

ANNUAL REPORT 2009

[English Summary]



The Board's Report 2009
Including Accounts

THE BOARD'S REPORT 2009

Throughout the year of its 50th anniversary, the Norwegian Institute of International Affairs (NUPI) has had a steady supply of assignments and projects, high visibility and a healthy economy.

The Board wants to express its satisfaction with the way the anniversary events have been organised, with highly profiled participants from both the national and international scene.

CENTRAL COMMITMENTS 2009

NUPI's mandate is two-fold:

- to carry out research on international politics, to produce research-based studies and
- to conduct research-based information and dissemination activities.

It contributes information on international questions in several fields: power relations, security policy, development, energy, international economics and areas of particular relevance to Norwegian foreign policy.

Research is carried out within the following topics:

- Norwegian security policy, European security and transatlantic relations
- Global governance, great power rivalry and state systems
- Energy and geopolitics
- International trade and investment, technology and economic growth
- Development, state formation and security, poverty and corruption
- Conflict and peace building
- Multinational operations and security

In addition to the topics above, NUPI also has competence on regions such as the Balkans, Russia and Eurasia, Africa, Europe and the EU, Latin America and the USA. A priority is to strengthen the competence on Asia, in particular India and China.

In 2009, NUPI has established 27 new, externally funded projects. Peace building and security policy are the most comprehensive fields of research, encompassing both basic research and applied programmes across the departments. An example of such a project is "The Norwegian Defence Forces in Afghanistan: Experience management, doctrine development and strategic effect", which has enjoyed high visibility in 2009.

In the research field of conflict and war, a series of projects are conducted with a women's perspective, i.a. Women, Peace and Security and the Protection of Civilians; Sexualised Violence in Wartime; and Challenges to Implementing Resolution 1820 in MINURCAT, Chad.

Furthermore, a Centre for Global Governance is being developed at NUPI, which will include research activities along three main lines; theoretical approaches to global governance; global economic governance; and security policy. This will be a field of special priority in 2010.

Projects carried out in cooperation with other institutions, national as well as international, are still being emphasised. New projects in this vein are Nordic Security Competence; The Future of the UN Peacebuilding Commission; and the RussCasp Project

Within dissemination and communication, two main projects stand out: the development of the website of the educational article series hvorhenderdet.nupi.no and the successful conduct of NUPI's 50th anniversary.

RESULTS 2009

Aims for 2009:

1. NUPI will start adapting to the new funding system, strategically and economically
2. NUPI will draw up a coherent strategy for the institute to adapt to the new funding system
3. NUPI aims to be counted among the most outstanding milieus for presentation and discussion of international politics, with a particular responsibility to maintain the communication with pupils and students, and the public in general.

In agreement with the Ministry of Education and Research, one or more achievement requirements have been laid down.

Adaptation to the new funding system

From 2009, a new funding system will entail that the lion's share of the core grants will be allocated through the Norwegian Research Council (NFR). In addition, the Ministry has granted some 3.2 million NOK for NUPI's national communication tasks.

Through the years, NUPI has applied for and has received substantial project funding from the Ministries of Foreign Affairs and Defence. In 2009, grants from these two sources amounted to as much as 49.5 per cent of all revenues.

It is unclear whether these means are classified as assignment grants or contributions according to the new core grant system. If assignment, this will be positive on the indicator "national assignment grants", see table below, and on the system's relevance share.

Det er uklart hvorvidt disse inntektene klassifiseres som oppdrag eller bidrag i det nye finansieringssystemet for basisbevilgning. En klassifisering som oppdrag vil gi positiv uttelling for indikatoren nasjonale oppdragsinntekter, se tabell under, og systemets relevansandel.

In 2009, NUPI has made considerable efforts to clarify the definition of assignment grants, and the consequences of different ways of handling these revenues. These efforts have proven fruitful insofar as the introduction pace of the system has been modified, and the introduction period prolonged, compared to former plans.

The Board would, however, like to point out that the definition of assignment grants according to the new system of core granting creates more unpredictability for many institutes.

The indicators of the new system are: National assignment grants; grants from the NFR and international finance sources, scholarly publication; doctoral degrees and part-time positions within the U&H sector. The Ministry has determined that a performance objective for NUPI should imply that the total score on the indicators should, at a minimum, reach the same level in 2009 as in 2008.

A comparison of results of 2008 and 2009 on the indicators of the new funding system (NOK)

Indicators	2008	2009
National Assignments	29,7 mill.	30,9 mill.
Grants from NFR	9,8 mill.	8,3 mill.
International revenues	1,5 mill.	1,1 mill.
Scholarly publishing	59	80
Completed doctoral degrees	1	3
Researchers years in part-time positions U&H	1,4	1,7

NUPI has a large and extensive international network and a distinctly international profile. The researchers have developed a wide-ranging cooperation with colleagues abroad and regularly participate at international conferences and seminars. Foreign guest researchers have stayed at NUPI for a total of 16 months. Three NUPI researchers have had sojourns abroad, corresponding to 19 man- months.

Revenues from international sources amounted to 1.1 mill. NOK, 1.7 per cent of total revenues. The result is lower than the achievement requirements laid down by the Ministry. Therefore, NUPI has initiated strategic, cooperative relations with international networks with a view to increase international earnings in 2010, with particular emphasis on EU programmes and Nordic sister institutes.

As per 2009, NUPI has 60 externally funded projects, the sources being international cooperation projects; Ministries of Defence and Foreign Affairs; and the NFR.

These means allow for long-term planning and basic research, and are vital in ensuring the institute's long-term competence.

In 2009, grants from the Research Council amount to 8.3 mill. NOK, i.e. 12.6 per cent of operating budget, a decline since 2008. Our goal achievement on the indicators is satisfactory, though NUPI has to focus on increased project funding from the NFR and international earnings. This will be important to ensure the long-term core funding of the institute. In compliance with the Ministry's provisions, NUPI has developed a strategy to adapt to the new funding system with the following over-riding goal:

The best possible score on the indicators embedded in the funding system of core grants from the NFR. This is done to avoid dramatic reductions in the NFR core grants as a result of the new system.

The strategy sets up designated goals and proposes measures vis-à-vis the six indicators. The latter will, together with the relevance factor, be prioritised according to their respective weight in the system.

Leading milieu for presentation and discussion of international politics

In keeping with NUPI's statutes, visibility and involvement in the public debate are highly emphasised. 88 seminars and conferences were organised in 2009. Target groups encompass research environments; civil service; organisations and the general public. All in all, NUPI's events in 2009 had a record-high participation, with some 5 200 visitors.

The researchers have, also in 2009, been frequently used as sources, commentators and agenda-setting experts in the media. 3 150 press bulletins in net and paper media were registered, as compared to 2 500 the previous year. Dominant issues have been Afghanistan and Pakistan, the Congo, President Obama and the Nobel Peace Prize, Iran and Iraq, in addition to a wide covering of NUPI's various anniversary events.

Apart from visibility, it is required that each man-year should entail on average two feature articles published in newspapers or in journals.

83 such articles were published in 2009.

NUPI's website (www.nupi.no) averaged 22 500 visitors each month. This represents an increase of 12 per cent from 2008.

A far greater increase, however, has taken place on NUPI's tailor-made website for users of 15 to 25 years (hvorhenderdet.nupi.no), where the number of users doubled in the second half of 2009 alone. The trend is a clear increase from month to month and by the end of the year, we counted more than 200 visitors daily. On a steady basis, we send our newsletter to some 4 050 e-mail addresses. We have also established a group on Facebook for this website, which we expect will become the main channel of recruiting new readers in the time to come.

Visits from upper secondary schools from all over the country are also an important channel of recruitment for the website. And, naturally, such visits represent an educational value in themselves.

NUPI's ambition is to be a leading milieu for presentation and discussion of international politics. Our goal achievements in 2009 have been good. All in all, the institute's objectives have been reached to the Board's satisfaction.

RESEARCH CAPACITY AND ECONOMIC RESOURCES

The annual accounts for 2009 show a surplus of NOK 134 856. The surplus is lower than calculated in the budget due to reduced infrastructure incomes.

The surplus is added to the capital reserves, which amount to NOK 4.6 million.

A further increase in capital reserves is still a goal in order to give the institute more freedom of action and an economic buffer in a more unpredictable funding situation. NUPI had a turnover of NOK 65.5 million; an increase of 3 per cent compared to 2008. Central sources of revenues are the Ministries of Foreign Affairs, Education and Research, Defence, and the Research Council.

Distribution of income sources 2005–2009 (%)

	2009	2008	2007	2006	2005
Min. of Education and Research	31,0	29,4	33,4	32,0	29,7
Ministry of Foreign Affairs	37,0	36,5	32,5	42,0	45,3
Ministry of Defence	12,5	7,1	8,1	3,3	3,2
Norwegian Research Council	12,6	15,3	10,6	9,8	13,4
Other ministries	2,2	3,5	4,9	4,0	2,7
Norwegian industry	3,0	4,5	5,4	5,8	2,7
Foreign sources	1,6	2,4	3,4	1,4	1,2
Sale of publications	-0,2	1,3	1,5	1,6	1,8
Other revenues	0,1	0,0	0,1	0,1	0,1

The new funding system from 2009 implies that the bulk of the core funding, NOK 16.8 million, is allocated through the NFR. An additional grant from the Ministry of Education and Research of NOK 3.3 million goes to NUPI's national information and communication tasks.

STAFF RESOURCES AND WORKPLACE

In 2009, 72.3 man-years were carried out at NUPI, approximately the same as in 2008.

The number of researcher-years has increased from 37.8 to 38.3 in 2009. The share of women researchers has risen from 26 per cent in 2008, to 28 per cent in 2009.

This encouraging development confirms that the decline in 2008 was merely a short-term setback. NUPI endeavours to improve the female percentage of the staff, and the recruitment of women has been, and still is, of pivotal concern to the institute.

The work environment at NUPI is characterised as good. Physician-reported absence in the period 1/10-08–31/9-09 was 3.32 per cent, well below the goal of 4 per cent.

NUPI maintains its position as one of Norway's leading research institutes on international studies. The Board notes that NUPI is still regarded as a leading "think tank". Amongst the 50 top think tanks, NUPI ranks a good number 37, in a heat of 5 400 organisations.

ACCOUNTS

ANNUAL ACCOUNTS	31.12.2009	31.12.2008
Operating Revenues		
Income from grants	22 353 211	18 689 204
Subventions and transfers from other public bodies	42 146 760	39 743 062
Sales and rental income	-54 080	829 598
Other operating income	3 021 546	4 388 574
<i>Total Operating Revenues</i>	65 467 438	63 650 437
Operating Expenses		
Salaries and social costs	40 670 747	39 506 855
Other operating costs	23 912 716	22 705 564
Depreciations	741 283	796 961
<i>Total Operating Expenses</i>	65 324 746	63 009 379
Ordinary Operating Result	142 692	641 058
Financial Income/Expenses		
Financial Income	4090	235
Financial Expenses	11 926	3 144
<i>Net financial items</i>	-7 836	-2 909
Result Ordinary Activities	134 856	638 149
Period Result	134 856	638 149
<i>Transferred to operating capital</i>	134 856	638 149

BALANCE ASSETS	31.12.2009	31.12.2008
ASSETS		
A. Capital Assets		
Fixed assets		
IT and communication equipment	880 276	1 078 837
Machines and means of transport		
Operating Equipment	328 229	407 880
<i>Total fixed assets</i>		1 486 717
Total capital assets	1 208 506	1 486 717
B. Current Assets		
Outstanding Claims		
Trade debtors	3 814 274	6 980 998
Other claims	1 083 461	978 423
Accrued, non-invoiced income	1 366 904	624 672
<i>Total claims</i>	6 264 639	8 584 094
Fund and Bank		
Bank deposits	32 517 664	32 025 524
Other Cash and cash equivalentents	3 453	4 930
<i>Total fund and Bank</i>	32 521 117	32 030 454
Total Current Assets	38 785 756	40 614 548
Total Assets	39 994 261	42 101 265

BALANCE DEBT AND CAPITAL	31.12.2009	31.12.2008
OPERATING CAPITAL AND DEBT		
C. Operating Capital		
Accrued operating capital		
Accrued operating capital	4 582 094	4 447 238
<i>Total accrued operating capital</i>	4 582 094	4 447 238
Total accrued operating capital	4 582 094	4 447 238
D. Debt		
Provisions for long-term obligations		
Non-recorded grants for fixed assets	1 208 506	1 486 717
<i>Total provisions for long -term obligations</i>	1 208 506	1 486 717
Short-term debt		
Trade creditors	2 556 400	2 511 411
Unpaid deductions	1 842 114	1 543 558
Unpaid duties	1 063 583	1 262 035
Allocated holiday allowance	3 506 851	3 345 103
Prepaid non-accrued income	17 646 867	18 318 753
Other short-term debt	769 530	1 538 464
<i>Total short-term debt</i>	27 385 345	28 519 325
III Statement of Accounts with the State Treasury		
Non-recorded grant (net-budgeted)	6 818 317	7 647 985
<i>Total statement of accounts with the State Treasury</i>	6 818 317	7 647 985
Total Debt	35 412 168	37 654 027
Total Operating Capital and Debt	39 994 261	42 101 265