

FORUM OF FEDERATIONS

An International Network on Federalism



**A N N U A L
R E P O R T**

**2 0 0 1
2 0 0 2**

**The Forum of Federations, an international network on federalism,
seeks to strengthen democratic governance by promoting dialogue on and
understanding of the values, practices, principles, and possibilities of federalism.**

The Forum of Federations, created in 1998, is a non-profit international organization based in Ottawa, Canada. It has an international board of directors with members from Nigeria, India, Germany, Switzerland, Brazil and Canada.

The Forum works with countries and organizations of the North and of the South, with established federal states and newly-emerging federations, and with countries that are exploring the possibilities of federalism.

The *raison d'être* of the Forum is the promotion of dialogue on federalism. The meaning of this concept was explained by John Kincaid, Professor of Government and Public Service at Lafayette College and President of the International Association of Centers for Federal Studies:

“Federalism is essentially a system of voluntary self-rule and shared rule. This is implied in the derivation of the word ‘federal’, which comes from the Latin *foedus*, meaning covenant. A covenant signifies a binding partnership among co-equals in which the parties to the covenant retain their individual identity and integrity while creating a new entity, such as a family or a body politic, that has its own identity and integrity as well. A covenant also signifies a morally binding commitment in which the partners behave toward each other in accord with the spirit of the law rather than merely the letter of the law.”

– John Kincaid, *Handbook of Federal Countries*: 2002, Introduction, Montreal and Kingston: McGill-Queen’s University Press, 2002.

The activities of the Forum are focused mostly on “practitioners”: people who work in the field, such as elected officials, civil servants, consultants, and others (including academics) with a practical interest in challenges of governing in federal systems.

Future practitioners of federalism are a special target group for the Forum’s activities. We design and implement a number of programs aimed at youth.

Our aim is to make it possible for people who have different kinds of expertise and knowledge to learn from one another. One of the main objectives of the Forum is to be a clearinghouse of experience, expertise, and best practices in federal governance.

We achieve our goals through methods such as conferences, teams of experts providing technical assistance, workshops and a variety of publications. The Forum also looks to set up continuing processes and programs to help practitioners put newly acquired knowledge into practice.

Forum of Federations

700-325 Dalhousie Street Ottawa, Ontario K1N 7G2 Canada Tel.: (613) 244-3360 Fax: (613) 244-3372
forum@forumfed.org www.forumfed.org

TABLE OF CONTENTS

A message from the Chair	2
President's introduction	3
This past year: liaison & partnerships.	4
This past year: publications and communications.	5
The past year: events	6–11
Looking ahead	11–12
Staff at the Forum	13–15
This past year: funding and administration	16
Auditor's Report.	17
Statement of financial position	18
Statement of revenues and expenses	19
Board of Directors	20



Bob Rae,
*Former Premier of Ontario,
Canada*
**Chair of the Forum of
Federations' Board of
Directors**

The Forum of Federations is a pioneering, innovative organization. It has broken new ground by creating the space for an international exchange of ideas on federal matters.

Federalism may be a relatively old architecture of government. Certainly the Swiss and American versions go back several hundred years. And academic researchers have been sharing theories and investigations on federalism for quite a while.

But discourse on the practice of federalism that crosses international borders is quite new. In fact, the Forum is probably the first international institution whose main purpose is to work with the practitioners of federalism worldwide.

As countries such as Nigeria and Mexico seek to rejuvenate their democracies they've come to realize that they have to pay close attention to their federal systems at the same time. Figuring out how to balance local and regional autonomy with the need for some measure of cohesive national control is a very delicate and complex task. The Forum has been active this year in that process, providing access to a variety of international models of federalism. And that sort of activity will be a central focus for the Forum in the coming year, as the organization undertakes a thorough evaluation of the needs of

emerging federal democracies and how best to fill them.

It's impossible to think back on this past year without conjuring images of violence and seemingly intractable conflicts based on religion, language and culture. Federal models do not offer a panacea to these conflicts. But they do offer hope in a least some cases.

In his closing address to the International Conference on Federalism that the Forum held in Mt. Tremblant, Quebec, Canada in 1999, Bill Clinton said, "...we must think of how we will live after the shooting stops, after the smoke clears, over the long run." Though there may be a few difficult situations where virtually no other option than the creation of new sovereign states seems viable, in many cases conflicts can be resolved by creating structures of governance that accommodate differences within the framework of a single country.

The Forum has started to develop initiatives in this area, and in the future there will be a growing need for the work it can do to help foster "cultures of peace." I expect the Forum to play a prominent role in bringing "federal expertise" to the process of building a lasting peace in areas that are trying to put to rest violent and protracted conflicts. In fact, as I write these words the organization is launching just such a programme in Sri Lanka, where at long last there is a ceasefire and hope for an enduring settlement that respects the rights of all groups.

Given all that it has achieved the Forum of Federations is an institution that has found more than a niche for itself. It has found a necessary role in today's complex world. This annual report provides a glimpse at what it has been doing and what it is capable of doing.

Bob Rae

PRESIDENT'S INTRODUCTION



Ralph Lysyshyn,
President

This past year was a tumultuous one for the world and a year of dramatic progress and consolidation for the Forum of Federations. Among our notable achievements were a major international conference on federalism in Veracruz, Mexico; a conference on the role of constituent units in foreign policy in Winnipeg and a workshop in Brazil on ways to avoid “tax wars” between the states.

Our regular publication *Federations-What's new in federalism worldwide* has become an established institution, reaching over 10,000 readers every two months. We have also started to use the *Federations* format to deal with particular crises or initiatives, as we did with the special issue on the possibilities of federal options for Afghanistan.

The Forum has entered a long-term partnership with the International Association of Centers for Federal Studies to undertake a large, multi-year project we call *A Global Dialogue on Federalism in the 21st Century*. We have put in place the institutional framework of this partnership and are now ready to launch the substantive work of the project. This will entail holding workshops and conferences on constitutional issues and two other themes in more than a dozen federal countries to fully examine the practice and prospects of federalism from a comparative perspective. Later, *A Global Dialogue* will be producing handbooks with worldwide distribution, for

use as practical reference guides and training tools by practitioners and students of federalism.

One lesson we learned this year is that one project leads to another. The large Mexican conference grew out of a much smaller, more focused workshop on intergovernmental relations. An earlier major conference in Brazil led to the workshop on “tax wars”.

More and more, our programs are motivated by the needs and concerns of our partners and clients. In light of that fact we have devoted a lot of energy this year to consulting with stakeholders in countries where we seek to establish programs. In the coming years we expect to see those consultations bear fruit in the form of coherent, sustainable programs that address the needs of the countries where we work.

The idea of an international organization that would act as a clearing house and international network on federalism seemed more than a little speculative when we got our start in 1998. Today, the Forum of Federations has achieved wide international recognition and has found a useful and valuable role for itself in the field of federal governance.

We are now poised for significant growth and expansion of our activities worldwide.

Ralph Lysyshyn

THIS PAST YEAR: LIAISON AND PARTNERSHIPS

Partnership is key to the Forum's work. We are always looking for new opportunities to collaborate with others—whether on a short-term basis for a particular project, or as part of an ongoing “liaison” relationship with another organization.

This past year, the Forum worked with a number of governments and non-governmental organizations on particular projects. You can read about them in the following pages of this report.

In addition to the many relationships with governments and organizations on individual projects, conferences and forums, liaison staff established special formal ongoing working relationships with eleven institutions around the world, listed here. The Forum also signed memoranda of understanding for ongoing institutional partnerships with six of these organizations (*noted with an asterisk). These are the Forum's “liaison partners”—its eyes and ears on the ground in federal countries, providing information and advice. The Forum and these partners work closely together for project development and implementation.

The Liaison division has a small research unit which supports the Forum's project work, and provides content for the Forum's information resources such as the web site and its in-house documentation centre.

Centre for Comparative Constitutional Studies Melbourne
Australia

Community Law Centre
Bellville, South Africa

***Council of State Governments**
Lexington, Kentucky, USA

***Meyner Center for the Study of State and Local Government**
Easton, Pennsylvania, US

International Centre for Comparative Government and Public Policy
Berlin, Germany

Foundation for the Development of Parliamentarism in Russia
Moscow, Russian Federation

***Fundação do Desenvolvimento Administrativo– FUNDAP**
São Paulo, Brazil

Institute of Economics and Finance
Cordoba, Argentina

***Institute of Federalism**
Fribourg, Switzerland

***Institute for Governance and Social research – IGSR**
Jos, Nigeria

***Institute of Social Sciences**
New Delhi, India

Federations

During this year, the Forum produced four regular issues and one special issue on Afghanistan of *Federations: What's New in Federalism Worldwide*, our bulletin of reports on current developments in federal governance. In most cases, each article focused on a particular country or region. One article per issue—the “Practitioner’s Page”—features the point of view of a person working in the field. *Federations* is written in a journalistic, non-technical style. It is aimed at an audience of busy practitioners. The Forum published five issues in this fiscal year, each issue being distributed to more than 10,000 recipients.

Handbook of Federal Countries 2002

The Forum has been working on a compendium of information on the world’s federations: the *Handbook of Federal Countries 2002*. The *Handbook*, which had gone to press by April 2002 contains up-to-date statistical data and descriptions of the systems of government of all federations. It provides information on the latest developments in federalism for each of the countries. Several essays examine broader issues in federalism.

Intergovernmental Relations in Federal Countries

The Forum produced the text of a new book, *Intergovernmental Relations in Federal Countries: A Series of Essays on the Practice of Federal Governance*. The book, based on a conference entitled “Institutions and Mechanisms for the Coordination of Federalism: International Experiences” held in Mexico in October 2000 went to press just at the close of the fiscal year. The book, edited by J. Peter Meekison, was an examination of intergovernmental relations in Canada, Australia, Germany, USA, Brazil, Argentina, Russia and South Africa.

Web Site

The Forum is constantly updating its web site, www.forumfed.org. The site provides information on the Forum, its activities and projects, and background papers and features on federalism. It also contains speeches and research papers from conferences, reports on events, and links to other federalism-related sites. One of its most valuable resources is a daily-updated collection of news stories on federalism from the world’s press. The Forum also posts an on-line version of its bi-monthly publication, *Federations: What's New in Federalism Worldwide*. The web site contains a wealth of reference material on the practice of federalism, from links to constitutions and newspapers of record to reports from major world conferences. Our web site is the best source of current information about the Forum.



Conference on the Foreign Relations of Constituent Units

The Forum hosted a conference on “The Foreign Relations of Constituent Units” in Winnipeg, Manitoba, from 10-13 May 2001. More than one hundred people took part from a number of countries, including Argentina, Brazil, Canada, Ethiopia, India, Mexico, Nigeria, Russia, South Africa, Spain, Switzerland, and the USA. There were practitioners from both federal and constituent-unit governments, academic researchers, and a large youth contingent. The workshops and plenary sessions covered many aspects of the activities of constituent-unit governments in the international sphere. Participants discussed the impact of free trade agreements such as MERCOSUR and NAFTA, and the variety of models constituent-unit governments use in the application of their constitutional competencies. Other issues examined were the particular problems of large municipalities, and some of the features of economic and cultural globalization that put added demands on constituent-unit governments.

The Practitioner’s Page of *Federations* Vol. 1 No. 5 was devoted to the Brazilian foreign service official Cesar Melantonio Neto, who participated in the conference and who discussed the Brazilian foreign ministry’s innovation of having emissaries in the main regions of the country.

Constituent Units and Free Trade in the Americas

From 17-21 April 2001, in conjunction with the Conférence de Montréal, the Forum of Federations organized two panel sessions to explore the role played by constituent units in the Americas. The panels were each led by three or four practitioners from both federal and non-federal countries in the Americas. Participants heard about lessons learned in Canada and Mexico, and discussed the implications of the Fox administration’s federalism reforms for Canada-Mexico relations. The Forum also sponsored a panel on e-governance and federalism, which examined ways to provide citizens with easy on-line services from all levels of government.

Carlos Gadsden, Executive Director of the Centre for Municipal Development, and advisor to President Fox on federalism, gave a speech on “State reforms to move toward an authentic federalism in Mexico”.



Language and Governance: A roundtable hosted by the National Assembly for Wales and the Forum of Federations

This roundtable brought together 70 legislators, policy actors and academics from Wales, Scotland, Northern Ireland and the Republic of Ireland, as well as Canada and some of its provinces and territories. The roundtable was held at the National Assembly for Wales, from 29-30 November 2001. The Rt. Hon. Rhodri Morgan, First Minister of Wales, and Dr Dyane Adam, Commissioner of Official Languages of Canada, gave the keynote addresses. Participants had a unique opportunity to compare legislative and institutional frameworks, assess policies and programs, and evaluate the impact of language governance initiatives in both federal and devolved systems of government. A report on the roundtable is now available on the Forum's Web site.

A Global Dialogue on Federalism in the 21st Century: Practices, Perspectives and Prospects

Report on Activities 2001-2002

Last year, the Forum and the International Association of Centers for Federal Studies (IACFS) approved this joint new comparative programme on federalism, and appointed members to its Editorial Board. This nine-member board is comprised of representatives of the two partnering organizations, practitioners, and scholars from Africa, Asia, Australia, Europe, and South and North America. The Senior Editor is John Kincaid, Director of the Robert B. & Helen S. Meyner Center for the Study of State and Local Government and President of the IACFS.

A Global Dialogue is a unique programme that offers a comparative examination of a wide range of issues on federal governance. It will be carried out through a series of local workshops and international conferences, Web-based discussions, and the publication of practical handbooks.

Its aim is to create forums through which practitioners, scholars, and youth exchange experience and research to identify lessons, best practices, and emerging challenges. The Global Dialogue further aims to produce handbooks with worldwide distribution, for use as practical reference guides and training tools by practitioners and students of federalism.

The Editorial Board selected Drs. Alan Tarr (Center for State Constitutional Studies at Rutgers University, New Jersey), and John Kincaid (Meyner Center, Lafayette College, Pennsylvania) to be Theme Coordinators for the constitutional theme: Constitutional Origins, Structure, and Change in Federal Democracies. The countries to be featured in this first theme process are: Australia, Brazil, Canada, Germany, India, Mexico, Nigeria, Russia, South Africa, Switzerland, and the United States. Programme activities related to this theme will begin in 2002-03.

Other themes to be launched in 2002 and 2003 are:

- Foreign Relations in Federal Systems
- Distribution of Responsibilities in Federal Democracies
- Legislative and Executive Governance in Federal Democracies
- Parties, Interest Groups, and the Politics of Civil Society in Federal Democracies

International Forum on Federalism in Mexico

The International Forum on Federalism was a landmark event in the Mexican government's programme to reform its federal system.

The event took place from 15-17 November 2001 at the recently completed convention centre in the outskirts of the historic seaport of Veracruz. Over 1,000 participants attended—the vast majority of them Mexican practitioners from all levels of government, with many from the municipal level. More than 60 international experts and practitioners came to speak about their particular experiences in federal governance and to exchange ideas with their Mexican counterparts.

The Forum of Federations and the Mexican government collaborated to organize the event, with additional financial assistance from USAID. The organizers structured the event to accommodate presentations from both top-level politicians and practitioners who work “in the trenches”. Large plenary presentations were combined with smaller workshops where participants and resource people had an opportunity to exchange ideas.

In his opening speech, Vicente Fox, the President of Mexico, said that this was the beginning of a new era in Mexican history, where governments will adapt to the needs of the people.

Canada's Minister of Intergovernmental Affairs, Stéphane Dion identified several of the areas of cooperation between the federal and provincial governments in Canada, as well social policy challenges facing all levels of government in Canada. He also stated that the Canadian government was

ready to assist the Mexican people in any way it could in their efforts to revitalize their federal system.

Forum of Federations Chair Bob Rae emphasized the universal values of federalism: tolerance, respect for diversity and minorities, and democratic accountability.

Among the many speakers on economics, co-operation, urbanism and poverty were Gilberto Rodrigues, a jurist and academic from Brazil; Anwar Shah of the World Bank in Washington, DC; Stéphane Dion, Minister of Intergovernmental Affairs from Canada; and Murphy Morobe, Chair of the South African finance Commission.

The plenary presentation which followed featured a panel of governors from Mexico—one from each of the main three political parties, the PRI, PAN, and PRD—as well as a former Cantonal representative from Switzerland (Arnold Koller) and a former Premier of Manitoba, Canada (Gary Filmon).

One of the governors claimed that the Mexican federal government was not going fast or far enough in its reforms, and asserted that it should devolve all powers to the states save such unavoidable federal responsibilities as national defence and the national economy. Others disagreed or cautioned that devolution cannot happen overnight.

Among the speakers on economics, co-operation, urbanism and poverty were Johann Mettler of the Community Law Centre in South Africa; Antonio Bayona of the Institute of Autonomous Studies in Barcelona, Catalonia, Spain; and, the Mexican Secretaries of the Environment and Natural Resources, Victor Lichtinger, and Health, Julio Frenk.

THIS PAST YEAR: EVENTS

Workshops on democracy and citizen participation included Maria José Lubertino, a constitutional expert from Argentina; Nirmala Buch, a former senior civil servant and women's rights activist from India; and Thereza Lobo, the Director of the Centre of Public Policy in Brazil.

At the very end of the closing session a person with press credentials donned a Zapatista mask and stood up to make a few comments. He lauded the efforts of the conference and the need for a vigorous federal system in Mexico. His main plea was that the fruitful discussions at the conference be translated into concrete engagements and actions.

The conference gave a strong boost to the practice of federalism in Mexico, according to many participants. The event might also give impetus to the creation of a permanent institution whose task would be to work on strategies for federalizing and decentralizing Mexico.

Health Policy and Federalism

In collaboration with the governments of Brazil and Mexico, the Forum organized two workshops on health policy and federalism this past fall. The Brazilian workshop was organized at the request of federal health minister José Serra. This first session took place in Sao Paulo from 15-16 October, 2001, and the second workshop took place in Mexico City on 18 October.

The workshops built on a comparative study of health care reforms in federal countries produced by the Institute of Intergovernmental Relations at Queen's University. The participants in both workshops included practitioners from the two countries' ministries of health, academics from various universities and research institutes, and post-graduate students. As well, international experts provided a comparative analysis of the health systems in European countries, Canada, the United States, Australia, Mexico, and Brazil.

During the workshops, participants heard about the lessons learned by various federal countries as they implemented health care reforms. They evaluated the merits of various policies and programs designed to increase the efficiency

of health care provision and administration. They also looked at practical ways to implement the principles of good federal governance as they apply to health care. The practitioners, during the free discussions, exchanged ideas on how to overcome their day-to-day challenges in trying to make federalism serve the needs of their often-overwhelmed health care systems.

North American Natural Resource Management

The Forum began the first phase of a program on Federal Principles in North American Natural Resource Management. The program will involve Canada, the United States of America, and Mexico. Experts have produced background papers for the workshop in 2002, from which a handbook will be compiled.

E-Governance

The Forum was active in a program on E-Governance in federal countries, along with the Executive Secretariat of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). The Forum participated in a conference for this program, dealing with the emerging use of electronic communications in government, in Santiago, Chile in January, 2002.

Alternatives to Tax Wars: Sustainable Economic Development

In partnership with the São Paulo Finance Department, the Forum held a conference in São Paulo, Brazil on 21 and 22 June 2001. The session dealt with the question of tax competition between the states, and alternative ways of attracting private sector investment. The issue of what Brazilian commentators sometimes call “fiscal war” has been for a number of years a vexing one for Brazilian federalism.

The purpose of the conference was to bring together international experts and Brazilian practitioners with the aim of finding creative and innovative solutions to this problem.

Among the international participants were William Dillinger of the World Bank, Canadian political scientist Richard Simeon, Canadian taxation expert François Vaillancourt, European Union expert Magali Verdonck and US expert William Fox. More than three hundred Brazilian officials from all levels of government participated. There were fruitful debates on all aspects of the issue.

Passport-Europe Programme

In 2001, the Forum worked together with those teachers and students in Collège Edouard-Montpetit in Montreal who are involved in the Passport-Europe Programme. The participating students undertook a comparative study of the Canadian and Belgian federations, and went on a study tour to Belgium. At the end of the school year the research reports were presented to the Forum, and the author of the best paper was invited to attend one of the Forum’s youth activities abroad (the International Forum on Federalism in Mexico, November 2001). The Forum will continue offering support to the Passport-Europe initiative as part of the Forum’s youth programme.

Channels of Communication in Federal Democracies

In May 2001 the Forum, in partnership with the Argentine youth organization Conciencia and the Canadian Embassy in Argentina, hosted a conference on federalism for Argentine youth in Buenos Aires. The conference focused on three key themes: regionalism, education and ethnic diversity. The themes were examined within the context of federalism, and more precisely from the vantage point of how federalism can mitigate tensions that can arise in geographically vast and diverse countries such as Argentina. Several Argentine government officials participated in conference roundtables and plenary sessions, including the Argentine Minister of the Interior. Stéphane Dion, the Canadian Minister of Intergovernmental Affairs, provided the closing address for the conference.

Northern Development

The Forum organized an exploratory mission in the Siberian Federal District, funded and led by the Department of Indian Affairs and Northern Development. A two-day workshop on Intergovernmental Relations in Canada and Russia took place in Novosibirsk on July 16 and 17, 2001. The workshop brought together Canadian and Russian partners to develop new initiatives and integrate ongoing projects by government and non-governmental organizations, to share best practices in areas of governance within the context of northern development.

LOOKING AHEAD

The Forum of Federations' activities will concentrate on four main areas in the coming year:

- 1) A Global Dialogue: Federalism in the 21st Century
- 2) A responsive country-specific set of programs
- 3) Youth activities
- 4) Regular programme of publications

The Forum will also make a major effort to develop more effective project management, financial systems and information technology systems. This task will be undertaken by Funding and Administration.

The Global Dialogue Programme aims to create an international forum for practitioners, scholars, and youth to examine best practices and to fill a void of comparative resources about federal governance. The programs will explore more than a dozen current and emerging issues in federalism through a comprehensive process of events, a web-based discussion forum, and handbook production. Each theme process will feature 8 to 12 federal countries representing a mix of federal systems and world regions.

Three theme processes will be launched this coming year and the first handbooks, on constitutional issues, foreign relations, and the distribution of responsibilities will be published in 2004. The Programme will hold over 30 Country Dialogue Workshops in the fall of 2002, and three Theme Development Conferences during the winter of 2002-2003.

It will launch the Global Dialogue Web site during this period with an interactive discussion forum for each theme. The Web-based Discussion Forum will allow users to post questions and comments from around the world 24 hours a day. The comments from the Discussion Forum will form part of the sharing between practitioners, scholars and youth.

A Country-specific Programme has been proposed to change the Forum's activity orientation from a "project" to a "programme" approach. Under this programme, the Forum would undertake country-specific activities in each of several selected countries for next three years. In order to develop a responsive programme with our partners in implementing this programme, the Forum would follow a consultation process in each of the countries. The process proposed would consist of a series of phases and be undertaken in close cooperation with our country liaison partners.



LOOKING AHEAD

Youth Projects this coming year include a summer session on federalism for a select group of young practitioners and students from around the world. During the course of this two-week study, participants from federations around the world will learn about various structures, mechanisms and issues critical to federal systems. They will be examining the federal models of three countries: Canada, the USA, and Belgium, in addition to the European Union. The session will take place in these three countries and will include lectures by respected experts and exposure to practical situations of federal governments.

The Forum will also launch a conflict resolution toolkit aimed at youth. This will be a user-friendly resource for use in the classroom and by grass-roots organizations. It will show how federal solutions can help resolve situations of ethnic, religious and regional conflict. The Forum intends to initiate this project in Nigeria.

Finally, the Forum will continue to animate federalism simulation exercises with groups of post-secondary students and other youth. This successful programme was based on a book entitled *The Art of Negotiation*, commissioned by the Forum and now published by Broadview Press. The program was started at the Mont-Tremblant conference in 1999 and continued this past year at College Edouard-Montpetit in Longueuil, Quebec.

Publications: The Forum will expand its regular programme of public information this coming year. The Forum's journal *Federations* will publish a special triple issue in conjunction with the International Conference on Federalism in St. Gallen Switzerland (August 2002).

This publication will deal with the conference themes of fiscal federalism, foreign policy, and federalism and conflict management in multicultural societies. The regular bi-monthly issues of *Federations* will continue to focus on current issues, crises and problems of federal countries and solutions proposed by practitioners, thinkers and critics. The Forum will also use the *Federations* format to address particular crisis situations, as it did with the special issue on Afghanistan.

The Forum's new *Handbook of Federal Countries* will be published by McGill-Queens Press at the end of summer 2002 in both English and French editions. It will have the most complete basic information on all federal countries available in one volume. The English version will be more than 550 pages in length, the French version more than 600 pages.

The Forum will launch a newly re-designed web site, with quick access to project information, current issues in federalism and news about the Forum and an online research library on federalism in late summer/fall 2002.

STAFF AT THE FORUM

Céline Auclair [vice president and director of research and programs] was one of the founders of the Forum. She has a PhD in International Relations from the University of Geneva, Switzerland. She was Deputy Ombudsperson for Bosnia and Herzegovina in 1997-1998 and advisor to the office of the High Representative in Bosnia-Herzegovina in 1996-1997. Her languages are French, English and Spanish.

Barb Brook [project coordinator] has an MA in Environmental Studies and has more than ten years management experience in international development education and municipal development. At the Forum, she coordinates the programme *A Global Dialogue*. She speaks English, French and German.

Anne-Béatrice Bullinger [research and programme officer] is a political scientist specializing in fiscal federalism. She has a degree in political science from the University of Geneva and a master of public administration from the University of Lausanne. At the Forum she managed projects related to fiscal federalism. She is bilingual in French and English. [left the forum in June, 2002]

Rita Champagne [administrative assistant] has extensive experience working on international programs for Canadian NGOs. She is editorial assistant for *Federations* magazine and other Forum publications. Her technical and communications skills are used to maintain the flow of information within the Forum and to its friends. She is fluent in French and English.

Diana Chebenova [research and programme officer] worked on projects in Russia, Latin America and India. She has an MA in Commerce and an MA in International Affairs. One of her recent projects was a series of workshops on Mechanisms of intergovernmental relations in India last April. Diana speaks Slovak, Czech, Spanish, English and Russian.

Chantal DeBellefeuille [administrative assistant] has been with the Forum for the past year. She has a background in medical insurance and worked for the Public Service Health Care Plan for seven years. She is fluent in both French and English.

Christie Dennison [writer and editor] studied political science and Spanish and is returning to graduate school to study conflict resolution. She has been working for the Forum as Special Projects Editor. Her languages are English, French and Spanish.

Marie Desjardins [translator and editor] has a PhD in French Literature from the Université de Montréal, has taught in universities in Canada and France and is the author of several novels and works of literary criticism. She is fluent in both French and English. [left the forum in May, 2002]

STAFF AT THE FORUM

Sheela Embounou [director of funding and administration] a recent arrival in Canada, brings to the Forum 20 years experience in managing UNFPA assistance programmes in Central and West Africa. She graduated from the University College of Wales, Aberystwyth and directs the Forum's Funding, Administration and Human Resources activities. Her languages are English and French.

Sarah Evanetz [youth coordinator] brings a range of experiences in international development, youth activism and sports to her position as youth coordinator. She also was a member of the Canadian Olympic swim team in Atlanta in 1996. Her languages are English and French.

Lilliane Génier-Maxwell [administrative assistant] has been at the Forum for two and a half years. Before joining the Forum she worked in the insurance industry and operated her own business. Her languages are English and French.

Mahalya Havard [translator and editor] has been with the Forum since 1999, she has a BA in French studies and multimedia. She is particularly interested in linguistic minority rights and in women's rights. She is fluent in both French and English, and has a basic knowledge of Tagalog.

John Ihnat [writer and editor] worked for the Forum since the Mont-Tremblant conference in 1999. He graduated from the University of Toronto. Before joining the Forum, he was an intern in Ramallah with a Canadian NGO, Frontier Internship in Mission. [left the forum in March, 2002].

Paul King [research and project manager for A Global Dialogue] has been affiliated with the Forum of Federations in various capacities since February 2000. Previously, he lectured at universities in Ontario and British Columbia. His research interests are nationalism, ethnicity and conflict resolution. He studied at the University of Western Ontario and the London School of Economics.

Claudia Kornhaas [human resource manager] earned her BA in International Business Administration, worked in France, Germany and Canada, and has been with the Forum since the Mont-Tremblant Conference in 1999. She has helped to develop the new human resource component in the Forum and also created a human resource network within the NGO community. She is fluent in German, English and French.

Ralph Lysyshyn [president] was one of the founders of the Forum of Federations. Previously, he was a member of Canada's diplomatic service, serving in Ottawa, Lagos, Washington and NATO. He was educated at McGill and the University of Alberta. His languages are English, French and Russian.

David Mac Donald [head of international liaison] has worked in Intergovernmental relations in Canada and has a Master in International Politics. His languages are French, English, Portuguese and some Spanish.

STAFF AT THE FORUM

Jordan Markov [research assistant] does research on federalism, manages the library and keeps the documentation database up-to-date. He has an MBA, and speaks, reads and writes Bulgarian, French, Russian and English. He also reads Serbo-Croatian, Macedonian and Spanish.

Marta Montes [accountant] is an accountant with ten years experience in the NGO sector. She speaks Spanish and English.

Paul Morton [research and programme officer] is responsible for the Forum's activities in Africa. He has an MA in International Affairs from the Norman Paterson School for International Affairs at Carleton University. He is fluent in English, French and German.

Karl Nerenberg [director of communications and senior editor] worked for more than twenty years as a producer and executive producer of television and radio programs, in both English and French, for the Canadian Broadcasting Corporation. His languages are English and French.

David Parks [research and programme officer] is the Project Manager for Mexico. He has an MA in International Development. Before joining the Forum, he developed alternative energy projects in Cuba and also worked with fair trade coffee producers in Central America. His languages are English and Spanish.

Nicole Pedersen [administrative assistant] has been with the Forum of Federations since 1999. She began as a volunteer in Mont-Tremblant and was hired full-time after the conference. Nicole has a BA in Social Sciences with a concentration in Political Science. She is fluent in English and French and speaks Arabic and Spanish.

Chris Randall [LAN administrator] is a computer engineer who has been with the Forum of Federations since August 1999. He does system design and user support for the Forum. His languages are English and French.

Susan Stigant [executive assistant to the president] has a degree in International Relations and French, and worked in South Africa before joining the Forum. Her interests are in conflict resolution, peacebuilding and governance mechanisms, as well as organizational and strategic development. Her languages are English and French.



THIS PAST YEAR: FUNDING AND ADMINISTRATION

Funding and Administration kept systems operating so the Forum's programs could all be carried out. The division's staff members elaborated the Forum's annual budget allocations and monitored the implementation of work plans. The division also ensured that the Forum's funding was received on schedule by ensuring that the necessary reports were sent to funding sources and that all the requirements for funding contributions were met. Staff members tracked, monitored and recorded project allocations, and ensured that cash flow and payment requirements were met. The division ran the payroll and administered benefits, and kept accounts payable and receivable operating smoothly. Staff prepared documents for meetings of the Board of Directors as well as for their subcommittees—the Programme Committee, the Finance and Audit Committee and the Investment Committee.

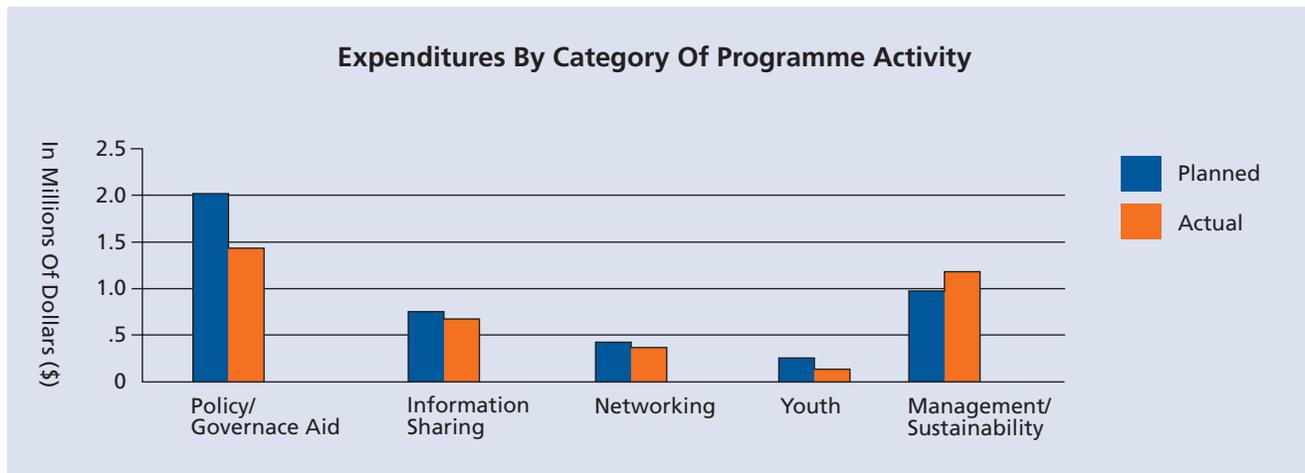
Considerable progress was made in updating and expanding the Forum's policy framework, for example in travel, annual and sick leave and overtime. The division staff revised and standardized employment contracts, service agreements and letters of engagement.

New positions and special contracts were defined, advertised and selected candidates interviewed in consultation with the director of each division. Terms of reference were developed and potential agencies were identified for a job description survey to be conducted in the next fiscal year.

The LAN and Systems Administration section ensured that all information systems and communication equipment was continuously operational. A systems consultancy was set up and when completed will enhance the Forum's management and operational efficiency through an integrated web site and information system.

The division also ensured the smooth flow of the Forum's general administration from office maintenance and supplies to fire security coverage.

One of the ways in which the division charted the course of the Forum was by monitoring planned against actual expenditures in the major programme categories, as shown here.



McIntyre & McLarty LLP

Chartered Accountants
900 Morrison Drive, Suite 200
Ottawa, ON K2H 8K7
Telephone: (613) 729-1110
Facsimile: (613) 729-4477
www.mmlp.com

To the Directors of Forum of Federations/ Forum des Fédérations:

The accompanying summarized statement of financial position and statement of revenues and expenses are derived from the complete financial statements of **Forum of Federations/Forum des Fédérations** as at March 31, 2002 and the year then ended on which we expressed an opinion without reservation in our report dated April 17, 2002. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

Ottawa, Ontario

The image shows a handwritten signature in black ink that reads "McIntyre & McLarty LLP". The signature is written in a cursive, flowing style.

April 17, 2002 Chartered Accountants

STATEMENT OF FINANCIAL POSITION

FORUM OF FEDERATIONS/FORUM DES FEDERATIONS

	<i>General</i>	<i>Long-term Fund</i>	<i>March 31 2002</i>	<i>2001</i>
ASSETS				
CURRENT ASSETS				
Cash	\$ 937,140	\$ –	\$ 937,140	\$ 592,919
Accounts receivable	95,174	–	95,174	10,893,910
Prepaid expenses	65,170	–	65,170	15,215
Investments	<u>1,247,547</u>	<u>1,269,359</u>	<u>2,516,906</u>	<u>–</u>
	2,345,031	1,269,359	3,614,390	11,502,044
CAPITAL ASSETS				
	461,835	–	461,835	583,134
INVESTMENTS				
	<u>–</u>	<u>7,851,326</u>	<u>7,851,326</u>	<u>–</u>
	<u>\$ 2,806,866</u>	<u>\$ 9,120,685</u>	<u>\$ 11,927,551</u>	<u>\$ 12,085,178</u>
 LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 184,867	\$ –	\$ 184,867	\$ 520,115
Deferred revenue	<u>1,579,839</u>	<u>1,269,359</u>	<u>2,849,198</u>	<u>883,509</u>
	1,764,706	1,269,359	3,034,065	1,403,624
DEFERRED REVENUE FOR CAPITAL ASSETS				
	212,119	–	212,119	269,240
DEFERRED REVENUE				
	400,000	7,851,326	8,251,326	10,000,000
NET ASSETS				
Invested in capital assets	249,716	–	249,716	313,894
Unrestricted	<u>180,325</u>	<u>–</u>	<u>180,325</u>	<u>98,420</u>
	<u>430,041</u>	<u>–</u>	<u>430,041</u>	<u>412,314</u>
	<u>\$ 2,806,866</u>	<u>\$ 9,120,685</u>	<u>\$ 11,927,551</u>	<u>\$ 12,085,178</u>

STATEMENT OF REVENUES AND EXPENSES

FORUM OF FEDERATIONS/FORUM DES FEDERATIONS

	<i>Year Ended March 31</i>	
	2002	2001
REVENUES		
Department of Foreign Affairs and International Trade		
Core Funding	\$ 1,919,599	\$ 2,000,000
Core Funding for capital assets		
Funding	–	(301,295)
Amortization	57,121	32,055
Projects	–	89,436
Privy Council Office-Core Funding	500,000	500,000
Canadian International Development Agency		
Projects	1,352,382	430,762
Indian and Northern Affairs Canada - Projects	68,424	93,434
Conference registration fees	9,000	1,900
Heritage Canada	3,210	–
Health Canada	7,918	–
Interest	12,023	22,682
Other	5,030	3,059
	<u>3,934,707</u>	<u>2,872,033</u>
EXPENSES		
Advertising and promotion	1,888	31,405
Amortization	138,799	100,288
Contractors	107,617	182,611
Leased equipment	36,026	33,496
Meetings and facilities	2,177	8,390
Office and general	50,012	137,402
Printing and publications	4,759	10,633
Professional fees	17,774	53,966
Projects	2,944,646	1,666,488
Rent	152,043	143,768
Salaries and benefits	575,298	437,513
Telephone and internet	33,027	51,485
Travel	79,468	35,420
	<u>4,143,534</u>	<u>2,892,865</u>
Administration costs charged to projects	(226,554)	(68,530)
	<u>3,916,980</u>	<u>2,824,335</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 17,727</u></u>	<u><u>\$ 47,698</u></u>

BOARD OF DIRECTORS

The Honourable Bob Rae (Chair)

Lawyer, Goodmans
Former Premier of Ontario
Toronto, Canada

Professor Rui de Britto Álvares Affonso

Director, Public Sector Economy, Fundação do
Desenvolvimento Administrativo (FUNDAP)
Sao Paulo, Brazil

The Honourable Jocelyne Bourgon

President, Canadian Centre for
Management Development
Ottawa, Canada

Sameena Dalwai*

Law student
Mumbai, India

Dr. Alex Ekwueme

Former Vice-President of Nigeria
Enugu, Nigeria

Chief Clarence (Manny) Thomas Jules

Chairman, Indian Taxation Advisory Board
Kamloops, Canada

Prof. Dr. Arnold Koller

Former President of Switzerland
Appenzell, Switzerland

Ralph Lysyshyn

President, Forum of Federations
Ottawa, Canada

Judith Maxwell*

President, Canadian Policy Research Networks
Ottawa, Canada

Professor Gil Rémillard

Lawyer
Former Minister of Justice and
Intergovernmental Affairs, Québec
Montréal, Canada

Dr. Henning Voscherau

Notary
Former Mayor of Hamburg
Hamburg, Germany

Professor Ronald Watts

Fellow, Institute of Intergovernmental Affairs,
Queen's University
Kingston, Canada

**Term ended April 30, 2002*