



Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

**GREETINGS OF
THE SEASON
from the
International
Centre for Ocean
Development**

JAN 3 1991

On behalf of the Board of Directors and staff, it gives me great pleasure to extend to you our sincere best wishes for a peaceful and progressive New Year.

As we prepare to face new ocean development challenges, I want to take this opportunity to share a few highlights of our recent activities with you and to pass along news on some of our upcoming initiatives.

This February, ICOD will begin its sixth full year of operation as an organization devoted to fostering cooperation between Canada and developing nations in the ocean sector. Thus far, we have supported 250 development assistance projects involving commitments of over \$34 million. In addition,

we are serving as managers of four projects on behalf of the Canadian International Development Agency. Staff levels have now been strengthened to a complement of 60 to service ICOD's increased activity levels.

In all pursuits, ICOD's principal objective is to assist developing countries in satisfying their most pressing needs for rational and sustainable ocean management and development. This year, the planning phases for several large projects were successfully completed. The \$19.9 million, 8 year Caribbean Fishery Resources Assessment and Management Program (CFRAMP) first announced in 1988 will become fully operational over the next 6 months. Recruiting efforts to staff a small office in Belize that will coordinate this program are now underway. The aim of CFRAMP is to enhance regional management of fisheries amongst member countries of the Caribbean Community and Common Market. Funds are to be provided by CIDA, ICOD, and CARICOM, as well as its member countries.

In Madagascar, ICOD will support a \$750,000 project to reinforce that island country's capabilities to conduct research on artisanal and traditional fisheries at the technical and institutional level. This 5-year effort will be implemented in partnership with the Centre national de recherches océanographiques of Nosy-Bé early in 1991.

At their November 1990 meeting, ICOD's Board of Directors approved establishment of an ICOD office in West Africa to help coordinate program identification, planning, and delivery in the 19 countries currently eligible for our assistance in this region. The office will be established in Dakar, Senegal, during 1991.

The Centre is now pursuing promising initiatives with new partners in developing countries. Recently, I led a project development mission to identify ocean development needs that we might address within the Southern African Development Coordination Conference (SADCC), particularly in Namibia. In the Indian Ocean region, we are supporting an initiative by tuna-producer states to establish a regional organization for tuna management and development.

Notable progress has been made during 1990 on several ongoing programs and projects. In the South Pacific, ICOD has now supported over 100 ocean development projects since 1985. Under the Canada South Pacific Ocean Development Project being funded by CIDA

and ICOD, a total of 22 sub-projects had been approved by September 1990 in partnership with six regional organizations.

Publishing was a prominent ICOD activity this past year. In June, a two volume, French-language manual on fish stock assessment was published: this work was an outgrowth of a 1988 workshop on this topic that was organized and delivered in Dakar, Senegal, through ICOD support and in collaboration with other organizations.

A 1006-page "Guide to the Management and Operation of Research Vessels" will be sent to press in January. This reference work will soon be made available along with associated training materials. In addition, ICOD will organize and lead workshops during the coming year in developing countries to make the Guide more widely accessible. I should add that other regional workshops on topics such as maritime boundary delimitation are also being planned.

One of ICOD's corporate objectives is to promote awareness and understanding of the major issues and concerns underlying ocean development. As a step in this direction, the Centre will organize and host a Forum on Ocean Development to be held in November 1991. The objective of the Forum is to focus on sustainable development of ocean resources in a manner that moves beyond rhetoric toward a plan of action that can be achieved over a limited time frame. The event will have three distinct components: one day of public presentations on key aspects of the topic by leading thinkers in the field; a workshop on the second day attended by a small and select group which will articulate practical suggestions for achieving sustainable ocean development; and a subsequent publication that we hope can become a Canadian contribution to the United Nations Conference on Environment and Development to be held in Brazil in 1992.

In this letter, I have of course only touched on a few of our current activities. Should you want a fuller picture, please feel free to ask for copies of our publications or to contact us.

Wishing you and your colleagues the very best for the New Year from
ICOD, I am,

Cordially yours ,



Gary C. Vernon
President

*International Centre for Ocean Development
5670 Spring Garden Road, 9th Floor
Halifax, Nova Scotia
Canada B3J 1H6*

**DALHOUSIE UNIVERSITY ARCHIVES AND SPECIAL COLLECTIONS DIGITAL
SEPARATION SHEET**

Separation Date: March 20, 2015

Fonds Title: Elisabeth Mann Borgese

Fonds #: MS-2-744

Box-Folder Number: Box 355, Folder 10

Series: Administrative records of the International Centre for Ocean Development

Sub-Series: Correspondence

File: Correspondence with Gary Vernon

Item: N/A

Description of item:

Discussion of candidates for the position of President, International Centre for Ocean Development.

Reason for separation:

Pages have been removed from digital copy due to privacy concerns.

RECEIVED APR 24 1991



Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

COPY

Our File/Notre Référence
220.7

Your File/Votre Référence

March 28, 1991

Dr. Aldo E. Chircop
Executive Director
International Ocean Institute
P.O. Box 524
Valetta, Malta

Dear Dr. Chircop:

Attached please find a copy of the audit report on the International Ocean Institute completed by Audit Services Group. I would request that you review the report and provide ICOD with your comments at the earliest possible opportunity.

A number of the findings and recommendations are of a serious nature and ameliorative activities will need to be undertaken if sponsorship by ICOD beyond current arrangements is to be pursued.

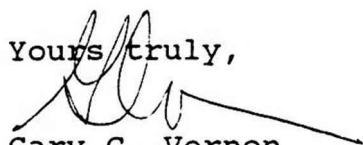
The letter of January 26, 1991 from ICOD's Chairman provides a plan of action for IOI to address a number of concerns raised in the attached report. I would be grateful if you would keep ICOD informed of progress on these issues as action is undertaken.

Once you are satisfied that corrective action has proceeded sufficiently to warrant a re-audit, please apprise ICOD so that follow-up arrangements can be made.

ICOD's Legal Counsel has provided an opinion relating to the matter of IOI's legal status. I have attached a copy of that document as well for your review and action.

It is hoped that these matters can be cleared quickly and expeditiously so that joint activities by IOI and ICOD can be continued without undue delay.

Yours truly,


Gary C. Vernon
President

GCV:pal

9th Floor, 5670 Spring Garden Road
Halifax, Nova Scotia
Canada B3J 1H6

5670, chemin Spring Garden 9^e étage
Halifax (Nouvelle-Écosse)
Canada B3J 1H6



MEMORANDUM

To: **Director of Finance and Administration** File: **220.7**
12504.2

cc: Vice-President

From: **Counsel** *JK*

Date: 4 April 1991

Re: **International Ocean Institute (IOI) - Legal Status and Capacity**

The following is in response to your request for review and comment with respect to the audit report on the legal status and capacity of the International Oceans Institute in support of communications to Dr. Chircop.

Prior to audit, the question of the legal status of IOI was considered. Inquiries by Office of Counsel to the Halifax bureau and central office of IOI lead to reference to Chapter 10 of the constitutional statutes of the Royal University of Malta. From a conventional corporate law perspective, the provisions for the creation of the IOI under Chapter 10 are unusual. However, it was concluded that the IOI was at least a more or less autonomous institution operating within the corporate personality of the University. Having regard to the provisions of Chapter 10, it was taken as acceptable that the IOI execute legal instruments as such, although the right and obligations arising from such instruments would probably be attributed in law to the University.

The matter was further discussed between Counsel and Dr. Chircop during his attendance at ICOD in 1990. The lack of clarity with the independent legal status of the IOI was referred to and Dr. Chircop indicated that a revision of Chapter 10 was in process. Subsequently, a December 1990 revision of Chapter 10 was received. The revision did not purport to incorporate IOI as a legal entity separate and apart from the University.

The circumstances presented in the audit report, and particularly the information that the University Chancellor has not approved the revision to Chapter 10, exacerbate the uncertainty as the legal status of IOI.

The Netherlands corporation, now in the process of formation may resolve the matter by providing an identifiable legal entity to stand as a recipient party in scholarship and other development agreements. The suggestion in the report that this corporation will be "separate from IOI" is confusing in that the difficulty of confirming the juridical personality of IOI would be overcome if that organization was succeeded by the proposed corporation. In any event, the final analysis of this issue will have to await the completion of the incorporation in the Netherlands and our review of the memorandum of incorporation and bylaws of the new entity.

CONCLUSION

The proper and legally responsible administration of ICOD requires that the disbursement of project funds be undertaken through agreements which provide a clear definition of the rights and liabilities of the parties and that such agreements be entered into only with parties which have an existence under domestic or international law so as to provide a reasonable assurance of accountability.

In view of the information contained in the audit report, it is recommended that the execution by ICOD of future agreements with IOI be undertaken only following a review by Counsel of relevant document concerning the corporate status and constitution of the proposed Netherlands corporation or upon specific advice of Counsel.

DAC.dc

attach (X)



Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

CONFIDENTIAL

422 4813

Our File/Notre Référence

Your File/Votre Référence

May 27, 1991

Mrs. Elisabeth Mann-Borgese
Pearson Institute
Dalhousie University
1321 Edward Street
Halifax, Nova Scotia
B3H 3J5

Dear Elisabeth:

As indicated at the Executive Committee meeting, I have undertaken to update the list of candidates for the President's position. Attached is a current copy of potential candidates which I received from the Public Service Commission. This copy has also been forwarded by the PSC to the Privy Council Office so it is the closest approximation we have of an 'official' government list. This does not exclude, however, the consideration of any names we have received from other sources.

I know or have worked with six of the seven people on the list and would be prepared to provide views if the Search Committee so requests. I am sending a copy of this letter and attachment to the Minister's office for their information.

Yours sincerely,

Gary C. Vernon
President

cc Garry A. Comber

enclosure

**DALHOUSIE UNIVERSITY ARCHIVES AND SPECIAL COLLECTIONS DIGITAL
SEPARATION SHEET**

Separation Date: March 20, 2015

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File: Correspondence with Gary Vernon

Item: N/A

Description of item:

Candidate CVs for the position of President, International Centre for Ocean Development.

Reason for separation:

Pages have been removed from digital copy due to privacy concerns.



International
Ocean
Institute

COPY

P.O. Box 524
VALLETTA, MALTA

Telephone: 236596

Telex: 247594

Cables: INTEROCEAN

Fofex: 3946 OCEANS MW

Via UK: 081232 2024 CNG

Electronic Mail: DIMOCON1@75.241.04

Mr. Gary C. Vernon
President
International Centre for Ocean Development
(ICOD)
9th Floor
5670 Spring Garden Road
Halifax, Nova Scotia
Canada B3J 1H6

May 31, 1991

Your ref: 220.7

Dear Mr. Vernon,

Many thanks for the explicit and informative Internal Audit Report on IOI. We welcome your recommendations and have started the process of implementation.

In January of this year the International Ocean Institute had been registered as a Foundation under Dutch law in the Netherlands. Please find enclosed the statutes.

After studying your Audit report and after internal discussions we have decided to change the internal procedures and accounting practice drastically.

We have asked the assistance of our external auditors Manduca Mercieca Deloitte & Touche, member of DRT international, to design and implement a new accounting system and practice, taking into account all the recommendations in your auditing report.

Mr. Paul Mercieca, our external auditor, will send you a letter outlining the new system, the activities for implementation, etc., within a few days.

We expect these actions to be satisfactory for you so that joint activities by IOI and ICOD can be continued without delay.

With many regards,

Yours sincerely,

Drs. Gerard W. Ackers
Interim Executive Director
International Ocean Institute

Enc.

Canada

Our File/Notre Référence
220.7
Your File/Votre Référence

June 4, 1991

Drs. Gerald W. Ackers
Interim Executive Director
International Ocean Institute
Valletta, Malta

Dear Drs. Ackers:

Thank you for your letter received by fax on May 31, 1991. The progress to date has been noted.

You have indicated in your letter that IOI's external auditors will design and implement the new accounting system and practice. It is recommended that you discuss the issue of conflict of interest with your auditors. It is the opinion of our financial advisor that, should Manduca Mercieca Deloitte and Touche perform this function for IOI, they will effectively preclude themselves from further involvement in the audit of IOI activities. As a result, ICOD could no longer accept as valid IOI statements audited by that firm.

Once the recommendations of the audit report have been fully implemented, confirmation would be appreciated so that follow-up audit activities can be undertaken.

I wish you continued good fortune as you undertake this challenging activity.

Yours truly,



Gary C. Vernon
President

GAV:pal

5th Floor, 5670 Spring Garden Road
Halifax, Nova Scotia
Canada B3J 1Y6

5670, chemin Spring Garden 5^e étage
Halifax (Nouvelle-Écosse)
Canada B3J 1Y6

Telephone/Téléphone: (902) 426-1912 Telex/Télex: 019-21970 ICOD HFX Fax/Télécopieur: (902) 426-4464

Attached: Fax (2 pages).

Mr. Gary C. Vernon
President
International Centre for Ocean Development

9th Floor, 5670 Spring Garden Road
Halifax, Nova Scotia
CANADA B3J 1M6

June 11, 1991

Dear Mr. Vernon,

Thanks for your letter of June 4, 1991, and many thanks for your encouraging wish for "continued good fortune" !

Herewith I send you a copy of the letter of Deloitte & Touche Services Limited, Malta, regarding the development and implementation of an appropriate internal accounting system for the International Ocean Institute. I trust that you will find this proposal satisfactory and I look forward to receiving your comments on this proposal.

The remark by your financial advisor regarding the possibility of a conflict of interest is based, to my opinion, on a misunderstanding: Deloitte & Touche Services Limited is helping us with the design and implementation of an internal accounting and administrative system taking into account all the recommendations of the Internal Audit Report prepared by the Audit Service Group of your organization. The International Ocean Institute is and remains responsible for its internal accounting, and not D&T Services Limited or our external auditors Manduca Mercieca Deloitte & Touche.

With many regards,

Yours sincerely



Gerard W. Ackers

Interim Executive Director
International Ocean Institute

**IOI GROUP
Limited**



**Accounting & Management
Services**

Suite One
Marina Court,
Ta' Xbiex, Malta

Telephone	Ta' Xbiex	Valetta
	314671	236231
		220170
Facsimile	318196	220386
Telex	314 TRM MW	

Dr. Gerard Ackers
Interim Director
International Ocean Institute
59, Old Mint Street
Valletta

8th June, 1991

Dear Sir,

INTERNATIONAL OCEAN INSTITUTE

I refer to the meeting held at our Valletta offices during which you provided us with a copy of the Internal Audit Report on the activities of the International Ocean Institute (IOI) prepared by the Audit Services Group of the International Centre for Ocean Development (ICOD).

The audit scope was developed to focus on ICOD's relationship with IOI and IOI's ability to function as an effective Partner in assisting to meet ICOD's Scholarship training objectives.

The report revealed a number of deficiencies which in the opinion of the Audit Services Group rendered questionable the IOI's ability to effectively execute its programs and rendered ICOD vulnerable as a sponsor. The report consequently recommended several changes that should substantially be implemented by IOI as a prerequisite to further funding of IOI by ICOD.

The purpose of this letter is to set out how our firm proposes to assist your institute in the implementation of the first two of the report's recommendations, namely:

- (i) That the IOI should have an integrated financial system that will accurately reflect results for the IOI organisation as a whole, not just parts. This will facilitate internal management and provide confidence to external parties.
- (ii) That the IOI should eliminate the financial control weaknesses in its accounting system that can reduce its financial credibility.

In order that the institute may obtain immediate benefit from our work we propose that this should be set out in three clearly defined stages so that the progress being made by the Institute can be monitored as it is occurring:

Directors: Greve K Cachia, Raphael Alonzo

Member
IOI International

Deloitte Hoss Tohmatsu

PHASE 1

Our Firm will design and document an appropriate accounting system for the IOI Valletta headquarters which would, given the human resources available at the centre, increase to an acceptable level the amount of internal control exercised over the institute's transactions. The proposed improvements would be submitted to you for approval and possibly transmitted to ICOD for their comments.

Concurrently with the above we will design a "Branch Return" package for submission to headquarters on an annual basis by the Halifax branch, which would have to be audited by independent auditors. The financial results of this branch would then be consolidated into the results of the Malta operation giving consolidated results for the Institute as a whole.

PHASE 2

Once the accounting and internal control system designed in Phase I has been modified where necessary and approved by all parties, our firm will commence with the monitoring of its implementation at the Valletta headquarters. When we have completed our monitoring of the new procedures we will report to the Institute on our findings.

PHASE 3

An "Accounting Procedures Manual" will be compiled by our firm setting out the minimum requirements for accounting records and internal control procedures to be followed by every division of the Institute's operations including its headquarters and all its branches. Following your approval of the contents of this Manual you would be in a position to submit the documentation to the Halifax branch for immediate implementation.

We trust that you will find the above proposal satisfactory and look forward to receiving your comments in due course.

Yours faithfully,
DELOITTE & TOUCHE SERVICES LIMITED

Steve K. Cachia.

file

International Ocean Institute

8 June 1991

*Mr. Gary Vernon
ICOD
Halifax, N.S.*

Dear Gary:

I am just back from Europe -- and ready to leave again.

I know that Dr. Ackers and the IOI accountants have sent you a lot of information. This, however, is all we have to show right now. I think everything has been corrected, but to fully implement the new system we have to wait for the beginning of the next IOI fiscal year, i.e., January 2, 1992.

Dr. Ackers thinks it would be quite pointless to send your auditor to Malta at this time.

Now this raises a question:

Can you consider the information you have received as adequate or, at least, as good enough to continue; and then, if you wish, you can send the auditor back next year?

Or do you want to interrupt everything until next year, after the visit of the auditor?

I hope and pray alternative 1 is the right one: Because a disruption of support until next year would really be quite harmful to the IOI -- and have we deserved that? After all, there was no wrong doing of any kind. And prompt efforts have been undertaken to correct all the deficiencies in the system. Actually this was happening in any case, quite independently of the ICOD auditors.

As you know I am particularly anxious to get support for the Caribbean

programme which is otherwise in excellent shape. We could also use a couple of lecturers and discussion leaders from ICOD programmes.

I am enclosing the up-dated five year plan which implements the "business plan." Dr. Ackers and I drew it up while I was in Malta.

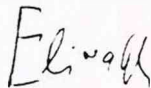
CIDA has informed me that they will renew the 5-year agreement, in spite of their budget cuts. Layachi Yaker and I have an appointment with Jan Pronk who is ready to discuss his \$100,000 annual contribution for the next five years. MOUs are in the making with all the organizations listed for scholarships. They (COMSEC, IOC, UNEP) all have already agreed in principle. The private sector is being handled by Harris and Co.

Things are moving, but the IOI needs your help. Please do not turn us down.

See you soon, wearing my other head.

On behalf of the IOI,

Yours as ever,



*Elisabeth Mann Borgese
Chair*



Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

JUN 11 1991

May 1991

Dear Colleague:

Enclosed please find a first announcement on the ICOD Ocean Forum to be held November 20-21, 1991, at the World Trade and Convention Centre in Halifax, Nova Scotia, Canada. ICOD is sponsoring this Forum to explore how sustainable development concepts influence current and projected approaches to marine and coastal use, especially for developing nations.

At the 1992 UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED), new thrusts for sustainable development action are anticipated. By drawing together ocean specialists and leaders in the field of sustainable development, this ICOD Forum will provide a timely opportunity to examine questions of environment and economy and other elements needed for new patterns of sustainable ocean use.

A synthesis of emerging concepts and recommendations from the Ocean Forum will be made available to the EARTH SUMMIT delegates, developing nations, donor agencies and other interested parties in order to facilitate a wider dialogue of key issues relating to sustainable development of the oceans.

I am pleased to invite you to attend the Day One sessions on 20 November. Please feel free to bring this event to the attention of others who may wish to attend. Unfortunately we do not have funds to sponsor general attendance.

We would be delighted to send you more information on the Ocean Forum upon request. Please do not hesitate to complete the postcard enclosed with the brochure and forward it to the Forum Secretariat Coordinator at the address indicated.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Gary C. Vernon', written over a light-colored background.

Gary C. Vernon
President

9th Floor, 5670 Spring Garden Road
Halifax, Nova Scotia
Canada B3J 1H6

5670, chemin Spring Garden 9^e étage
Halifax (Nouvelle-Écosse)
Canada B3J 1H6



International Centre for Ocean Development
Centre international d'exploitation des océans

JUN 14 1991

Our File/Notre Référence

Your File/Votre Référence

June 13, 1991

Mrs. Elisabeth Mann Borgese
Pearson Institute
Dalhousie University
1321 Edward Street
Halifax, Nova Scotia
B3H 3J5

Dear Elisabeth:

Thank you for your letter of June 12 concerning funding for IOI students. We have heard from Dr. Ackers and have replied directly to his letter (copy attached). I have also attached a copy of Page 20 of the Internal Audit Report which summarizes "changes that should substantially be implemented by IOI as a prerequisite to further funding of IOI by ICOD". The first five findings are the critical ones; all were agreed to by ICOD in our response to the Audit Services Group.

The IOI Audit Report was discussed in detail at last week's meeting of the Audit and Evaluation Committee. The Committee endorsed ICOD's response to the IOI Audit Report and accordingly we are proceeding along those lines.

I agree with Dr. Ackers' view to you that it would not be a good idea to have a follow-up audit of IOI at this time. A final audit should only be instituted once the original recommendations have been implemented. As soon as a follow-up audit report indicates that all is in order, we will make recommendations to the Board on future activities with IOI.

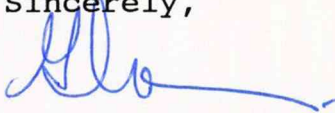
With regard to your current request that ICOD consider interim funding for scholarships to the Caribbean course, I cannot see how we could possibly do that and remain in compliance with the very clear recommendations of the Auditors concerning our past practices. I'm sure you will agree that we should not put ourselves in a position to attract further criticism on this subject.

.../2

I realize my response will be a disappointment but the responsibilities on both sides are clear and I think we will have to see them through before we can consider new activities.

Best regards for your coming trip and for the Jamaica course.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Vernon', with a long horizontal flourish extending to the right.

Gary C. Vernon
President

Dear Elisabeth,

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Sincerely,

G.C.Vernon
President.



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International Centre for Ocean Development
Centre international d'exploitation des océans

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Your File/Votre Référence

June 4, 1991

Drs. Gerald W. Ackers
Interim Executive Director
International Ocean Institute
Valletta, Malta

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Once the recommendations of the audit report have been fully implemented, confirmation would be appreciated so that follow-up audit activities can be undertaken.

I wish you continued good fortune as you undertake this challenging activity.

Yours truly,

A handwritten signature in black ink, appearing to read 'Gary C. Vernon', with a long horizontal stroke extending to the right.

Gary C. Vernon
President

GAV:pal

9th Floor, 5670 Spring Garden Road
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Canada B3J 1H6

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Halifax (Nouvelle-Écosse)
Canada B3J 1H6

INTERNATIONAL CENTRE FOR OCEAN DEVELOPMENT

**International Ocean Institute
Headquarters, Valletta, Malta**

INTERNAL AUDIT REPORT

ICOD strategy in future dealings with IOI should consider this audit report and recommendations in conjunction with the report prepared by Lemay-Bacle Consultants ("ICOD's Scholarship Program for IOI Training Courses" dated May, 1990).

Although plans for the future, as stated above, are commendable, the situation that exists at the time of this audit renders IOI's ability to effectively execute programs questionable, and ICOD vulnerable as a sponsor. The observations included in Section 5 of this report reflect changes that should substantially be implemented by IOI as a prerequisite to further funding of IOI by ICOD. These observations summarize the need for:

- IOI to have an integrated financial system that will accurately reflect results for the IOI organization as a whole, not just parts;
- IOI to eliminate many of the financial control weaknesses in its accounting system that can reduce its financial credibility;
- ICOD to obtain a definitive statement on the legal status of IOI to ensure that the entity, IOI, can be a legally bound party to a contract;
- ICOD to assure itself that IOI has long-term core funding in place so that it can rely on financial stability when buying into training programs;
- ICOD to be assured that IOI has a sufficient core of human resources to ensure delivery of its programs in an effective manner;
- all future funding of IOI training to be based on contracts with IOI;
- an IOI Headquarters agreement with the Maltese Government; and,
- an IOI agreement with Dalhousie University.

These changes will provide for a more effective partnership arrangement in the delivery of ICOD Scholarship Program. These changes are also necessary to protect ICOD from potential embarrassment from criticism of the Federal Auditor General.

It should be noted to IOI's credit that it is already making progress in resolving some of these issues.

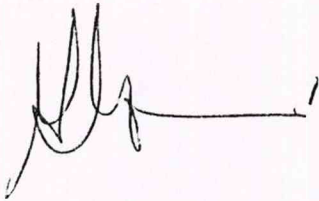


Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

MEMORANDUM

To: Board of Directors Our File: 910404
BD 91/D22

From: Gary Vernon
President 

Date: 19 June 1991

Re: World Maritime University (WMU) Scholarships (1991-1993)

The purpose of this memorandum is to report on considerations involved with respect to ICOD assuming responsibility for the CIDA-WMU scholarship program as per correspondence from Minister Landry dated May 15, 1991.

ICOD is currently managing on behalf of the Canadian International Development Agency a scholarship program aimed at providing training in the Marine Transportation and Ports Management sector (Projects #870167 and #880262). This is in addition to ICOD's own WMU scholarship program.

The agreement with CIDA was due to be completed in December 1993. Due to budgetary restraints, CIDA is not able to carry its scholarship commitment further and ICOD has been requested by the Minister to carry the project to completion as our contribution to funding cut-backs within the development assistance program.

1. 9 scholarships have reached their final year. Students will be graduating in December 1991. Payments with respect to these scholarships are evaluated at US\$ 67,000.
2. 5 scholarship recipients are in their first year. Payments necessary to finish this first year are estimated at US\$ 40,000. The second year of these scholarships will carry a commitment of an additional US\$ 80,000 for a total of US\$ 120,000. These students will be graduating in December 1992.

3. 3 new scholarships due to commence in March 1992 and to be completed December 1993. The cost attached to these scholarships is US\$ 102,000.

Total cost attached to bringing to completion CIDA-WMU project is US\$ 289,000 or CAN\$ 332,200.

Funds already provided by CIDA are covering expenditures until August 31, 1991. Scholarship recipients are residents of CIDA target countries.

It is proposed that the three new scholarships to be offered for March 1992 should be aimed at ICOD's target countries.

Recommendation:

It is recommended that approval be given to Project #910404 - World Maritime University (WMU) Scholarships (1991-1993) - up to a maximum of Cdn\$ 333,000.



International
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20 June 1991

Mr. Gary C. Vernon, President
International Centre for Ocean Development
5670 Spring Garden Road
(9th Floor)

Halifax, N.S. B3J 1H6

Dear Mr. Vernon:

I have been informed of your decision to hold any further funding for IOI until all the points noted by your Auditors have been fully implemented and a re-auditing has taken place.

As you know, IOI fully agrees with the points raised by the Auditors and had in fact already started a process of re-organization to correct, among other things, the deficiencies noted by the Auditors. Our Interim Executive Director has fully informed you of the progress made to date.

Some matters could be taken care of fully and immediately. Thus, the legal status of the Institute is now clearly defined. It is also quite clear that IOI has the necessary core funding assured for the next several years, as indicated in the new five-year plan of which a copy is attached. The accounting system has been totally changed and unified.

All other reforms have been clearly initiated, but it will take until the end of the current year to get to the point where a meaningful re-auditing can take place. Nevertheless, the information we were able to provide clearly indicates that the situation has been corrected and that new funding will be accounted in the new system (I would like to mention, however, that past programmes have indeed been executed effectively and even though the accounting system has been primitive and deficient, no wrong doing ever has occurred and, to the best of our knowledge, no ICOD-sponsored participant, or any participant for that matter, has ever complained about any deficiency in the programme nor has there ever been any legal problem of any kind.)

This being the case, I would like to appeal to you for your comprehension and help.

An interruption in the funding would make the difficult process of re-organization, consolidation, and expansion still more difficult than it is.

In particular I have three projects in mind in which ICOD and IOI have a

distinct common interest and which would be severely set back by an interruption of cooperation.

1. the Caribbean training programme for which I am attaching the syllabus and the list of participants;
2. The Indian Ocean programme which is scheduled to start in October, in cooperation with IOMAC and UNDP;
3. The preparation of a training programme in French language, to be executed in Morocco next year; if the process of adaptation and translation cannot be initiated until next year, that programme would have to be cancelled. IOI would like to cooperate with Rimousqui and IFREMER in the preparation and execution of this programme. A precise plan of operation and a budget could be submitted by the Interim Executive Director in a couple of weeks.

The IOI, as you know, started as a very weak, informal NGO operation. With minimal means, including a minimal staff, but with a lot of volunteer effort and, I should say, the unlimited devotion of its staff, the IOI has developed a worldwide programme, assisted developing countries in practical and concrete ways, and exercised an influence on the development of new concepts in marine affairs far greater than the size of the institution would warrant.

We need help for the consolidation and institutionalization of this effort. Other funders -- UNDP as well as CIDA -- have made special grants to assist us in this difficult organizational phase, and we are immensely grateful for that. But to interrupt scholarship support at this time would be extremely harmful to the whole process.

I very much hope it will be possible for you to review your decision so as not to harm our common effort.

With all good wishes,

Yours sincerely,



Layachi Yaker
President

RECEIVED JUL 04 1991



International Centre for Ocean Development
Centre international d'exploitation des océans

Canada

Our File/Notre Référence
102

Your File/Votre Référence

July 3, 1991

Mrs. Elisabeth Mann Borgese
Pearson Institute
Dalhousie University
1321 Edward Street
Halifax, Nova Scotia
B3H 3J5

Dear Elisabeth:

Many thanks for the going-away gift. Marie and I will always value the picture as a memento of our stay in the Maritimes. I also enjoyed the party and festivities very much; it is clear that ICOD is becoming much more of a family, a fact for which you deserve a good deal of the credit!

No doubt we will be seeing one another on occasions before I leave; however I want to take this opportunity to say how much I think both ICOD and myself have benefitted from your Chairmanship. While we have had different approaches on some subjects, everyone here recognizes your knowledge of development issues and the contribution you have brought to the field of ocean affairs. I think this has been a benefit to the Board and the organization - particularly when we consider the difficult period before you came along.

Doubtless we'll have some opportunities to talk about the future in the coming months. In the meantime, many thanks again for the gift.

Sincerely,

A handwritten signature in dark ink, appearing to read 'G. Vernon', with a long horizontal flourish extending to the right.

Gary C. Vernon
President

9th Floor, 5670 Spring Garden Road
Halifax, Nova Scotia
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Halifax (Nouvelle-Écosse)
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Canada

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International Centre for Ocean Development
Centre international d'exploitation des océans

Our File/Notre Référence

10,113

Your File/Votre Référence

July 4, 1991

Mr. Layachi Yaker
President
International Ocean Institute
PO Box 524
Valleta, Malta

Dear Ambassador Yaker:

Thank you for your letter of June 20 concerning the recent Audit Report of ICOD activities with IOI. I realize that the situation is pressing in view of the imminence of IOI activities in the Caribbean and I apologize for the delay in my response (due to the ICOD Board meetings in Newfoundland last week).

In the light of your letter, we have reviewed the situation carefully from several points of view. While there is clearly no suggestion of wrongdoing on the part of IOI, either in the past or the present, the Audit report deals with changes that should be implemented by IOI as a prerequisite for further funding by ICOD. Although corrective action is clearly underway, I'm sure you will agree that the terms of the Audit Report will not be satisfied until confirmed by a follow-up audit.

As a Canadian Crown Corporation, our response to an auditor's recommendations is subject to close scrutiny by our Board of Directors and by the Auditor General of Canada. In this instance, our Board has unanimously approved a recommendation from its Audit and Evaluation Committee that the Audit Report be accepted. The situation is further complicated by the fact that our Chairman has an interest in both organizations. While our scope for a flexible interpretation of the Report is limited in any event, it is compounded, in my view, by the need to protect the Chairman from any suggestion of conflict of interest.

I trust that you will understand that our position in this matter implies no criticism of IOI or its activities; indeed, once the

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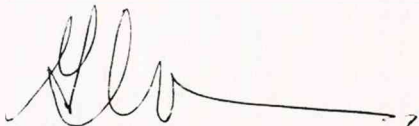
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observations of the auditors have been met and verified ICOD will review the issues of future cooperation raised in your letter and make recommendations to the Board.

In the meanwhile, I wish you every success in your endeavours.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Vernon', with a long horizontal flourish extending to the right.

Gary C. Vernon
President

cc Elisabeth Mann-Borgese
Garry A. Comber



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Mr. Gary C. Vernon
President
International Centre for Ocean Development
(ICOD)
9th Floor
5870 Spring Garden Road
Halifax, Nova Scotia
Canada B3Y 1H6

COPY

July 17, 1991

Dear Mr. Vernon,

On behalf of Drs. Gerard W. Ackers, Interim Director, International Ocean Institute, please find enclosed a copy of the report of our consultant, Deloitte & Touche Services Limited and the re-designing of our accounting system and procedures.

We would much appreciate receiving your comments on this approach.

Yours sincerely,
for INTERNATIONAL OCEAN INSTITUTE

f/Drs Gerard W. Ackers
Interim Director

Enc.

cc. Prof. Elisabeth Mann Borgese
Ambassador Layachi Yaker



Canada

International Centre for Ocean Development
Centre international d'exploitation des océans

MEMORANDUM

To: Mrs. Elisabeth Mann Borgese
Dr. John H. Vandermeulen
Mr. Roy Cheeseman
Dr. Pierre Béland

Our File: 105

From: Gary C. Vernon
President

Date: 22 July 1991

Attached is Project Summary #900396 Coastal Mariculture - Jamaica for your consideration at the Executive Committee Meeting being held on Thursday, July 25, 1991.

A handwritten signature in blue ink, appearing to be 'G. Vernon', with a long horizontal line extending to the right.

encls.