

Annex D MEDem long-term financial plan

MEDem has two financial plans: **an interim plan** to cover the (at most) two-year period when management structures and financial arrangements are finalized (and **all costs are met locally** according to provisions of the 2017 MoU that brings MEDem into being) and a **long-term plan** to cover the **implementation phase and the first five-year Cycle of Elections** for which data will be collected.

This document relates to the long-term financial plan. It has two parts: implementation and operations. The implementation plan will be executed only once. The operations plan will cover for the first five-year Cycle of Elections, expected to be repeated for each ensuing cycle.

All elements of this plan assume six competence centres, but the management structure is intended to be flexible and additional competence centres are envisaged with costs increasing commensurately. Competence centres fall into two classes: (a) competence centres that come into existence only with the implementation of MEDem and that will be fully funded by MEDem; (b) competence centres that are already fully or partly funded existing European infrastructures (even if not on the ESFRI roadmap), for which varying coordination/data management costs are envisaged.

Implementation of financial plan

The implementation of MEDem will be preceded by an interim phase whose second part should attract H2020-funding that will also cover MEDem's implementation phase, for a total of three years altogether (see Annex F). During that period staff will be hired and operational procedures, based on the Work Plan, will be established. Necessary preliminary planning will be conducted such as would bring MEDem to where it would have been at the end of a nominal Cycle of Elections that we will call Cycle 0. Thus the implementation phase will include the creation of preliminary questionnaires and other data collection instruments that can be brought into service with the first national election of Cycle 1, but no data will be collected during Cycle 0. During this period we expect MEDem data collection Nodes to continue as though MEDem did not exist, collecting data for any elections that might be conducted during this period. In practice, for operational reasons, Cycle 0 may not exactly coincide with the implementation phase (see Annex F).

During the interim (Part 2) and implementation phases we expect that on average it will take six months to hire and acquire the support staff for Head Office and each Competence Centre, so the costs for first year of infrastructure operations are reduced by half to 1.32MEUR. The allocation of those costs across Head Office and Competence centres, and the sources of funding to pay those costs, will be the same as for the operations phase.

Operations financial plan

From the start of Cycle 1, MEDem is expected to be partially self-funding through the generation of cost savings due to economies of scale in meeting infrastructure expenses. As a Europe-wide consortium for election-related data-collection, MEDem will also realize previously untapped externalities: much increasing the value of electoral data collected within the European Research Area and beyond.

During the first five-year Cycle of Elections, starting with the first National Election for which data are collected, funding is needed for the Head Office and six Competence Centres. The Head Office will consist of a director and co-director, together with one research coordinator and administrative support. We estimate these costs at around €625.000 annually. The competence centres are of two types (see above) Type A competence centres call for a director and co-director (who will also serve as research coordinator), together with part-time administrative support. We estimate costs for these to average €300K annually. Type B competence centres will only require one or two research coordinators/data managers (depending on workload) and part-time administrative support in addition to costs that are currently already funded. We estimate MEDem's share of costs for Type B CCs to average about €100K annually. Thus MEDem's currently proposed administrative structure, when fully operational, is estimated to give rise to the following costs:

Table D.1 Costs of Head Office and Competence Centres, per year, Cycle 1

Management unit	Type	Cost (in MEUR)
Head Office	A++	0.62
Citizen studies (mass surveys)	A	0.30
Elite studies (candidate surveys)	A	0.30
Media studies	A	0.30
Contextual data	A	0.30
Manifesto data	B	0.10
Data dissemination	A+	0.43
European Election Studies	A	0.30
Total annual expenditure during Cycle 1		2.65 MEUR (2.0 MEUR during Cycle 0)

During Cycle 0, funding will be sought to implement the software needed for data access and perhaps for remission of membership contributions during the period before data collection nodes (seen as MEDem users) can expect any benefits from MEDem. Although CCs are shown with three different levels of cost, actual costs will vary more than this in light of detailed costing to be established.

These costs will be met through membership contributions paid by countries of institutions housing an estimated 25 data collection Nodes along with direct funding from the governments of institutions housing the Head Office and competence centres, as follows

Table D.2 Income from member countries (membership contributions) as of the start of MEDem's implementation phase (CCa is a fully funded competence centre; CCb is a pre-existing infrastructure – see above)

Funding source	Number of countries	MEUR
Memberships @ 0.03 MEUR per country	25	0.75
Country of Head Office (HO)	1	0.51
Country of Dissemination Centre	1	0.35
4 CCa countries @ 0.24 MEUR each	4	0.96
1 CCb country @ 0.1 MEUR	1	0.08
Total annual income during Cycle 1		2.65 MEUR

Note: Germany appears four times in the above: once for its basic membership, once for funding a CCb and twice for funding a CCa. Other countries appear twice: once for their basic membership and, additionally, Sweden for the HO, Denmark, France, Netherlands, Portugal for a CCa.

The above membership contributions will be apportioned to countries according to a formula to be established by unanimity during the interim phase, largely or entirely according to country GDP.