

We're all in this together

Library consortia cost sharing models

Emma Farrow, INASP, 2011

INASP have worked for a number of years in building access to research and scholarly information via electronic information resources and online journals. An important aspect of this has been developing the local organisational capacity of libraries to provide information services that deliver these resources. Library consortia have played a key role in this.

Library consortia come in all shapes and sizes — from small, informal collaborations to nationwide initiatives with legal status and formal governance structures. They can also range in scope and activity — focusing on a single purpose to a range of goals. Some of the wide range of activities library consortia engage in include: collaborative licensing; purchase of resources; peer exchanges; and training. Whatever the structure and purpose, a key benefit of a consortium is the ability to speak with a single voice to funders, policymakers, publishers and so forth.

In the past decade, library consortia have emerged in many developing countries and are becoming increasingly important. This is illustrated in the area of e-resources licensing, negotiation and purchase. Pooling limited funding to share subscription costs and gain access to a wider range of online journals and books is a common motivation for consortia development. We have seen this being increasingly successful in countries where we work.

“It was amazing to discover that we could actually pay for the resources on our own budget, something that a lot of institutions used to dismiss as impossible.”

Country Coordinator, Kenya

Collaborative purchase (i.e. cost-sharing) is the method of dividing the total cost of e-resources across all the members of a consortium. Cost-sharing models are as wide and varied as the consortia themselves, changing to meet the context, needs and structure of the consortium they support. A selection of models are introduced here as employed in INASP partner countries in 2011, each with their own strengths and weaknesses.

The models presented are simply that – models. They can be altered and changed as befits the organisation. The examples provided here show both the model and how it has been applied. If the model used no longer suits the consortium they may adopt a new one, adapt an old one

or revert to a previously used approach as it grows and changes over time. Being aware of the range of approaches that are available is useful for when considering a change and when forming a new consortium.

Equal share

The total e-resources subscription cost is equally divided between all the member institutions

Pros

- Ease of administration: invoices are divided equally among members.
- Equity: smaller institutions are partners with an equal voice/vote

Cons

- Costs split equally, but usage may vary depending on size, specialism(s) and infrastructure
- Some institutions may be able / willing to pay more

This model works best for homogenous groups, otherwise smaller institutions may pay disproportionately more. This can be reconciled by having two or more membership 'tiers'.

See *Consortium of Academic & Research Libraries in Ghana (CARLIGH)*.

Consortium of Academic & Research Libraries in Ghana (CARLIGH)

CARLIGH was established in 2004, and, as of 2011, has 23 members. The majority of these are in the university sector so it is relatively homogenous. It has a two-tier cost-sharing model. Costs are shared equally between universities and research libraries, because in smaller institutions there may be a higher computer: user ratio and so easier access and potentially higher usage:

“Because resources are shared equally, it was agreed that costs are equally shared. The size of the institution does not count, because this does not necessarily reflect volumes of usage”

A second, lower rate is set for affiliate members (small, single-subject institutions). This is agreed annually by the Governing Board based on database use.

Type of institution

The nature of the institution determines its share of the e-resources invoice

Factors may include the sector (e.g. academic vs. research), source of funding (e.g. public vs. private university) and/or single discipline vs. multidisciplinary

Pros

- Fairer model for specialist, single-subject institutions

Cons

- Does the nature of the institution correlate to usage?
- The multidisciplinary/interdisciplinary nature of research is not catered for

See *Kenya Library and Information Services Consortium (KLISC)*.

Size of institution

The size of the user population determines the share

Pros

- This is a common determinant, often used by publishers, and seen as a fair indicator of likely usage
- It may increase the possibility for smaller institutions to participate
- It can be simple to administer, and consistent in approach

Cons

- Does the size of population correlate to usage (e.g. the availability of PCs and the ICT infrastructure may also influence usage)?
- Smaller institutions may be private and receive better funding (context dependant)
- It may not reflect the diversity of disciplines covered by a single institution

See *Consortium of Tanzania University Libraries (COTUL)*.

Ability to pay

Based on available budget

Pros

- Contribution based on allocated library budget; highest charge goes to wealthiest
- Could encourage new members due to affordability

Cons

- No incentive to increase library budget, so potentially rewards institutions that underfund their libraries
- Hard to administer, with potential problems around the disclosure of budgets

See *Bangladesh INASP-PERI Consortium (BIPC)*.

Kenya Library and Information Services Consortium (KLISC)

KLISC is a large multi-sector library consortium with 71 member institutions as of 2011. KLISC uses the institution type as a key factor for dividing e-resource subscriptions.

Distinctions are made between universities (public and private) and non-university members. The latter are research institutions, major government tertiary colleges, the national library, the national archives, national museums and government ministries.

- Non-university members (39) pay 10% of the total costs
- Universities pay 90%, divided between:
 - 16 public universities 80%
 - 16 private universities 10%

KLISC have found the formula transparent, predictable and flexible.

"It is very accommodating and fair to changes in price. Members are able to budget ahead of time including about 10% price increase. Public Universities carry the largest burden but they are ok with it because the saving percentage is still very high compared to the high student population"

KLISC Programme Coordinator

Consortium of Tanzania University Libraries (COTUL)

COTUL began with a small group of member institutions but has expanded to almost 50 members since late 2009. Of these, 36 are Universities and Colleges and the rest are research institutions and other governmental organizations.

Costs are divided according to the number of researchers and students, based on Full-time Equivalent (FTE). Each member institution is placed in one of three tiers:

- Rate A (1 - 2000 FTE)
- Rate B (2001 - 4000 FTE)
- Rate C (4001 - and above FTE)

Agreed tiers or bands are easier to administer than deciding allocations on a case-by-case approach. [See also the Bangladesh INASP-PERI Consortium (BIPC) case study below].

Discussion point

Should the number of postgraduates & researchers be weighted more heavily than undergraduates? Should staff numbers also be factored in?

Actual usage

Payment is based on the amount e-resources have been used

Pros

- Institutions pay only for what they actually use

Cons

- May discourage promotion and use of e-resources for those with a smaller budget
- Payment is made a year in arrears so long-term planning is harder
- If an institution cancels its consortium membership, it may gain or lose

Centralised funding

E-resources are centrally funded at government level

In this model, funding for e-resources is provided directly to the consortium rather than individual institutions. Unlike the other models, it is not directly attributable to agreement between the consortium member institutions but reliant on higher support to make it a reality.

Pros

- Academic and research needs are prioritized, if this is part of a wider strategy
- Enables access for any eligible institution, as the budget is allocated at a central, not institutional level

Cons

- Reliance on continuation of government funding
- Requirements of specific institutions may be left out

See *Pakistan's National Digital Library Programme (NDLP)*.

Bangladesh INASP-PERI Consortium (BIPC)

BIPC is a relatively young consortium which has expanded quickly over the last 5 years (2007-2011) and now has around 40 members.

The cost-sharing model is based primarily size compared to similar institutions, but also on type. Different types of institutions pay according to their coverage of resources. Examples of types would be: general public universities, private universities, engineering universities, medical institutions, and agricultural institutions.

The ability to pay has also been taken into consideration in some extreme cases. An especially affluent institution may pay more than size or type would dictate or an institution with a very limited periodicals budget may be allowed to pay less than stipulated. However, institutions may only pay a reduced amount for up to two years, giving them time to work through their own administration to get a more substantial allocation. This flexible approach has been important for local capacity-building, although the variable payments have been difficult to maintain.

While exceptions have been made, the fixed payment structure, with set tiers based on size and type of institution, is seen as the way to go forward. As long as content is focused on resources for research then size is likely to be determined by the number of teachers, researchers and postgraduate research students in universities or the researchers and scientific officers in research organisations.

Once the consortium expands more into e-books, and a significant number of undergraduate texts become available, then it might make sense to include number of students.

Pakistan's National Digital Library Programme (NDLP)

The NDLP was introduced in 2003 as part of the Higher Education Commission's (HEC) mission to build and strengthen research culture in Pakistan. It has over 400 members including public and private sector universities, research institutions and non-profit organisations.

Negotiations and payments are on one of the following:

- Country-wide basis: a set fee is paid irrespective of the number of institutions that may access the information. E-resources are provided to all member institutions without any costs
- Per-institution basis: a fee is paid by each institution wishing to have access. Public universities are fully funded, while top-tiered private universities pay 50% of the costs of acquiring specialist resources

There are several benefits of the HEC negotiating for country-wide and institutional-level access:

- Consortium can negotiate larger discounts
- Institutions benefit from centralised negotiations and expertise
- Publishers benefit from high volume sales
- Renewals for subscriptions are easier to manage

Discussion point

Will this centralised model encourage or discourage institutions from forming a consortium to collaborate in other areas?

Other factors

Number of PCs

This could be factor, but only if it correlates with actual usage.

Potential Savings

From accessing e-resources via consortium instead of directly

This approach would reflect the needs of multidisciplinary versus homogenous institutions, and the various subject specialities – but calculating “real costs” and so savings would be difficult, with publisher pricing not being static

In conclusion

The key strength of a consortium is that it enables individual institutions to pool resources and speak with a single voice. This can make an enormous difference for both large and small institutions, stretching budgets and resources to make the most impact. However, as they provide a single voice, it is important that all members are in agreement as to the message.

Each member institution will have specific needs and priorities that may not overlap and budgets, circumstances and size can vary greatly. Therefore, there is no single, universal cost sharing model that can be recommended or applied to for everyone. The model that is used needs to be considered from the perspective of both the consortium executive and individual member institutions. Whatever model is adopted it needs to be:

- Transparent
- Fair
- Predictable
- Efficient
- Flexible²

In the end, a consortium is as much about collaboration and networking as it is about resources. Through a clear cost-sharing model and strong communication among members, a consortium can thrive.

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Related Publications

The following is a list of case studies and articles published by INASP relating to consortia development.

Building a Research Culture

Pakistan's National Digital Library Programme

Building and strengthening the research culture was a key area of development in Pakistan and through initiatives such as the National Digital Library Programme (NDLP), activity has increased by massive numbers in a short period of time.

www.inasp.info/building-a-research-culture

Building from the Bottom Up

Developing and sustaining the Bangladesh INASP-PERii Consortium (BIPC)

Even the greatest plans and a sizeable budget mean very little if there are no individuals with the time and desire to maintain it. As found in the development of BIPC, enthusiasm and individual dedication can be just as important as planning and funding.

www.inasp.info/building-from-the-bottom-up

The Winning Formula

The Kenya Library and Information Services Consortium (KLISC)

Since its inception in 2003, the Kenya Library and Information Services Consortium (KLISC) has blazed a trail for cash-strapped research organisations across the developing world, working together to overcome the impact of budget cuts.

www.inasp.info/the-winning-formula

INASP Newsletter 47

The role of libraries

This issue features articles on the development of the Vietnam Economic Library Consortium (VELC) and the restructure of the Consortium of Ugandan University Libraries (CUUL).

www.inasp.info/inasp-newsletter

Notes

1. From Advocacy, Accountability and Transparency: Library watchwords in Ghana (www.eifl.net/cps/sections/news/spotlight/2008_02_27_advocacy-accountability)
2. Adapted from: HEFCE “Funding guide 2010: The principles and methods behind HEFCE’s allocations of funding” date [online] http://www.hefce.ac.uk/pubs/hefce/2010/10_24/