6-2-1986

Draft five-year plan 1987-1991

Erik Nordström
1. At its third session the Board of Governors decided that a document should be prepared showing the long-term financial requirements of the World Maritime University. Further to this decision, the Executive Council requested that a five-year plan should be prepared on the basis of 100 new students entering the University from 1987, and the Review Mission (see document WMU 4/5) also confirmed that planning should be made on this basis.

2. The annexes to this note therefore outline details of a five-year plan for the University as follows:

   I. Elements of a five-year plan, indicating facts, assumptions and recommendations on which the activities of the University over the period 1987-1991 have been based;

   II. Note by the Vice-Rector regarding Faculty, field trips, students etc.;

   III. Estimated income and expenditure over the five-year period.

3. The document was considered by the Executive Council at its second session and it was agreed that it should be forwarded to the Board of Governors for approval.
Action requested of the Board of Governors

4. The Board of Governors is invited to consider the information contained in the documents attached, and to approve the adoption of the draft five-year plan outlined therein.
ANNEX I

ELEMENTS OF THE FIVE-YEAR PLAN

A. General

1. All activities now and in the future of the World Maritime University should be based on its role as the truly international maritime training institution and a centre for high level maritime training, in particular for the developing countries.

2. The international character of the University should be emphasized and enhanced.

3. The plan should be based on a Student Body of 200.

4. The economic framework should include inflation as the only major reason for annual increases.

5. Within that framework every effort will be made to extract maximum benefit from existing resources and to increase efficiency on all levels in order to enhance the quality of education.

6. The WMU should be promoted in every possible way by dissemination of information.

7. The raising of finance for the University, both in terms of contributions to the annual budget and the donation of fellowships, together with donations to the Capital Fund, should remain a major priority. Other forms of support should also be sought.

8. It is surmised that facilities of all kinds in Malmö will continue to be available to the WMU under the present terms and conditions.
B. Faculty and Visiting Professors

1. To meet the increase of the Student Body the Resident Faculty needs to be strengthened with three additional lecturers, one of whom should preferably join already on 1 July 1986, one in January 1987 and the third in January 1988. On this basis the Faculty would consist of seven full-time professors and one part-time professor and six lecturers (from 1988 onwards). At the same time the number of permanent language teachers can be reduced, with temporary secondments from external sources for the intensive English Language programme.

2. Both the addition of relatively young lecturers and the proposed professional activities of professors would safeguard that the Faculty keeps abreast of new developments in the fields of shipping and of education.

3. An important prerequisite for the five-year plan is that visiting professors continue to be available and on the presently existing terms and conditions.

4. An academic review should be undertaken in 1987.

C. Field trips, on-the-job training, library

1. Field trips and on-the-job training to be maintained basically at present level, bearing in mind also the availability of facilities fairly close to Malmö.

2. Provisions are made for the extension of library facilities which will be coupled with intensified requests for donations of books. (The library now has roughly 1,500 volumes and can accommodate up to 7,000 volumes. Strengthening of staff by a UN-volunteer is being considered).
D. Students etc

1. Continued and intensified efforts must be made to draw the attention of developing countries to the usefulness of sending students to the WMU.

2. An effort will be made to move admissions procedures forward so as to allow enough time for clearance and financing of applicants. The aim should be to try to finalize procedures around 30 December each year, which would be particularly important in order to avoid the present conditions with far too many students needing intensive English training but arriving too late for their courses.

3. Efforts should be made to attract a few students from developed countries for the benefit of the Student Body as a whole.

4. Another aim should be to achieve a more balanced distribution of students among courses and, at the same time, to offer diversified specialization to students of General Maritime Administration.

5. The Henrik Smith Hostel should be maintained as the focal point for residence of WMU students and the additional housing requirements for 200 students should preferably be sought in the vicinity, also because catering resources could be made available to a larger body of students than now. In this way the hostel could retain and even strengthen its position as the social centre of students.

6. Independently, and in close co-operation with the University of Lund, the WMU will broaden and diversify the offer to students of meaningful leisure activities, including physical training and regular contacts, for those who so wish, with Swedish families.

7. The WMU will strongly support the Alumni Association which
is now being established and will also in other ways draw on the resources of graduates to promote the future of the University.

8. The Rector, the Management Body and the Faculty will promote an active relationship with students in general and the Student Council in particular.

E. Administration, finance and personnel policies

1. Tight cost control, satisfactory budgetary and financial routines and an efficient administration will be upheld, while, at the same time, maintaining an amount of flexibility, necessary in a small organization with few employees and a fluctuating work-load in different branches of activity.

2. A small organization is particularly dependent upon motivated employees with a suitable background for their respective tasks. Good working conditions and encouragement of further development are important elements in a personnel policy, as well as remunerations corresponding to qualifications and duties and comparable to the level of others doing similar work. These elements will serve as guidelines when additional staff is employed or when existing contracts are being reviewed.
ANNEX II

NOTE BY THE VICE RECTOR REGARDING FACULTY, FIELD TRIPS AND STUDENTS, ETC.

A. The Professors and lecturers, under the co-ordination of the Vice Rector, and with inputs from the Programme Officers, the English Language Lecturers and the Librarian, have systematically and thoroughly discussed the academic work and development of the University for the five-year period 1987-1991.

Some elements will be highlighted in this note because of their great importance for the successful continuation of the academic work and its further development at the University.

B. Faculty and visiting professors

The recruitment of new academic staff should continue to aim at the identification and attraction of personalities with an excellent academic background and, particularly in the case of professors, with an additional comprehensive professional and academic experience and reputation in the maritime field. At the same time, the internationality of the academic staff should be maintained.

The academic work and development of the University requires high professional competence as well as motivation. To this end it is important that experience and knowledge of recent technological developments are well represented within the Faculty. It also has to be ensured that the Faculty keeps abreast of new developments and it should be given an increased opportunity to attend to various updating activities.
In addition to the internal evaluation by the resident staff of the education offered, a more comprehensive external academic review should be undertaken. The end of 1987 would be appropriate for such review since four classes of students will have graduated then from the University. This would give the external assessors and the Faculty the possibility to include valuable feedback from graduates, into the syllabi of the courses.

C. **Field trips, on-the-job training, library**

The extension and variety of field studies, i.e. field trips and on-the-job training, are a unique feature in the academic operation of the University. They add considerable value to the studies.

Appropriate measures have been taken and continued efforts will have to be made to use the existing funds for gaining maximum benefit from these field studies for all students and to seek future support by the countries, organizations and institutions which receive the students for field studies.

D. **Students etc**

It is most important for the reputation of the University that the academic qualifications and professional experience of future classes of students be at a high level. The Faculty is most grateful for the efforts which have been made to identify and attract such students and expresses the hope that those efforts can be continued and perhaps even enhanced.

The Faculty wishes to place on record that the quality of students has increased from class to class. Simultaneously, the academic work at the University has become more demanding.

It is of considerable importance in this context that admissions are processed well in advance of the beginning of
studies, in particular so that all students who need to improve their proficiency in the English language will be able to attend the Intensive English Language Programme of the University from its very beginning.
ANNEX III

PROJECTIONS OF INCOME AND EXPENDITURE OF WORLD MARITIME UNIVERSITY
DURING FIVE YEAR PERIOD 1987-1991

1. Estimates have been prepared of the expenditure by the World Maritime University needed to carry out its plan of operations during the five-year period 1987-1991 which is described in annexes I and II of this document. Also, projections have been made for income of the University based upon information now known, or which may reasonably be expected, concerning the University's sources of revenue during this period.

EXPENDITURE

2. In the attached Table 1, part A, estimated budget expenditure is given year by year for the period 1987-1991 for each of the four main sections of the WMU budget as presented to the University's Board of Governors. The base year for the projections is 1987, the opening year of the five-year period, for which total estimated expenditure of $5,482,000 is taken from the budget estimates for 1987, being submitted to the Board of Governors for its approval in June 1986. The figures shown for each section of expenditure in Annex 1 reflects the proportionate division among them of the 10% allowance for inflation and contingencies which forms part of the University's total estimated expenditure for 1987. While these exact proportions may not in fact be realized, the estimated total for 1987 is the same as presented to the Board of Governors. The figures shown in the table do not include any major capital expenditures.

3. In accordance with the views of the Review Mission, the student population of the University is assumed to level off at 200 students and beyond that only an allowance for inflation is reflected in the figures. Because the intake of new students is expected to be about 85 students in 1986 and 100 students are assumed to be enrolled in 1987, the maximum level student population of 200 is reached in 1988. Therefore, together with a 5% inflation allowance a provision is made in the 1988 estimates for an additional 15 students as well as a corresponding small increase in staff of one lecturer.
For the four years 1988 through 1991, the only increase is based on a 5% inflation factor.

**INCOME**

4. The projected income of the University during the five-year period is given in section B of Table 1. The figures shown are based upon information now available, or that may reasonably be expected, about donor support for the University. Also included is fellowship income based upon the prevailing level of $13,000 per student per year.

5. The major contributor to the University will continue to be the Government of Sweden. The projected figures reflect the Government of Sweden's intention to provide financing to WMU equal to one-third of the University's budgeted expenditure in Swedish fiscal year 1986/87 and the projection contemplates a decision of the Swedish Government to continue this approach in the following years. Accordingly the Swedish contribution is estimated as one-third of total estimated expenditure for each year.

6. For the period under consideration, the UNDP has indicated its intention to increase its annual support to WMU by $400,000 in 1987 and to reduce the amount somewhat each year thereafter. Thus a contribution to the University's budget of $1,100,000 is expected in 1987 and $1,000,000 in 1988, with further reductions anticipated each year to result in figures of $900,000 in 1989, $800,000 in 1990 and $600,000 in 1991. Thus the UNDP is showing its confidence in the University with a considerable increase in its assistance in the early years of the five-year period, while at the same time giving a clear signal that other sources of financial support must be tapped as UNDP's support to WMU declines.

7. The Government of Norway has indicated its intention to raise its annual contribution to WMU by $75,000 to $500,000 in 1987, including fellowship assistance, under the Norwegian Technical Co-operation Programme with IMO. For the purpose of the projection of WMU income for the years 1987-1991, the $500,000 contribution for 1987 is maintained throughout the remaining years of the five-year period, as is the amount assumed each year for fellowship financing. This gives a figures of $344,000 for each year 1987 through 1991.
as contributions to the budget, with the balance of US$156,000 in each year being utilized for the provision of 12 fellowships.

8. Fellowship income remains the largest source of revenue for WMU. With an assumed student population of 185 students in 1987 and of 200 students in the subsequent years, fellowship income is projected at $2,405,000 in 1987 and $2,600,000 in each of the years 1988 through 1991 on the basis of the annual fellowship of $13,000 per student now prevailing.

9. Miscellaneous income is assumed to rise from $100,000 in 1987 to $110,000 in 1988 and to stay at that level in the following three years.

10. It will be seen from line B6 in Table 1 that the annual income of the University is projected, on the basis of the assumptions noted above, to remain within a narrow band from about $5,800,000 to just over $6,000,000 throughout the five-year period.

PROJECTED INCOME AND EXPENDITURE AND NEED FOR ADDITIONAL FINANCIAL SUPPORT FOR THE WORLD MARITIME UNIVERSITY

11. Section C of attached Annex 1 gives the net excess of projected income over estimated expenditure (in 1987 and 1988) and the shortfall of projected income below estimated expenditure (in 1989, 1990 and 1991). While revenue remains fairly stable during the period, an assumed rate of annual inflation of 5% for a zero-growth student population and University staff and facilities results in a steady rise in costs and thus a worsening financial situation year by year. Taking the last three years together - 1989, 1990 and 1991 - a revenue shortfall of about $1,825,000 is seen in these projections.

12. To allow the University to contemplate and plan for a stable and sound future for its projected no-growth operation, it is essential that additional financial resources be mobilized for WMU. Planning for a competent and experienced staff and organizing the administration and curricula for a stable population of 200 students will require that a total of at least $1,800,000 of additional financing be found during the 1987-1991 period. Even an increase of another $1,000 in the annual fellowship to $14,000 per year, in say 1988 or 1989, would only yield about a quarter or a third of the shortfall in the University's income which needs to be filled. In addition the achievement of
a student population of 200 at WMU, or 100 new students each year, will require a considerable increase in durable fellowship financing by donor governments and organizations.

13. The figures above thus emphasize the priority which should be given to ensuring that the University is placed on a sound and stable financial footing.
## TABLE 1

### EXPENDITURE AND INCOME PROJECTIONS DURING 5-YEAR PLAN PERIOD 1987-1991

(in US$ '000)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>A. ESTIMATED BUDGETED EXPENDITURE</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1. Personnel costs for faculty &amp; admin staff</td>
<td>1,873</td>
<td>2,002</td>
<td>2,102</td>
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<tr>
<td>2. Student costs</td>
<td>3,003</td>
<td>3,380</td>
<td>3,549</td>
<td>3,726</td>
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<tr>
<td>3. Academic operating &amp; development costs</td>
<td>413</td>
<td>434</td>
<td>456</td>
<td>479</td>
<td>503</td>
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<tr>
<td>4. General Administration &amp; Miscellaneous costs</td>
<td>193</td>
<td>203</td>
<td>213</td>
<td>224</td>
<td>235</td>
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<tr>
<td><strong>5. TOTAL ESTIMATED EXPENDITURE</strong></td>
<td>5,482</td>
<td>6,019</td>
<td>6,320</td>
<td>6,636</td>
<td>6,967</td>
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<td><strong>B. PROJECTED INCOME OF WMU</strong></td>
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<tr>
<td>1. From Government of Sweden (one-third of line 5 above)</td>
<td>1,827</td>
<td>2,006</td>
<td>2,107</td>
<td>2,212</td>
<td>2,322</td>
</tr>
<tr>
<td>2. From UNDP (projection for 5-year cycle 1987-1991)</td>
<td>1,100</td>
<td>1,000</td>
<td>900</td>
<td>800</td>
<td>600</td>
</tr>
<tr>
<td>3. From Norway (pledge of $500,000 for 1987 continued for later years less 12 fellowships per year at $13,000 each)</td>
<td>344</td>
<td>344</td>
<td>344</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td>4. From fellowship income at $13,000 per student: 185 in 1987 &amp; 200 in later years</td>
<td>2,405</td>
<td>2,600</td>
<td>2,600</td>
<td>2,600</td>
<td>2,600</td>
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<tr>
<td>5. Miscellaneous income</td>
<td>100</td>
<td>110</td>
<td>110</td>
<td>110</td>
<td>110</td>
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<tr>
<td><strong>6. TOTAL INCOME</strong></td>
<td>5,776</td>
<td>6,060</td>
<td>6,061</td>
<td>6,066</td>
<td>5,976</td>
</tr>
<tr>
<td><strong>C. NET EXCESS OF PROJECTED INCOME OVER ESTIMATED EXPENDITURE (+) OR SHORTFALL OF INCOME BELOW EXPENDITURE (-)</strong></td>
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<tr>
<td>+294</td>
<td>+41</td>
<td>-259</td>
<td>-570</td>
<td>-991</td>
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