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## Support to the World Maritime University

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**SUPPORT TO THE WORLD MARITIME UNIVERSITY**

**Report of the Review Mission**

**Carried Out From 14-18 October 1985**

**By Representatives Of**

**The United Nations Development Programme**

**The International Maritime Organization**

**The Government of Sweden**

**The Government of Norway**

**25 October 1985**

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## EXECUTIVE SUMMARY

Since its opening in Malmö, Sweden on 4 July 1983 the World Maritime University has grown into a recognized institution which has offered graduate training to 218 students from 74 developing countries. In order to review actual progress in implementing the ambitious provisions of the University Charter, representatives of the International Maritime Organization (IMO) and the major current supporters, Sweden, Norway and UNDP, carried out a mission in London (one day) and Malmö (four days) from 14. to 18 October 1985. This report of the Review Team was accepted by consensus.

The Review Team considered the institutional development of the University and determined that a very strong start had been made. The Rector, and a resident faculty of 8 professors and 3 lecturers are in place and have been supplemented by many distinguished visiting professors who serve on a voluntary basis. The University has received a modern set of equipment for training purposes and has begun to establish adequate library facilities. The qualifications of the students have been confirmed by many outside institutions and the high standard of the University's programmes has been recognized by other universities. This recognition should be followed up by an academic review of the University as proposed by the Board of Governors. All parties should help to ensure a balance in the student population among the various courses of study to ensure that the basic objectives of the University are met.

With respect to organizational and administrative development of the University the Review Team determined that the Charter has, by and large, proved adequate. The Team notes the benefit currently derived from having the Secretary-General of IMO serve as the Chancellor of the University and suggests that the relationship between the two positions be reviewed. The Team welcomes the establishment of the Executive Council but feels that the Council could play a more effective governing role on behalf of the Board of Governors if representatives of the Secretary-General, the Rector and the Vice-Rector served as resource persons rather than Council members. Finally, the Review Team suggests that a representative of the students of the University should be invited, as appropriate, to attend meetings of the Board, the Executive Council, the Academic Council and the Management Body as an observer.

The financial development of the University has satisfied the short term requirements of a growing institution but has not ensured its long-term viability. The Review Team supports Charter amendments being submitted to the IMO Assembly in November 1985 which will transfer full management responsibilities to the University with ultimate control resting with the Board of Governors. Recent and planned steps to strengthen the financial procedures and staff of the University make such a transfer

possible. While welcoming the success of past funding efforts, the Review Team feels that the time is ripe for a systematic long-term approach. As a first step, the University should prepare a plan for the period 1987-1991 assuming a student body levelling off at 200 and including inflation as the only major reason for annual increases. Increased contributions from the major donors are recommended by the Team. These should be complemented by resources from other donors to provide long term security for the University and adequate funding of fellowships for students from developing countries.

In addition to direct financial contribution and contributions for fellowships, donors, participating countries, organizations and companies have provided in-kind and other types of support which have either facilitated or reduced the need for financial assistance. The Review Team encourages these and any other ways and means to ensure that international support for the World Maritime University is commensurate with the ambitious provisions of its Charter.

1. Background

In November 1981, at its twelfth session, the Assembly of the International Maritime Organization recognizing the crucial importance of maritime training for promoting safer shipping and cleaner oceans for the development and benefit of international shipping and the protection of the marine environment and marine resources and being concerned about the acute shortage of qualified instructors for staffing maritime academies in developing countries, and the non-availability of the needed numbers of maritime administrators, examiners, surveyors and inspectors, resolved unanimously:-

- (1) to express its sincere gratitude to the Secretary-General of IMO for his wise and timely initiative in identifying the critical need for a global high level maritime training institution;
- (2) to request the Secretary-General of IMO to take all further necessary action for the establishment of the World Maritime University;
- (3) to authorize and request the Secretary-General of IMO to take all appropriate and necessary steps in securing the requisite financial support, especially from the UNDP, and
- (4) to appeal to the Administrator of the UNDP to give the highest priority with a view to providing necessary financial support to the World Maritime University.

In pursuance of the above, the Secretary-General took the following actions:

- (1) He initiated discussions with the Government of Sweden. In response, the Government of Sweden agreed to provide a cash contribution to meet one-third of the total running cost of the University subject to a ceiling of \$US1 million per annum in respect of their contribution.
- (2) The Secretary-General negotiated an agreement with the Government of Sweden as regards the legal status of the World Maritime University. This agreement was signed on 9 February 1983 and after the enactment of the necessary legislation in Sweden, entered into force on 1 May 1983.
- (3) At the request of the Secretary-General the municipal authorities of the City of Malmö provided appropriate premises and available equipment to the World Maritime and also provided excellent hostel facilities at a very modest monthly charge. These arrangements are covered by agreements signed by the Secretary-General on 14 October 1982 with the City of Malmö.

- (4) Pursuant to operative paragraphs 3 and 4 of the IMO Assembly Resolution, the Secretary-General and the Administrator of the UNDP held very detailed discussions at UNDP Headquarters on 17-18 August 1982, as a result of which the Administrator of the UNDP approved UNDP preparatory assistance and, subsequently, a large-scale support to the University under which the UNDP provided \$800,000 per year.

The World Maritime University opened in Malmö, Sweden on 4 July 1983 with 72 students from 42 different countries, the number of students enrolled having since grown to 218 from 74 developing countries.

The Administrator of the UNDP, together with the Government of Sweden and the Secretary-General of the IMO, played a crucial role in the rapid establishment of the institution, first through the approval of UNDP preparatory assistance and, subsequently, by approving a large-scale project of support to the University. The City of Malmö has contributed land, buildings, hostel facilities and recreational facilities of the highest standard. The generous and increasing Norwegian contribution has also been crucial during the early years of the University.

Bearing in mind that the University had been in operation for just over two years, that the first batch of students had recently graduated from the two-year Master of Science courses, and that the time had come to place the future financing of the University on a more secure long-term basis, the Administrator of the UNDP decided, in consultation with the Secretary-General of the IMO, the Government of Sweden and the Government of Norway to arrange for a review mission with the terms of reference presented in Annex 1.

The mission was composed of the following:

- Sweden - Ambassador Anders Forsse  
Ministry of Foreign Affairs
- Mr. Kennet Blom  
Head of Section  
Swedish International Development Agency (SIDA)
- Norway - Mr. Björn Hjul  
Consultant
- IMO - Mr. Leighton van Nort  
Director  
Technical Co-operation Division

- IMO - Mr. S. A. Hussain  
Senior Deputy Director  
Technical Co-operation Division
- UNDP - Mr. Philip S. Reynolds  
Senior Project Officer  
Division for Global and Interregional Projects

Mr. Reynolds also served as coordinator and chaired the mission's proceedings. Mr. Bernard Zagorin, Senior Adviser to the Secretary-General served as a resource person.

The mission held its initial meeting on 14 October 1985 at IMO headquarters in London, where it also had the opportunity of being briefed by the Secretary-General/Chancellor of the University, Mr. C. P. Srivastava and by Mr. Denis Aitken, Director of Administration in the IMO Secretariat.

The mission wishes to record its gratitude to all concerned for the opportunities provided to meet with the Rector, Admiral Sheldon Kinney, the Rector-Designate, Mr. Erik Nordström, the City of Malmö, the faculty, staff, the students and their student council and for the opportunity to observe classes.

## 2. Institutional Development

### 2.1 Charter Provisions

Since the Charter of the WMU constitutes the fundamental basis and authority for the operation of the University, the Team decided to use the Charter as the basic reference and reviewed the degree to which the WMU had progressed towards the objectives and functions outlined in Articles 2 to 5.

In essence these articles state that the WMU shall fulfill the purposes and objectives of the IMO by serving as an international institution for the training of senior specialists concerned with maritime matters. Particular reference is to be given to the promotion of safer shipping and cleaner oceans for the development and benefit of international shipping and the protection of the marine environment and marine resources.

The fundamental objective of the WMU is to provide the international community with effective means for the transfer of maritime technology from developed to developing nations. This transfer will enable national personnel to replace expatriates, with a consequent savings in foreign exchange and enhanced self-reliance.



In order to achieve these objectives, Article 4 stresses the need to provide interested countries and, in particular, developing countries, with the most modern and up to date facilities for the training of their senior maritime personnel.

## 2.2 Present Situation

Based on the review, the Team is of the opinion that the WMU has made a very strong start since its establishment in July 1983.

The international status of the WMU was established through an agreement between the Government of Sweden and the IMO. The City of Malmö has provided excellent facilities for the University and a large and well-furnished apartment building to accommodate students and teaching staff.

A notable aspect of the WMU is its truly international character. It is an exemplary case of international cooperation at work, facilitating much needed upgrading of developing country personnel in the technical and administrative fields of world shipping. This international character, which most aptly fits the global nature of world shipping, takes various forms.

One is the interest and enthusiasm shown by many developing countries which have sponsored highly qualified students - over one third from the least developed countries. A total of 218 students from 74 countries have attended WMU courses. The Review Team noted the Board's decision to admit up to 10% of the student body from developed countries on payment of the full economic cost in order to enhance the international environment of the University. Another aspect is the highly professional resident faculty of 8 professors and 3 lecturers (see Annex 2) from all over the world, which is supplemented by visiting professors and lecturers in specialized subjects from a roster of well over 150 persons who have volunteered to serve the University.

Through the active cooperation of numerous governments and enterprises, practical exposure through field trips and on-the-job training has been introduced and represents a unique element in the WMU course programmes.

Another interesting feature is the installation in the University of modern navigation, electronic and other equipment for teaching purposes. A good beginning has been made in establishing the University library which still requires constant support for growth in future years.

To achieve the objectives stipulated in Article 4 in respect of the training of high-level national maritime personnel in all areas of shipping and related maritime activities the Team noted that the WMU provides courses of study in the following areas: General Maritime Administration, Maritime Safety Administration (Nautical and Marine Engineering), Maritime Education and Training (Nautical and Marine Engineering) and Technical Management of Shipping Companies. There is also English language training. Details appear in the publication entitled "Courses of Study" issued by the WMU in July 1985.

As recommended by the Board of Governors, a small group of Board Members met to discuss the possible accreditation of the WMU. The group preferred, for the moment, to let such recognition come from acceptance of WMU students for further study by other universities. To date such recognition has been received from the University of Wales and the University of Paris. While welcoming these developments, the Review Team supports the Board's additional recommendation to hold an academic review of the University as soon as appropriate.

From Annex 3, reflecting course distribution by regions and classes, the Review Team took note of the unbalanced distribution of students among courses and, in particular, the relatively small number of students in maritime education and other more technical courses.

The Team noted with satisfaction that a Seminar for Heads of National and Regional Maritime Training Institutions in Developing Countries had been held under the auspices of the WMU. Its purpose was to further cooperation between maritime training institutions of developing countries and the WMU within the context of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, and efforts to develop advanced global training standards for "safer shipping and cleaner oceans".

Another Seminar for Heads of Maritime Administrations in Developing Countries has been organized by the WMU in which the need to conform to global standards and make full use of the WMU was also highlighted.

Considering these results the prospects for the future of the WMU must, in the opinion of the Review Team, be regarded as bright from an institutional point of view.

With regard to Article 5 stipulating that the University shall be both a teaching and an examining body and, in accordance with the Charter, shall have the power to prescribe the requirements related to the academic work, the Team took note of the fact that such rules are in the process of being adopted by the University as Academic Rules.

### 2.3 Findings and Recommendations

Having noted that the University now stands on a solid foundation since it has achieved most of the objectives and functions outlined in the Charter, it would now seem appropriate that developing countries should pay special attention to the enrollment of students in maritime education and other technical courses at the University.

Furthermore, it seems wise to limit the intake of students during the next five years to 100 new students per year in line with the Five-Year Plan referred to below.

The Review Team notes the useful initiatives taken by the IMO to develop short term courses for the maritime sector and is confident that the specific relationship of WMU to these courses will be clarified.

## 3. Organization and Administrative Development

### 3.1 Charter Provisions

The organizational framework is laid down in Articles 9-25 of the Charter of the University. These provisions can be summarized as follows:

The top official of the organization is the Chancellor, who is appointed by the Council of the IMO. The Chancellor presides over the Board of Governors (referred to as the governing organ of the University) and over the Executive Council (essentially an executive organ of the Board), and approves the appointment of academic personnel of the University, except the Rector, who is appointed by the Secretary-General.

The Board of Governors has not more than 70 members, appointed by the Secretary-General, plus certain ex-officio members. Two members are appointed in consultation with the Swedish Government and the Municipal Government of the City of Malmö, respectively. Members - other than ex-officio Members - serve in a personal capacity. The Board adopts the work programme and the budget of the University.

The Executive Council is responsible to the Board for the implementation of the latter's decisions. It can issue directives to the University within the framework of those decisions. It can be generally described as representing the Board, in between the meetings of that body, as the governing organ. The Executive Council is required to meet at least twice a year.

The Rector is the chief executive officer of the University. He is supervised by the Chancellor. He proposes candidates for academic posts to the latter, and appoints administrative staff. He makes recommendations to the Board and the Executive Council, respectively, on a number of subjects, in certain cases in consultation with the Secretary-General. The Academic Council assists the Rector in coordinating, promoting and implementing the academic work programme.

### 3.2 Present Situation

The Secretary-General has been appointed, and once reappointed, Chancellor. He has appointed, and in most cases once reappointed, members of the Board of Governors. The Board has met three times: in the summers of 1983, 1984 and 1985. At these meetings it has approved a budget for the ensuing calendar year, and a revision of the budget for the current year.

The Executive Council was not established until August 1985 and will hold its first meeting in November 1985. Thus, between Board meetings, the Rector has referred directly to the Chancellor/Secretary-General.

The first Rector, Captain Sölve Arvedson, resigned in the spring of 1985 and was replaced on a temporary basis by Admiral Sheldon Kinney. A new Rector, Mr. Erik Nordström, has been appointed for a two-year term (in accordance with an amended provision - Article 25 - of the Charter) and will take up his duties in November 1985.

The other academic and administrative staff of the University has been appointed in due course and is now functioning, as is the Academic Council. In pursuance of a decision by the Board of Governors, the Rector has established, from among the staff, a Management Body under his chairmanship. That Body meets once a week and reviews current subjects, prior to decisions by the Rector (or as delegated by him). Any reservations to such decisions are formally recorded.

Apart from the establishment of the Executive Council, various steps have been taken on the administrative level to confer a higher degree of autonomy on the University in relation to IMO, and render it less dependent on IMO for administrative support.

### 3.3 Findings and Recommendations

By and large, the Review Team considers that the organizational framework as laid down in the Charter has proved adequate. The Team welcomes the establishment of the Executive Council as the final step required to implement the pertinent provisions in the Charter.

To have the Secretary-General of IMO appointed Chancellor of the University has turned out to be a very fortunate arrangement, particularly in view of the evident need for close contact between the new academic institution and its mother organization during the initial years of the former. But inasmuch as the Charter leaves open the possibility that the two offices of Chancellor and Secretary-General might be held by different individuals, it may be desirable for a careful analysis to be made of the respective powers and responsibilities of the two offices as set forth in Article 25 of the Charter for review by the appropriate authorities. The consequences of such a review might well be some further amendment of the Charter.

As for the Board of Governors, the Team has the impression that a body of such a size that meets only once a year can hardly function as a "governing organ" (Article 9 of the Charter), but should be looked upon rather as an assembly for general policy debate. As the members of the Board are appointed by the Secretary-General, they are indeed competent to constitute the superior (rather than the "governing") organ of the University, and the decisions of that organ should be regarded as binding on the Chancellor and the Rector.

The Team believes that the Executive Council has a very important function as representative of the Board of Governors between meetings. It is felt that its composition should reflect this function and that, consequently, it should consist exclusively of members of the Board of Governors appointed by the Board. The representative of the Secretary-General, the Rector, and the Vice-Rector who are now members of the Executive Council in accordance with Article 19, should, in the view of the Team, figure as "resource persons" rather than as members. The team proposes, accordingly, an amendment of Article 19.

Furthermore, the Review Team wishes to suggest, for consideration, that a representative of the Student Council at the University should be invited, as appropriate, to attend meetings of the Board, the Executive Council, the Academic Council and the Management Body as an observer. Such a representative should have the right to speak to any point of the agenda only on the specific authorization of the organ whose meetings he attends. No amendment of the Charter seems necessary in this context.

Thus, the Review Team suggests:

- that the attribution of duties to the Secretary-General and the Chancellor, respectively, as laid down in Article 25 of the Charter, should be reviewed;
- that the membership of the Executive Council should be restricted to the Chancellor as chairman and members appointed by and from the Board of Governors, and that Article 19 of the Charter should be amended accordingly.

Finally, the Team is inclined to believe that in connection with Charter amendments already made and now suggested, IMO and the University would be well advised to examine the whole Charter in the light of the experience from the first few years of operation of WMU, and consider what revisions may be required.

#### 4. Financial Development

##### 4.1 Charter Provisions (Articles 34-42)

The Charter, as originally promulgated, contains a certain duality by referring to both the financial rules of the University and the financial rules of IMO. The sharing of financial responsibility between IMO and the University was understandable at the start but it has presented a problem in connection with the approval of the accounts by the External Auditors for the University who are also the external auditors for IMO. The WMU Board of Governors (Third Session) approved the revised financial rules for the University. The necessary financial procedures and controls have now been established in the University and the 1985 budget provides for additional financial staff.

Amendments to the Charter were approved by the Fifty-Fourth Session of the IMO Council for presentation to the Fourteenth Session of the IMO Assembly (November 1985). These amendments call for the simplification of financial and accounting procedures by transferring full financial management responsibility to the University with ultimate control resting with the Board of Governors. They will also allow the Rector as well as the Secretary-General to accept donations for the World Maritime University Fund, which will be administered by the University under its own financial rules. Finally, the proposed amendments will enable both the Secretary-General and the Rector to accept contributions to the WMU Capital Fund which will be held by the Secretary-General and administered by a Board of Trustees appointed by him.

The Review Team fully supports these proposed amendments.

The major Charter provision that the capital and recurrent costs of the University be met from the World Maritime University Fund remains unchanged.

#### 4.2 Present Situation

The determination of IMO and the University to establish a firm foundation for the financial management of the University is apparent from the proposed Charter amendments, which themselves were the product of extensive consultations between the External Auditor and the Secretary-General, supplemented by a number of visits to the University by financial consultants and senior financial officials of IMO, including the Internal Auditor and by visits of the External Auditor.

These reviews and missions, together with the planned appointment in 1985 of an experienced general service staff member to work under the supervision of the Administrator on routine financial and procurement matters, and the proposed recruitment of a more senior financial assistant to the Administrator in 1986, have, in the opinion of the Review Team, established a firm basis for financial management activities in the University. The Review Team requests the University to continue efforts to exercise cost control, particularly in view of the voluntary nature of contributions to the University.

A major effort has been necessary in order to estimate and meet the capital and current costs of the University from the World Maritime University Fund. The relative accuracy of the estimates for the first three years of operation are a real credit to the work of IMO, the University and Mr. Zagorin, the UNDP-financed Senior Adviser to the Secretary-General. As required by the Board of Governors, expenditures were kept within the level of available funds through the flexibility provided in various items like visiting professors, advisory consultants and short courses/seminars. An allowance of 5% for inflation and 5% for contingencies (including currency fluctuation) was also included. As a result of this conservative approach, the University at the end of 1984 had a balance, representing an excess of income over expenditure, amounting to \$300,000 (\$66,000 in 1983 and \$234,000 in 1984). Of this amount about \$160,000 represented obligations still due to the University.

The total expenditure for the first full year of operations, 1984, was \$3,342,000. The revised 1985 budget approved by the Board of Governors at its Third Session in July 1985 maintained the previously approved level of \$4,077,000 but reduced the allowance for inflation and contingencies to \$52,000. The total increase in the 1985 budget reflects the increase in the annual student population

from 134 to 175, and the consequent increase in student costs (which represent about 50% of the overall budget), the addition of three lecturers and the cost of additional essential administrative personnel. While the University will, most likely, stay within its budget for 1985, it is improbable that there will be any surplus. Indeed the Review Team learned that the University is experiencing constraints in the purchase of textbooks for students and books for the library as well as in allocations for field trips.

An additional problem is the absence of any working capital to cover operations while waiting for various obligations to be actually paid into the WMU Fund. While the actual creation of a working capital fund might present problems for some donors, the Review Team notes the importance of arranging for the availability of working capital - perhaps through advance or at least prompt payment of contributions.

#### 4.3 Propsects for the Future

For 1986 a budget estimate of \$4,335,000 (including \$394,000 for the inflation/contingency allowance) was approved by the Board of Governors at its Third Session. The University is proposing the following budget changes to the newly-created Executive Council of the Board which meets in November 1985: allocation of \$100,000 to cover a change in the dollar exchange rate from 8.5 SEK to 8.0 SEK; \$120,000 for student costs since the class entering in 1986 is assumed to have 100 students as against 90 originally planned; \$50,000 to cover additional provisions for field trips; \$45,000 for additional financial staff. These changes leave only \$79,000 for the inflation/contingency allowance. Again, the situation will be far from secure.

It should also be remembered that about half of the budget will be covered by fellowship contributions most of which still need to be mobilized. Developing countries, which already contribute to a significant part of fellowship income, should be encouraged to provide such financing through their own governments, companies and other organizations, as well as by the use of their UNDP country programme funds. In addition, both the developing countries and donor countries should explore all opportunities for making use of bilateral aid programmes and other means to mobilize such fellowship financing.

The tentative estimate for the 1987 budget represents an attempt to bring the University to its full operating capacity. The budget, including \$480,000 for inflation and contingencies, is estimated at \$5,236,000. Upward adjustments compared with 1986 include \$90,000 to

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cover one additional professor and one additional lecturer; \$10,000 for visiting professors; \$323,000 to cover student costs involved in raising the student population from 175 to 200; \$50,000 for field trips; \$20,000 for the library; and \$7,000 for audits.

Past efforts at fund raising have been considerable and have, up to the present, resulted in the ability of the University to obtain the resources required for its development. Details of direct contributions and contributions to cover fellowship costs are provided in Annex 4. The principal direct annual financial contributions to the WMU Fund, which have come from Sweden (\$1,000,000), UNDP (\$700,000) and Norway (\$425,000 in 1986), have made up roughly half of the total requirement. The remainder has been covered by fellowship contributions paid on behalf of individual students. For the most part, these fellowships are not assured in advance and this makes it difficult for the University to forecast the number of students it will have in future years. The Federal Republic of Germany has instituted a programme of supporting two-year fellowships on a year-to-year basis commencing in 1984 when 21 fellowships were provided. It similarly funded 16 fellowships in 1985 and another 15 will be furnished in 1986. These are awarded through close coordination between the FRG Embassy in the developing country and the Agency of the Government (CDG) in Cologne. The Commonwealth Secretariat is financing five fellowships from the Commonwealth Fund for Technical Cooperation on an annual basis. Fellowships on an ad hoc basis have also been provided by Denmark, Greece, Italy, France, Japan, UK and Sweden. Assistance of Fmk 300,000 is being provided by Finland during 1985, while the Republic of Korea has indicated an annual grant commencing in 1985. France has similarly agreed to provide considerable annual fellowship assistance until 1987 when, hopefully, the matter will be reviewed. The Henri Kummerman Foundation of Geneva is also financing one fellowship in 1985.

A new venture was launched by the Secretary-General on World Maritime Day in 1984 in the form of the World Maritime University Capital Fund. The current level of the fund is \$280,000 as against a long term target of \$25 million (see Annex 5). The Review Team is disappointed with this modest level of contributions and urges the Board of Trustees to hold its first meeting as soon as possible. The Team believes that the level of contributions to this Fund might increase if concrete results, in the form of fellowships or other items financed from the interest payments, could be reported.

While all of these efforts have kept the World Maritime University financially afloat, they have only provided it with financial security on a year-to-year basis. This is clearly insufficient for an institution which must make long term commitments

to its staff and to its clientele in developing countries. It is for this reason that the Review Team requested, and the University agreed to prepare, a Five-Year Plan, reflecting a clearly articulated statement of need for specialized maritime personnel, for the WMU early in 1986. The Plan, which will be prepared by the first quarter of 1986, will cover the period 1987-1991 and will assume the levelling off of the student body at 200 (i.e. 100 new students each year) and the limiting of ad hoc courses at roughly the current level. With the consolidation of operations at the 1987 level and a provision for inflation, this Plan should provide a basis for securing the financial security of the University for the period covered.

Since a budget level of \$5.2 million for 1987 implies increased requirements, the major donors to the WMU should consider enhancing their contributions. Sweden, the host country and major donor, has a Parliamentary limit on its contribution of one third of the total budget with an added stipulation that the amount may not exceed \$1 million. As a result of past inflation and increased requirements, the Swedish contribution of \$1 million actually represented about one quarter of the 1985 budget. The Review Team requests Sweden to consider removing or raising the \$1 million ceiling so that its contribution to the WMU budget can reach one third of the total as originally envisaged. The Team is encouraged by the Secretary-General's report on his recent visit to New York which indicated that UNDP might be willing to increase its contribution in 1987 before being obliged by its normal practice to gradually reduce such assistance. The Team, while gratefully acknowledging its major effort in the past, also requests Norway to consider some increase in its contribution to the WMU.

With a Five-Year Plan and increased commitments from the major donors, it will be possible to identify the gap between requirements and the indicated availability of funds. Other donors could then be systematically approached to cover the shortfall.

Other possible fund-raising approaches which were suggested, indicated that the University might:

- hire a fund raising consultant;
- encourage donors to finance a professorial chair;
- allow donors to finance fellowships in particular fields;
- approach target companies in fields like marine insurance and reinsurance;

- use graduates as additional contacts in correspondence with governments and shipping companies;
- send the Five-Year Plan to graduates;
- gradually increase the fellowship fee from the current level of \$13,000 established for 1986.

#### 4.4 Findings and Recommendations

##### The Review Team:

- fully supports the proposed charter amendments aimed primarily at transferring full financial management responsibility to the University;
- concludes that a firm basis for the financial management of the University is being established;
- requests the University to continue efforts to exercise cost control;
- regrets the current financial constraints and lack of long term financial security experienced by the University;
- requests the University to prepare a Five-Year Plan for the period 1987-1991 on the assumption that over this period the student population will be 200 and the only major increases above the budget level of \$5.2 million proposed for 1987 will be for inflation;
- requests the major donors - Sweden, Norway and UNDP - to consider increasing their contributions to cover a significant portion of the increase in requirements identified in the Five-Year Plan;
- requests other donors including France, Italy, Japan and the United States to consider contributions to cover remaining requirements;
- requests countries or organizations to provide fellowships on a regular basis with a long-term commitment;
- requests both developing and donor countries to make greater use of bilateral aid programmes and other means to finance WMU fellowships;

- requests the Board of Trustees of the WMU Capital Fund to meet and arrange an initial disbursement from the interest accrued in the Fund.

5. Other Types of Support from Donors, Participating Countries, Organizations and Companies in Addition to Direct Financial Contributions and Contributions to Cover Fellowship Costs

In addition to the contributions detailed in Section 4, the University has benefitted from in-kind and other types of support which have either facilitated or reduced the need for financial assistance.

5.1 UNDP

The Administrator of UNDP, Mr. Bradford Morse has made available the services of a Senior Adviser to the Secretary-General for advising him on fund-raising and other aspects related to the World Maritime University. Through the efforts of the Senior Adviser, who travels regularly to developing countries, financing of fellowships has been arranged from UNDP's various national Indicative Planning Figures (IPFs) and considerable interest has been generated for financing of fellowships from other donor agencies.

The UNDP Resident Representatives have played a crucial role in creating interest among developing countries in the World Maritime University. Before the inception of the University, the Secretary-General addressed letters to the Ministers in charge of shipping in developing countries through the Resident Representatives, explaining the purpose of the institution and requesting the nomination of qualified students. The Resident Representatives, thereafter, made all administrative arrangements for the timely despatch of the students.

Mr. Bradford Morse, the Administrator of the UNDP kindly joined the Secretary-General of IMO in sending a joint letter of appeal addressed to Ministers of Foreign Affairs of developed countries seeking financial support for the University to meet its recurring costs. He also chairs the Board of Trustees for the WMU Capital Fund.

5.2 City of Malmö

The City of Malmö, Sweden, has made a very valuable contribution in the form of the provision of host facilities for the University. The University's academic and administrative building has not only been provided free of charge but is also being maintained. In

addition, excellent hostel facilities have been provided at the recently refurbished Henrik Smith House at a nominal cost. The city has also provided amenities such as excellent recreational facilities and free bus transportation for students.

### 5.3 Others

The donation of a substantial amount of training equipment has been arranged by several donors through the Friends of the World Maritime University in the United States. The same body also made cash donations which were utilized for the purchase of a micro-bus, books and the preparation of a promotional video tape for the University. The World Maritime University, being a post-graduate centre of learning, is not equipment-oriented. Therefore, there appears to be no immediate requirement for additional training equipment.

Several organizations have also donated textbooks and other professional literature. There is a need to add many more books and journals to the library to assist students in their research work and to help them keep abreast of modern maritime technology. This means the library will need to expand its collection and to provide additional space to receive and display more books.

A significant contribution made by several countries, mainly those in the category of developed maritime nations, is in the form of renowned maritime personages, who have agreed to serve as Visiting Professors. Although these Professors serve in their individual capacity and entirely free of charge, it is clear that they receive the necessary encouragement from their employers. The World Maritime University budget pays only for their travel and per diem. Over 150 such Professors are now on the WMU roster.

Maritime Administrations, Shipyards, Classification societies and other maritime institutions are also playing a very important role in educating the students. Their facilities are now available to the students free of charge during their field trips for on-the-job training. This form of training forms an important and integral part of the training programme of the students and, during the course of the Team's discussions, it became apparent that more time during the semesters is to be allocated for field trips. Excellent programmes were drawn up for the visits of students. The countries which have offered such facilities are Brazil, Canada, Denmark, Egypt, Finland, France, Federal Republic of Germany, German Democratic Republic, Greece, Italy, Japan, Netherlands, Norway, Poland, Portugal, Spain, Sweden, UK, USA, USSR and Yugoslavia.

No less important is the support of the developing countries themselves for the World Maritime University. Although they are the main beneficiaries, they have sent students at great sacrifice. Each student who joins the University has to be backed up by the stipulated amount of fellowship money. This often comes out of the assistance provided by an international donor agency such as the UNDP or a donor country with whom bilateral aid arrangement exists. Within the limited amount of aid available, necessary priority must be given to the WMU courses at the cost of something else. In a number of cases direct financing in foreign exchange has been provided for fellowship money. Further, the absence of the official undergoing training at the University for as much as two years, requires a developing country to make alternative arrangements to fill the vacancy. Additional expenditure has therefore to be incurred by the country for this purpose. Thus, the combined and creative use of the facilities of international organizations and other donors, the host country, private foundations and enterprises, developing countries and the goodwill of numerous individuals at all levels in Maritime Affairs adds strength and originality to this truly universal institution.

The Review Team requests the University to imaginatively pursue other ways and means to secure adequate support for the World Maritime University.

TERMS OF REFERENCE

Review of Support to the World Maritime University

I. Background

1. The project document "C" calls for the evaluation of this project in accordance with UNDP policies and procedures, as well as those of other donors. Given the fact that the University only began operating in July 1983, it was felt that an internal evaluation or review by the personnel of the concerned organizations themselves would be more appropriate than an external evaluation at this stage. Since the current phase is scheduled to terminate in December 1986, it seems appropriate to hold this review towards the end of 1985 so that any recommendations could be considered within the lifetime of the current phase. The results of the review will enable UNDP, Sweden, Norway, IMO and other co-operating organizations to improve the effectiveness of their contribution to the World Maritime University, and to consider appropriate levels of support for the future.

II. Purpose and Methods

2. It is fully recognized that the World Maritime University will have just completed its second year of existence at the time of evaluation, and will only recently have graduated students whose impact in the maritime sector might be assessed, and that substantive questions related to the standard and the appropriateness of the WMU programme of courses will be covered by other reviews. Therefore, it is felt that this review should concentrate on the following institutional, financial and organizational matters.

(a) Institutional

(i) To review the degree to which the World Maritime University has progressed towards the objectives and functions outlined in Articles 2 to 5 of the Charter of the University;

- and indicate prospects for future achievements.

(ii) To evaluate the role, beyond their direct contribution to the University, of UNDP, Sweden, Norway and other donors;

- and indicate future needs in this area.

(b) Financial

(i) To review the actual and planned actual financing of the WMU during its first two years of operation, review plans for the third year, and make recommendations for ensuring the University's medium- and long-term financial viability.

2. (c) Organization and Administration

(i) To review the delegation of responsibilities and decision making within the whole organization.

III. Composition of Mission

3. The mission should consist of representatives from UNDP and the executing agency and other donors like Sweden and Norway. The Senior Adviser will serve as a resource person for the mission. The review mission should be undertaken over a period of one week in Malmo, Sweden with the possibility of follow-up studies. The UNDP Representative will have one day of briefing and debriefing at IMO Headquarters in London.

IV. Reporting

4. Before leaving Malmo, the mission will prepare a consensus report on their findings and recommendations. This report will be confirmed or revised by the respective organizations and submitted through IMO to the Chancellor of the WMU for appropriate action.

29 August 1985



PROFESSORS AND LECTURERS AT THE WMU

<u>Name</u>	<u>Course</u>
<u>Professors:</u>	
G. Zade Vice Rector	Two-year courses on Maritime Education (Nautical) MED(N)-83, MED(N)-84
T.F. Balmer	Two-year courses on Maritime Safety Administration (Marine Engineering) MSA(E)-83, MSA(E)-84
P. Houssin (together with K. Nomoto)	Two-year courses on Technical Management of Shipping Companies TMS-83, TMS-84  One-year course for Technical Officials engaged in Maritime Safety Administration TOMSA-84  One-year course for Technical Staff of Shipping Companies (TESSC-84)
C.E. Mathieu	Two-year courses on Maritime Education (Marine Engineering) MED(E)-83, MED(E)-84
A.A. Monsef	Two-year course on General Maritime Administration (GMA-84)
K. Nomoto (together with P. Houssin)	Two-year courses on Technical Management of Shipping Companies (TMS-83, TMS-84)  One-year course for Technical Officials engaged in Maritime Safety Administration TOMSA-84  One-year course for Technical Staff of Shipping Companies (TESSC-84)
Aage Os	Two-year course on General Maritime Administration (GMA-83)
P.S. Vanchiswar	Two-year courses on Maritime Safety Administration (Nautical) MSA(N)-83, MSA(N)-84

COURSE DISTRIBUTION BY REGIONS AND CLASSES							
COURSE	CLASS	AFRICA	ARAB STATES	ASIA & PACIFIC	LATIN AMERICA & CARRIBEAN	EUROPE	TOTAL
GENERAL MARITIME ADMINISTRATION GMA	I	13	2	1	5	1	22
	85	10	2	7	9	-	28
	86	9	7	8	7	-	31
MARITIME EDUCATION I AND TRAINING (NAUTICAL) MET(N)	I	2	2	3	1	1	9
	85	-	-	2	2	-	4
	86	1	1	-	2	-	4
MARITIME EDUCATION I AND TRAINING (ENGINEERING) MET(E)	I	1	5	2	-	1	9
	85	-	-	1	-	-	1
	86	-	1	2	-	-	3
MARITIME SAFETY ADMINISTRATION (NAUTICAL) MSA(N)	I	3	3	2	5	2	15
	85	3	1	1	1	-	6
	86	3	5	1	2	1	12
MARITIME SAFETY ADMINISTRATION (ENGINEERING) MSA(E)	I	3	-	1	1	1	6
	85	2	2	4	4	-	12
	86	3	-	2	1	1	7
TECHNICAL MANAGEMENT OF SHIPPING COMPANIES TMS	I	3	1	1	4	1	10
	85	6	1	4	-	1	12
	86	8	2	1	3	-	14
TECHNICAL STAFF OF SHIPPING COMPANIES TESSC	I	-	-	-	-	-	-
	85	1	-	1	-	1	3
	86	2	-	-	1	-	3
TECHNICAL OFFICIALS IN MARITIME SAFETY ADMINISTRATIONS TOMSA	I	-	-	-	-	-	-
	85	-	-	-	-	-	-
	86	2	2	2	1	-	7
TOTAL	I	25	13	10	16	7	71
	85	22	6	20	16	2	66
	86	28	18	16	17	2	81

FINANCIAL AND FELLOWSHIP SUPPORT FOR WORLD MARITIME UNIVERSITY  
(US\$ thousands)

	1983 (July-Dec)	1984	1985
<u>RECURRENT COST SUPPORT</u>			
Sweden	500	1,000	1,000
UNDP*	400	800	800
Norway**	200	350	350
Commonwealth Secretariat for fellowships	50	100	110
TOTAL RECURRENT SUPPORT	1,150	2,250	2,260
<u>OTHER FINANCING OF FELLOWSHIPS</u>			
Greece	50	-	-
Italy	50	50	-
Denmark	40	60	48
France	-	150***	50
Germany, Federal Republic of	-	210	402
Japan****	-	-	100
United Kingdom	-	10	12
Sweden	-	20	58
TOTAL FELLOWSHIP FINANCING	140	500	570
TOTAL	1,290	2,750	2,830

\* Including advisory services at \$ 100,000 annual level. Figure for 1985 assumes continuation UNDP support beyond 30 June 1985 at previous level of \$ 200,000 per year.

\*\* Including fellowship support by Norway of \$ 50,000 in 1983, \$ 50,000 in 1984 and \$ 78,000 in 1985.

\*\*\* 1983 and 1984 pledges all paid in 1984.

\*\*\*\* Pledge \$ 100,000 for 1985 by Japanese Shipping Foundation

WORLD MARITIME UNIVERSITY CAPITAL FUND TRUSTREGISTER OF DONATIONSCONTRIBUTIONS PRIOR TO APPEAL

<u>Date</u>	<u>Donor</u>	<u>Amount</u>	<u>US\$ Equiv.</u>	<u>Total</u>
16.11.82	Admiral Kinney	\$1,000	1,000.00	1,000.00
04.05.83	Kingdom of Saudi Arabia	\$50,000	50,000.00	51,000.00
18.05.84	Korea Maritime Port Administration	\$40,000	40,000.00	91,000.00
29.05.84	Mr. Chandris	\$10,000	10,000.00	101,000.00
08.06.84	Mr. Livanos	\$10,000	10,000.00	111,000.00
09.06.84	Mr. Santa Cruz	\$500	500.00	111,500.00

CONTRIBUTIONS AFTER APPEAL

02.10.84	John Swire & Sons Ltd.	£1,000	1,240.69	112,740.69
02.10.84	Nissei Trading Co. Ltd.	\$500	500.00	113,240.69
02.10.84	Cayzer, Irvine & Co. Ltd.	£500	706.24	113,946.93
04.10.84	Intertanko	\$2,000	2,000.00	115,946.93
04.10.84	Papachristidis(UK)ltd.	£500	706.24	116,653.17
09.10.84	Anglo-Soviet Ship. Co. Ltd.	£50	62.03	116,715.20

16.10.84	C.P. Srivastava	\$500	500.00	117,215.50
16.10.84	Dr. J. Wonham	£100	124.07	117,339.27
18.10.84	Sedgwick Limited	\$500	500.00	117,839.27
22.10.84	Dr. J. Wonham	£800	992.56	118,831.83
22.10.84	Peter Fraenkel International Ltd.	£100	141.27	118,973.10
24.10.84	The Baltic Exchange	£1,000	1,240.69	120,213.79
25.10.84	Port Services Corp. Ltd., Oman	\$1,443	1,443.00	121,656.79
25.10.84	Varnima Corporation International, Greece	\$15,000	15,000.00	136,656.79
26.10.84	Lloyd's Register of Shipping	£1,000	1,240.69	137,897.48
02.11.84	Blue Star Line Ltd.	£500	760.24	138,603.72
12.11.84	Dr. J. Wonham	£100	121.07	138,724.79
13.11.84	MISC, Malaysia	\$1,000	1,000.00	139,724.79
13.11.84	Port Authorities, Rotterdam	\$500	500.00	140,224.79
21.11.84	Alexandria Maritime Transport Academy	\$2,000	2,000.00	142,224.79
28.11.84	SF. Santa Fe Int. Corporation	\$500	500.00	142,724.79
03.12.84	Dr. G.A. Mokhtar	\$400	400.00	143,124.79

10.12.84	London & Overseas Freighters plc.	\$300	300.00	143,424.79
11.12.84	Olympic Maritime S.A	\$1,500	1,500.00	144,924.79
14.12.84	CBTG, Brazil	\$5,000	5,000.00	149,924.79
27.12.84	Mexican Government	\$20,000	20,000.00	169,924.79
02.01.85	H. Clarkson & Co. Ltd.	£250	353.14	170,277.93
11.01.85	Sicula Oceanica	Lit1,000,000	534.44	170,812.37
17.01.85	Govt. of Seychelles	\$500	500.00	171,312.37
18.01.85	Hancock Ship. Co. Ltd.	\$2,000	2,000.00	173,312.37
25.01.85	Mr. John L. Dorn	\$50	50.00	173,362.37
12.02.85	Arab. American Oil Co.	\$2,000	2,000.00	175,362.37
14.02.85	I.M.P.A.	\$1,000	1,000.00	176,362.37
07.03.85	Intercontinental Marine Agencies Inc.	\$1,000	1,000.00	177,362.37
10.04.85	Malta Shipbuilding Co.	\$300	300.00	177,662.37
25.04.85	Government of Portugal	\$4,000	4,000.00	181,662.37
30.05.85	Mr. Qian Yong Chang Minister of Communications Government of China	\$10,000	10,000.00	191,662.37
14.06.85	Royal Netherlands Shipowners' Association	£1,000	1,250.00	192,912.37
18.06.85	Japanese Shipowners' Association	\$36,000	36,000.00	228,912.37

08.07.85	Black Star Line, State Ship. Corp., Ghana	\$2,000	2,000.00	230,912.37
08.07.85	Shipping Corporation of India Ltd.	\$10,000	10,000.00	240,912.37
08.07.85	Indian National Shipowners Association	\$7,100	7,100.00	248,012.37
30.07.85	Maritime Union of India	\$829.10	829.10	248,841.47
28.08.85	Indian Ports Association, New Delhi	\$10,000	10,000.00	258,841.47
	Interest on investments to 31 October 1985			21,213.39
	Total of Fund as at 31 October 1985			<hr/> <u>\$280,054.86</u> <hr/>