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The North-South Institute is Canada’s oldest independent policy research institution specializing in effective international development. We focus on identifying policies and practices seeking to reduce poverty and global inequalities thereby contributing to the creation of a more prosperous and stable global community.

The past quarter century has seen remarkable progress in reducing poverty. In an evolution that has been both swift and historically unprecedented, the rise of the emerging economies is presenting both significant opportunities for all, but also new risks and uncertainties for governments, civil society and the global business community. Among these new risks the recent global financial crisis has illuminated widening income gaps both within and among countries and the result has been growing political as well as economic and financial instability.

Solid research is needed to identify the most effective policies to close these gaps and responsibly manage the emerging risks. As an important global actor politically and economically, with a track record of leadership and policy legitimacy, Canada more than ever requires the presence of influential and specialized institutions dedicated to the study of such challenges and their possible solutions.

NSI’s research has made it a valuable resource for Canadian policy-makers. We pursue the broad goal of reducing poverty and inequality by focusing on three thematic areas: governance for equitable growth; decent work and global flows (trade, migration and investment); fragile and conflict-affected states; and a separate program of research dedicated to the governance of natural resources. All are rooted in the defining economic and social challenges of 21st century development. They target issues that have a significant impact on the health of contemporary economies and societies as a whole, as well as issues affecting specific sectors or population groups. Though our research does not exclude the middle-income countries, we have intensified our focus on the lower-income countries, especially in sub-Saharan Africa. Their needs are greater, their capacities less, and the risks they face arguably more consequential. We will do this increasingly with research partners in the emerging economies, which have valuable lessons to impart, thereby helping to accelerate South-South transfers of knowledge and policy solutions.
Solid research is needed to identify the most effective policies to close these gaps and responsibly manage the emerging risks.

Joseph Ingram, President
The North-South Institute

These thematic areas also have in common that they are increasingly defined by both the impact of the global financial crisis and the shift in the global power balance, thereby favouring an interdisciplinary non-partisan contribution to policy solutions. NSI’s newly constituted research teams of international economists, political scientists, and social anthropologists, with considerable field and research experience, are supported by research associates of global renown, thereby leveraging at a modest cost, leading edge policy thinking.

Two themes will continue to run through all our work: gender equality and environmental sustainability. These are interdependent concerns. As pressures on scarce natural resources increase, the potential for conflict escalates, creating additional risks for women and children. For this reason, our work also specifically addresses equitable use of natural resources and the economic and social rights of women.

NSI’s communications team participates in the design of research projects at the outset and highlights and promotes the outcome of NSI’s compelling research and policy advice through our web presence, events, print and electronic publications and newsletters to our audience, composed of a wide array of stakeholders and media contacts. We engage in social media and blogs and thereby stimulate more rapid and engaging interactive exchanges with our expanding audience, establishing our centrality to debate on development research and policy.

The world has changed and NSI is changing with it — without abandoning the vision we have pursued for the last 35 years. Our mission remains to conduct research that will guide policy-makers in their search for more effective aid and development policies, reducing poverty, global inequalities and their consequences.

Our thematic work, set out in the following pages, is designed so as to be tightly-aligned with NSI’s recently renewed strategic plan.

The world has changed and NSI is changing with it — without abandoning the vision we have pursued for the last 35 years.
BOARD OF DIRECTORS

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Dalhousie University
Halifax, Canada

Arpi Hamalian
Vice-Chair
Associate Professor
Concordia University
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Canadian Institute of Chartered Accountants
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Past Chair (to May 2010)
President
Pinnacle Reefs Ltd.
Toronto, Canada

Roy Culpeper
(to August 14, 2010)
President and
Chief Executive Officer
The North-South Institute
Ottawa, Canada

Joseph K. Ingram
(as of August 15, 2010)
President and
Chief Executive Officer
The North-South Institute
Ottawa, Canada

OTHER BOARD MEMBERS

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(to May 2010)
Representative of the
International Confederation of
Free Trade Unions to the UN
New York, United States

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Co-Director
Observatorio Ciudadano
(Citizens’ Watchdog)
Temuco, Chile

Omer Chouinard
Professor and Director
University of Moncton
Moncton, Canada

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(as of May 2010)
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Ottawa, Canada

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Global Education Program,
University of Alberta
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Ottawa, Canada

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President
Sheldon Chumir Foundation
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Calgary, Canada

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Global Organization of Parliamentarians Against Corruption (GOPAC)
Morinville (Alberta), Canada

Ronald J. Woznow
(to October 2010)
CEO
The Woznow Group
Guelph (Ontario), Canada
NSI TEAM

SENIOR MANAGEMENT

Roy Culpeper
President
[until August 14, 2010]

Joseph K. Ingram
President
[as of August 15, 2010]

Diane Guèvremont
Director of Finance and Administration

RESEARCH STAFF

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Security and Development, Fragile & Conflict-Affected States, [as of October 15, 2010]

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Good Governance and Equitable Growth

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Senior Researcher
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Researcher, Global Flows and Decent Work, [as of May 10, 2010]

Fiona Cook Meyer
Researcher
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[until August 15, 2010]

Rudi Robinson
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Development Cooperation

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Meaghen Simms
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Communities, Conflict and Collaboration

Viviane Weitzner
Senior Researcher

RESEARCH ASSOCIATES

Heather Baser
Development cooperation

Jacqueline Best
Finance

Stephen Brown
Governance Reform and Effective Development
[until May 31, 2010]

Dr. Roy Culpeper
Finance for Equitable Growth
[as of Oct, 19, 2010]

Cheshmak
Farhoumand-Sims
Peacebuilding and Conflict Prevention

Isabelle Fortin
Security Sector Reform

John Foster
Governance Reform and Effective Development
[until March 31, 2010]

Dr. Yiagadeesen Samy
Emerging Donors and the Changing Aid Architecture
[until November 24, 2010]

Pamela Scholey
Peacebuilding and Conflict Prevention

John Sinclair
Finance for Equitable Growth & Governance Reform and Effective Development

INTERNS

Nana Kwamie
Peacebuilding and Conflict Prevention

FELLOWS

Aisha Fofana Ibrahim
Helleiner Visiting Fellow
2009-2010

OPERATIONAL STAFF

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Suzanne Rose
Information Officer
[as of December, 2010]

Dina Shadid
Information and Events Manager

Kent Spott
Computer Systems Administrator
[until June, 2010]
Today, many countries are experiencing sustained growth and crossing the middle-income threshold. But economic growth has been very unequal. Inequality among countries remains persistent and inequality within countries is becoming more acute. This means that despite growth, high and unacceptable levels of poverty are still found in many parts of the world.

This presents fresh challenges for development policy. We know that sustained economic growth will remain central to development and should remain a priority for developing countries. But we also know that rising inequality has the potential to compromise a country’s development, by trapping people in poverty, stifling economic growth and fuelling social and political instability.

Understanding how the benefits of growth can be more equitably distributed is the focus of the Governance for equitable growth program at the NSI. We are especially interested in how domestic and global governance can best support more equitable patterns of growth. What are the necessary policies, institutions and conditions? What are the most effective ways of linking sustained growth and more equitable social outcomes? How can domestic and global institutions be more responsive and accountable, especially to the poorest and most vulnerable? What is the best way to finance and coordinate these processes and outcomes, both domestically and internationally? How can this all be achieved in an increasingly resource-constrained world?

Our research seeks to address these questions. We organize our work around four sub-themes: understanding economic growth; supporting a better distribution of growth; linking growth and socio-economic outcomes; and global governance for equitable growth. We also host the Canadian International Development Platform (CIDP), a one-stop interactive source for essential information on Canada’s relations with developing countries. We support our research through partnerships with governments, research institutions and civil society in Canada and beyond. A key priority is working with and learning from partners in developing countries.

UNDERSTANDING ECONOMIC GROWTH

Comparative growth diagnostics
What are the policy, institutional and external sources of and obstacles to growth? By applying the growth diagnostics methodology in a comparative way, this research will identify constraints to growth that are common across countries in similar stages of development and in the same region, as well as country-specific constraints.

Policy responses to unfettered finance
Supported by the Ford Foundation, the Commonwealth Secretariat and the International Development Research Centre (IDRC), this project seeks to identify lessons from countries that withstood the global financial crisis relatively well. A specific focus is on macroeconomic policy and financial sector regulation. The final output will be an edited book, which identifies policy lessons from Australia, Canada, India, Ireland, South Korea and Malaysia.
SUPPORTING A BETTER DISTRIBUTION OF GROWTH

The role of taxes in equitable growth
Building on previous work in sub-Saharan Africa on domestic resource mobilization, this research examines the role of taxation in sustainable and balanced growth. Critically, this work seeks to go beyond technical debates to explore the political economy of taxation.

Women, trade and the economy
Women are key players in domestic and international trade, but in many places, women experience gender-intensified constraints. This work, funded by the World Bank, identifies how the needs of women can be effectively integrated into trade facilitation and export competitiveness policies. In doing so, it highlights the important role that women play in trade expansion and growth, and the role that trade can play in tackling gender inequality.

LINKING GROWTH AND SOCIO-ECONOMIC OUTCOMES

Governance, growth and socio-economic outcomes
Governance plays a key role in determining how growth supports improvements in socio-economic outcomes. Using a new indicator developed by the New School in New York and the University of Connecticut, this research will examine why countries at similar income levels perform very differently when it comes to ‘progressively realizing’ their obligations to support better socio-economic outcomes for their citizens. Our research will seek to identify the role that initial conditions and policy choices play, as well as potential synergies and trade-offs between economic and social policies.

SUPPORTING GLOBAL GOVERNANCE FOR EQUITABLE GROWTH

The feasibility and incidence of a financial transactions tax
Many financial transactions are neither taxed nor regulated. But there is increasing interest in whether by taxing these transactions, funds could be generated to address some of the world’s greatest trans-boundary challenges, such as climate change, weak health systems and poverty. Building on NSI’s leading edge research on a currency transactions tax, and supported by requests from the G20, our new research will investigate the feasibility, revenue potential and incidence of a financial transactions tax.

The future global development framework
Given global geopolitical rebalancing, and changing global risks, global institutions and development frameworks are being re-examined. For example, the Millennium Development Goals (MDGs) have framed much international development thinking and practice since 2000, but they will ‘expire’ in 2015. What happens after 2015? Given the rise of emerging economies, and shifting geopolitics, how can global institutions best support effective and more equitable patterns of development and mitigate and manage responsibly the newly emerging risks?

CANADIAN INTERNATIONAL DEVELOPMENT PLATFORM

The Canadian International Development Platform (CIDP) is a new, interactive and publicly available data and analytical platform on Canada’s engagement with the developing world. The CIDP covers flows between Canada and developing countries across four dimensions: aid, trade, investment and migration. NSI researchers use the CIDP to generate analysis on critical development questions, opportunities and challenges in an evidence-based and interactive way. The CIDP can be accessed for free through the NSI website, and users are able to determine the issues and flows they explore. Customized outputs can be generated by the user, and downloaded in a range of easy-to-use formats (for example as graphs, charts, maps or raw data in Microsoft Excel files). The CIDP is an essential tool for anyone interested in Canada’s relationships with developing countries.

There is increasing interest in whether by taxing financial transactions, funds could be generated to address some of the world’s greatest trans-boundary challenges, such as climate change, food insecurity and poverty.
GLOBAL FLOWS AND DECENT WORK

Unprecedented global flows of goods, services, money and people - a phenomenon commonly referred to as globalization – is dramatically changing the way we live. International trade, direct investment, foreign aid and immigration are altering the prices and composition of the goods and services we consume. This is also changing the very nature of our individual participation in our local, national and global economies.

This theme therefore focuses on how globalization is changing the frameworks that structure our participation in the global economy, though especially how we work or are employed. Multilateral aid agreements powerfully influence how development assistance is delivered and for what purposes. Debates at the World Trade Organization (WTO) and within bilateral agreements are including decent work and labor standards in their traditional trade-only purviews. South-South investment flows in search of natural resources, new markets and export platforms are creating novel labor-capital relations around the developing world, with the BRICS (Brazil, Russia, India, China, and South Africa) emerging as key powers.

These flows interact and could complement each other to improve living standards in developing countries. This notion is embedded in the calls for inclusive economic growth, short-hand for increased economic prosperity, that improves the material conditions of all. A central tenet of inclusive economic growth is captured in the International Labour Organization (ILO) definition of decent work: employment that is productive, secure, fairly paid, and non-discriminatory; and with rights for social protection, personal development, free expression and organizing union representation. For that reason, NSI chose to link our analysis of global flows with decent work.

Today’s context for global flows is one of booming global commodity prices with most governments running deficits; and heated debates on aid effectiveness in Organisation for Economic Co-operation and Development (OECD) countries, while state-led or state-supported firms from emerging economies are reaching new heights of activity in the less developed regions and more extensively.

These booming food prices have impoverished millions of people, adversely affecting decent work and inclusive growth while also raising...
A further puzzle is the complicated fiscal situation of industrialized countries which face increased demands for budgetary restraint and aid accountability, thereby challenging existing patterns of North-South policy cooperation.

Unprecedented export income for other commodity-exporting countries. High commodity prices are deteriorating employment conditions in middle-income countries. These multiple and contradictory impacts have created novel policy challenges for most governments. A further puzzle is the complicated fiscal situation of industrialized countries which face increased demands for budgetary restraint and aid accountability, thereby challenging existing patterns of North-South policy cooperation.

Our work, explained below, is grounded in the “decent work” elements of our strategic plan. It will bring together research on how these different elements of globalization interact with one another and influence governments to find policy solutions to effectively achieve inclusive growth patterns resulting *inter alia* in more decent work opportunities.

**From aid effectiveness to development effectiveness**

Our research will investigate how aid debates across OECD countries are addressing the extent to which aid can be effectively leveraged to promote inclusive development in a context of past public promises for sustaining aid in today’s context of budget austerity.

**Multilateral development cooperation in a changing world**

This international conference in June 2011 in Ottawa brought leading global policy-makers and researchers together to discuss how to maintain multilateral development effectiveness when new actors, such as the BRICS, Gulf region charities and private institutions are rapidly overtaking in size and uptake the cooperation efforts of traditional donors.

**International aid architecture and policy coherence**

An essential component for global aid effectiveness is domestic policy coherence, where donors question how their non-aid policies directly or indirectly influence the developing world in trade, investment, defense, immigration and taxation. We will seek to learn by comparing donor efforts on this.

**South-South FDI and decent work**

This work will assess the impact of the BRICS by looking at the quality and quantity of jobs created by their multinational firms in Africa, Asia and Latin America. Are these newer investors qualitatively different from the established OECD ones in this respect? What policies are best for host countries to maximize the positive effects of foreign direct investment (FDI) on local labor markets?

**Dialogue on Canada-Latin America economic linkages**

This research will look at three elements: the economic impact of Canadian mining direct investment on employment, local business linkages and the use of revenues for local development; the evolution and impact of Canadian free trade agreements in terms of export growth, the participation and increased competitiveness of small- and medium-sized businesses; and the performance of the different temporary migration agreements in terms of skill transfers and improved well-being for the communities of origin of the migrants?

**International trade and poverty. What to do about high food and energy prices?**

In an effort to identify ways in which commodity price increases can be mitigated, what are the most effective policies being implemented today to either subsidize imports, increase domestic production, control exports, or a combination of all these elements? Research will determine best practices in low- and middle-income countries, given their relative comparative advantages, institutional capacity, and domestic political economy.

**Booming commodity prices: What can developing countries do for decent work?**

This research will address the connection between the literature on decent work and the current boom in the trade of extractive and agricultural commodities. It will focus on the cases of commodity exporting countries, faced with pressures for an increased focus on moving up the value-chain in their economies, but also increased trade opportunities. ☑️
Up to one billion people live in states affected by conflict and marked by weak institutions and poor governance. Instability in these states also threatens regional and international security, which has an adverse impact on Canada’s interests and those of the larger global community.

There is growing evidence, most recently from the World Bank’s World Development Report this year, that ready-made external solutions do not work because they fail to take sufficient account of local context and cultural realities. NSI takes an innovative approach to this challenge, working closely with partners in the developing world, both from government and non-government institutions.

Our core interests have been in security sector reform and in the challenges of governance and democratization. We will build on our analyses of policies that support lasting peace and effective economic and social development.

Our research seeks to better understand how more capable and effective states can be constructed in the aftermath of violent conflict, and how citizens, civil society, and marginalized groups - such as women, youth or minorities - can more effectively participate in decisions that affect their lives. In the coming months we will pursue a two-pronged research program, firmly-rooted in our strategic plan, including the following elements.

Security and stability in conflict-affected states
The Institute’s research is helping policy-makers and political actors recognize the limitations of short-term, piecemeal and ‘train-and-equip’ activities aimed at making post-conflict security services more democratic and responsive to the needs of the general public. In many post-conflict regions, such as South Sudan, there is a lack of political will for meaningful reform. In such places we will have a greater chance for success if our work addresses governance challenges and risks, and the means for encouraging local ownership of political reforms.

Democratic governance and resilience in conflict-affected states
Promoting democratic values and institutions is a challenging enterprise. Countries such as Haiti are coping with both natural disaster and instability bred by political conflict. A lesson learned from that country’s experience is that understanding how to support social cohesion and national ‘resilience’ is as important as an analysis of ‘state fragility’ and its causes. Knowing how governments are selected, how they function and the ways in which they provide services can help identify policies to lead states out of fragility. Our research in this area also examines top-down approaches through elections and legislatures and evaluates their success.
Recently-trained Southern Sudanese police officers.
Integrating women into reform processes is a means to making security institutions more representative, more democratic and more effective.

OUR PROJECTS IN FRAGILE AND CONFLICT-AFFECTED STATES

mySecurity
Today's economic and political power shifts are producing new and unprecedented security challenges disproportionately affecting civilian populations. With this change comes an increased need to ensure that a country's security provisions reflect the requirements of a population as a whole - and particularly of a society's most vulnerable - and that the measures are implemented in a manner that is respectful of rights. Building on NSI's strength in security sector reform, new research will shed light on how vulnerable populations in fragile and conflict-affected states perceive their security and identify what they need to feel secure. Through research done jointly with partners from peer institutions in developing countries we will seek to identify the security needs of populations normally excluded from decision-making processes and identify policy and programmatic instruments to address them.

Security sector reform
Do women's police associations in fragile situations support – or hinder – the reform process? How can youth engage to improve security sector reform? Two NSI projects explore these questions. Our gender and police reform work examines how integrating women into reform processes can be a means to making security institutions more representative, more democratic and more effective. There are great gaps in knowledge about how this can be done. Earlier NSI research on women and policing suggests that police staff associations have the potential to be important agents of positive change in the security sector. New research will investigate whether women’s staff associations support the reform process, and particularly how they support a gender-sensitive reform process. The research will focus on three case study locations – Ghana, Liberia and Sierra Leone. As well, we will produce a policy brief examining how dialogues with young men and women can support the development of democratic security services.

South Sudan
Sudan is the site of one of the most challenging and costly international peacekeeping, humanitarian and development efforts in the world. Following a successful referendum, a newly-independent South Sudan is consolidating its independence but facing tension on the status of the area of Abyei and complex negotiations on oil, debt, the North-South border, and citizenship which underline the risk of renewed conflict. In this series of briefs, NSI will examine policies of key donors on: the election/referendum, its aftermath and humanitarian access in Darfur; peace education in South Sudan; as well as other aspects of security and development in South Sudan.

Assessing parliamentary performance
In partnership with The Parliamentary Centre and institutions in select developing countries, this research is working toward establishing a methodology to rank the performance of parliaments as oversight institutions. The first stage of the project will focus on how parliaments hold executives to account by developing an easy-to-use tool to assess and compare parliamentary performance.

Elections in Dangerous Places
(books edited by David Gillies, published by McGill-Queen's University Press)
From Afghanistan and Iraq to Haiti, Cote d’Ivoire, and Egypt, ill-timed, fraudulent, or poorly-managed elections have led to discord, violence, and failure to achieve development goals. The international community views elections as key to stabilizing war-torn societies. However, Elections in Dangerous Places shows how flawed elections can jeopardize democracy and undermine stable governance. Elections in Dangerous Places provides practical advice on how to mitigate conflict and violence before, during, and after highly-charged elections.
The governance of natural resources is emerging as an important source of policy dissonance and debate globally, though with particular implications for developing countries. Host governments, resource-rich communities and private sector actors all play critical roles in the governance of natural resources. Participation by all key stakeholders is vital in ensuring that it is the quality and equity of governance which drives how natural resources are managed and whether they support the livelihoods of local populations and the sustainable economic development of the global South.

In Africa, for instance, the abundance of natural resources could be the key to poverty alleviation and lasting prosperity for the continent. But in the past, many African countries have experienced a “resource curse,” which refers to the paradox that resource-rich countries have not been able to attain sustainable economic development. Africa continues to grapple with this curse today, as mineral and hydrocarbon exploitation intensifies and as demand for land and water increases. Climate change, population growth and changes in migration patterns, competing private sector interests and land grabs contribute to this intensification.

An innovative and inclusive approach to the governance of natural resources is needed globally if the activities are to support sustainable economic development that benefits local communities and the larger population of countries in the global South. States are under growing pressure to manage natural resources efficiently and accountably, to allow for greater expenditures in social services and poverty reduction, as well as investments in diversified economic development.

There is also increased pressure for foreign investors to be transparent, respect rights and support development through ethical behaviour and long-term corporate social responsibility investments that go beyond the lifetime of a mine or
acres of arable land. Greater calls for accountability are likewise reshaping the involvement of governments in countries that are home to natural resource companies, as well as international donors and financiers.

The North-South Institute and its partners will research the roles, responsibilities and potential contributions of these actors with a view to developing a framework of cutting-edge policies for the effective and equitable governance and management of natural resources in developing regions, particularly Africa. We will build on more than a decade of research and policy lessons-learned on natural resource decision-making, which focussed primarily on the mining sector in the Americas.

Private sector

A longstanding topic of concern has been the responsibilities and accountability of companies doing business abroad and ostensibly practising socially responsible behaviour in the mining industries. The role of the private sector in sustainable economic development is to responsibly contribute to managing the resources and ensure long-term benefits for the private sector agents themselves, the mining communities and the host country governments. Failure to do so only enhances prospects of violence, political and economic instability and retroactive liability litigation against private companies.

This project will add to our knowledge of corporate social responsibility accountability and how it might be more effectively applied. It will assess the role of the private sector in natural resource management/governance in Africa. It will also assess the efforts to enhance responsible and accountable business interactions in stable, conflict and post-conflict settings.

Emerging economies

The emergence of Brazil, Russia, India, China and South Africa (BRICS) is expected to have profound long-term consequences. These countries contain about 40 percent of the world’s population and have a combined GDP exceeding $15 trillion, larger than the United States. The emerging powers are investing in Africa’s natural resources, driving commodity prices to record highs.

This project will explore the implications of increased demand on commodity prices. Research will look at food and water resources and the link to foreign investment in arable land. An assessment of the BRICS countries’ modes of engagement will be conducted, looking at soft power, public diplomacy, direct investment and private sector partnerships. The project will create a framework aimed at improving the governance and management of Africa’s natural resources.

Free, prior and informed consent: from “principles” to practice

The full implementation of Free, Prior and Informed Consent (FPIC) is a critical component of progressive natural resources governance for sustainable development. FPIC – the right of Indigenous and Tribal communities to give or withhold their consent to projects that will affect them – is clearly entrenched in international human rights law and best practice standards.

NSI researchers will work with communities, governments and industry to identify practical ways to implement FPIC. Research will seek insights from the implementation of FPIC in select communities and in resettlement planning. It will also investigate the effectiveness of community consent protocols, issues around verifying consent and applicability of FPIC to affected communities in Africa and elsewhere.

Communities, conflict and consent

Including affected communities in decision-making around natural resources is critical for mitigating conflict, upholding rights, and implementing plans and projects that contribute to equitable and sustainable development. If not, the potential for conflict escalates, especially where host governments are weak and marginalized communities face mounting pressures due to land speculation, and interests in extracting resources or even those conserving the environment to combat climate change.

This action-research project examines whether it is possible to implement the right to free, prior and informed consent in the context of conflict, and specifically armed conflict. It investigates standards to hold companies to account, assessment tools to ensure impacts are mitigated and rights respected, and conditions needed to guarantee that states uphold their responsibilities to protect the rights of their citizens. Lessons will be drawn from NSI’s current work in Colombia and in other countries in the Americas.
# Statement of Financial Position

(as at December 31, 2010)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Cash</td>
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<td>Short-term investments</td>
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<td>(at cost which approximates market value)</td>
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<tr>
<td>Accounts receivable</td>
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<td>Prepaid expenses</td>
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<td><strong>Total Current Assets</strong></td>
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<tr>
<td><strong>Capital Assets</strong></td>
<td>$176,922</td>
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<td><strong>Total Assets</strong></td>
<td>$1,520,777</td>
<td>$1,756,445</td>
</tr>
</tbody>
</table>

| **LIABILITIES**      |         |         |
| **Current Liabilities** |         |         |
| Accounts payable and accrued liabilities | $283,478| $162,056|
| Deferred project contributions | $358,052| $696,393|
| **Total Current Liabilities** | $641,530| $858,449|

| **NET ASSETS**       |         |         |
| Net assets invested in capital assets | $176,922| $37,007|
| Net assets restricted for strategic reserve funds purposes | $700,000| $700,000|
| Unrestricted net assets | $2,325  | $160,989|
| **Total Net Assets** | $879,247| $897,996|
| **Total Liabilities**|         |         |
| **Total Net Assets** | $1,520,777| $1,756,445|
## STATEMENT OF OPERATIONS

[For the Year Ended December 31, 2010]

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIDA Grant</td>
<td>1,318,086</td>
<td>1,331,864</td>
</tr>
<tr>
<td>IDRC Grant</td>
<td>248,130</td>
<td>197,607</td>
</tr>
<tr>
<td>Donations</td>
<td>34,546</td>
<td>29,911</td>
</tr>
<tr>
<td>Book sales</td>
<td>3,635</td>
<td>5,551</td>
</tr>
<tr>
<td>Investment Income</td>
<td>50,955</td>
<td>68,056</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>405</td>
<td>2,613</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,655,757</td>
<td>1,635,602</td>
</tr>
<tr>
<td><strong>Project Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees earned</td>
<td>687,519</td>
<td>566,200</td>
</tr>
<tr>
<td>Other project revenues</td>
<td>986,369</td>
<td>611,561</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,673,888</td>
<td>1,177,761</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>3,329,645</td>
<td>2,813,363</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>1,673,920</td>
<td>1,622,771</td>
</tr>
<tr>
<td>Rent</td>
<td>184,600</td>
<td>198,014</td>
</tr>
<tr>
<td>Administration</td>
<td>264,424</td>
<td>181,355</td>
</tr>
<tr>
<td>General research program expenses</td>
<td>21,417</td>
<td>25,151</td>
</tr>
<tr>
<td>General communications program expenses</td>
<td>4,977</td>
<td>24,937</td>
</tr>
<tr>
<td>Amortization</td>
<td>51,229</td>
<td>30,965</td>
</tr>
<tr>
<td>Direct project costs</td>
<td>1,150,951</td>
<td>720,667</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>3,351,518</td>
<td>2,803,860</td>
</tr>
<tr>
<td><strong>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</strong></td>
<td>(21,873)</td>
<td>9,503</td>
</tr>
<tr>
<td><strong>FOREIGN EXCHANGE GAIN (LOSS)</strong></td>
<td>3,124</td>
<td>(8,632)</td>
</tr>
<tr>
<td><strong>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES</strong></td>
<td>(18,749)</td>
<td>871</td>
</tr>
</tbody>
</table>
FINANCIAL SUPPORT

CORE FUNDERS
- Canadian International Development Agency (CIDA)
- International Development Research Centre (IDRC)

PROJECT FUNDERS
- African Development Bank
- Aga Khan Foundation Canada
- Association of Universities and Colleges of Canada
- Canadian Auto Workers
- Canadian Labour Congress
- CHF Partners in Rural Development
- The Centre for International Governance Innovation (CIGI)
- Commonwealth Secretariat
- Communications, Energy and Paperworkers Union of Canada
- Department for International Development (DFID), UK
- Ford Foundation
- IDRC
- Mennonite Central Committee
- Ministry of Foreign Affairs, Norway
- Organisation for Economic Co-operation and Development
- Overseas Development Institute
- Rights & Democracy
- Stamp Out Poverty
- The Primate’s World Relief and Development Fund
- The United Church of Canada
- United Nations
- University of British Colombia
- USAID-Colombia
- Walter and Duncan Gordon Foundation
- World Vision Canada
- World University Service of Canada
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