



Image Allocation for 2009 Proposed Model

Contents

Problem of allocation of image
budget

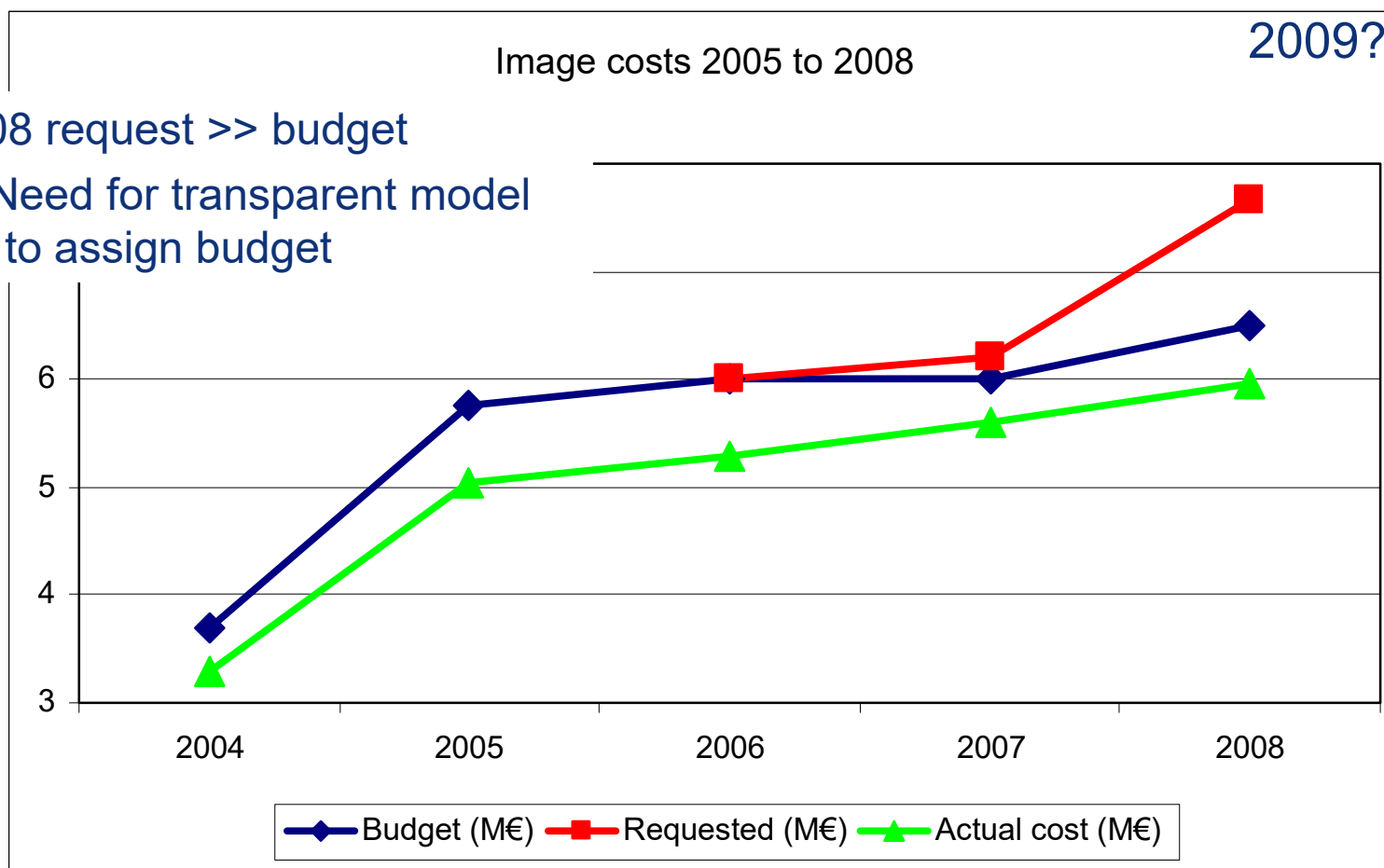
Relationship between image cost
and various factors

Derive potential model for 2009

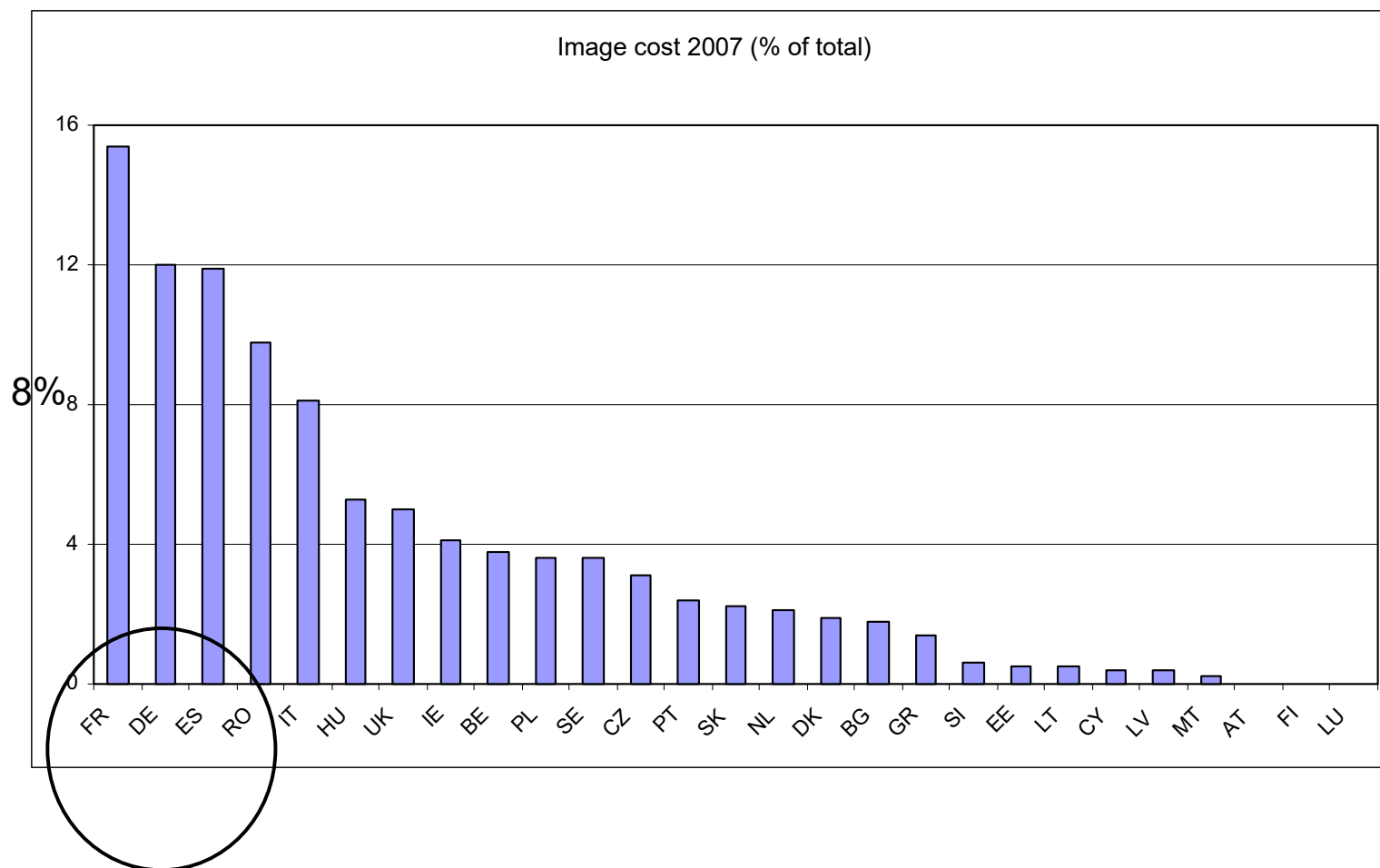
The Problem

2008 request >> budget

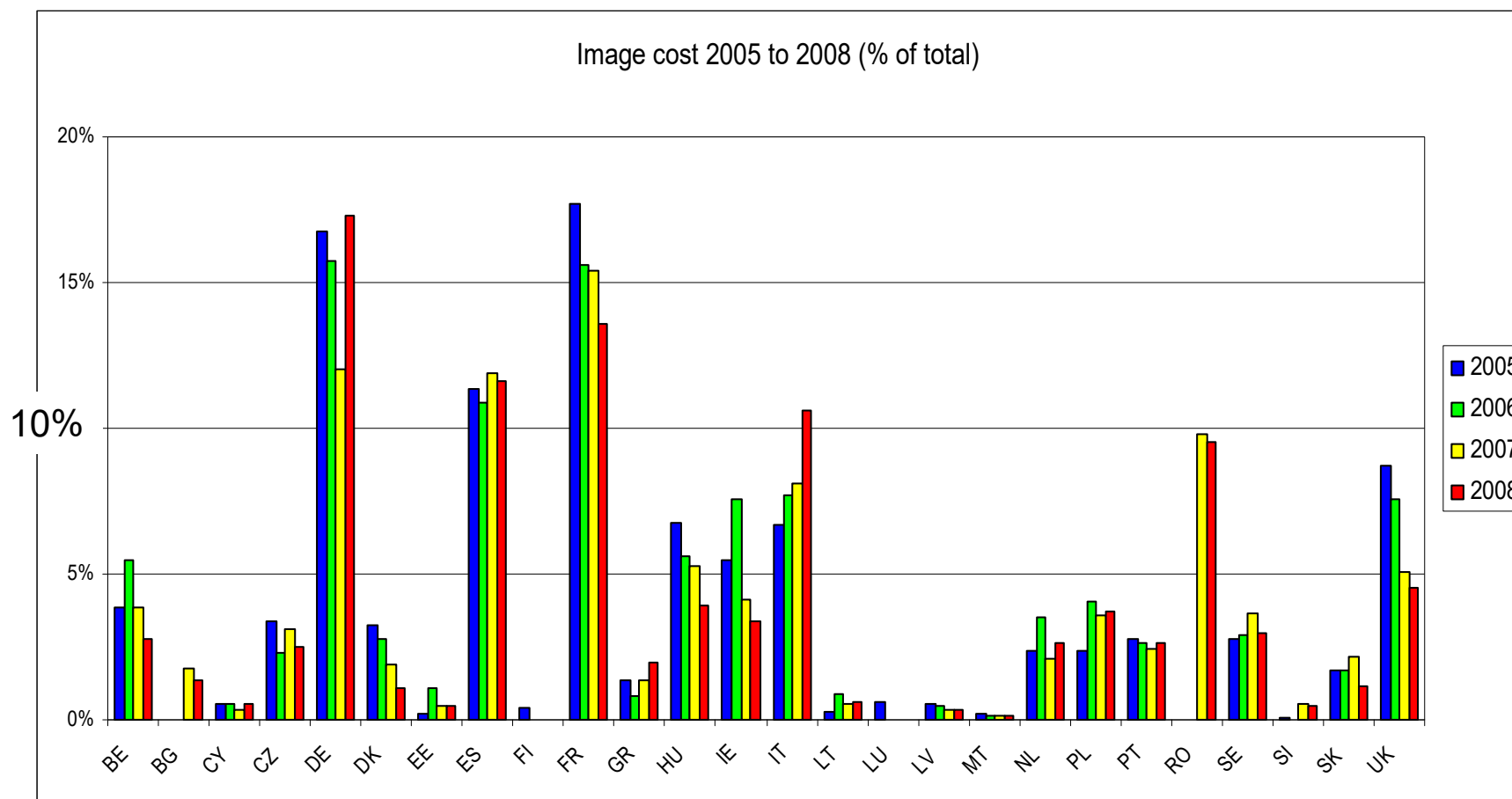
-> Need for transparent model
to assign budget



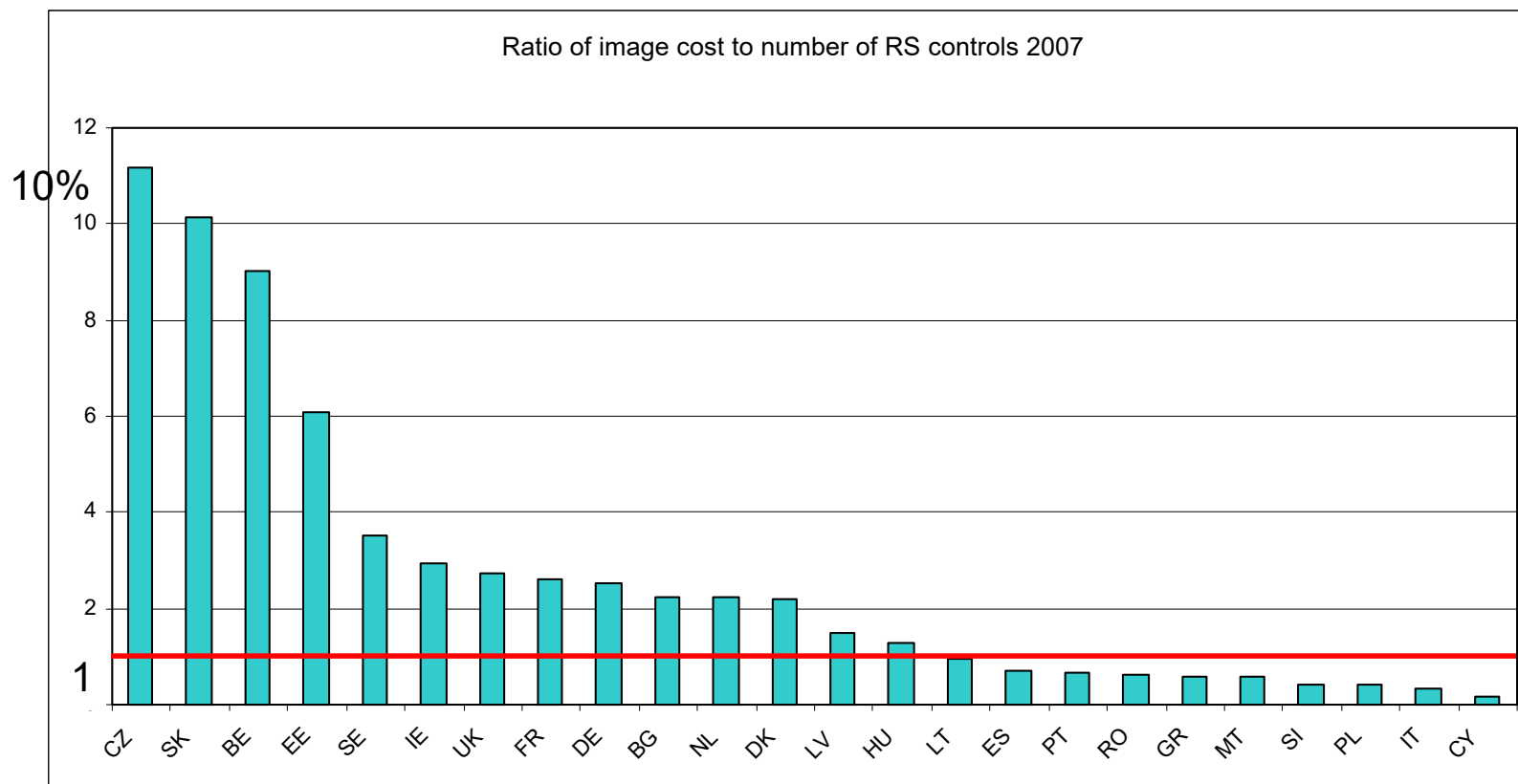
What is fair?



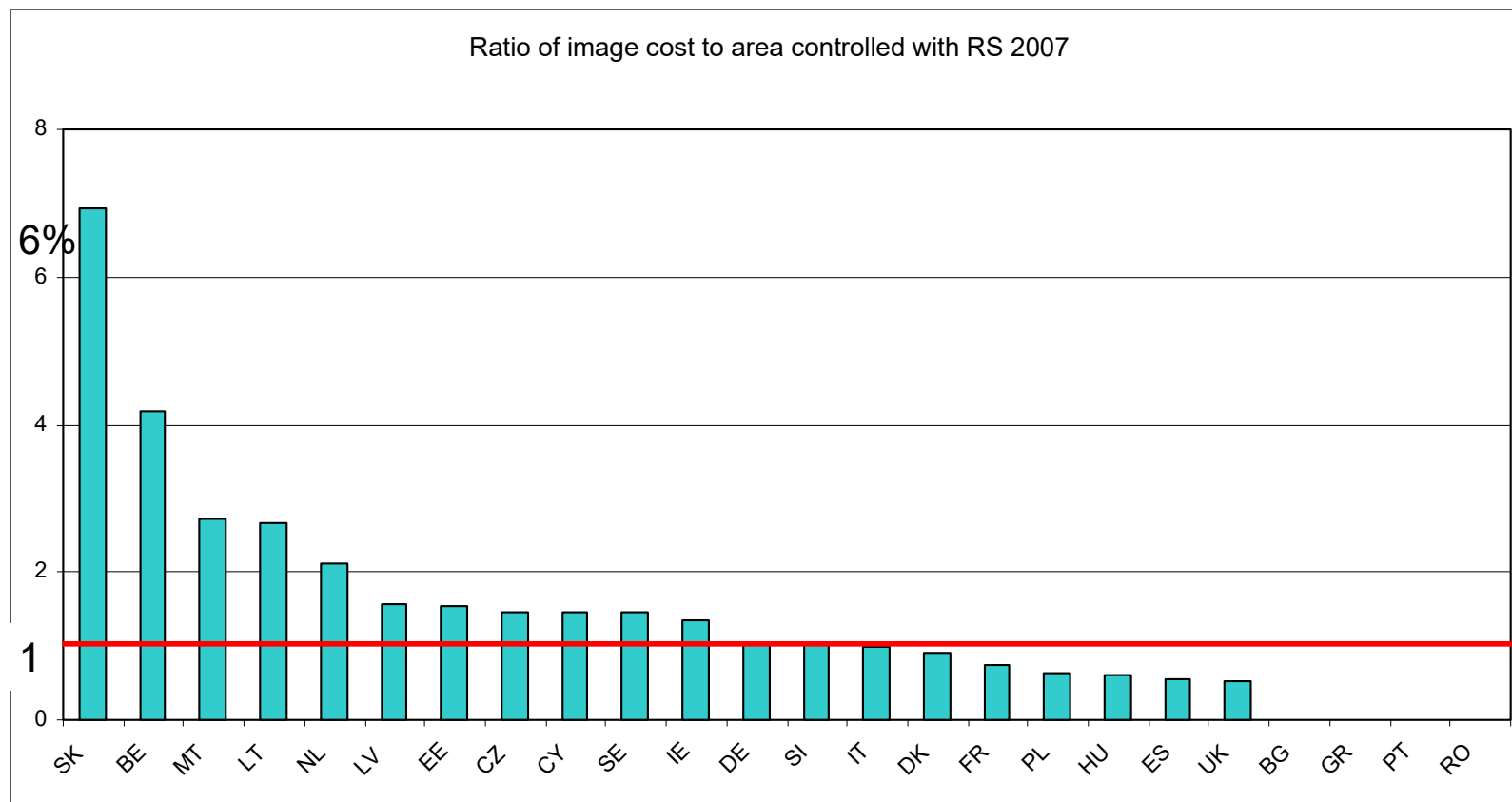
Historical image cost



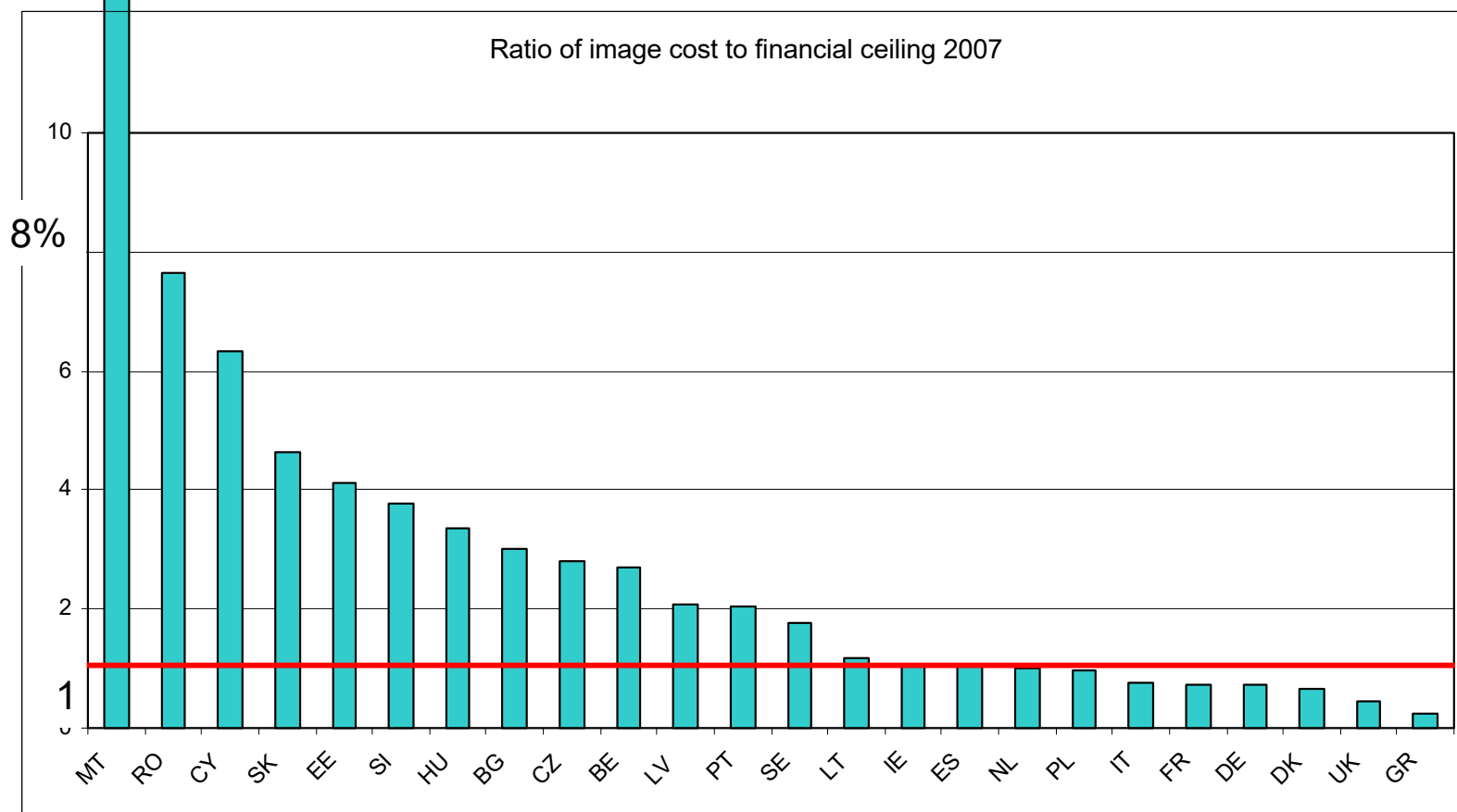
Cost efficiency (1)



Cost efficiency (2)



Financial “weight” of MS



Procedure

Data from 2007 and 2008

Analyse relationship between image cost and:-

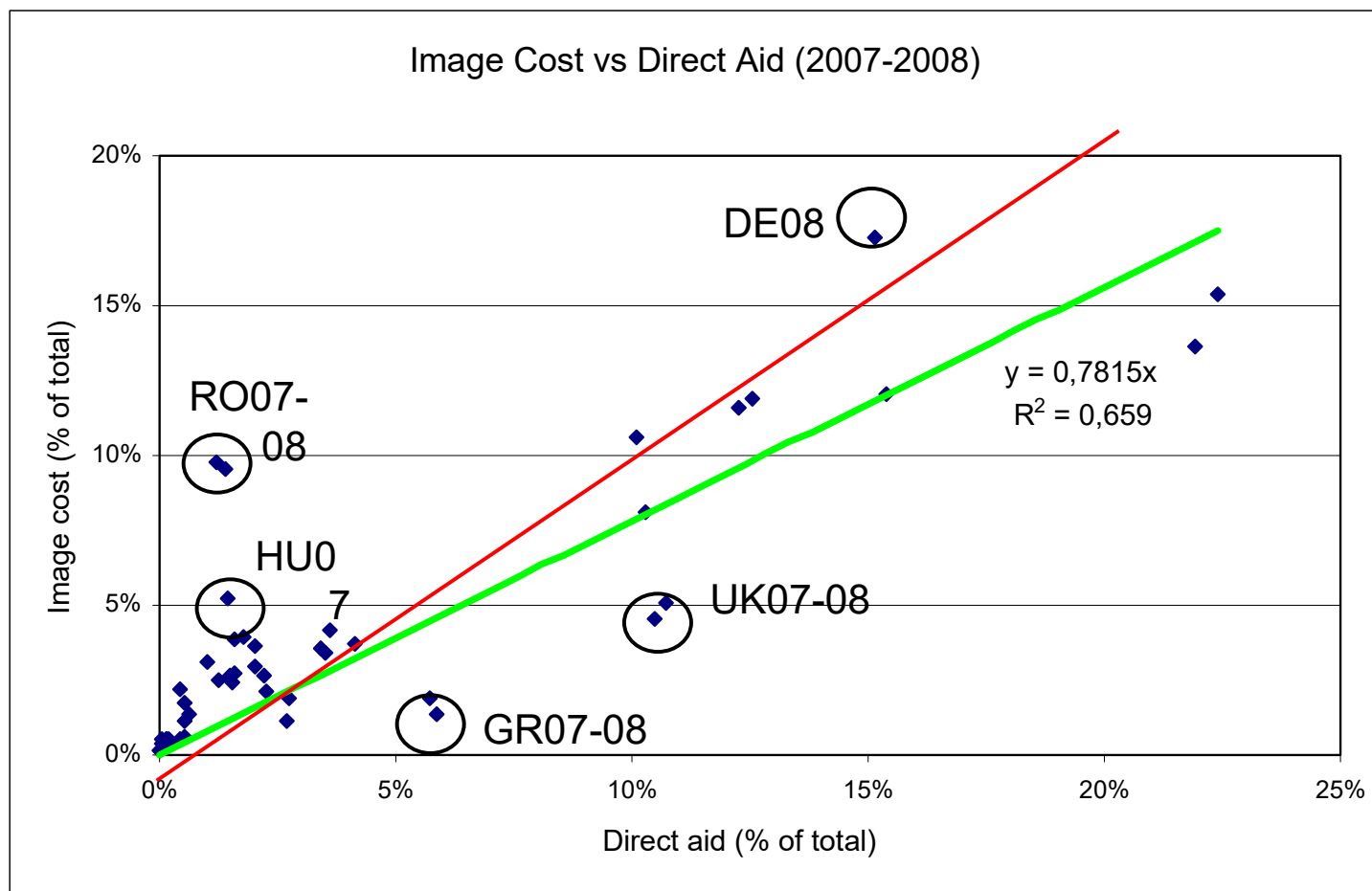
- $\frac{3}{4}$ Amount of direct aid

- $\frac{3}{4}$ Number of RS applications

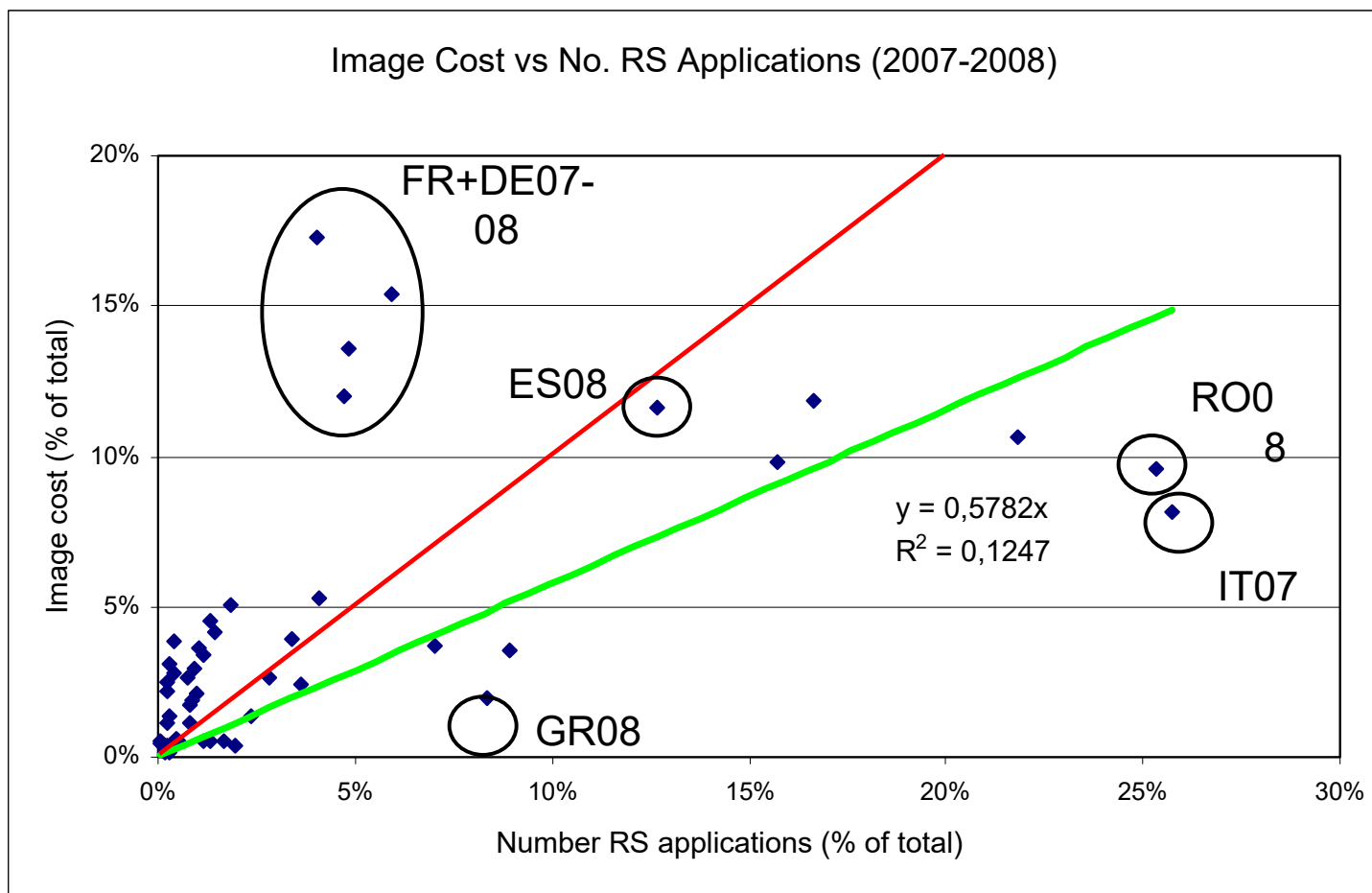
- $\frac{3}{4}$ Area controlled with RS

Derive model for 2009

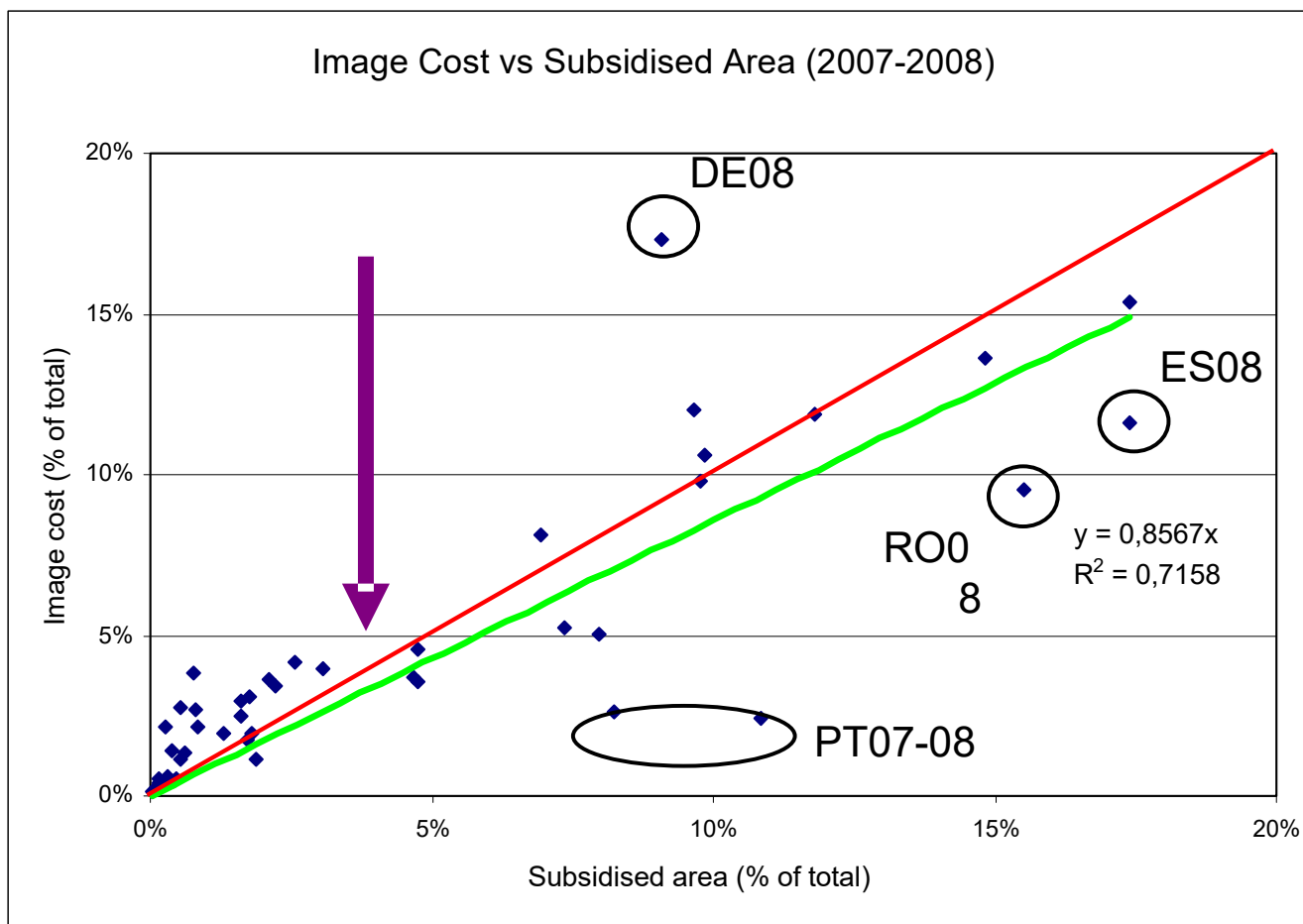
Direct Aid



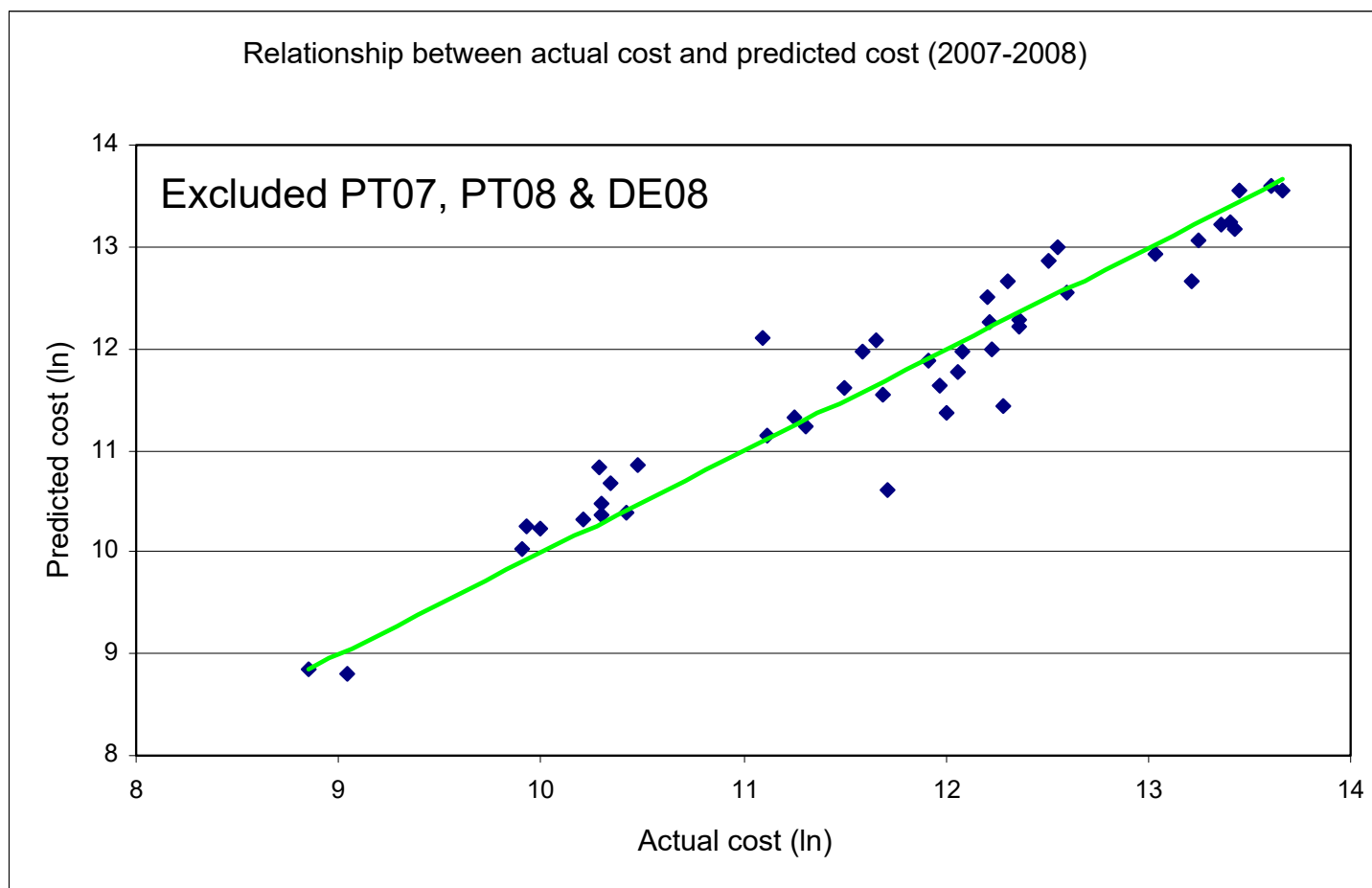
Number of RS Applications



Area controlled by RS



Best result (so far)



Best result (so far)

$\ln(\text{predicted cost}) = 4.6 + \ln(\text{subsidised area}) \times 0.5 + \ln(\text{amount of aid}) \times 0.2$

Excluding outliers:-

total difference (i.e. actual cost – predicted cost) = €480,000 (reduction)

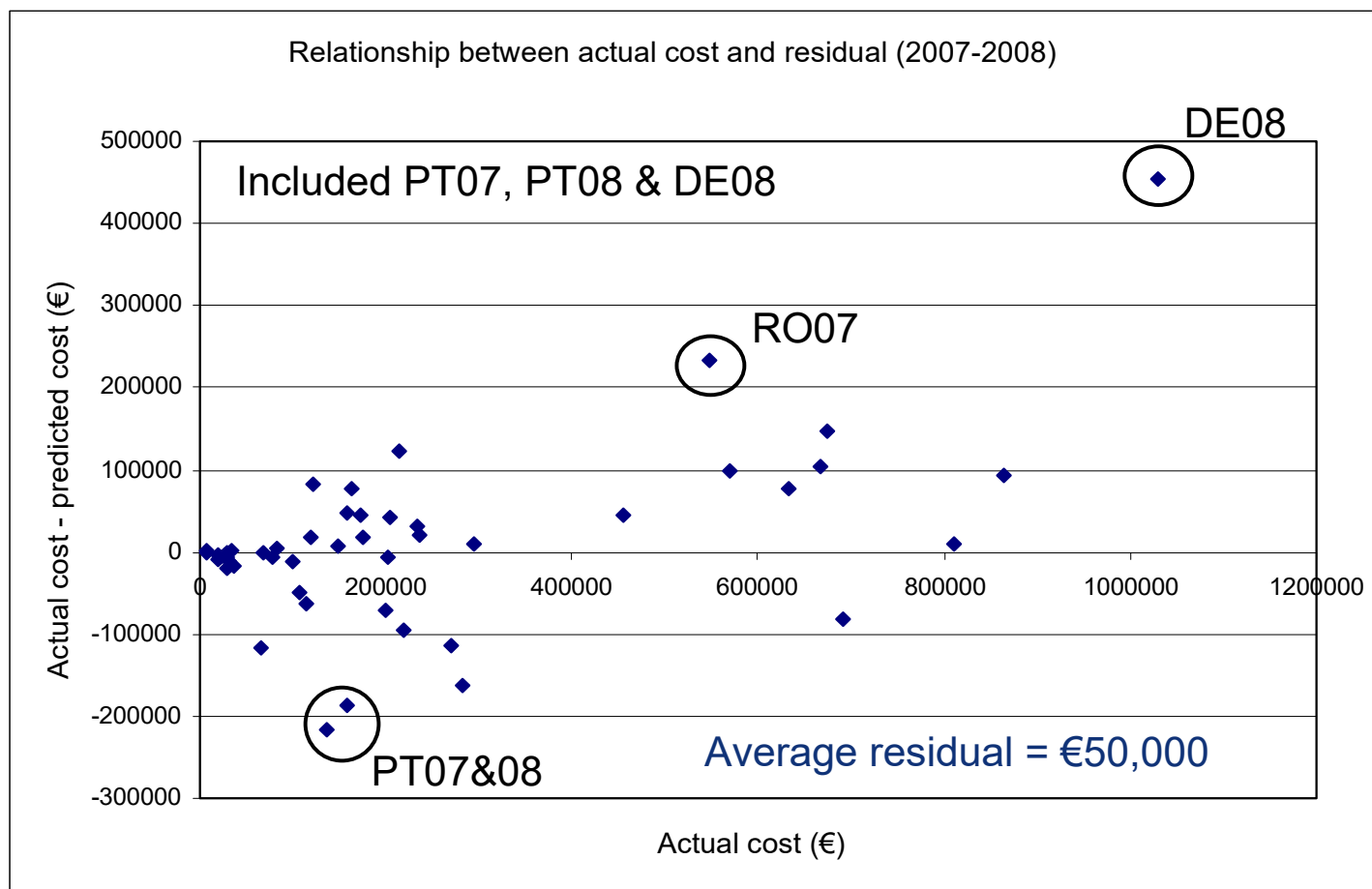
average difference (residual) = €50,000 per MS per annum

Including outliers:-

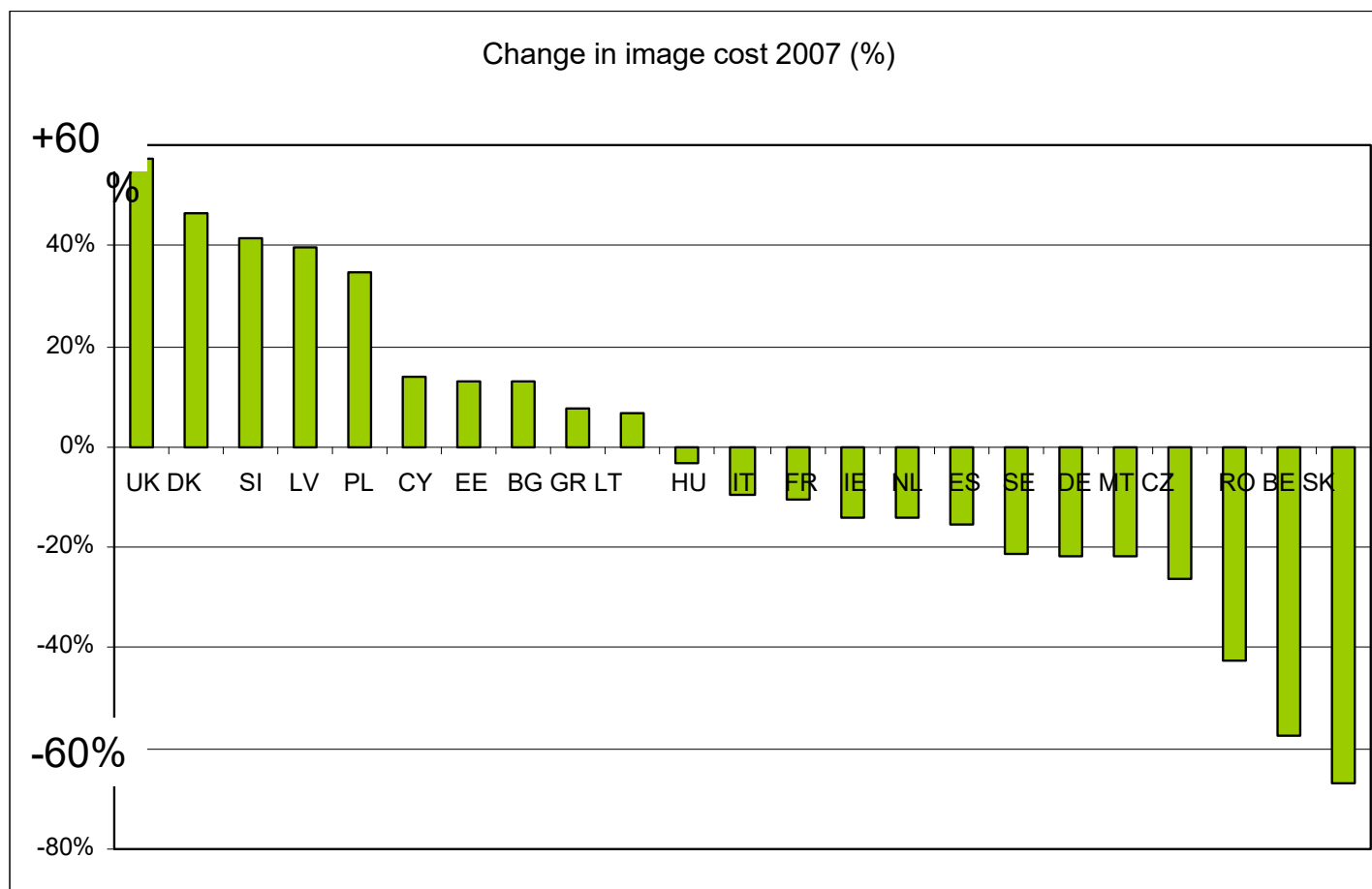
total difference (i.e. actual cost – predicted cost) = €530,000

Thanks to David

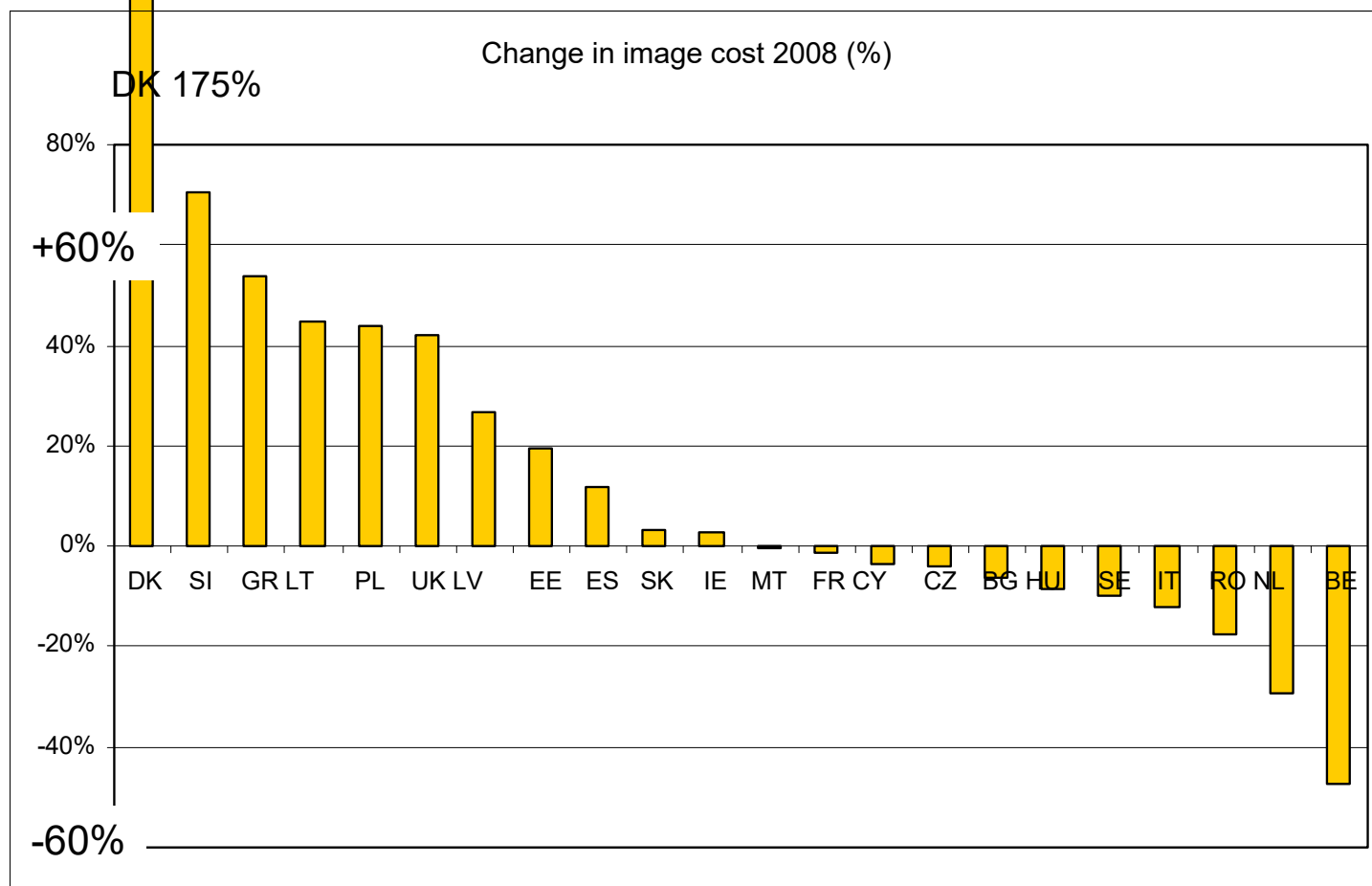
Result of model 2007-08 (€)



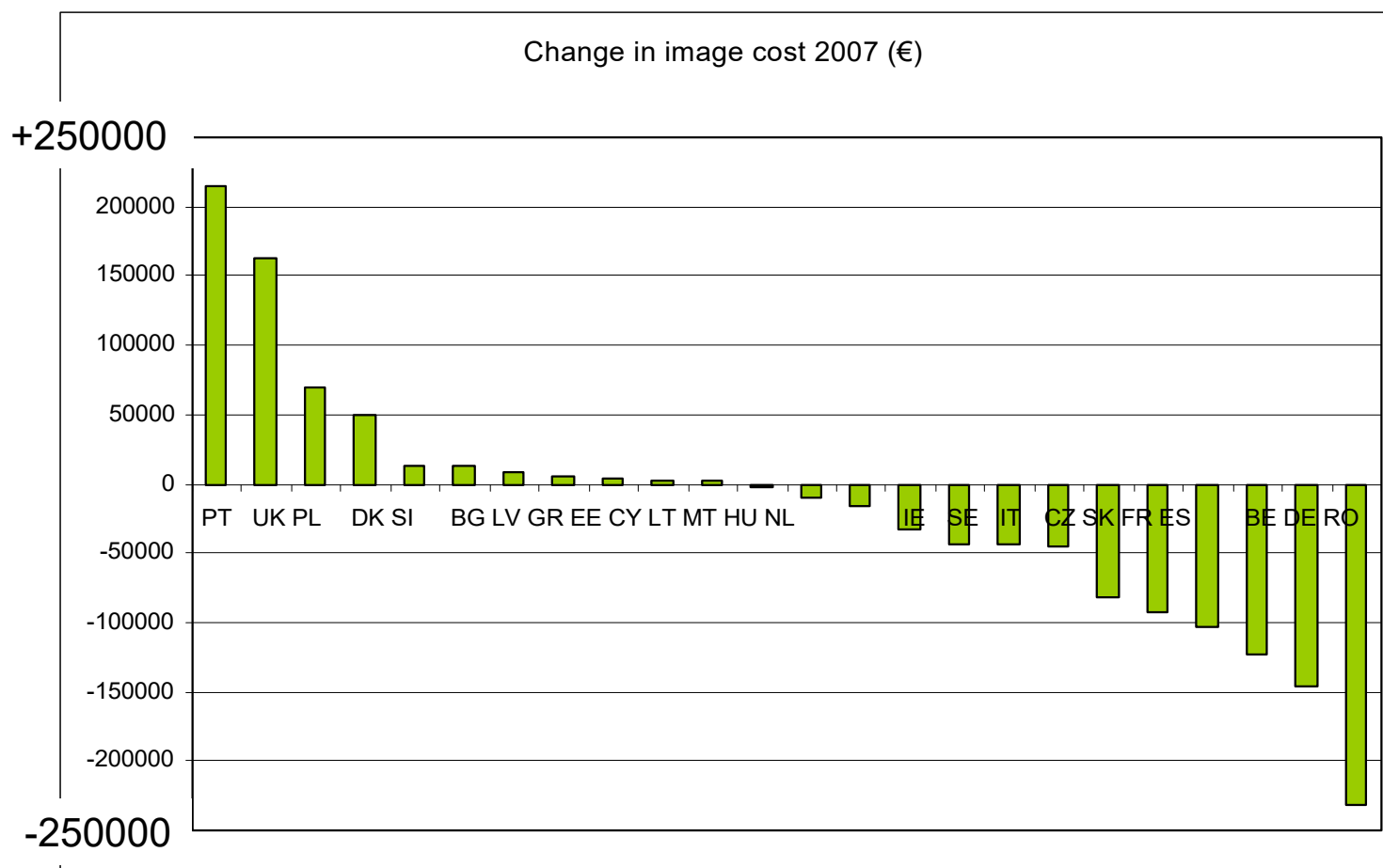
Retroactive Effect in 2007 (%)



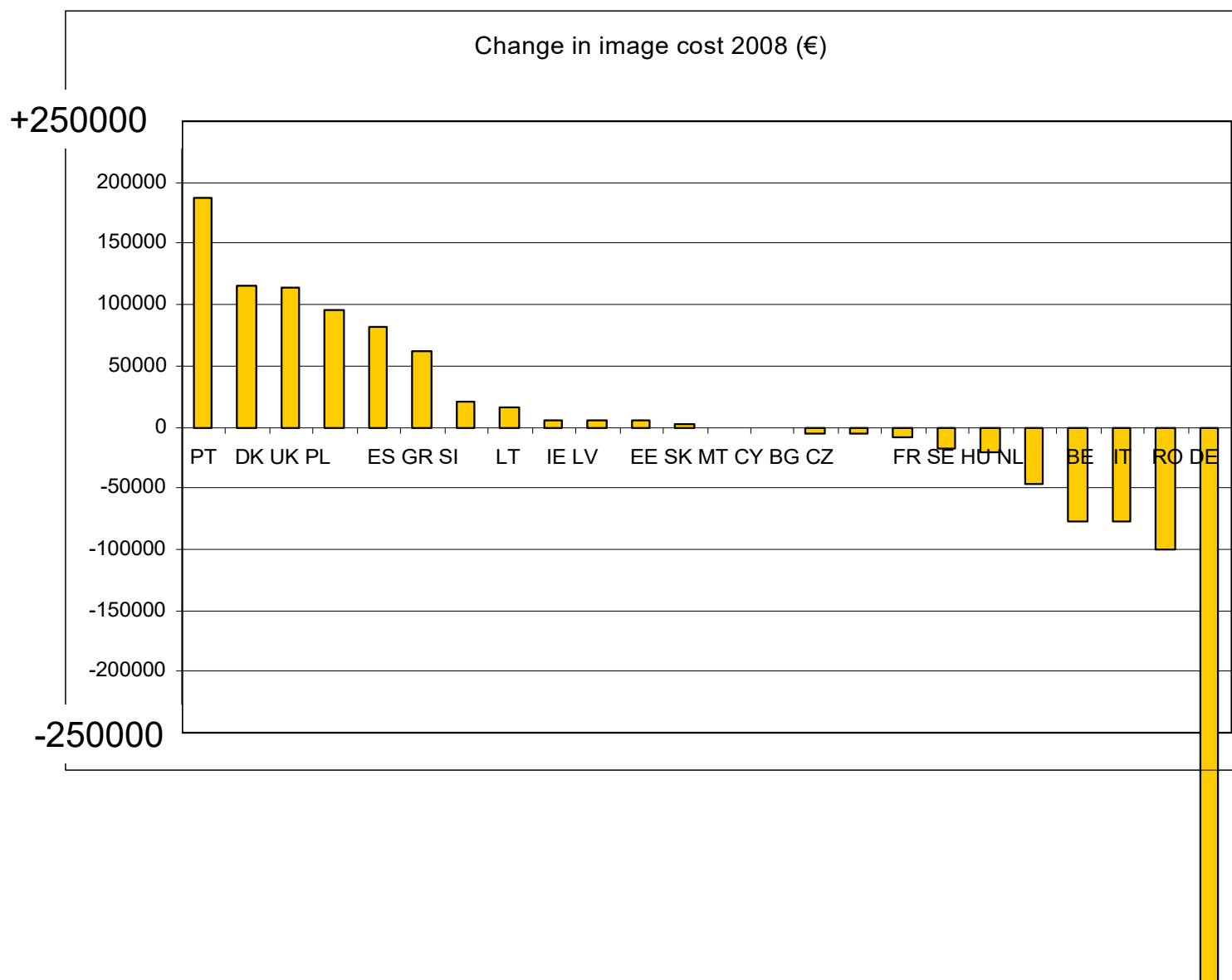
Potential Effect in 2008 (%)



Retroactive Effect in 2007 (€)



Potential Effect in 2008 (€)



Conclusion

What will happen in 2009?

Potential winners & losers

Ongoing analysis

Comments welcome

Thank you