2021** | | **2022** | | **2023** |
| **The Czech Republic**  **(+ deficit + seat premium)** | | 11,697 | | 20,123 | | 24,724 | | 24,805 | 24,916 |
| **Hungary (+ deficit)** | | 790 | | 6,377 | | 13,704 | | 16,306 | 19,228 |
| **The Italian Republic** | | 250 | | 2,000 | | 3,750 | | 3,750 | 3,750 |
| **The Republic of Lithuania** | | 0 | | 200 | | 200 | | 200 | 200 |
| **The Federal Republic of Germany** | | TBD\* | | TBD \* | | TBD \* | | TBD \* | TBD \* |
| **The French Republic** | | TBD \* | | TBD \* | | TBD \* | | TBD \* | TBD \* |
| **The United Kingdom** | | TBD \* | | TBD \* | | TBD \* | | TBD \* | TBD \* |
| **TOTAL** | | **12,736** | | **28,700** | | **42,378** | | **45,061** | **48,094** |