

COMMITTEE ON FINANCE & BUDGET
STATEMENT BY RECTOR SOEDJATMOKO
(3 December 1983)

Mr. Chairman, Distinguished members of this Committee,

I am pleased that once again I have the opportunity to present to you the United Nations University's proposed programme and Budget for the next financial period covering the biennium 1984-1985.

The proposed Programme and Budget of the United Nations University for the biennium 1984-1985, which is before you, will, after adoption by the Council, be the authoritative statement on the general features of the University's organization and management and its programmes, and on the allocation of resources for 1984-1985 in the context of Medium-Term Perspective (1982-1987), which the Council adopted in November 1981. The document consists of two integral parts: Part I contains the Organization and Management and the University Programme; and Part II is the Budget, which contains specific appropriations and related financial authorizations for the biennium 1984-1985.

With this Programme and Budget the University is initiating a biennial programming and budgeting process, as was decided by the Council. This will put the University in step with the planning cycle in the United Nations system. The format and presentation are the same as were used for former budget submissions, with appropriate changes having been made to reflect biennial allocations. A mid-biennium report will be prepared for submission to the Council at its session in December 1984, which will contain proposals for modifications or mid-course corrections as necessary for programmes and activities in 1985 and revised proposals for expenditures based upon updated estimates of income and/or an unencumbered balance from 1983.

As is customary, this Programme and Budget for the biennium 1984-1985 was presented before the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the reviewing body of the United Nations. The comments and recommendations

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of the ACABQ on the budget proposals of the University are contained in a report which is being distributed to the members of this Committee.

The ACABQ has recommended "to the Council that it approve the 1984-1985 budget in an amount of \$37.3 million, including an Administrative Reserve of \$1 million." It will be noted that there are certain other points mentioned in the ACABQ report in connection with the budget document. A draft of the Rector's response to ACABQ on these points is being circulated to the members of this Committee.

The proposed 1984-1985 Programme and Budget now before you is based on an income of \$37,300,000 and represents an increase of \$2,500,000, or 7.4%, over the 1982-1983 figure.

Of this sum of \$37,300,000, \$28,050,000, or 77.3% of the total financial resources, has been earmarked for the University programme. When we started to develop the 1984-1985 budget, it was decided that any increase in financial allocations would be for the University Programme only and little, if anything, not counting increases due to the inflation factor, for other organizational units. This, I believe, we have achieved. As you will see from the staffing table (page 154-155) the staff increases are limited to the programme divisions with two exceptions, that is, the addition of one GS staff member in the Rector's Office and one in Administrative Services. The staff in the University will increase from 120 to 129 during 1984-1985 and delayed recruitment will be employed to effect savings.

This Committee will notice that as a further step in the rationalization of the structure of the University, and after appropriate consultation, I decided to incorporate the functions of Academic Services and Information Services into the Global Learning Division in the University Programme.

This Committee will also notice the exclusion from the UNU allotment of the item referred to as an Administrative Reserve. Reference to this fund

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can be seen on page 9, paragraph (f). What in fact we are doing here is to set aside a sum of money - \$1,000,000 - to ensure that whatever happens during 1984-85, the University will have sufficient resources to ensure an adequate cash-flow while protecting the budget from the chaos of fluctuating rates of exchange. The Administrative Reserve of \$1,000,000 is invested, as are all our funds which are not actually needed immediately, at high interest rates over a fixed-term period.

The University has made substantial progress in planning for the establishment of the first three research and training centres of the UNU: the World Institute for Development Economics Research, the Institute for Natural Resources in Africa, and the International Institute for Biotechnology. Two of these activities and others are reflected in Table 17 on page 144 and they hold the promise of enlarging the institutional outreach and programmatic activities of the University and at the same time mobilizing substantial additional resources. The funds allocated to this important endeavour in institutional development are relatively small and are considered by the University as "seed money" only. I would like to reiterate that such research and training institutes will be established only if adequate funding can be assured over a long period so that their establishment does not constitute a drain on the core resources of the University.

I believe that looking at the budget proposal you will agree with me that the University's present financial situation cannot be considered unhealthy. Our present endowment fund is, by no means, adequate. In these difficult days of financial constraint, however, even the present level of our endowment fund illustrates the wisdom of an institution of this kind having an adequate endowment fund on which to build and grow. It is clear that major new opportunities to intensify action in critical areas are possible even in these darkened economic times. It is equally clear that if we are going to make any impact, governments, bilateral and international organizations and individual scholars and scientists would all have to attach high priority in taking advantage of these opportunities.

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This Programme and Budget reflects the determination and dynamism of University to make maximum use of the resources available in these difficult times. Above all, it reflects my determination and resolves to ensure the UN University is responsible to the interlocking global concerns that challenge society at present and the near future.

SOEDJATMOKO
Rector