

MID-TERM REPORT OF THE PRESIDENT

To

AIT BOARD OF TRUSTEES MEETING

17 July 2016

TWO-YEAR NARRATIVE REPORT

AIT UNDER CURRENT PRESIDENCY

On 17 July 2014

APPOINTMENT OF AIT'S 8TH PRESIDENT

Professor Worsak Kanok-Nukulchai was appointed as the 8th President of the Asian Institute of Technology at the meeting of the AIT Board of Trustees held on 17 July 2014 for a term of four years. Prof. Worsak brings many firsts to this position. He is the first AIT alumnus, first Asian and first Thai national to serve as the President of AIT, in its history. Prior to his appointment, Prof. Worsak served as the Interim President of AIT, starting on 1 July 2013.

2014 - TIME OF RESTRAINT, REHABILITATION AND REFLECTION

Prof. Worsak assumed office at a time of restraint, rehabilitation and reflection for the Institute. In the aftermath of the Great Flood of Thailand – which inundated the AIT campus for over 2 months starting from 21 October 2011 – the situation was further aggravated by the legality issue concerning the premature implementation of its new charter, followed by unpleasant rows between AIT alumni and the former AIT President on his plan to have AIT partner with a global for-profit conglomerate, which would have called AIT's non-profit status into question.

Although AIT had returned to its original status (as a non-profit, international post-graduate institute) on 12 December 2012, the crisis left AIT on the brink of financial collapse. When Professor Worsak took over as Interim President, AIT had already suffered three years in a row of operating deficits, which caused AIT's General Reserves to plummet. Many stakeholders lost hope and started to desert the *sinking ship* in 2013.

Under the new president's leadership, and with the guidance and close attention of the Board of Trustees and all its Committees, AIT was able to plug the leaks and stop the financial bleeding that had caused AIT's decline in the period 2009-2012. This was assisted by the sacrifice and joint efforts of all loyal faculty and staff who together rebounded from the worst crisis in the history of the Asian Institute of Technology. By the second half of 2014, AIT started to see the light at the other end of the tunnel. The Institute was able to gain some level of financial stability, and began moving in the right direction with renewed strength and vigor.

YEAR END SIGNS OF SHARP RECOVERY

At the end of 2014, the Institute's financial forecast showed signs of sharp recovery. Moreover, the Institute had regained the trust of its strategic partners, especially host country Thailand, which resumed its annual budget allocation to AIT. Critically, AIT has secured its 10th 5-year Cooperation Plan with the Royal Thai Government (RTG), by which annual budgets would be provided for over the next 5-year period in the form of the Royal Scholarships and RTG Fellowships. The President also pledged to diversify its funding sources to complement its traditional donor-driven model with more industrial relationships.

In his New Year's Message, President Worsak announced that 2015 would be a year to focus on income generation. An AIT business plan would be developed in line with the vision provided by the AIT Board Chair. Re-establishing and enhancing the strength and international composition of the faculty, in order to better fulfill AIT's obligations to its students and partners, was prioritized by the President. He also sought the mandate of the Executive Committee to open up the selection of school deans internationally and, if necessary, offer a premium compensation package.

Another key plan was to reinvigorate the campus to bring the campus back to life quickly after its two-month inundation. Rehabilitation of academic buildings and laboratories, including all flood-damaged equipment, was given top priority.

A REWARDING YEAR 2015

Overall, the year 2015 was another challenging but equally rewarding year for the Asian Institute of Technology. It was a successful year for the Institute's students, faculty and staff members who collaborated with myriad partners and valued AIT alumni all around the world. Happily, AIT succeeded on a number of fronts in 2015. A high priority was bringing stability to the Institute which had experienced considerable financial, management and governance stresses in the recent past.

FINANCIAL STABILITY

AIT focused acutely on improving its relationship with its host country - Thailand. After a long period of strains in its relationship with RTG, AIT has entered and started to enjoy a 'golden relationship' with the host country. As a consequence, the Royal Thai Government (RTG) generously resumed its funding support to the Institute. The RTG Cabinet approved an emergency fund of 119,153,000 Thai Baht (THB) from 'The Central Budget for Cases of Emergency and Necessity' to help cover the missing budget in the Financial Year (FY) 2014 for AIT. On 28 April 2015, the RTG Cabinet once again approved a special budget of 133 million THB to cover the late-submitted budget of FY2015. This would be the last year, after the 2012-14 AIT crisis, that AIT needed an irregular financial injection from the RTG. From 2016 onward, AIT's budget allocation from its host country would follow the

regular national budgeting process, based on the approved *Tenth 5-Year RTG-AIT Cooperation Plan*, of around 160 million THB per year until 2019. The RTG Budget normally covers Their Majesties the King and the Queen's Scholarships, GMSARN Scholarships and RTG Fellowships.

CAMPUS REHABILITATION

Even prior to the flood of 2011, AIT's campus facilities were in a state of deterioration, with the main infrastructure backbone, such as water, air-conditioning and electricity systems all in need of a major overhaul. The AIT Administration, therefore, requested the Executive Committee to use the remaining 133 million THB from the flood insurance funds to overhaul and upgrade the overall campus infrastructure for the first time since the campus construction in 1971.

On 26 February 2015, President Worsak Kanok-Nukulchai received the approval from the Board to replace, rejuvenate, and upgrade the entire campus infrastructure backbone, namely the (1) air-conditioning system, (2) electrical system, (3) water supply system, (4) waste water system, and (5) the ground and pavement system.

RESEARCH EQUIPMENT

In terms of campus equipment, all flood-damaged equipment was repaired and replaced after they were inspected and compensated for by the insurance company. However, there was other equipment that was not damaged by flood, but rendered obsolete due to aging after forty years of use, and also due to disruptive new technologies. Upgrading research equipment has been a challenge for AIT, ever since the generous Japanese Equipment Grant terminated in the early 2000s. It is not feasible to embark on an Institute-level fundraising campaign for research equipment that are field-specific. It is more sustainable to install an internal built-in mechanism that would allow all fields of study to accumulate their operational surplus for a periodical equipment upgrade. Thus, the Administration successfully received the approval from the Board to allow a half of AIT's annual operating surplus to be accumulated as an Equipment Fund to upgrade obsolete equipment.

LIBRARY MODERNIZATION

In a worldwide trend, university libraries are exploring a new model for service delivery, known as "*digital commons*". Many campus libraries have remodeled their physical facilities in order to best serve students and faculty, adding computers, cafes, classrooms, outlets and study areas. With regard to the AIT Library, the crisis provided AIT with a timely opportunity to raise funds for its complete modernization, rather than just repairing its flood-damaged ground floor. Moreover, it is well-known in the philanthropic world that donors want their money to be associated with building a future success, rather than repairing a past failure. That has been one of the main reasons and motivation why AIT chose to embark on a fundraising campaign for its library's modernization.

Under the leadership of President Worsak, AIT successfully raised more than 79 million THB for the Library Modernization Campaign from generous AIT alumni, friends, and corporate donors. They are committed to the cause of creating a modern library facility that befits the 21st Century student learning experience. Significantly, Thailand's HRH Princess Maha Chakri Sirindhorn accepted AIT's invitation to serve as the Honorary Chair of the International Advisory Committee for the campaign. The campaign exceeded its goals and was an unqualified success for the first time in AIT history. Through extensive networking and promotion, the campaign attracted blue chip corporate donors and co-branding partnerships. Notable examples were 10 million THB donations by world leading corporate brands such as Red Bull and SCG. AIT expressed its grateful appreciation to its generous alumni partners and friends for their tremendous support in the effort. The Library will be open for use by students as a *'soft launch'* for the August 2016 Semester. Later, it will be officially opened at a grand ceremony planned for the near future.

TARGETING DIVERSIFIED FUNDING SOURCES

In 2015, AIT focused on income generation, and in 2016, an AIT business plan was to be developed in line with the vision provided by the Board Chair. This would allow AIT to re-establish and enhance the strength of its faculty, thereby fulfilling its obligations to AIT students and partners.

The year saw AIT extend more efforts on diversifying its funding sources to complement its traditional donor-driven model. Worth mentioning was the new partnership model established with Thai Pipe Industry Co., Ltd. (Thai Pipe), a business entity of our doctoral alumnus Dr. Yanyong Phataralaoha, who has established a multi-year *Thai Pipe Scholarship (TPS) Fund* at AIT. For the first year, the TPS Fund provided 3 bond-free full scholarships to students from Cambodia, Laos and Myanmar. Other private companies providing similar scholarships are Punya Consultants, Index International, Pruksa Real Estate, Chevron Asia South, SPS Global Corporation, Bhagya Enterprise and the Chai Patthana Foundation.

AIT DEGREE RECOGNISED FOR FIRST TIME

During the year, AIT degrees were officially recognized for the first time outside Thailand. When AIT on 22 May 2015 was granted Associate Membership of the Association of Indian Universities (AIU) – the apex coordinating body for all universities in India, it meant that all AIT degrees were fully recognized by India. AIU plays the important role of evaluating foreign degrees and granting recognition. From now on, AIT graduates are to be treated at par with graduates from prestigious Indian universities like Indian Institute of Technology. The request for AIU to recognize AIT'S degrees came in March 2015, when President Worsak visited India to receive the award of Honorary (Honoris Causa) Doctor of Science (D.Sc.) from Sam Higginbottom Institute of Agriculture, Technology and Sciences (SHIATS).

ENHANCED PARTNERSHIP WITH MINISTER OF ENVIRONMENT OF JAPAN

On 9 June 2015, AIT signed a landmark Memorandum of Agreement with H.E. Hideka Morimoto, Deputy Vice Minister of the Environment of Japan (MOEJ). Through the agreement, MOEJ will second one of its top professional executives to serve as the Director of AIT's Regional Resource Centre for Asia and the Pacific (RRC.AP) for three years. In addition, MOEJ will fund more than US\$ 1.2 million worth of projects in 2015. The new RRC.AP Director, Mr. Osamu Mizuno, assumed office on July 20, after completing an official overseas posting at the UN Secretary-General's Advisory Board on Water and Sanitation based in New York City. This support not only bolsters the operations of RRC.AP, but also signifies a renewed partnership with the Government of Japan.

HISTORIC PENETRATION IN INTERNATIONAL UNIVERSITY RANKINGS

During the year AIT achieved another key milestone of penetrating into international university ratings and rankings for the first time in its history. At a time when universities in Asia debate the yearly University Rankings released by QS World University Rankings and the Times Higher Education Rankings, AIT remained unaccounted for in either list. AIT wrote to both ranking organizations and received a clear reply that AIT was not eligible to participate because it was not a full-fledged university. While the Institute was unable to participate in the *Institute-wide* rankings, AIT was included in *World University Rankings by Faculty* and *World University Rankings by Subject* for the first time by QS. Despite its small size, AIT fared exceedingly well in both rankings.

In the 2014-15 QS World University Rankings by Faculty, AIT's faculty in Engineering and Technology was ranked 210th in the world, above many well-known universities. In addition, AIT's faculty in the broad areas of Social Sciences and Management was ranked 283rd in the world.

In the 2015 QS World University Rankings by Subject, QS ranked AIT among the global top in four subject areas. AIT was ranked in the top 151-200 of the world in Civil and Structural Engineering, the top 151-200 in Environmental Sciences, the top 251-300 in Electrical and Electronics Engineering, and the top 301-400 in Computer Science and Information Systems. It should be noted that Civil and Structural Engineering, the traditional flagship program of AIT, ranked globally at par with the Colorado State University, which happened to serve as a prototype for the Institute when the U.S. Government helped establish AIT in 1959.

In addition, the AIT School of Management (SOM) was a close runner up as the best business school in Thailand, according to the 2014 ranking of the world's top 1000 business schools by Paris-based Eduniversal.

Participating in the newly launched EU-funded U-Multirank, which ranked thousands of universities worldwide in different dimensions, AIT had the honor to be ranked as the top international university in the world. The Institute was the only university in Asia among the 41 universities in the world to receive full scores under 'international orientation'. It earned straight "A" grades for its student mobility, international academic staff, international joint publications and international doctoral degrees.

DISTINGUISHED ADJUNCT FACULTY PROGRAM

By 2015, after 56 years of operation, AIT was blessed with a large pool of highly respected former faculty members living all around the world. During the year AIT committed to reaching out to rebuild its relationship with this diaspora of former faculty, so that they could serve as our academic ambassadors and professional mentors of our current faculty.

A high-water mark in terms of new initiatives was therefore the establishment of the Distinguished Adjunct Faculty (DAF). It recognizes the contributions made by former faculty members and alumni who have pursued distinguished academic careers, drawing on their experience for the good of the Institute. The DAF is an honorary title bestowed on individuals who contribute voluntarily to enhance the work of the Institute.

Eligibility is limited to former AIT faculty members and alumni who have pursued distinguished academic careers at other institutes of higher education. So far, 61 former faculty working at top universities around the world have accepted AIT's offer to become a DAF. In addition, six alumni who possess a professorial rank in renowned universities have also accepted to be DAF.

ASEAN'S MESSAGE FROM REGIONAL FORUM OF CLIMATE CHANGE FOR COP21

AIT also burnished its international reputation on July 2015 when it played host to the *Regional Forum on Climate Change – Low Carbon and Climate Resilient Societies: Bridging Science, Practice and Policy*. AIT organized the Forum along with France's Ministry of Foreign Affairs and Development, the European Union and ASEAN. The international level forum was a prelude to this year's historic COP-21 climate change summit in Paris, France. It attracted over 400 international scientists, practitioners and policy-makers. Nobel Laureate H.E. José Ramos-Horta delivered a keynote speech at the Forum, which attracted widespread media attention. The Forum, along with a parade of international symposiums, conferences and workshops held at AIT throughout the year, underscored our Institute's special role as a neutral space for convening the best minds to tackle Asian region cross-border problems and global challenges such as climate change. The conference also drafted an ASEAN message on Climate Change which was presented by AIT at COP21 in Paris.

INTEGRATED BACHELOR-MASTER PROGRAM PURSUED

In terms of innovative academic programs, AIT's new 5-year integrated bachelor-master program partnership with Jawaharlal Nehru Technological University (JNTU), Kakinada, India, was seen as a good model for a tie-up with the undergraduate programs in partner countries. Into the future, AIT envisages that the integrated bachelor-master program should be meant for a limited number of elite students from partner universities. AIT is now pursuing similar partnerships with the Nottingham University-Malaysia, along with a number of universities in China, Indonesia and the Philippines.

30 AFGHAN STUDENTS FUNDED BY ADB, CANADA

AIT has always been committed to building up the professional capacity of countries emerging from conflict. In the past three years, AIT was tasked to educate 120 students from Myanmar under the generous financial support of the Government of Norway. In June 2015, 30 Afghan engineers from the Western Basins region of Afghanistan entered the AIT Bridging Program prior to enrolling in their regular Master's degree programs in August. This capacity building project is fully supported by an ADB grant from the Canadian Department of Foreign Affairs, Trade and Development (DFATD). The total cost of the project is US\$ 1,576,264. The project was conceptualized with the help of Dr. Michael McGarry, a Canadian seconded faculty member in Environmental Engineering during the period of 1970-1974.

END OF YEAR SUMMARY

In summary, at the end of 2015, AIT started to see signs of life. The Institute was able to plug the leaks, and halt the financial hemorrhaging that took AIT on a downhill path. Importantly, AIT regained the trust and the support of our strategic partners, especially its host country – Thailand. A business plan was being developed in line with the *Vision* provided by the Board Chair. This will reinvigorate the three most important parts of the AIT engine – the Faculty, the Students and the Finances, representing, what President Worsak refers to as the *Triangle of Growth*. In principle, AIT aims to increase the strength of its faculty to attract a good student population, which will bring more revenues to hire top faculty, enabling the Institute to attract even more students, which will in turn result in even higher revenues, and more progress in the years to come.

MOVING FORWARD INTO 2016

If 2014 is the year of restraint and rehabilitation, while 2005 is the year of recovery and reincarnation, then 2016 should be the year of reformation and re-establishment.

STRENGTHENING LOCAL PARTNERSHIPS

As Thailand serves as the host for AIT, and the Royal Thai Government has been the largest supporter of AIT in the 57 years of its existence, the Institute recognizes its obligation to cooperate with and support the public and private entities in Thailand. Five landmark agreements were signed with leading organizations in Thailand. They include:

- **IEAT:** On February 4, President Worsak signed a multifaceted 3-year partnership with Dr. Verapong Chaiperm, the Governor of the Industrial Estate Authority of Thailand (IEAT).

- **TICA:** On February 5, President Worsak paid a courtesy visit to Director-General Suphaatra Srimaitreephithak of Thailand International Cooperation Agency (TICA) to thank TICA for funding 20 students from 6 countries (Bhutan, Myanmar, Laos, Vietnam, Kenya and Fiji) to study for Master's degrees at AIT since 2010. TICA is responsible for the implementation of Thailand's development cooperation programs in neighboring countries as well as other regions of the world.
- **PEA:** On February 15, President Worsak signed a 20 Million Baht agreement between AIT and the Provincial Energy Authority (PEA) of Thailand to fund twenty-four of its staff to enroll in Master's and Doctoral programs at AIT over the next four years, as well as to support its plans for developing *Smart Network* energy services.
- **Food Innopolis:** On May 16, President Worsak joined 35 organizations (9 public organizations, 13 companies, 12 leading universities and 1 association) in signing a Memorandum of Understanding (MOU) with Thailand's Ministry of Science and Technology, for participation in the RTG-Flagship *Food Innopolis* Project which aims to boost the local economy through the entire food supply chain.
- **NSTDA:** On 29 June, President Worsak signed a landmark agreement with Thailand's National Science and Technology Development Agency (NSTDA) by which NSTDA will send 11 Thai experts / researchers from its BIOTEC, NECTEC, MTEC, and NANOTEC to serve as adjunct faculty of AIT.

EXPANDING INTERNATIONAL COOPERATION

As an independent institute with a mission for international cooperation, AIT reached out to external stakeholders and reassumed its traditional role in the international arena. In the first half of 2016 alone, AIT entered into 31 Institute-level partnerships representing 20 countries.

Prominent dignitaries who visited AIT included H.E. Minister Inia B. Seruiratu, Minister of Agriculture, Rural and Maritime Development and National Disaster Management, Fiji. This led to two Fijian students coming to AIT; Mr. Han Jinsup, Director, Korea International Cooperation Agency (KOICA); H.E. Mr. Peter Prügel, Ambassador of the Federal Republic of Germany; H.E. Mr. Gilles Garachon, Ambassador of France to Thailand; Chief Representative of JICA in Thailand, Mr. Hiroo Tanaka; and a courtesy visit by AIT to meet H.E. Noh Kwang-il, Ambassador of the Republic of Korea.

EXPANSION OF COOPERATION WITH CHINA

AIT expanded its relationship with universities and research institutes in China with the signing of three agreements aimed at scholarships for Chinese students, faculty secondments from top universities in China, and the possibility of dual degree professional programs for high speed railways and transportation training.

On May 5-6 in Beijing, AIT President Prof. Worsak Kanok-Nukulchai signed Memoranda of Understanding (MoU) with China Scholarship Council (CSC), Beijing Institute of Technology (BIT) and Beijing Jiaotong University (BJTU). Less than one month after the signings, BIT and BJTU paid return visits to AIT in Thailand. In addition, other Chinese universities visited AIT in June to discuss cooperation, including China University of Geosciences, Wuhan, and Guiyang Vocational and Technical College.

A delegation of the China Scholarship Council (CSC) led by its Deputy Secretary-General Mr. Cao Shihai, also a member of AIT Board of Trustees, visited AIT to seek greater cooperation. Leading a three-member CSC delegation, Mr. Cao discussed ways and means to enhance its partnership with AIT, as he elaborated on a wide range of programs that CSC offers for Chinese nationals to study abroad.

This is in addition to the five agreements signed in August 2015 in China including Guizhou Provincial Education Department, Guizhou Vocational and Technical College, Guizhou Institute of Technology, Nanjing Institute of Rail Technology, and Zhejiang University.

GREEN CAMPUS INITIATIVE TAKES HOLD

As a committed leader in environmental, technological, and social stewardship, AIT is committed to becoming a more sustainable higher education institution. The *AIT: A Sustainability Laboratory* is an initiative to promote sustainability and to transform AIT into a ‘green campus’ by inspiring the campus residents to learn and adopt lifestyles that are sustainable. These greening initiatives include activities on sustainable solid waste management and recycling, efficient management of water and wastewater, energy efficiency, sustainable transportation, organic homestead farming, and institutional level green public procurement practices. Prominent activities under this initiative included celebrating Earth Hour, Sustainability Wall Pledge, Culture Show Drama on ‘Save Trees’, Welcome Show and Mime Drama on ‘No Plastic Bags’, poster campaigns and weekly carpooling to Talad Thai market.

NEW NATIONAL AND INTERNATIONAL UNIVERSITY RANKINGS

If in 2015, AIT made a dramatic entry into the global ranking system, 2016 was the year of consolidating AIT’s stellar performance and making a concerted push into other ranking systems.

While AIT was still unable to participate in the *Institute-wide* rankings, AIT continues to be included in *World University Rankings by Faculty* and *World University Rankings by Subject* by QS. In addition, AIT was invited to join universities in Thailand in the nationwide rating system conducted by Thailand Research Fund (TRF).

□ AIT RANKED AMONG GLOBAL BEST IN THREE SUBJECTS – 2016 QS RANKING

As a purely post-graduate institute, AIT was not eligible to participate in the University Ranking by QS. However, AIT is included in the special QS Ranking by Subject. AIT was ranked

among the global best in three subjects among the world's thousands of universities, according to the QS Top Universities 2016 Rankings by Subject released on 21 March 2016.

AIT's Civil and Structural Engineering program was ranked 151st in the world, while AIT Environmental Studies (Engineering) was ranked world's 201-250 and AIT Computer Science and Information Systems was ranked world's 351-400. Further, in a separate QS Ranking by Faculty, AIT's faculty in the field of Engineering and Technology was ranked 240th in the world and its Social Science and Management faculty was ranked 336th.

□ AIT 9th IN THE WORLD IN UNIVERSITY 'INTERNATIONALITY' – U-MULTIRANK 2016

AIT scored eight A's in U-Multirank 2016, maintaining its unrivalled excellence amongst Asian universities for international orientation. Participating in this ranking for the second time, AIT bagged eight top scores, and it continued to shine in *International Orientation*, placing 9th globally out of more than 1300 universities participating in the ranking. According to the results announced in April 2016, AIT scored five A's in *International Orientation*, two in *Knowledge Transfer*, and one in the category of *Research*. AIT has also been profiled by U-Multirank as a Top 25 Performer by selected indicators in the field of *Continuous Professional Development*.

□ AIT TOP RESEARCH INSTITUTE IN COUNTRY – THAILAND RESEARCH FUND 2016

As a non-full-fledged university, AIT entered in only 10 out of the total 36 disciplines assessed in the latest round of Thailand Research Fund (TRF) Ratings based on research impact in 2012-14. A first time entrant, AIT obtained a perfect score (TRF Rating 5) in five disciplines, the highest among all 28 participating universities in Thailand. Being a non-conventional university, AIT only participated in 10 disciplines that it offers, AIT was number one in seven disciplines.

READINESS FOR RESTRUCTURING

In treating a person hospitalized in the ICU, it is important to stabilize the patient first before a major operation can be attempted. Similarly, two years after experiencing its worst financial crisis (2013-14), AIT has regained its financial stability and is now ready for a major restructuring.

□ NEW INSTITUTE-LEVEL ADVISORY BOARD CONSTITUTED

A new 10-member AIT Institute-Level Advisory Board (ILAB) was constituted to advise the Institute on strategic and policy-related issues, including academic activities, developing linkages with the corporate sector, strengthening partnerships, developing synergy with alumni, and enforcing gender-related goals in research and academic activities at AIT.

□ DECENTRALIZING THE CAPITAL FUND CONTROL TO SCHOOLS AND OUTREACH CENTERS

The Executive Committee has approved the President's initiative to decentralize the control over its asset account to the three Schools and other Responsibility Centers (RC) under a

Responsibility Center Management (RCM) System. The proposal is to establish a Capital Fund A/C for each RC, and allow the RC to plan its own investment on equipment and strategic development. By this proposal, after a half of the net operating surplus is transferred to the Institute General Reserve at the end of the year, the rest will be allocated to the Capital Fund A/C s of all RCs in proportion to their contributions.

□ RESTRUCTURING OF ADMINISTRATIVE STRUCTURE

AIT will continue its decentralization process based on Responsibility Center Management, which was created at the University of Pennsylvania in the early 1970s as a response to a financial crisis, and is now widely used in most universities in the United States.

RCM provides an incentive structure that encourages and rewards revenue generation and cost saving at all levels. It requires awareness among all faculty and staff members of financial implications of decisions at the policy and operational levels. Under the RCM system, a unit in AIT can be categorized as either a Responsibility Center (RC) or a Service Center (SC).

A Responsibility Center (RC) is a unit that is expected to generate sufficient revenue to fully cover its direct and indirect expenses. As a financial incentive, an RC retains part of its net surplus into its Capital Fund. Currently, AIT has 3 academic RCs (SET, SERD, and SOM), and 12 Outreach RCs.

A Service Center (SC) is a unit whose primary purpose is to provide services and support to the President, Vice Presidents, Deans and RC Directors, within the policy and budget framework. At the end of a fiscal year, the cost of all SCs will be allocated among all RC users of services based on pre-determined cost drivers.

□ AIT MANAGEMENT TEAM

At Institute level, the AIT Management Team (AMT) serves as the executive body of the Institute. The new AMT will constitute the President as Chair, Vice Presidents, School Deans and (Executive) Directors of all Responsibility Centers (RCs). Associate members of AMT include the Institute Secretary, Secretary to the President, other Directors of all Service Centers (SCs), Compliance Officer, and Senior Advisers to the President. The weekly AMT Meeting serves as a platform for AMT members to consult, communicate and canvass opinion on a range of matters prior to its endorsement for the final decision by the President. In addition, the AMT meeting will provide a forum to discuss new strategies, initiatives and ideas that may become part of future business. To enhance the efficiency of AMT Meetings, Standing Committees of AMT have been set up to screen and provide expert advice on specific affairs of AIT.

□ VICE PRESIDENTS

Following the approval of the AIT Board of Trustees, at its meeting on 18 February 2016, the Administration will restructure its three Vice Presidents as follows: (1) Professor Sivanappan Kumar, Vice President for Academic Affairs (VPAA); (2) Professor Kazuo

Yamamoto, Vice President for Administration (VPA); and (3) Mr. Surendra Shrestha, Vice President for Development (VPD). In performing their duties, the emphasis of the VPs should essentially be on the content and quality assurance aspects of research, education and external relations and not on operational matters. They will provide strategic direction to the Service Centers, and provide advice on policy related issues.

□ ACADEMIC REORGANIZATION

Time has changed from the days in the 1960s, 70s and 80s when graduate programs tended to be highly specialized. Today, global trends point towards more integration, multidisciplinary learning and cross-cutting research; hence, administrative walls among all specializations need to be removed. As a legacy of the past, AIT offers too many narrow fields of study (30), ending up with 2.26 faculty members per field. This situation does not appear to help attract potential students in today's competitive market.

The new academic structure calls for establishment of *department* which will pool all related fields together. Thus, administrative workloads will be moved from the field level to the departmental level, allowing faculty more time to focus on teaching and research.

Capital fund, operating budget, human resources (faculty & staff), and study seats will be allocated from the School RC to all departments in the School. Except for academic matters, all allocated resources shall be controlled and managed by the Department.

Within a department, an official list of fields/programs/specializations (F/P/S) will be declared and remain visible, but the list can be adapted continuously with changing market demand. Academic matters concerning each F/P/S, such as curriculum, academic procedures and support facilities, are supervised by the respective F/P/S Committees of the Department.

Although students belong to a Department, they are recruited to the Department based on their selected Fields/Programs/Specializations. Their AIT degrees and transcripts will include the School, Department and Field (or Program or Specialization).

2017-2018 TIME TO POSITION AIT'S FUTURE

It is well recognized that AIT is not a traditional full-fledged university. Yet it is often difficult to clearly distinguish and differentiate AIT from other traditional universities as AIT's most visible core products are its master's and doctoral graduates.

AIT is rightfully proud of its academic excellence. However, it is a fact that other universities which possess vast resources can catch up and compete with AIT. Moreover, if AIT still continues to

portray itself as a traditional university, it will be very difficult to justify its existence. Consequently, AIT must find a way to position itself as being more than a postgraduate institute.

Many people who know AIT conclude that it would be almost impossible for a similar institute to ever be established again anywhere in the world. The consensus is that the Asian Institute of Technology is truly one of a kind. If AIT positions itself based on this exclusive uniqueness, we can rightfully take full advantage of the blue ocean, i.e., an uncontested market space, particularly when there is nobody quite like us. Otherwise, we will continue to compete in a red ocean scenario competing for shrinking space. Success does not come from battling competitors in traditional red ocean spaces, but rather in creating new blue ocean spaces.

Looking back to 1959, the birth of AIT was a result of international cooperation. Indeed, over its fifty-seven years of operation, AIT's internationality factor has never wavered. More than a half century later, the international character of the Institute has strengthened, augmented and widened, as our networks span every continent.

Collaboration and *Innovation* are today's new buzzwords in the international arena. But a critical missing link in terms of international collaboration and innovation is the absence of a host which can act as a neutral platform for addressing cross-border, transnational issues.

Issues that confront humanity have cross-border dimensions, and they need to be tackled at a regional level, and in many cases at a global level. For example, climate change does not restrict itself to one country, and neither do natural disasters like earthquakes and tsunamis. Energy and food are global issues that require a multidisciplinary approach. Quite often, scholars and researchers are holed up in one place, constrained by limited linkages and shrinking networks; and they are unable to decode, decipher and come to term with such fast-changing developments.

In the past, regional collaborations have been largely confined to a case-by-case basis scenario which was driven by funding agencies and the requirements of the market economy. The Asian Institute of Technology has managed to move beyond this issue due to its solid academic and research focus which cuts across countries and disciplines.

Over the past decades, AIT has identified eight important clusters for international cooperation in education and research - Water, Infrastructure, Development, Environment, Industry, ICT, Energy and Food. These clusters or themes have attracted experts from all over the world who *think globally and act locally* in an Asian context.

To conclude, AIT should position itself as a "leading global research institute for mankind", thus providing a rare opportunity for its international students to be exposed to all-inclusive issues and emerge as true global citizens. AIT must offer itself as a neutral platform for international scholars to share their experiences where they learn from each other in the interest of the region and the whole world.