

COUNCIL  
108th session  
Agenda item 12(b)

C 108/12(b)  
29 May 2012  
Original: ENGLISH

**WORLD MARITIME UNIVERSITY**

**(b) Budget**

**Note by the Secretary-General**

**SUMMARY**

*Executive summary:* This document provides information on the World Maritime University budget for the year 2012, as revised by the Executive Board at its fifth and sixth sessions held on 16 November 2011 and 10 April 2012, respectively

*Strategic direction:* 3

*High-level action:* 3.1.3

*Planned output:* 3.1.3.1

*Action to be taken:* Paragraph 8

*Related documents:* C 108/12(a), C 108/12(c), C 108/12(d) and TC 62/9

1 At its twenty-ninth session in June 2011, the World Maritime University (WMU) Board of Governors approved draft budget estimates for 2012, and empowered the Executive Board to review the budget for 2012 and to make such adjustments as deemed necessary to "ensure the efficient functioning of the University" (article 22(e) of the Charter).

2 The Executive Board revised the draft budget at its fifth and sixth sessions on 16 November 2011 and 10 April 2012, respectively, the outcomes of which are reflected in this document and have been approved, under the provisions of the WMU Charter, by the Board of Governors at its thirtieth session on 8 May 2012.

3 Annex 1 shows the University's projected income for 2012 and annex 2 of the expenditure for 2012. For comparison purposes, these annexes also show the budgeted income and expenditure figures for 2011, as approved by the Board of Governors. Annex 3 lists the sources, number and funding of WMU student fellowships for 2011 and 2012, while annex 4 shows details of the University's General Reserve Fund, Exchange Rate Adjustment Fund and Working Capital Fund, with actual balances as at 31 December 2010 and 31 December 2011, and forecasts for 2012.

4 The 2012 budget of the University projects a total income of €9,209,000 and a total expenditure of €9,016,000, compared to €7,743,000 and €7,141,000, respectively, in the 2011 budget.

- 5 The increases in both expenditure and income are mainly due to the following:
- (a) an increase in personnel costs representing: salary, insurance, installation, travel and shipment costs for academic staff members who are being recruited to fill vacant posts; repatriation cost of retiring staff; and the provision of a 2 per cent increase for cost of living adjustment to all staff;
  - (b) an increase in other related expenditures based on the variable component of the projected number of students; and
  - (c) an increase in income, mainly due to a one-off contribution from the TK Foundation for the acquisition of Computer Simulation Equipment, and the transfer of a ring-fenced amount from the University Reserve Fund to cover the cost of the new enterprise resource planning (ERP) system and other logistical needs in the planned transfer to the new University Building.

6 As indicated in annex 3, for 2011 and 2012, the largest portion of fellowship funding for the M.Sc. in Maritime Affairs will come from the Ocean Policy Research Foundation (OPRF) of Japan, which will contribute a total of €900,000, or 28 per cent of the M.Sc. fellowship fees. Other sources of funding will include other third-party donors and IMO's Integrated Technical Co-operation Programme, which will provide fellowship sponsorship of €144,000, or 4 per cent of M.Sc. fellowship fees. Student employers, governments, or self-financing will make up the remains of the M.Sc. fees.

7 The Secretary-General wishes to express deep gratitude to all donors, who provide invaluable financial support to WMU and, especially, to the Government of Sweden and the City of Malmö; the Nippon Foundation and the Ocean Policy Research Foundation (OPRF) of Japan; the International Transport Workers' Federation (ITF); the Governments of Canada, the Republic of Korea and the United Kingdom; and Inmarsat Limited. Their continued support is indispensable to the University's existence and to the ongoing provision of its training services for the global maritime community.

#### **Action requested of the Council**

8 The Council is invited to take note of the information contained in this document and to comment, as it may deem necessary.

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**ANNEX 1**

**BUDGET INCOME: 2011 AND 2012**

(Euros '000)

	<b>Budget 2011</b>	<b>Revised Budget 2012</b>
<b>A. BUDGET CONTRIBUTION</b>		
Government of Sweden	2,778	2,778
IMO Technical Co-operation Fund	306	213
Nippon Foundation, Japan	413	490
Government of Canada	110	110
INMARSAT	75	75
TK Foundation	0	220
Designated Contribution	0	0
Extraordinary Funding for the move to new building (sourced from fund-raising and appropriation from the Reserve	0	740
Other Government contributions	8	8
<b>TOTAL BUDGET CONTRIBUTION</b>	<b>3,690</b>	<b>4,634</b>
<b>B. STUDENT REVENUE</b>		
<b>i. Fellowship and Fees</b>	<b>3,141</b>	<b>3,260</b>
<b>ii. Outreach Programme</b>	<b>350</b>	<b>390</b>
<b>C. INTEREST</b>	<b>1</b>	<b>25</b>
<b>D. Henrik Smith Hostel Rent Income</b>	<b>200</b>	<b>250</b>
<b>E. PDCs and Consultancy</b>	<b>261</b>	<b>220</b>
<b>F. English and Study Skills Programme</b>	<b>0</b>	<b>120</b>
<b>G. OTHER REVENUE (Cafeteria, PR Article and other miscellaneous revenue)</b>	<b>100</b>	<b>310</b>
<b>GRAND TOTAL REVENUE</b>	<b>7,743</b>	<b>9,209</b>

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**ANNEX 2**

**BUDGET EXPENDITURE FOR 2011 AND 2012**

(Euros '000)

EXPENDITURE CATEGORY	Budget 2011	Revised Budget 2012
<b>A. OPERATIONAL BUDGET</b>		
<b>Section I: PERSONNEL COST</b>		
a) Resident academic staff	2,161	2,723
b) Resident administrative staff	692	761
c) General Service staff	640	744
d) Visiting professors	44	44
e) External consultants	40	60
f) Short-term language lecturers	26	26
g) Official travel	155	205
h) Provision for Separation Benefits	50	50
<b>TOTAL PERSONNEL COST</b>	<b>3,808</b>	<b>4,613</b>
<b>Section II: ACADEMIC COST</b>		
a) Library	99	110
b) Field Study Programme	275	300
c) Academic Dev. Cost	228	275
<b>TOTAL ACADEMIC COST</b>	<b>602</b>	<b>685</b>
<b>Section III: ADMINISTRATIVE COST</b>		
a) Computer Equipment	182	242
b) Other Equipment	96	291
c) Extraordinary Cost (move to new building and ERP system)	0	740
d) Cafeteria	60	60
e) Communications	63	63
f) Vehicles	40	15
g) Published material	25	25
h) Hospitality	25	25
i) Governing Body meetings	25	25
j) External Auditors	39	39
k) Conferences	100	50
l) Other Cost	116	75
<b>TOTAL ADMINISTRATIVE COST</b>	<b>771</b>	<b>1,650</b>
<b>TOTAL OPERATIONAL BUDGET</b>	<b>5,181</b>	<b>6,948</b>
<b>B. STUDENT COST BUDGET</b>		
a) Student Allowances and travel	683	762
b) Student hostel: Rent & cleaning	979	989
c) Student hostel: Support staff	45	47
d) Catering	3	3
e) Student Study materials	19	22
f) Graduation	68	75
g) Other student costs	163	170
<b>TOTAL STUDENT COST BUDGET</b>	<b>1,960</b>	<b>2,068</b>
<b>GRAND TOTAL OPERATIONAL AND STUDENT COSTS BUDGET</b>	<b>7,141</b>	<b>9,016</b>

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**ANNEX 3**

**STUDENT ENROLMENT AND FUNDING PROVENANCE IN 2011 AND 2012**

**A. MASTER OF SCIENCE (M.Sc.) PROGRAMME (Malmö)**

<b>Sources/Donors of Fellowships and Fees</b>	<b>Student Intake</b>		<b>Total Income (Euro '000)</b>
	<b>2011</b>	<b>2012</b>	
<b>1. Third-Party Donors</b>			
Ocean Policy Research Foundation, Japan	25	25	900
International Transport Workers' Federation (ITF)	5	5	180
Republic of Korea	4	4	144
Other Donors	7	8	270
<b>TOTAL THIRD-PARTY DONORS</b>	<b>41</b>	<b>42</b>	<b>1,494</b>
<b>2. User Funding</b> (Students' employer, government or self)	<b>59</b>	<b>58</b>	<b>1,564</b>
<b>3. IMO Integrated Technical Co-operation Programme</b>	<b>4</b>	<b>4</b>	<b>144</b>
<b>M.Sc. TOTAL</b>	<b>104</b>	<b>104</b>	<b>3,202</b>
<b>B. DOCTORAL (Ph.D.) PROGRAMME</b>			
<b>1. User funding</b>	4	2	50
<b>2. Research and Development Fund</b>	1	0	8
<b>Ph.D. TOTAL</b>	<b>5</b>	<b>2</b>	<b>58</b>
<b>GRAND TOTAL (M.Sc. and Ph.D.)</b>	<b>109</b>	<b>106</b>	<b>3,260</b>

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**ANNEX 4**

**RESERVE AND FUND BALANCES FOR THE YEARS 2010-2012**

(Euros)

	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Final Budget 2012</b>
General Reserve Fund, beginning	619,770	949,230	2,169,417
Excess/-Shortfall of Income	329,460	1,220,187	193,000
Appropriation from the General Reserve Fund	0	0	-740,000
<b>General Reserve Fund , ending</b>	<b>949,230</b>	<b>2,169,417</b>	<b>1,622,417</b>
<b>Working Capital Fund</b>	<b>699,000</b>	<b>699,000</b>	<b>699,000</b>
<b>Exchange Rate Adjustment Fund</b>	<b>245,430</b>	<b>245,430</b>	<b>245,430</b>
<b>Total Fund Balances and Reserves, 31 December</b>	<b>1,893,660</b>	<b>3,113,847</b>	<b>2,566,847</b>

Note: The General Reserve Fund balance as at 31 December 2011 of €2,169,417 includes the provision for employee separation benefits of €200,000 (€150,000 in 2010 and €50,000 in 2011). Likewise, the General Reserve Fund balance as at 31 December 2012 of €1,622,417 under the proposed Final Budget for 2012 will include the provision for employee separation benefits of €400,000 (€150,000 in 2010, €50,000 in 2011, and €200,000 in 2012).