

ANNUAL REPORT



The Centre for International
Governance Innovation

Centre pour l'innovation dans
la gouvernance internationale

Building Ideas for Global Change™

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la gouvernance internationale

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Building Ideas for Global Change™

The Centre for International Governance Innovation (CIGI) is a Canadian-based international research institution that was founded in 2001. Its main purpose is to develop solutions for some of the world's most pressing international governance challenges through world-class research.

CIGI strives to find and develop ideas for global change by studying, advising and networking with scholars, practitioners and governments on the character and desired reforms of multilateral governance. Through conferences, publications, public events and technology CIGI aims to raise the Canadian domestic capacity to effect change in public policy in Canada and around the world.

Chairman's Message

It has been a hallmark year for CIGI. Our organization is rapidly growing to become a leading global resource on international governance for academic researchers, public officials, civil society organizations, nongovernmental organizations (NGOs), students and the interested public. Our initiatives foster international dialogue on global issues and strengthen positive change in global governance networks.

We have a clear vision for our future: to create a think tank of international significance to strengthen intellectual resources that support public policy on issues of global importance and to improve the effectiveness and efficiency of the multilateral governance system.

This past year we saw the realization of many achievements and accomplishments. None of this would have been possible without the tremendous support of our committed partners. Ontario's Premier Dalton McGuinty announced in January at the World Economic Forum in Davos, Switzerland that Ontario's Ministry of Research and Innovation would be supporting CIGI's IGLOO™ information and research portal by granting approximately 7 million dollars over five years to the initiative. In addition, significant partnerships with and donations from key academic institutions and the private sector have taken our research projects to new heights.

The CIGI Operational Board is proud to actively participate in the achievements of our organization. I would like to extend a sincere thank you to our Operational Board of Directors, our International Advisory Board of Governors and our valued financial supporters, for their significant contribution to the ongoing successes and growth of CIGI in 2005.

Together, we can build ideas for global change.

Jim Balsillie



Jim Balsillie
Chair, Board of Directors, CIGI

Executive Director's Message

We believe that CIGI is well placed to continue its record of success as we gain a foothold as a world class research institution. Our contributions to the field of international governance continue to deliver excellent results.

We approached 2005 ambitiously with a period of expansion and much activity. CIGI played a pivotal role in the development of the idea of a Leaders' 20 Group championed by Canadian Prime Minister, Paul Martin. The ultimate aim of the project is to determine the role of a Group of 20 (G20), but at the government leaders' level, in the broader field of international governance. We held several important meetings this past year: in Brussels with the EU; in Berlin with leading German think tanks, and in Geneva with the World Health Organization, among others.

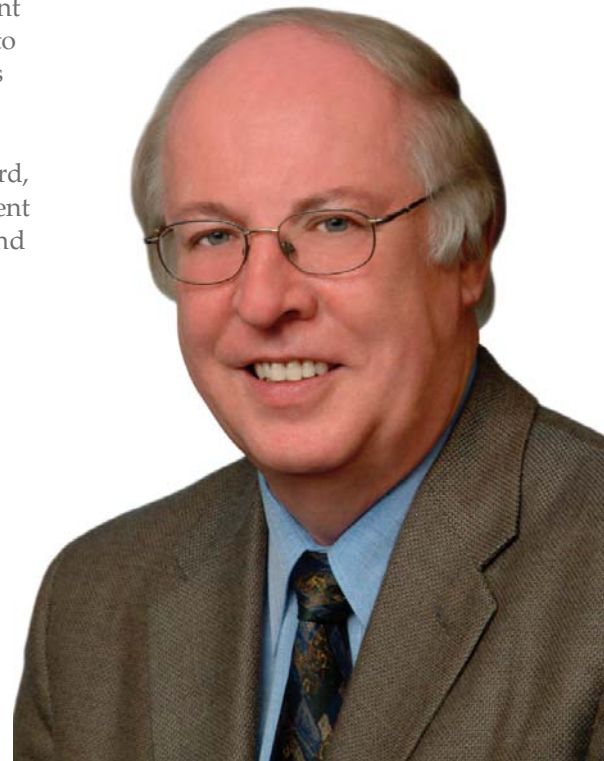
The release of the United Nation's momentous report "*In Larger Freedom*" by the UN Secretary General provided the key motivation for CIGI to bring a group of expert practitioners, leading academics, civil society representatives and UN officials to address the many ideas contained in this report. CIGI felt that it was important to provide an opportunity for such a discussion ahead of a Leaders' Summit at the United Nations focused on UN reform.

The BRICSAM project is another major research initiative that was developed to examine the growing importance of some developing middle powers as emerging global economic forces. BRICSAM countries, Brazil, Russia, India, China, South Africa, the ASEAN countries, and Mexico represent the fastest developing global economies and the BRICSAM project hopes to ascertain the implications of rapid and sustained development in areas of high population concentration.

The growth of CIGI in 2005 has been exciting. On behalf of the entire Board, I would like to thank our dedicated staff members. It is their commitment to deliver results for the benefit of our supporters, global partners and stakeholders that turn our strategies into reality.

John English

John English
Executive Director, CIGI



Highlights from the Past Year

June 2005

CIGI launches "*Irrelevant or Indispensable: The UN in the 21st Century*", a publication resulting from the conference on UN Reform.

May 2005

The BRICSAM Advisory Meeting takes place at Woerner House to help identify the direction of this major research project focussing on emerging markets.

April 2005

CIGI partners with Carleton University to edit the forthcoming volume of "*Canada Among Nations 2005: Split Images*".

The conference "The UN: Adapting to the 21st Century" assembled over 100 senior United Nations staff, along with current and former ambassadors, scholars and members of civil society, for the first major international

conference on UN reform since Secretary General Kofi Annan tabled a report, entitled "*In Larger Freedom*".

March 2005

CIGI hosts the first World Bank Graduate Seminar in Canada. The seminar focused on international development and was intended to increase transparency and dialogue between the World Bank and students.

About CIGI

The Centre for International Governance Innovation (CIGI) is a Canadian-based international think tank that was established in 2001. CIGI works to provide advice on issues of international governance and multilateral system reform by "building ideas for global change" through research, conferences and publications.

CIGI was the vision of Jim Balsillie, and was established through his generous donation, along with that of Mike Lazaridis co-CEO of Research In Motion (RIM). In 2003, the initial gift was matched by the Government of Canada, allowing CIGI to make economic and financial governance a major focus of its research and policy advice. Since then, CIGI has received additional donations from private benefactors.

CIGI's Executive Director John English, has long been recognized as one of Canada's leading experts in international affairs. CIGI currently employs 45 staff members that includes researchers, librarians, interns, administrative staff, technical staff, and communication professionals.

CIGI strives to find and develop ideas for global change by studying, advising and networking with scholars, practitioners and governments on the character and desired reforms of multilateral governance. To achieve this CIGI funds the research initiatives of recognized experts and promising young academics; builds collaborative links among world class researchers in Canada and major international centres; and shapes dialogue among scholars, opinion leaders and key policy makers in Canada and abroad. CIGI's research program spans international institutions, evolving international relations, regional governance issues and the impact of global shifts in economic power.

In creating a research institute of international significance CIGI hopes to strengthen Canadian and international intellectual resources that support public policy globally and improve the effectiveness and efficiency of the multilateral governance system. Organized and directed by some of the finest academics and public policy practitioners, CIGI is rapidly becoming a major international research centre that, through a variety of conferences, lectures, and research

February 2005

CIGI and the Kitchener-Waterloo YMCA hosted a Global Youth Forum that exposed high school students to international governance issues.

January 2005

The Government of Ontario invests 7 million dollars in IGL00™, CIGI's "first of its kind" online research portal.

December 2004

CIGI launches the manuscript "*Reforming from the Top: A Leaders' 20 Summit*", the first publication exploring Canadian Prime Minister Martin's concept of a Leaders' 20 Summit.

October 2004

CIGI's International Advisory Board of Governors meets for the second time to discuss CIGI research projects. Dean of Woodrow Wilson School,

Anne-Marie Slaughter, provides a public lecture on "A New Approach to the War on Terror".

Open Text Corporation comes aboard as a technology partner for the IGL00 project.

May 2004

Michael Barnstijn and Lousie MacCallum generously donate over \$2.5 million to help develop CIGI research projects on institutional reform.

will help strengthen international networks supporting improved practices and policies.

CIGI's own research and conferences are complemented by an extensive program of partnerships for research and innovation. In addition, CIGI's research is intimately linked with a program of educational partnerships aimed at fostering and attracting Canadian scholars and graduate students of the highest calibre.

CIGI is strategically located in the region of Waterloo, an area with a growing international reputation for innovation and technology. Waterloo, Ontario is home to leading technology firms, an institute for theoretical physics and two distinguished universities, the University of Waterloo and Wilfrid Laurier University. CIGI is conveniently situated one hour Southwest of Toronto and within easy reach of a number of major Canadian and U.S. cities.

In 2003, CIGI acquired the culturally historic Seagram Museum, with its acclaimed Barton Myers renovation of the barrel warehouse. This unique facility provides an ideal space for CIGI's headquarters, as well as for the many public and private events and conferences it hosts. In addition, through the generosity of philanthropists Anna and Klaus Woerner, CIGI is able to use their former country home as an event centre. The property has approximately twelve developed acres and over sixty acres of beautiful forested land. Similar to Ditchley and Wilton Park, the Woerner House acts as an exclusive location for CIGI meetings, conferences and seminars. First class accommodations are readily available to scholars visiting CIGI.

CIGI Partners

- The Academic Council on the United Nations System (ACUNS)
- Current World Leaders Press
- Foreign Affairs Canada (FAC)
- Moreover
- The North South Institute (NSI)
- Ontario Ministry of Economic Development and Trade (MEDT)
- Open Text Corporation
- Research In Motion (RIM)
- University of Waterloo
- Woodrow Wilson School of Public and International Affairs, Princeton University
- World Economic Forum (WEF)

“Only recently has the power of ideas been taken seriously as a form of agency in international relations.”

- John English / Andrew F. Cooper
*International Commissions
and the Power of Ideas*

Executive Director

Dr. John English



Dr. John English played a key role in CIGI's establishment and is leading the organization through its rapid growth phase.

Dr. English received a Bachelor of Arts from the University of Waterloo in 1967, after which he earned his Ph.D. from Harvard University. Over his impressive 35 year career, he has maintained a successful balance between his family and his expansive involvement in politics and academia.

This breadth of experience has given him an intimate understanding of Canada's foreign policy and its impact on Canadian history and identity. His in-depth knowledge of the Canadian perspective adds a unique facet to his current research in international affairs.

Dr. John English's understanding of international relations comes from his experience as an interested observer as well as active participant in foreign policy issues. From 1988 to 1993, he held the position of Director for the Centre on Foreign Policy and Federalism at the University of Waterloo. Following this role, Dr. English began his term as Member of Parliament, a position that garnered him valuable insight into the intricacies of the foreign policy creation process. He seized this opportunity, serving as a member of the Joint Committee for

Reviewing Canadian Foreign Policy, Vice Chair of the Standing Committee on Foreign Affairs and International Trade, as well as Vice President of the Organization for Security and Co-operation in Europe-Parliamentary Assembly. Dr. English was also chosen as a special envoy for the Minister of Foreign Affairs on Security Council Election as well as acting as Special Ambassador for Landmines. This interest and involvement continues today with his role as Chair of the advisory board for the Canadian Landmine Foundation.

Dr. English's experience as a practitioner in politics is complemented by his thorough study of Canadian history. His time as a professor of History at the University of Waterloo led to his appointment as University Research Chair of that department. He was also commissioned as the official biographer of former Prime Minister Lester B. Pearson and is currently writing the official biography of former Prime Minister Pierre Elliot Trudeau. In addition to these scholastic honours, he has published many books and articles on post 1945 Canadian foreign policy. These projects have given him better insight into the foundations of contemporary policy issues and have fueled his passion for Canada's role and the potential for progress on the world stage.



Our People

CIGI is a fast paced, energetic, dynamic organization that employs people with strategic and innovative ideas. We pride ourselves on the ability to recruit a diverse, well-educated and international workforce. This leads to the unique working environment of cultural diversity required to fulfill our many global projects. Over a dozen languages are spoken by CIGI staff members.

CIGI is rich of a unique blend of academic, government, and corporate experience. CIGI has partnered with both the University of Waterloo and Wilfrid Laurier University to create intern opportunities. From the diverse experience of our International Advisory Board of Governors to our staff members and interns, each individual brings a unique perspective, personality and cultural background to our research and projects.

With the help of our strategic planning team, CIGI undertook a human resource evaluation in the past year to reflect the staffing needs required to carry out new projects and initiatives and to improve the efficiencies of CIGI's existing personnel structure and capabilities. As a result, CIGI has considerably expanded its staff and facilities. This expansion was partially in response to the Government of Ontario grant to develop IGLOO. The IGLOO project has doubled the number of CIGI staff members since October 2004.

It is our belief that the quality, enthusiasm and commitment of all of our people form the cornerstone of our current and future success.

CIGI is rich of a unique blend of academic, government, and corporate experience. Our growth reflects the many new projects our organization has successfully undertaken in the past year."

- John English
Executive Director, CIGI



Our Supporters

Jim Balsillie - *Chair and Co-CEO, RIM*
Mike Lazaridis - *President and Co-CEO, RIM*
Government of Canada / Gouvernement du Canada
Government of Ontario / Gouvernement de l'Ontario
Michael Barnstijn and Louise MacCallum
Richard Brock
Dennis Kavelman
Klaus and Anna Woerner

Gift in Kind Contributors:

Artindale & Partners
Dell
Open Text Corporation
Susan Swan

Distinguished Fellow

Dr. John Whalley



Dr. Whalley is a Professor of Economics at the University of Western Ontario and a distinguished fellow at CIGI in the area of economic governance. He holds a B.A. in Economics from Essex University (1968), an M.A. from the University of Essex (1969), and an M.A.(1970), M.Phil.(1971), and Ph.D.(1973) from Yale University. He is a Fellow of the Economic Society, a Fellow of the Royal Society of Canada, and a Foreign Fellow of the Russian Academy of Sciences. He is the co-editor of the journal, *The World Economy*.

He is involved with a number of research institutions around the world. At present, he is a research associate at the National Bureau of Economic Research in Cambridge, MA and a coordinator of the Global Economy Research for CESifo based at the University of Munich, Germany.

He is associated with the field of numerical general equilibrium modeling as well as policy commentary in global trade policy and development. His recent work has focused on China's participation in the global trading system, as well as World Trade Organization

(WTO) issues, trade and environment and trade in services. His work in these areas builds on his experience as guest professor at Peking University in China, where he spends approximately one month every year. With CIGI, he has also been involved in research on the emergence of the BRICSAM countries, a project that continues to gain momentum. (For more information on the BRICSAM project see p.11).

His current research interests include globalization, the WTO, development strategies in the third world, global environmental issues, and psychology and economics. Dr. Whalley's writings in numerous subject areas have been published internationally, and he continues to have a variety of works in progress related to his research initiatives.

At the University of Western Ontario he also serves as the co-Director at the Centre for the Study of International Economic Relations. His vast teaching experience includes a term at the London School of Economics.

“ The world is changing rapidly with the rise of India and China, with the gravitation of global economic power to these and other non-OECD countries including Russia, Brazil, and those in the ASEAN. How global institutions will evolve and how wider global economic performance may be affected is the challenge for our understanding”.

- **John Whalley**, Distinguished Fellow -
Economic Governance, CIGI



Meeting of the BRICSAM project advisory group
Woerner House - Cambridge, Ontario, Canada, May 2005

BRICSAM Emerging Economies

In 2005, CIGI initiated a major research project analyzing the impact and influence of the emerging BRICSAM countries (Brazil, Russia, India, China, South Africa, ASEAN members and Mexico) for leading economies and international governance.

Comprising over 50% of the world's population and demonstrating a combined growth rate of 6-7% per year, these burgeoning economies have the potential to greatly change the shape of global economic governance.

With the emphasis on the global economic balance of power, the project explores both individual and collective interests of the BRICSAM countries and how their ever-growing economies will influence international economic and financial governance architecture in the next three to five decades. The research also addresses the effect that the BRICSAM countries will have on the domestic and foreign policies of other nations (especially the leading countries of the Organization for Economic Co-operation and Development (OECD)).

Under the leadership of John Whalley, the research on the BRICSAM countries at CIGI is currently in progress. The areas of study currently in focus are the growing network of trade agreements negotiated outside of the World Trade Organization (WTO) forum, China in the world trading system and an examination of both commonalities and divergent interests among BRICSAM countries. As awareness and knowledge surrounding this project spreads,

"CIGI's BRICSAM project is the only one so far to study the wider range of emerging middle powers. The G8 Summit recognized the importance of including Mexico at the meeting jointly held with the original BRIC members. Together with CIGI's L20 work, the BRISCSAM project is testimony to the Centre's innovation in studying global governance issues."

- **Ambassador Andrés Rozental**, President, Mexican Council on Foreign Relations

a more complete picture of this emerging group is coming together.

In May 2005, CIGI organized the meeting of an international advisory group held at the Woerner House in Cambridge, Ontario, Canada. The meeting gave leading researchers and practitioners the opportunity to discuss and outline the key challenges that BRICSAM presents to decision-makers at the regional, national and international level. By bringing together perspectives from inside and outside the BRICSAM countries, the meeting was able to forge concrete partnerships and provide channels for the dissemination of research.

The BRICSAM project continues to grow and will be publicly launched in October 2005 at the meeting of CIGI's International Advisory Board of Governors.

BRICSAM

Shifting Economic Power and International Governance



David Choi and Daniel Schwanen at the BRICSAM Advisory Meeting.

“Multilateral cooperation will continue because it has to, in order to provide security and to encourage economic and social development.”

- **Paul Heinbecker**, Distinguished Fellow -
International Relations, CIGI



Distinguished Fellow Paul Heinbecker

As a CIGI Distinguished Fellow in international relations, Paul Heinbecker brings invaluable insight into the intricacies of the international arena and Canada's role within it. Through his extensive career, Mr. Heinbecker has developed a rich portfolio of experiences, connections, and a deep interest in the practical realities of global politics, bilateral relationships, and the inner workings of the Canadian government while obtaining international exposure along the way.

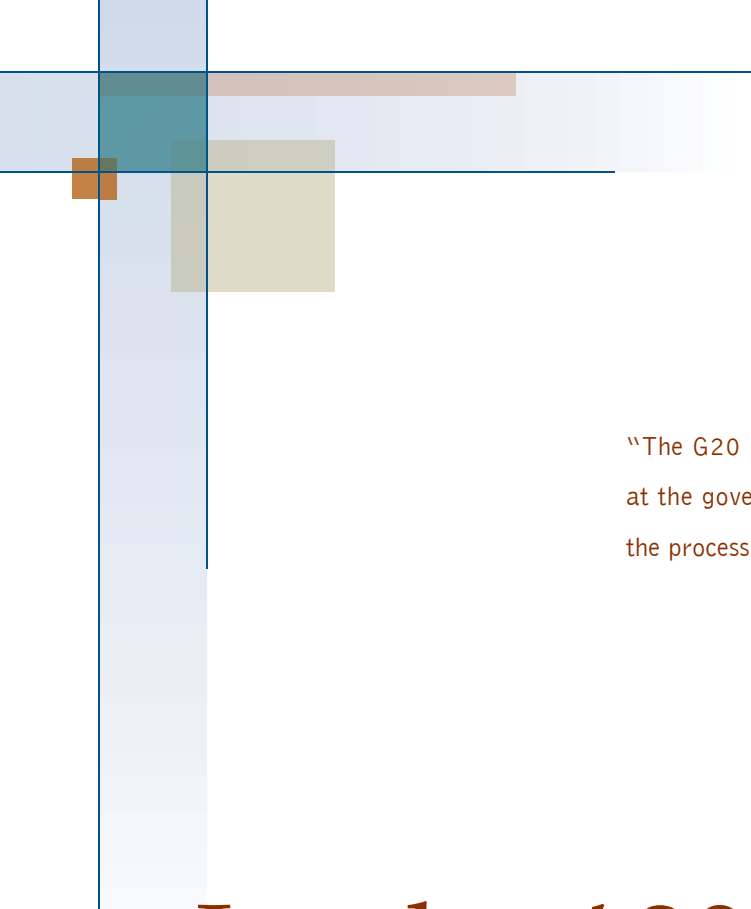
Entering the Department of External Affairs in 1965, he began his foray into the international scene with postings abroad in Stockholm and Ankara. He also served in Paris as part of Canada's permanent delegation to the Organization for Economic Co-operation and Development (OECD).

Mr. Heinbecker has also developed a deep knowledge of Canada's close and complex relationship with the United States; acting as Director of the United States General Relations Division and Chairman of the Policy Development Secretariat in External Affairs. He was later able to further gain an insider's perspective on the details of this unique relationship through his role as Minister of Political Affairs at the Canadian Embassy in Washington from 1985 to 1989.

From 1989 to 1992, Mr. Heinbecker played an influential role in international politics on the domestic front, acting as Prime Minister Brian Mulroney's Chief Foreign Policy Advisor and speechwriter, as well as the Assistant Secretary to Cabinet for Foreign and Defense Policy. Later in his diplomatic career, he acted as Canadian Ambassador to Germany from 1992 to 1996.

In 1996, he was appointed Assistant Deputy Minister of Global and Security Policy and Political Director in the Department of Foreign Affairs and International Trade. In this position, he led an interdepartmental taskforce that helped negotiate the end of the Kosovo War. He also played a leadership role in the global movement dealing with Climate Change by heading the Canadian delegation at the negotiation for the Climate Change Convention in Kyoto, Japan. After his appointment to Ambassador and Permanent Representative of Canada to the United Nations in 2000, he used his role to strongly support the creation of the International Criminal Court.

Mr. Heinbecker was appointed in 2004 as the inaugural Director of the Centre for Global Relations, Governance, and Policy at his alma mater Wilfrid Laurier University.



“The G20 Leaders’ Level is a perfect example of how international networks at the government level can work to ensure positive global growth within the process of globalization.”

– **Anne-Marie Slaughter**, Dean, Woodrow Wilson School of Public and International Affairs, Princeton University.

Leaders’ 20 Project

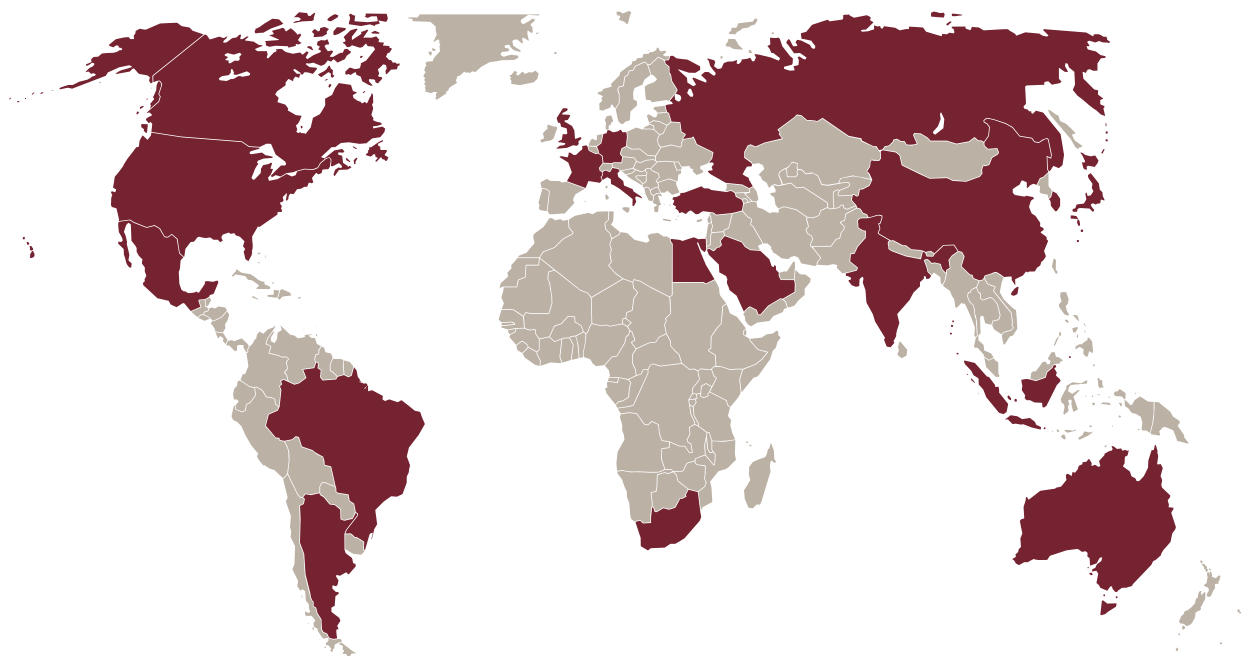
The Leaders’ 20 (L20) project is one of CIGI’s longest standing research initiatives. It was established with the Centre for Global Studies at the University of Victoria with a mandate to provide ideas and strategies to enhance the effectiveness and legitimacy of the international economic system.

More specifically, the project explores the possibility of forming a Leaders’ Summit of 20 that would be seen as a legitimate institution in tackling common global issues. This summit would go beyond the membership of the current G8 to include the voices of quickly emerging powers and allow for the representation of a greater proportion of the world’s population. By doing so, the L20 would encourage familiarity among leaders from the North and South, as well as facilitate the creation of networks that could be used to confront pressing world problems. Since the project has started, awareness and interest has spread throughout the world and many leaders have backed its progress.

Along with the Centre for Global Studies, CIGI has hosted a series of conferences to explore the potential role for an L20. These conferences have occurred in three distinct phases.

Phase one focused on the broad concept of such an institution and the questions of feasibility surrounding its formation.

Phase two narrowed its focus on specific issues that such a body could handle with each conference focusing on one potential issue area. The themes of these conferences included agricultural subsidies and the WTO Doha Round, post-Kyoto architecture, infectious diseases, access to water, terrorism, and financial crises.



■ Countries typically considered potential members of an L20

Phase three studied the L20 in the context of crises that currently threatens world stability and explored how an L20 may bridge the gap in international governance in these areas. This phase included the topics of UN reform, pandemics and fragile states.

The series of conferences brought together leading scholars and practitioners to discuss the ability of an L20 to promote fiscal, social, and environmental responsible international governance policies. Furthermore, these conferences addressed the future composition of the L20, the impact on existing international institutions, the best means to engage the major powers, and the future role for civil society in such an institution.

Each conference produced numerous papers exploring the idea of an L20 from many different angles. By bringing together the opinions of a variety of groups representing a wide spectrum of expertise, the project has

created a forum for meaningful discussion and research dissemination.

With the initial set of conferences completed, the work on the L20 is beginning to focus on pragmatic areas where such an institution could be useful in the relatively immediate future. In particular, CIGI has focused on health governance as an area that could potentially benefit. The health governance program will deepen L20 work by concentrating efforts on a concrete issue facing the world. Much progress has been accomplished by CIGI on the L20 initiative, but a great deal remains to be done. CIGI plans on continuing the exploration of whether such an idea should and could be made into a reality.



Distinguished Fellow

Dr. Andrew F. Cooper



As Distinguished Fellow and Associate Director at CIGI, Dr. Andrew F. Cooper brings a diverse background and a keen interest in exploring and implementing new ideas to a variety of CIGI projects.

Dr. Cooper's work has a uniquely global orientation. He studied at Oxford University where he earned his D.Phil. His international scholarship continued with posts as a visiting professor at Harvard University, the Australian National University, and Stellenbosch University in South Africa. He is currently a professor of Political Science at the University of Waterloo focusing on international political economy, comparative and Canadian foreign policy, global governance, and the practice of diplomacy.

Throughout his career, Dr. Cooper has remained at the cutting edge of bridging innovative ideas with practical realities. He currently leads training sessions on some of the most widely discussed issues including trade, governance and diplomacy. He has hosted these sessions for international audiences in Canada, South Africa and the World Trade Organization in Geneva, Switzerland.

Dr. Cooper's work has garnered him many prestigious honours including his selection as a Canada-US Fulbright Scholar in the Western Hemisphere Program at the School of Advanced International Studies (SAIS) of Johns Hopkins University in 2000, as well as a Léger Fellow at the Department of Foreign Affairs and International Trade of Canada in 1993-94.

His most recent projects have included acting as co-editor of, *"Reforming from the Top: A Leaders' 20 Summit"*, and *"International Commissions and the Power of Ideas"* (United Nations University Press, 2005) with John English and Ramesh Thakur. As a result of a CIGI partnership with the Norman Paterson School of International Affairs, Carleton University, he co-edited *"Canada Among Nations 2005: Split Images"* with Dane Rowlands and will act as co-editor for the 2006 volume as well. Other recent publications include *"Enhancing Global Governance: Towards a New Diplomacy?"* which he co-authored with John English and Ramesh Thakur in 2002, and *"Worthwhile Initiatives: Canadian Mission-Oriented Diplomacy"* in 2000.

“I want to position ideas where they can have some opportunity for influencing debates and decision-making. CIGI strives to ensure that its projects run simultaneously on both a practical and scholarly track.”

- **Andrew F. Cooper**, Distinguished Fellow and
Associate Director, CIGI



"The times are not unusual. A historic opportunity is at hand and those who believe in the UN will seize it."

Paul Heinbecker, Distinguished Fellow - International Relations, CIGI

UN Reform Project

CIGI, in conjunction with Wilfrid Laurier University and the Academic Council of the United Nations System (ACUNS), presented the "Adapting the UN to the 21st Century" Conference in April, 2005. The conference brought to Waterloo, Ontario, Canada over 100 international delegates and academics from the United Nations, NGOs, and leading universities.

Mme. Louise Fréchette, Deputy Secretary-General of the United Nations, kicked off the conference by providing a keynote address. The event was open to the public and was attended by a capacity crowd.

The two-day conference, drew delegates and practitioners from all around the world. Guests sat in on presentations by Dr. Jeffrey Sachs, Lord David Hannay, Dr. David Malone, Dr. Jennifer Welsh, as well as H.E. Jean Ping, President of the Forty-Ninth General Assembly. The conference discussed support for action to implement the United Nations High Level Panel's recommendations.

The event drew tremendous media and community attention. Canadian Ambassador to the United Nations Alan Rock and Kenneth Roth, Executive Director of Human Rights Watch, provided keynote addresses for over 200 special invited guests.

As a result of this conference, CIGI published a book entitled *"Irrelevant or Indispensable? The United Nations in the 21st Century"*. The book is a collection of perspectives of current practitioners, leading academics, civil society representatives and United Nations officials on transforming the Secretary General's reform ideas into action.

“We will not enjoy development without security,
we will not enjoy security without development,
and we will not enjoy either without respect for
human rights.”

- Louise Fréchette, Deputy Secretary-General
of the United Nations



Louise Fréchette, Deputy Secretary-General of the United Nations, at the “Adapting the UN to the 21st Century” Conference in Waterloo, Ontario, Canada.

INTERNATIONAL GOVERNANCE

International governance refers to both governmental and non-governmental interaction across national boundaries to address issues that span beyond borders - both from a process and institutional perspective. The net effect of these interactions has a dramatic impact on how globalization affects the world we live in.

COO & Director of Research

Daniel Schwanen



Daniel Schwanen is CIGI's Chief Operating Officer and Director of Research. Mr. Schwanen is an experienced economist, project leader, author and advisor specializing in economic growth and international issues. He holds degrees in economics from the University of Montreal and Queen's University.

Prior to joining CIGI, Mr. Schwanen was Senior Economist at the Institute for Research on Public Policy from 2000 to 2004. Mr. Schwanen was Senior Policy Analyst at the C.D. Howe Institute in Toronto between 1990 and 2000. For both of these positions he researched and formulated policy recommendations on

Canadian external trade and investment issues, on Canada's productivity performance, and on regional governance in North America. Other issues that he researched extensively include; the brain drain, cultural policies and climate change policies.

From 1986 to 1990 he was an International Economist at the Canadian Imperial Bank of Commerce, where he covered G7 economic developments and the European Community single market process. Mr. Schwanen is an alumni of the Leadership Program of Japan, the U.S. International Visitor Program and Australia's Special Visitor Program.



John English, CIGI Fellow Patricia Goff and Paul Heinbecker at the UN Reform book launch.

Publications

Throughout 2005, CIGI produced a wide variety of publications including books, conference and special reports as well as research briefs and project papers responding to our mandate to generate ideas for global change. Our publications represent a range of scholarship and policy-oriented work by CIGI's distinguished fellows and are complimented by social scientists and practitioners with rich international experience and policy expertise.

Conference and Special Reports

Canada in Afghanistan: Assessing the 3-D Approach – Conference Report – May 2005

A collaboration between the Laurier Centre for Military Strategic and Disarmament Studies (LCMSDS), The Centre for International Governance Innovation (CIGI), and the Academic Council on the United Nations System (ACUNS), this conference brought together academics and practitioners to examine the effectiveness of Canada's co-ordinated efforts on defence, development, and diplomacy in Afghanistan.

The UN: Adapting to the 21st Century – Conference Report – April 2005

The product of a UN Reform conference convened by CIGI, the Academic Council on the United Nations System (ACUNS), Wilfrid Laurier University (WLU), and leading practitioners and academics, civil society representatives, and United Nations officials in Waterloo, Ontario. The Report highlights the significance of the conference towards a collective and constructive examination of popular UN reform proposals.

Graduate Student Conference on International Development
– Conference Report – March 2005

Together with the World Bank's outreach team, CIGI hosted a Graduate Seminar which drew students from across Ontario to discuss the practical and theoretical challenges of international development. The Report summarizes the results of this intensive two-day event which explored such topics as "what is development"; "what works, what doesn't and why"; "careers in international development" and outlines the results of an interactive and challenging case study undertaken by students with leading development practitioners.

World Economic Forum Global Governance Initiative Annual Report – January 2005

CIGI supports the annual report of the World Economic Forum's Global Governance Initiative lending the expertise of its distinguished fellows to this important annual exercise.

Research Briefs and Project Papers

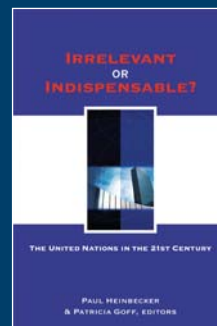
Reforming the Top: A Leaders' 20 Summit – Policy Brief – United Nations University – June 2005

Produced by Andrew Thompson, this brief examines what is new and unique about the L20 an institution of 20 world leaders whose objective would be to break the deadlock facing institutions such as the G7/G8, the UN and World Bank. Is the L20 destined to be the defining institution of the 21st century, or is it doomed to remain merely an idea?

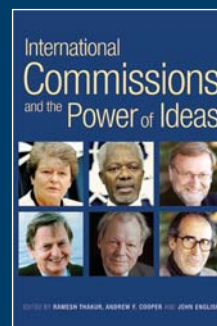
L20 Project Policy Papers

The L20 project's primary goal is to widen the debate on Summit reform so that informed decisions and important changes can be made at the international level. Each of the topical project meetings put forth policy insights into how the proposed L20 grouping could assist in solving current global problems. The list of topics taken up during 2004/2005 includes Post Kyoto Architecture, Infectious Diseases and Global Health, Access to Water, Terrorism and WMDs, Financial Crises, UN Reform, Pandemics and Fragile States.

A complete list of CIGI publications is featured on our web site at www.cigionline.org or visit the IGLOO Library at www.theigloo.org, a new international research portal.



"Irrelevant or Indispensable? The United Nations in the 21st Century" edited by Paul Heinbecker and Patricia Goff, Wilfrid Laurier University Press. June 2005.



"International Commissions and the Power of Ideas", co-authors Ramesh Thakur, Andrew F. Cooper, and John English, United Nations University Press. May 2005.



Conferences

As part of its mandate, CIGI has hosted several international conferences over the past year:

UN Reform Conference

CIGI along with the Academic Council on the United Nations System (ACUNS) and Wilfrid Laurier University co-sponsored a conference entitled "The UN: Adapting to the 21st Century". The conference drew key participants, including Deputy Secretary-General Louise Fréchette, former Canadian Foreign Minister Lloyd Axworthy and Kenneth Roth of Human Rights Watch, to CIGI's headquarters from April 3 to 5. The conference was the first international conference on UN Reform since the Secretary General Koffi Annan released his proposal only weeks earlier. The prompt timing by CIGI to host this conference drew in three times as many participants as expected from around the world.

AfghanConnect

The challenges Canada faces in Afghanistan are tremendous. CIGI's "Canada in Afghanistan: Assessing the 3-D Approach" conference brought together academics and practitioners to examine the effectiveness of Canada's coordinated efforts on defence, development, and diplomacy in Afghanistan, the so-called "3-D" approach. Particular focus was placed on the implications of 3-D for the Canadian Forces. This conference was timely, not only because of the parliamentary elections in Afghanistan and Canada's mission into Kandahar, but also in light of the developing defence review in Canada. The AfghanConnect Conference was a collaboration between CIGI, the Laurier Centre for Military Strategic and Disarmament Studies (LCMSDS) and the Academic Council on the United Nations System (ACUNS). The conference was held in Waterloo, from May 12-14, 2005.

The Hon. Bill Graham, Canada's Minister of Defense, served as the dinner speaker. Post-conference collaboration was made possible through CIGI's IGLOO technology.



"History leaves no doubt that the Secretary-General's report will not just sell itself. It is indispensable that governments come together to endorse those proposals that will produce a more effective UN."

- Paul Heinbecker

Distinguished Fellow, CIGI

International Conferences involving CIGI this past year:

- June 21, 2005 - Putting Ideas to Work: The Impact of Powerful Ideas on International Reform, New York City, USA
- June 17, 2005 - UN Reform Book Launch Reception Ottawa, Ontario, Canada
- June 9, 2005 - CIGI Book Launches & Panel Discussion Waterloo, Ontario, Canada
- June 7, 2005 - Weak States and Sudden Disasters and Conflicts: The Challenge for Military-NGO Relations Ottawa, Ontario, Canada. IRRP Conference co-sponsored by CIGI.
- May 26, 2005 - BRICSAM Advisory Meeting, Cambridge, Ontario, Canada
- May 23, 2005 - UN Reform Meeting Tokyo, Japan
- May 19, 2005 - Fragile States Berlin, Germany
- May 16, 2005 - Pandemics, Geneva, Switzerland
- May 12, 2005 - Canada in Afghanistan: Assessing the 3-D Approach Waterloo, Ontario, Canada
- May 12, 2005 - The UN: Millennium + 5 Brussels, Belgium
- April 7, 2005 - "*Canada Among Nations 2005, Split Images*" workshop, Waterloo, Ontario, Canada
- April 3, 2005 - The UN: Adapting to the 21st Century Waterloo, Ontario, Canada
- March 5, 2005 - World Bank Graduate Seminar Waterloo, Ontario, Canada
- February 20, 2005 - L20 Phase II Review Ottawa, Ontario, Canada
- February 19, 2005 - L20 Phase III Planning Conference Ottawa, Ontario, Canada
- February 10, 2005 - Global Youth Forum Waterloo, Ontario, Canada
- January 29, 2005 - Financial Crises Mexico City, Mexico
- December 13, 2004 - Terrorism & WMD New Jersey, USA
- December 1, 2004 - Access to Water Alexandria, Egypt
- November 12, 2004 - Infectious Diseases and Global Health, San José, Costa Rica
- September 20, 2004 - Post Kyoto Architecture New York City, USA



Rahul Sen, Fellow from the Institute of Southeast Asian Studies
in Singapore, Food for Thought, May 26, 2005

Public Events

CIGI Outreach

CIGI has presented numerous public events that have strengthened our ties with the local community by bringing awareness and further knowledge of international issues to the interested public.

Public Lecture Series

CIGI works diligently to enhance the local landscape with diverse and pertinent experiences and the sharing of new ideas. We support cultural events by offering assistance through monetary donation or the use of our facilities. We also partner with such organizations as Project Ploughshares and the Canadian Institute for International Affairs (CIIA) to provide public speaking events with international renowned speakers at no charge to the public. Notable speakers over the past year include Dr. Jennifer Welsh, Madame Louise Fréchette, Dr. Anne Marie Slaughter and Dr. Colin Bradford.

Food for Thought Lecture Series

CIGI's Food for Thought lecture series brings academics and practitioners from around the globe to present and discuss their latest research. These lectures take place over the lunch hour and are open to the public. Seating is limited to just under 100 people, and is offered on a first-come-first-served basis. Food for Thought lectures are directly related to an element of CIGI's research or watching brief.

Food for Thought lectures link the most innovative and international minds with dynamic local community groups. The audience is a collection of university students, professors, local professionals and interested public.

In the past year, CIGI's Food for Thought lectures have seen exponential growth due largely to the quality of the presentations, extensive target market research, and the increased exposure in the community through various activities.

The series promoted such notable speakers as Stephen Toope, Jack Mintz, David Malone, John Helliwell, Antonia Maioni, Eric Helleiner, Susan Horton and Roy Culpepper.

Cultural Events

Baroque Music Concert

CIGI partnered with the Academic Council on the United Nations System (ACUNS) and Project Ploughshares to present "Waterloo on the World Stage," a baroque music concert held at CIGI in May 2005.

The concert introduced the audience to each organization, followed by a performance of the Grand River Baroque Festival Chamber Ensemble.

CIGI Summer Cinema

In an effort to provide new, dynamic events CIGI partnered with Princess Cinemas and Edcom to create an outdoor movie-going experience called CIGI Summer Cinema. Converting CIGI's western wall into a 12 meter wide by 6 meter tall screen drew crowds of 250 people to view two films. The films shown were Stanley Kubrick's *Dr. Strangelove* and the original *Manchurian Candidate*. Admission was free with a donation to the Food Bank of Waterloo Region.



Roy Culpepper
President
The North-South Institute



Susan Horton
Vice-President
Academics - Wilfrid
Laurier University



Stephen Toope
President
Trudeau Foundation



Jennifer Welsh
Professor
Oxford University



Youth Programming


CIGI Outreach

Global Youth Forum

Youth outreach plays an important role in CIGI's activities. Education and early exposure to issues of international governance are key instruments in stimulating participation and interest in matters of international concern. In order to connect to a younger audience, CIGI brought together high school students, not-for-profit organizations and guest speakers for a one day Global Youth Forum in February 2005. The main objective of the Global Youth Forum was to increase awareness, understanding and engagement of youth in global issues. It also strived to give teachers the tools to implement a high quality and up-to-date international curriculum.

The Global Youth Forum examined five broad themes: Poverty, Environment, Health, International Relations, and Human Rights through hands-on workshops and interactive games. Participants were also given the opportunity to hear former Namibian Ambassador to the United Nations Mr. Haroldt H. Uribe discuss the contemporary problems facing Africa.

CIGI, along with Kitchener-Waterloo YMCA International, hosted approximately 150 students and provided each participant with a take-home booklet filled with information on international issues and channels for further involvement. Furthermore, the conference created networks between schools, local NGOs and students that could potentially serve as the foundation for continued cooperation. All of the local groups that participated had international mandates and demonstrated to the students the opportunities that exist to "think globally and act locally".



“The simulation allowed us to really understand the complexity of factors involved with policy making and negotiations - it resulted in the discovery that the interests of the involved parties were being weighed against each other”

– Mary Albino, Graduate Student,
University of Toronto

CIGI/World Bank Graduate Seminar on International Development

The first World Bank Graduate Seminar in Canada took place over two days at CIGI in March 2005. Over 120 graduate students and professors from the University of Waterloo, Wilfrid Laurier University, University of Western Ontario, McMaster, University of Toronto, Queens University and Royal Military College were in attendance to participate in case studies, group work, and seminars.

These seminars aimed to raise awareness among students about the challenges of international development and how the World Bank works with countries to reduce global poverty. The seminars were also intended to increase transparency of the World Bank and to encourage dialogue between the World Bank and youth.

The seminar activities involved presentations by World Bank staff and other experts, Q&A sessions and case studies. The seminar was beneficial to the student's knowledge of international governance issues. CIGI was pleased to work with the World Bank to facilitate the dialogue and interaction amongst academia and practitioners in the area of international governance. Presenters' disciplines ranged from economics, international politics and international development, to history and business.



Dan Latendre, Chief Technology Officer, CIGI

Our Technology

Information and Communication Technologies

The growth and development of information and communication technologies (ICTs) over the past decade has led to wider adoption and application, thus increasing their economic and social impact on the world today. ICTs, such as the Internet, email and wireless technologies are quickly becoming the standard tools for communication in various major development projects around the world. By leveraging ICTs, organizations are realizing expanded service delivery results through improved coordination, planning and information sharing.

ICTs gained widespread attention in 2001 when the UN Economic and Social Council submitted a request to the Secretary-General of the United Nations to establish an ICT Task Force by 2003. This initiative was intended to act as a mechanism for the full and active participation of governments, the private sector and civil society from both developed and developing countries, and to also bridge the global digital divide.

A New Technology Platform

CIGI also believes that ICTs should play a significant role in finding and delivering innovative solutions to the challenges facing our world today. A belief so strong, that CIGI and a group of international partners embarked on a ground breaking initiative in 2004 to create a “first of its kind” information and communication technology platform for creating, managing and supporting collaborative environments such as online communities and information portals over the web.

“The launch of IGL00 signifies a new day in research and collaboration... No longer will visa issues, travel costs or geographic boundaries inhibit the free flow of ideas and information.”

– Dan Latendre, Chief Technology Officer, CIGI

In 2005, CIGI and its partners launched IGLOO, an online information and research portal focused solely on strengthening international governance. The primary purpose of the portal is to help bridge the digital divide by strengthening connections between people, processes and information, regardless of geographic location, wealth or technical expertise. Through these global connections, CIGI believes we can begin to improve existing research practices, methodologies and outcomes through improved online collaboration and knowledge sharing – thus transforming theories and models into practical systems.

Global Challenges Need Global Solutions

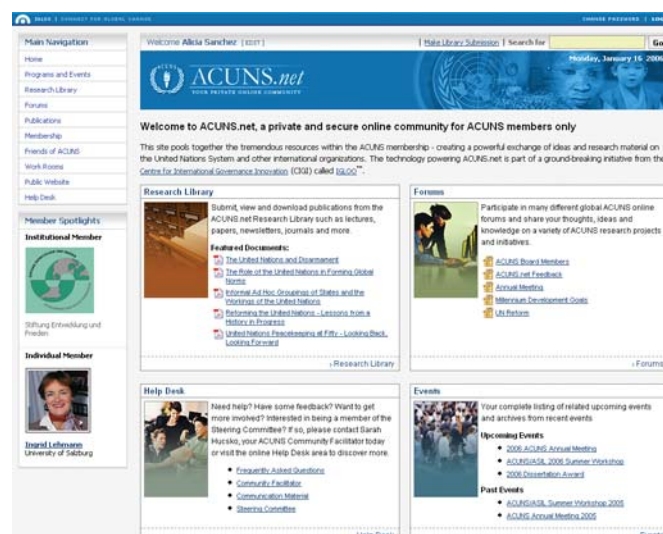
Challenges we face today such as trade disputes, infectious diseases and natural disasters, no longer respect national borders or boundaries. Their effects are felt on a global scale, far from their point of origin. Finding solutions to these and other complex challenges require new and innovative ways of working together - like IGLOO.

IGLOO offers academics, practitioners and researchers access to a collection of freely available research and information tools which can expand, complement and

enhance their work in the various fields of international governance.

IGLOO's online knowledge network and research tools amplify the global reach of the web by:

- *Transcending* borders, disciplines, and economic boundaries.
- *Promoting* the sharing of research and resources to maximize the impact of global intellectual capital.



ACUNS.net - Academic Community supported by IGL00



Connect for Global Change™

- Empowering participation, communication and collaboration.
- Heightening public awareness and involvement in global initiatives.
- Improving research practices, methodologies and outcomes.

IGLOO - Key Features

Research Library

At the heart of IGLOO is a Research Library which serves as a worldwide knowledge and research resource where users can browse, search and bookmark a rich set of current information and materials related only to fields of international governance. Content is collected and updated daily from over 9,000 sources including news feeds, academic databases and institutional contributions.

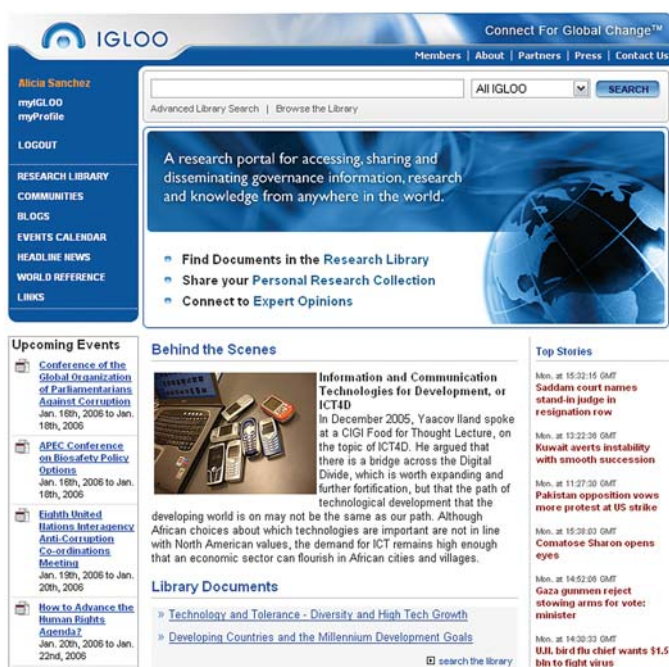
Online Communities

IGLOO facilitates online collaboration and conversation through online community environments. Communities powered by IGLOO can be designed to be either open or closed environments. Open communities only require a URL to participate while closed communities are private and require a username and password for access. Members can create online communities that:

- Range in size from a small research group to a large organizational community;
- Range in scale from a local to an international focus;
- Range in scope from dealing with health, poverty, terrorism, economics etc; or
- Range in duration from months to years.

Overview of IGLOO Features

- *Research Library* - search, browse, download and rank documents from a centralized and fully categorized research library of international governance materials.
- *Web Index* - search thousands of international governance related sites on the internet.
- *Full Text Search* - find any document stored in the library or on the web with simple and advanced searching tools.
- *News Feeds* - browse over 9,000 feeds providing the latest news and events related to international governance from around the world.
- *BLOGS* - monitor BLOGS from leading experts on various topics of international governance. Members may also choose to create their own blog articles



IGLOO public website homepage



- *Spotlights and Features* - daily and weekly "Features" section to display prominent results, announcements, news etc.
- *Calendar of Events* - view and promote International Governance related community events from a centralized calendar.
- *Member Directory* - access to an up-to-date list of community members and profiles.
- *World Reference Guide* - Search and find up-to-date listings of officials (down to cabinet level) of 193 independent nations, 31 colonies and dependent territories, and leaders and headquarters of 39 international organizations and alliances.
- *Communities* - create public or private communities on the web to coordinate

and manage various research initiatives.

The success of IGLOO and other ICT initiatives are highly dependent upon active contribution, participation and support of individuals, groups, and organizations from around the globe. Currently IGLOO has over 100 partner organizations from around the world including the United Nations Foundation, ACUNS, Princeton, The Earth Institute and the Human Security Centre.

Find. Share. Connect.
www.igloo.org



Board of Directors

Operational Board of Directors

The primary responsibility for the overall strategic direction of CIGI is located with the Operating Board of Directors (Board). The Board meets regularly and its members include the Chair, a Treasurer and a Secretary. The Deputy Ministers of the Departments of Finance and of the Department of Foreign Affairs of Canada each designate an ex-officio director to sit on the Board.

Jim Balsillie

Jim Balsillie is Chairman and Co-CEO at Research In Motion (RIM). He is responsible for directing RIM's strategy, business development and finance. Prior to joining RIM in 1992, Mr. Balsillie was Executive Vice President and Member of the Board of Directors with Sutherland-Shultz Limited in Kitchener, Ontario. He has also held positions as Senior Associate with the Strategy Consulting Group and as Senior Accountant with the Entrepreneurial Services Group at Ernst & Young in Toronto. In 2001, Mr. Balsillie founded CIGI. Mr. Balsillie is a chartered accountant and is an elected Fellow of the Ontario Institute of Chartered Accountants. He earned a Bachelor of Commerce Degree from the University of Toronto and an MBA from the Harvard School of Business. Jim also holds an Honorary Doctorate degree from Wilfrid Laurier University.

Kendall Cork

Kendall Cork is the Managing Director of Sentinel Associates Limited, a consulting firm in corporate direction. After a long career with Noranda Inc, Mr. Cork became chairman and president of E-L Financial Corporation, and remains their current vice chair. He is a Director of Empire Life, Dominion of Canada General Insurance Company, United Corporations, Fulcrum Investment, The Bank of Nova Scotia, McCain Foods, Strongco, InternetSecure, Research In Motion, University of Toronto Press, Perimeter Institute, and a Member of the Dean's Advisory Committee for the Rotman School of Management at the University of Toronto. He is also past president of The Ticker Club. He has published works on financial matters for the Royal Commission on Banking and Finance, and was honoured as a Distinguished Business Alumni by the University of Toronto

Cosimo Fiorenza

Cosimo Fiorenza is a highly respected tax lawyer with a primary focus in corporate taxation. His work includes tax structuring and planning for corporate reorganizations, mergers, purchase and sale transactions and initial public offerings. His extensive experience in international tax matters includes tax planning related to the expansion of Canadian businesses to the United States and Europe. Mr. Fiorenza currently acts as tax counsel for a number of public and private technology companies, Canadian subsidiaries of non-resident companies, mutual funds, a prominent Canadian investment manager, a number of large private trusts, and non-resident corporations, individuals and trusts. He is a member of the Law Society of Upper Canada, the Canadian Bar Association, and the Canadian Tax Foundation.

Dennis Kavelman

Dennis Kavelman is Chief Financial Officer at Research In Motion. Prior to joining RIM in March 1995, Mr. Kavelman was with KPMG and was also a part-time instructor in the School of Business and Economics at Wilfrid Laurier University. Mr. Kavelman holds a B.B.A. from Wilfrid Laurier University and is a Chartered Accountant. He received the National Gold Medal and Governor General's Award for finishing first in Canada on the Canadian Institute of Chartered Accountants Uniform Final Examination. Mr. Kavelman is a Past Executive Board Member and Treasurer of the Wilfrid Laurier University Alumni Association.

Marie-Lucie Morin

Marie-Lucie Morin was appointed Associate Deputy Minister of Foreign Affairs in December 2003. Prior to this appointment, she served as Assistant Deputy Minister, International Business and Chief Trade Commissioner and from September 2001 to September 2003 as the Director General for International Business - Policy and Planning. Mrs. Morin has extensive experience abroad in San Francisco (1981-84), Jakarta (1984-86), London (1986-90) and Moscow (1994-97). In 1997, Mrs. Morin was appointed Canada's Ambassador to the Kingdom of Norway with concurrent accreditation to the Republic of Iceland, a position she held until her return to Ottawa in September 2001.



Board member Joy Roberts and Chair Jim Balsillie

Joy Roberts

Joy Roberts is a consultant in the areas of management and business planning, particularly as it relates to all aspects of strategy and execution of communications and fundraising campaigns. Her experience includes 15 years in public relations, alumni affairs and fundraising for the University of Waterloo, where she established the first alumni affairs office and was eventually responsible for the management of the University's major capital campaign. With a partner, she subsequently founded, managed and sold a private software company that used open standards to develop documentation software. Dr. Roberts has conducted research inside some of the country's largest organizations and has worked extensively for small business owners and not-for-profit agencies. She holds a Ph.D. from the University of Waterloo in Rhetoric, a field concerned with human motivation and persuasion. She holds a number of board positions in not-for-profit organizations.

Vinita Watson

Vinita Watson is Assistant Deputy Minister of International Trade and Finance with the Department of Finance. She was previously Assistant Deputy Minister and Chief Information Officer of the Department of Industry and a member of the Department's Senior Management Board. Since joining the federal public service in December 1982, she has held a variety of positions at the Department of Finance, the Privy Council Office and Industry Canada. Some of her previous assignments include: Director General- Corporate Governance, Director General- Consumer Affairs, Director- Microeconomic Policy Analysis, Deputy Federal Negotiator for the Internal Trade Agreement, Senior Advisor- Program Review and Chief, Tax Policy. Ms. Watson has an MPA from Harvard University, an MA from Michigan State University and a BA Honours from Delhi University.

“We live at a time when communication between people is essential to realize common objectives such as development and peaceful coexistence. The latest advances in the field of information and communication technologies have reinforced in an exponential manner our capacity to interconnect.”

- **Kofi Annan**, UN Secretary General, June 2005

Board of Governors

International Advisory Board of Governors (IBG)

The International Advisory Board of Governors (IBG) is comprised of eminent academics, present and former policy-makers, and members of the business community and societal groups. The IBG provides intellectual guidance to CIGI on its present and future research endeavours. The IBG meets annually and these meetings provide an opportunity to review ongoing research and to determine future research directions.

Alagh, Yoginder

Former Minister of Science, Technology and Power, Chancellor Central University of Nagaland; Vice-Chairman of the Sadar Patel Institute of Economic and Social Research in Ahmedabad (India)

Balsillie, Jim

Chairman and Co-CEO, Research in Motion (Canada)

Bhagwati, Jagdish

Senior Fellow, International Economics, Council on Foreign Relations; Professor, Columbia University (United States)

Braga de Macedo, Jorge

President, Tropical Research Institute of Portugal; Professor at the Faculty of Economics of Nova University, Lisbon; Former Finance Minister (Portugal)

Choi, David

President and CEO, Royal Pacific Group (Canada)

English, John

Executive Director, CIGI (Canada)

Galal, Ahmed

Executive Director, Centre for Economic Studies (Egypt)

Geingob, Hage

Executive Director, Global Coalition for Africa (Namibia)

Gotlieb, Allan

Former Ambassador of Canada to Washington (Canada)

Graham, Bill

Canadian Minister of National Defence (Canada)

Gurria, Jose Angel

Chair, External Advisory Group, Inter-American Development Bank; Former Minister of Finance and of Foreign Affairs (Mexico)

Hauser, Rita

President, the Hauser Foundation (United States)

Heine, Jorge

Ambassador of Chile to India and member of the Executive Committee of the International Political

Science Association (IPSA) (Chile)

Helliwell, John

*Former Special Advisor for the Bank of Canada
(Canada)*

Johnston, David

President, University of Waterloo (Canada)

Johnston, Don

Secretary General of the OECD (Canada)

Lynch, Kevin

*Executive Director, Canadian, Irish and Caribbean
constituency at the International Monetary Fund
(Canada)*

Mahbubani, Kishore

*Dean, Lee Kuan Yew School of Public Policy
(Singapore)*

Massé, Marcel

*Executive Director, Executive Director, Canadian,
Irish and Caribbean constituency at the World
Bank; Former Cabinet Minister (Canada)*

O'Neil, Maureen

*President, International Development and
Research Centre (IDRC) (Canada)*

Pickering, Thomas

*Senior Vice-President for International
Relations, Boeing; Former U.S. Under-Secretary
of State (United States)*

Rozental, Andrés

*President, Mexican Council on Foreign
Relations (Mexico)*

Shiller, Robert

Stanley B. Resor Professor of Economics, Cowles

*Foundation for Research in Economics, Yale
University (United States)*

Slaughter, Anne-Marie

*Dean, Woodrow Wilson School of Public and
International Affairs, Princeton University
(United States)*

Stiglitz, Joseph

*Professor of Economics and Finance, Columbia
University (United States)*

Strong, Maurice

Special Advisor, United Nations (Canada)

Sulimma, Hans

*Former German Ambassador to Canada
(Germany)*

Tanaka, Naoki

*President, 21st Century Public Policy Institute
(Japan)*

Voigt, Karsten

*Coordinator for German-American Cooperation
in the Foreign Office of the Federal Republic of
Germany (Germany)*

Wang, Jisi

*Director, Institute of American Studies, Chinese
Academy of Social Sciences (China)*

Woods, Ngaire

*Director, Global Economic Governance
Programme; Fellow in Politics and International
Relations, University College, University of
Oxford (UK)*

“The responsibility of good international governance ultimately falls upon the shoulders of the political leaders of the world’s sovereign governments.”

- **Paul Martin**, Prime Minister of Canada



CIGI Fellows

As a truly international research centre, CIGI draws expertise from the world over to ensure the highest quality of discussion on and for providing solutions to global governance challenges. The CIGI Fellowship program is made up of persons who are of rich international experience with strong academic credentials and / or distinguished international policy expertise. CIGI will strive to ensure that its fellowship program, taken as a whole, reflects local, national and international expertise. CIGI also strives to ensure that its fellowship program, taken as a whole, is comprised not only of seasoned individuals but also young promising scholars whom it is in CIGI's mandate to help develop.

Distinguished Fellows

Dr. Andrew F. Cooper
Distinguished Fellow and Associate Director

Paul Heinbecker
Distinguished Fellow, International Relations

Dr. John Whalley
Distinguished Fellow, Economic Governance

Senior Fellows

Yoginder Alagh
Central University, Nagaland, India

Alistair Edgar
Executive Director, ACUNS

Terry Sicular
University of Western Ontario

Fellows

Paul Doherty
University of Waterloo

Patricia Goff
Wilfrid Laurier University

Kimie Hara
Renison College, University of Waterloo

David Johnson
Wilfrid Laurier University

Bessma Momani
University of Waterloo

Special Research Fellows

Barry Carin
University of Victoria

Annette Hester
University of Calgary

The Centre for International Governance Innovation

Financial Reports

July 31, 2005

Auditor's Report

To the directors of The Centre for International Governance Innovation,

We have audited the statement of financial position of The Centre for International Governance Innovation as at July 31, 2005 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at July 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
November 24, 2005

Zeifman & Company, LLP
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION
AS AT JULY 31, 2005**

A S S E T S

	2005						2004
	Restricted Funds						
	Long Term Endowment	Capital Asset	Musagetes	Program	Operating	Total	Total
Current assets							
Cash and cash equivalents	\$ 24,255,759	\$ -	\$ 12,225,583	\$ 538,405	\$ 9,186,809	\$ 46,206,556	\$ 36,476,266
Accounts receivable	-	-	-	-	415,764	415,764	233,549
Prepaid expenses	-	-	-	34,541	69,366	103,907	36,900
	24,255,759	-	12,225,583	572,946	9,671,939	46,726,227	36,746,715
Other assets							
Capital assets (note 4)	-	6,858,320	-	-	-	6,858,320	6,535,603
Portfolio investments (note 5)	42,390,097	-	18,642,624	-	-	61,032,721	49,620,821
	42,390,097	6,858,320	18,642,624	-	-	67,891,041	56,156,424
TOTAL ASSETS	\$ 66,645,856	\$ 6,858,320	\$ 30,868,207	\$ 572,946	\$ 9,671,939	\$ 114,617,268	\$ 92,903,139

LIABILITIES AND FUND BALANCES

Current liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 662,699	\$ 662,699	\$ 227,689
Current portion of amount payable (note 6)	-	11,077	-	-	-	11,077	3,608
	-	11,077	-		662,699	673,776	231,297
Long-term liabilities							
Amount payable (note 6)	-	249,538	-	-	-	249,538	260,614
TOTAL LIABILITIES	-	260,615	-	-	662,699	923,314	491,911
Fund balances							
Invested in capital assets	-	6,597,705	-	-	-	6,597,705	6,271,381
Externally restricted (note 7)	66,645,856	-	30,868,207	572,946	-	98,087,009	82,594,036
Unrestricted	-	-	-	-	9,009,240	9,009,240	3,545,811
TOTAL FUND BALANCES	66,645,856	6,597,705	30,868,207	572,946	9,009,240	113,693,954	92,411,228
	\$ 66,645,856	\$ 6,858,320	\$ 30,868,207	\$ 572,946	\$ 9,671,939	\$ 114,617,268	\$ 92,903,139

COMMITMENT (NOTE 8)

ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2005**

	2005						2004
	Restricted Funds						
	Long Term Endowment	Capital Asset	Musagetes	Program	Operating	Total	Total
REVENUE							
Donations (note 10)	\$ 13,145,856	\$ 296,064	\$ -	\$ 164,756	\$ 3,328,465	\$ 16,935,141	\$ 33,489,837
Investment income	-	-	1,774,171	-	5,496,267	7,270,438	1,520,261
Government grants	-	-	-	1,394,400	44,977	1,439,377	63,460
Other	-	-	-	-	85,332	85,332	73,262
	13,145,856	296,064	1,774,171	1,559,156	8,955,041	25,730,288	35,146,820
EXPENSES							
Research and conferences	-	-	-	-	1,791,237	1,791,237	737,116
Administration	-	-	-	-	1,066,735	1,066,735	664,038
IGLOO	-	-	-	986,210	-	986,210	-
Partnerships for research	-	-	-	-	493,375	493,375	606,130
Facilities	-	-	-	-	433,109	433,109	283,389
Amortization	-	271,206	-	-	-	271,206	173,884
Technical support	-	-	-	-	131,500	131,500	-
	-	271,206	-	986,210	3,915,956	5,173,372	2,464,557
Excess of revenue over expenses	13,145,856	24,858	1,774,171	572,946	5,039,085	20,556,916	32,682,263
Fund balance, beginning of the year:							
As originally reported	53,500,000	6,271,381	29,094,036	-	3,545,811	92,411,228	59,728,965
Effect of adoption of new accounting policy (note 3)	-	-	-	-	725,810	725,810	-
As restated	53,500,000	6,271,381	29,094,036	-	4,271,621	93,137,038	59,728,965
Interfund transfers (note 12)	-	301,466	-	-	(301,466)	-	-
Fund balances, end of the year	\$ 66,645,856	\$ 6,597,705	\$ 30,868,207	\$ 572,946	\$ 9,009,240	\$ 113,693,954	\$ 92,411,228

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JULY 31, 2005**

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue over expenses for the year	\$ 20,556,916	\$ 32,682,263
Items not requiring an outlay (providing an inflow) of cash:		
Non-cash donations	(16,762,926)	(4,397,443)
Amortization	271,206	173,884
Gain on sale of portfolio investments	(1,358,675)	(220,490)
Unrealized gain on market value adjustment of portfolio investments	(4,955,720)	-
Net changes in non-cash working capital items related to operations:		
Accounts receivable	(182,215)	(209,335)
Accounts payable	435,010	191,416
Amount payable	(3,607)	(24,085)
Prepaid expenses	(32,466)	(35,000)
	<u>(2,032,477)</u>	<u>28,161,210</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(297,859)	(371,743)
Acquisition of portfolio investments	(71,216,604)	(54,576,153)
Proceeds on redemption and sale of portfolio investments	83,277,230	9,573,265
	<u>11,762,767</u>	<u>(45,374,631)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	 9,730,290	 (17,213,421)
 CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	 36,476,266	 53,689,687
 CASH AND CASH EQUIVALENTS, END OF THE YEAR	 \$ 46,206,556	 \$ 36,476,266

1. BASIS OF PRESENTATION

The Centre for International Governance Innovation (the "Organization") is a charitable organization which provides equipment, staff, maintains and operates a research institute for the purposes of undertaking research in the areas relating to the relationship between technology, population, economic activity, culture, education, politics and the environment and disseminates the results of such research to Canadian universities and the general public. The Organization is incorporated under the *Canada Corporations Act* as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Fund accounting -

The Organization follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenue and expenses related to the Organization's capital assets.

The Musagetes Fund is focused on the advancement of the arts in Canada and internationally.

Resources contributed for endowment are included in the Long Term Endowment Fund. Certain of such resources are to be held for a period of ten years or upon the dissolution, liquidation or winding up of the Organization, whichever occurs later. Investment income earned on resources of the Long Term Endowment Fund is reported in the Operating Fund.

The Program Fund is focused on enabling the Organization to build, deploy and manage a virtual community-based research technology platform.

(b) Revenue recognition -

Contributions are recognized as revenue in the Long Term Endowment Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions of other materials and services are recognized at fair value on the date of contribution if fair value can be reasonably estimated.

(c) Cash and cash equivalents -

Cash and cash equivalents consist of balances with banks and brokers and investments in money market instruments with original maturities of three months or less.

(d) **Portfolio investments -**

Mutual funds, equities and alternative investments are carried at fair value based on quoted market price. The fair value of derivative financial instruments is based on the estimated amounts receivable or payable from the derivative contracts at the reporting date. The marketable securities have been designated as held for trading. Realized and unrealized gains or losses are recognized in the excess of revenue over expenses for the year. Exposure to foreign currencies has been hedged in the investment portfolio.

(e) **Capital assets -**

Capital assets are stated at cost and amortization is provided as follows:

Buildings	- straight-line over forty years;
Computer equipment	- 30% per annum on the declining balance;
Office equipment	- 30% per annum on the declining balance;
Furniture and fixtures	- straight-line over five years;
Vehicles	- straight-line over five years.

One-half of the above rates is applied in the year of acquisition.

(f) **Contributed services -**

Volunteers contribute many hours per year to assist the Organization in carrying out its charitable activities. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

(g) **Financial instruments -**

The Organization's financial instruments include cash, portfolio investments, accounts receivable, accounts payable and amount payable. Unless otherwise noted, the carrying value of these instruments approximates their fair value.

Approximately 92% (2004 - 95%) of portfolio investments and 55% (2004 - 35%) of cash and cash equivalents are subject to foreign exchange risk as they are denominated in United States dollars. Approximately 2% (2004 - 30%) of portfolio investments are invested in fixed income securities and are subject to interest rate risk.

The portfolio is exposed to market risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Certain of the organization's financial instruments are also subject to credit risk, being the risk of financial loss occurring as a result of default of counter parties on their obligations.

(h) **Measurement uncertainty -**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amount of revenue and expenses during the reported period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the excess of revenue over expenses in the period in which such adjustments become known.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2005

(i) **Grants -**

Grants made by the Organization are recorded when paid.

(j) **Comparative figures -**

Certain of prior year figures have been reclassified for consistency with the presentation adopted for the current year.

3. ADOPTION OF NEW ACCOUNTING POLICY

Effective August 1, 2004, the Organization adopted the provisions of CICA Handbook Section 3855 (*Financial Instruments-Recognition and Measurement*), although these sections have an effective date for fiscal periods beginning on or after October 31, 2006, under the transitional provision, early adoption is permitted as at the beginning of fiscal 2005. Previously, the Organization's portfolio investments were recorded at cost. Under this standard the Organization is required to account for its investment in marketable securities such as mutual funds, equities and alternative investments, at fair value determined with reference to quoted market price. All of these investments are classified by the Organization as held-for-trading. Accordingly, any unrealized gains or losses are reported in the excess of revenue over expenses of the reporting period.

As prescribed in the new standards, the change in accounting policy was applied retroactively as of August 1, 2004, without restatement of prior years. The effect of the change at that time was to increase the carrying value of marketable securities from \$49,620,821 to \$50,346,631. The \$725,810 increase in carrying value of marketable securities has been recorded as increase in the opening fund balance.

4. CAPITAL ASSETS

Capital assets are comprised as follows:

	2005			2004
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 1,399,106	\$ -	\$ 1,399,106	\$ 1,399,106
Buildings	5,215,111	378,248	4,836,863	4,937,435
Computer equipment	555,071	110,570	444,501	63,138
Office equipment	149,109	52,561	96,548	87,452
Furniture and fixtures	105,392	31,428	73,964	37,873
Vehicles	16,308	8,970	7,338	10,599
	\$ 7,440,097	\$ 581,777	\$ 6,858,320	\$ 6,535,603

Included in the cost of computer equipment is an amount of \$296,064 in respect of equipment donated on March 31, 2005. Included in the cost of land and buildings are amounts of \$1,101,760 and \$502,962, respectively, in respect of property donated on October 11, 2002.

NOTES TO FINANCIAL STATEMENTS
JULY 31, 2005

5. PORTFOLIO INVESTMENTS

Portfolio investments are recorded at fair value and are comprised as follows:

	<u>2005</u>	<u>2004</u>	
	<u>Market</u>		<u>Market</u>
	<u>Value</u>	<u>Cost</u>	<u>Value</u>
Alternative investments	\$ 31,174,465	\$ 21,374,543	\$ 21,890,488
Equities	13,994,613	5,303,976	5,455,884
Equity mutual fund units	12,777,158	8,128,092	8,267,667
Currency forwards (a)	1,730,409	-	(79,305)
Fixed income fund units	1,356,076	14,814,210	14,811,897
	<u>\$ 61,032,721</u>	<u>\$ 49,620,821</u>	<u>\$ 50,346,631</u>

- (a) The Organization enters into foreign currency forward contracts that fix the rate at which it will sell specific amounts of US dollars at set future dates to protect itself from the possibility of loss should the value of US dollar decline relative to Canadian dollar.

As at July 31, 2005, the Canadian dollar amounts that could be received under foreign currency forward contracts were \$74,606,456 (\$49,809,709 for 2004). The weighted average contractual exchange rate was 1.2460. The settlement dates for the outstanding contracts are less than one year. The exchange rate at the year-end was 1.2239. As at July 31, 2005, the fair value of these contracts was \$1,730,409.

6. AMOUNT PAYABLE

The Organization is committed as follows to future payments relating to the relocation of a former tenant of a building owned by the Organization:

In the year ending July 31, 2006	\$ 31,274
2007	31,274
2008	35,948
2009	70,817
2010	65,065
Thereafter	<u>130,849</u>
	365,227
<u>Less:</u> Interest included above at rate of 7.75% per annum	<u>104,612</u>
	260,615
<u>Less:</u> Current portion	<u>11,077</u>
	<u>\$ 249,538</u>

NOTES TO FINANCIAL STATEMENTS JULY 31, 2005

7. LONG TERM ENDOWMENT FUND

The Long Term Endowment Fund becomes unrestricted as follows:

In the year ending July 31, 2012	\$ 1,000,000
2013	22,814,908
2015	13,145,856
Never	<u>29,685,092</u>
	<u>\$ 66,645,856</u>

Of this amount \$30 million was contributed by the Federal Government of Canada in fiscal 2003. The Organization is permitted to encroach on the amount of \$30 million until April 4, 2006 provided that the total capital of the Long Term Endowment Fund does not fall below \$53.5 million. Thereafter, the contribution by the Federal Government of Canada is restricted in perpetuity. Any capital used by the Organization is to be in a manner consistent with the charitable purpose of the Organization.

8. COMMITMENTS

The Organization is committed to making a cash grant of US \$200,000 (\$244,780 at the exchange rate in effect as at July 31, 2005) in the year ending July 31, 2006 to an independent international organization that provides a collaborative framework for the world's leaders to address global issues.

9. PLEDGE

A donor has committed a \$40,000 donation per year in a pledge agreement for each year until July 31, 2013. Such a donation will be recorded as a contribution as payments are received.

10. DONATIONS

A member on the Board of Directors donated shares to the organization on April 27, 2005 with a fair market value of \$16,432,321 on this date (2004 - \$1,497,725). Of the 2005 donation, \$13,145,856 has been restricted and is subject to the terms in note 7. The 2004 donation is unrestricted. These transactions were recorded at the exchange amount which is the amount agreed to by the related parties.

11. CASH FLOW INFORMATION

(a) Interest paid -

Cash interest paid during the year was \$23,770 (2004 - \$345).

(b) Non-cash donations -

During fiscal 2005, the Organization received a donation in the amount of \$460,820 in the form of equipment and related services and \$16,432,321 in the form of a portfolio investment (2004 - \$4,397,443 in the form of portfolio investment).

12. INTERFUND TRANSFERS

Transfers between funds during a reporting period do not result in increases or decreases in the economic resources of the Organization as a whole. These transfers represent an allocation of resources within various funds.

The transfer from the Operating Fund to the Capital Asset Fund was made to fund outlays for capital asset acquisitions.