



Solutions for environment and development
Soluciones para el ambiente y desarrollo

Biennial Report 2010–2011

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2010–2011

Tropical Agricultural Research and Higher Education Center (CATIE)
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1. Introduction

Charting a clear course in stormy waters

In the past few years, we have witnessed a world shaken by a financial, economic and social crisis of major proportions. The impact of this situation was felt in different ways in each cardinal point of the planet, but with a common denominator: the need to relieve the impact of the economic situation on the most vulnerable sectors of society, and to find ways of reactivating the economy and moving forward.

The year 2010 was not very promising in this regard. The indicators that many hoped would herald the end of the storm appeared only intermittently. The specter of the food crisis began to emerge, while at the same time the planet was hit by natural disasters such as floods or droughts, with their impact on human lives, harvests and livelihoods. Story in 2011 first semester is not that different.

However, it may also be recalled that, far from retreating from its commitment to change, CATIE continued to emphasize the need to adapt to the new challenges arising from this context by streamlining its structure, clearly defining its direction and quantifying the process that would lead it there.

During 2010 and 2011, in a coherent manner, CATIE remained steady at the helm. Our commitment - and our distinguishing feature - is to be leaders in systemic approaches, not simply as a slogan, but as a way of doing things in all areas and at all levels. In this way, we will make our agenda relevant and create a niche that enhances our comparative advantages.

In 2010, CATIE disseminated this approach at high-level forums such as the World Congress of the International Union of Forest Research Organizations in South Korea, the Conference on Global Food Security at McGill University and also in various forums on CATIE held in Madrid, Ottawa and Washington.

These opportunities allowed us to reaffirm, in these two years, the validity of the systemic approach, one that integrates different sectors, scales and disciplines with the aim of creating sustainable livelihoods, territories and ecosystems. I would like to mention two visible aspects

of this effort. One of these is the Mesoamerican Agro-environmental Program (MAP), which has allowed CATIE to make great strides in the region based on its work in various projects and initiatives. Another is our active participation in the global network of universities that is implementing the Master's in Development Practice, an initiative that will consolidate our niche within a select group of institutions that are setting the course for training leaders in sustainable development.

Another essential pillar of our work has been the effort to strengthen the institution's finances. In this regard, the Commercial Division received a strong injection of capital in 2010, totaling US\$290,000 to renovate and update its productive activities in the context of the business plan that guides these actions. The ultimate goal is to consolidate the division's contribution to CATIE's core budget, which reached US\$502,000 in 2010 and is expected to rise to US\$750,000 in 2012.

We also created the Opportunities Management Unit (UGO, for its Spanish acronym), with the aim of making our knowledge available to countries and at the same time covering the institution's costs and generating surpluses. We completed a financial analysis and, based on its results, prepared an institutional financial strategy with a view to building a financially sound CATIE. The goal we have in mind is to overcome our major dependence on international cooperation in defining the scope of our efforts, and thereby take CATIE's message and work to countries that are not necessarily the focus of this cooperation. In other words, we wish to expand our impact.

In addition to generating more resources we have worked steadfastly to maximize the use of existing ones. With enormous satisfaction, we see that these efforts have yielded remarkable results.

The institution's liquidity has increased, reaching US\$1,504,000 and guaranteeing the center's operations for three months. Just a few years ago, this indicator was negative and we have now managed to reverse it, a particularly praiseworthy effort at a time when the devaluation of the dollar in our host country affected our operating costs. CATIE ended 2010 with an accounting

surplus of US\$160,000 and we hope to maintain or improve our financial indicators

The Graduate School has worked hard to revise its business model and one of its first actions was to increase its fees. We know that solid finances will strengthen the school's invaluable contribution to the daily work of our institution.

Finally, I wish to emphasize the enormous effort we have made as an institution to restore CATIE's holistic vision. We are a center that must work together, with a vision and a strategy that will guide us toward the achievement of common objectives. We all count, we are all necessary and therefore we must remain committed in our daily efforts to make CATIE more relevant and necessary to the world.

The internal processes carried out in different spheres of action to attain this objective were challenging but very promising. With absolute certainty we can say that CATIE is one single institution.

Even in 2011, we see a world that is still struggling to overcome the crisis and a strengthened institution. We can navigate safely in stormy waters when our direction is clear, when our finances are solid, when our message is relevant and when our team is united. We wish to thank our staff, our governing bodies, members, donors and partners, since together we are moving forward toward a common goal.

Dr. José Joaquín Campos Arce
Director General

2. Executive Summary

During 2010, the critical global economic and financial situation posed a major challenge to CATIE's commitment to promote change and make a real impact in the region and the world. This difficult context required CATIE to make innumerable efforts to enhance the strengths that distinguish it and give legitimacy to its work, in order to achieve lasting impacts in Mesoamerica and, at the same time, move forward on a more solid footing in South America and the Caribbean.

In this way, through our joint efforts, we were able to make a **direct impact on the lives of nearly 30,000 families** during 2010, coordinating projects in the most diverse thematic areas and with MAP at the forefront, spearheading an institutional process of innovation and teamwork.

Our work has yielded positive results in areas such as forest management; protected areas; agroforestry and silvopastoral systems; integrated water resource management; sustainable production systems for coffee, vegetables and cacao; sustainable land management; mitigation and adaptation to climate change; development of value chains; ecosystem goods and services; and policies and governance.

Under this system, CATIE reinforced its participation in **advocacy processes**, becoming involved in around 100 initiatives at local, national and regional level, together with its strategic partners.

Teamwork was the pillar that supported this effort, in which the **National Advisory Committees (CAN)** played a vital role, as did the institution's presence at high-level international political forums that define the region's future environmental and productive policies. Thanks to this vision, we doubled our target for participation in regional, national and local advocacy initiatives.

The academic sphere, had a period of major changes and outstanding achievements as well. On the one hand, the National Accreditation Council approved **CATIE's adhesion to the National Accreditation System for Higher Education (SINAES)**. This agreement constitutes a milestone in the history of our Graduate School, since it marks a radical shift in the traditional thinking of a large segment of the public

higher education sector regarding the issue of accreditation. We also took an important step forward to begin the accreditation process for our five Master's Degree science programs through the implementation of the academic quality management system.

At the same time, the creation in 2010 of the **Development Practice Specialization and then in 2011 the Master's Program in Development Practice** allowed CATIE to join a global academic elite of 23 universities that have adopted this new academic approach. As a result of this effort, the global dentwork of the Master's Program in Development Practice celebrated their third annual meeting at CATIE in early 2011

This promising outlook is completed with the new Master of Science in International Sustainable Tourism (MIST), a program created jointly with the University of North Texas, and the launch of the IGERT Project financed by the National Science Foundation of the United States as part of the joint doctorate with the University of Idaho, which will allow CATIE to make significant progress in research on the resilience of social and ecological systems.

In 2010, we also managed to quantify the impact of CATIE's education model by conducting a survey among our graduates. The survey showed that an overwhelming majority of our students recognize the key importance of the knowledge acquired in our institution and apply it in their daily work.

On the other hand, we continued our efforts to consolidate the systemic approaches that characterize us, within a very promising and significant niche. MAP made it possible for CATIE to organize most of its actions within a context of **integration of disciplines, programs, institutions and approaches**, a highly favorable environment for promoting creativity and innovation and achieving lasting impacts.

Within the institution, we worked hard to ensure a stimulating **working environment** through training and competitive salaries. This effort to create a comprehensive vision and an integrated work structure extended into

different areas of work, such as communications and other internal processes of major importance in operational terms.

After a timely and exhaustive financial analysis, CATIE laid the foundations for a successful start to the implementation of its **financial strategy**. We achieved a significant increase in our 2010 total income, implemented an austerity policy in our spending, made progress in the activity-based costing system and, finally, for the first time in many years, our investment exceeded depreciation. Actions and implementation of financial strategy continue to consider these achievements in 2011.

The Education Division identified new funding sources for students and increased the enrolment fees to give greater financial sustainability to our academic services.

At the same time, by consolidating its commercial activities, the center increased its contribution to the core budget by more than half a million dollars in 2010, which goal is to exceed this amount at the end of 2011, and the creation of

the Opportunities Management Unit (UGO), as a new way of offering knowledge and generating resources, also set us on a clear path toward healthy finances.

To this date, we keep working closely with our members and donors to identify potential opportunities for joint initiatives, to secure funding for projects and to ensure accountability for the impact of our work.

Thus we can say that thanks to the guidelines established in our strategic plan, the commitment of our human resources, the support of our governing bodies, members, donors and strategic partners, and equipped with sound finances and an innovative and relevant work agenda, we have made the necessary progress to move ever closer to the goals we set ourselves for 2012. With our values as our guiding beacon, we are gradually accomplishing our mission and purpose: **to increase human well-being and reduce rural poverty through education, research and technical cooperation, promoting sustainable agriculture and natural resource management.**

3. Our mission, vision and strategy

Our Values

1. Innovation
2. Excellence
3. Service
4. Teamwork
5. Appreciation of diversity
6. Accountability
7. Entrepreneurial spirit

Our mission

Increase human well-being and reduce rural poverty through education, research and technical cooperation, promoting sustainable agriculture and natural resource management.

Our vision

Territories and rural communities in Latin America and the Caribbean achieve greater

human development by providing ecosystem goods and services in a competitive and sustainable manner.

Strategy Statement

Be a leader in the development of systemic and collaborative approaches that facilitate innovative and sustainable solutions to the complex challenges facing agriculture and natural resource management in Latin America and the Caribbean.

4. CATIE in numbers

A key regional partner

We are an international organization with **over 100 projects** under implementation and with offices and personnel based in different countries of the region.

In 2010, offices were formally opened in Brazil and Belize and in second semester of 2011 we are planning to open an office in Mexico. In addition, we are implementing initiatives in Venezuela, Colombia, Argentina, Chile, Peru and Haiti.



We have National Technical Offices (NTOs) in Guatemala, El Salvador, Honduras, Nicaragua, Panama, Costa Rica, Bolivia and the Dominican Republic as well as institutional links with Paraguay.

The Graduate School in numbers

The class of 2009-2010 comprised 65 students, and of these 49 graduated from the scientific Master's programs (the rest completed their graduation requirements during the first semester of 2011). In addition, two students from the class of 2008-2009 graduated from the Master's science program, together with eight students from the *Master of International Agribusiness Management* program (joint Master's program with INCAE) and a student of the joint Doctorate Program with Bangor.

2011 has been the year with greater intake of students in the history of CATIE with 72 students (from both Masters and PhD). For a total active students in 2011 of 140 (Table 1).

Table 1. Number of masters and doctoral students active in 2011

Programs	2010	2011
Scientific Masters	56	54
Master in Development Practices	-	12
Master's in International Sustainable Tourism	-	5
Joint Master's Program INCAE/CATIE in International Agribusiness Management	4	-
Phd Program	8	1
Total	68	72
Total assets to 2011	140	

Training at Headquarters and in the countries

In 2010 and 2011 first months, 89 training activities were organized at CATIE Headquarters in which 828 people participated (38% women and 59% men), from more than 40 countries, mainly in Latin America.

The NTO, in coordination with various programs and projects, organized and implemented courses, lectures and technical assistance actions in different countries as a mechanism to disseminate research outputs and advances. In 2010, a total of 121 training activities and 25 courses were organized on different subjects.

Research/Publications

During 2010, CATIE contributed to a total of 333 publications of different types, as shown in Table 2 below:

Table 2. CATIE Publications in 2010

Type	Quantity
Conference presentations	109
Thesis	79
Reports and other publications	46
Articles in scientific journals	36
Technical series	29
Books and chapters of books	17
Papers in conference proceedings	14
Articles in technical magazines	3
Total	333

Strategic partners and allies

CATIE has **over 400 strategic partners and allies** belonging to different sectors, including central governments, local governments, non-governmental organizations, international organizations, networks, civil society organizations, the productive sector, research centers, academic institutions, diplomatic representations and the media, among others. Currently we are actively working with more than 200 partners.

Advocacy processes

CATIE participated in around 100 different initiatives that enabled it to play an active role in permanent or semi-permanent processes to support governmental institutions and other organizations in the areas of consensus-building and governance (discussion groups, sectoral meetings, boards, commissions, committees, permanent forums and others).

Positioning

To this date, CATIE strengthened its positioning and visibility through the following actions:

- 118 articles published on the Web.
- 61 press releases prepared and sent to a journalists' database.
- At least 300 news items about CATIE published in the national and international media.
- 16 visits by national and international media organizations to CATIE Headquarters.

- Training on institutional image for personnel at the NTO in Honduras in 2010 and training for key spokespersons at headquarters in 2011.
- More than 7,000 subscribers receive our quarterly electronic newsletter.
- Stands in five national and international events (fairs and congresses) including the Sixteenth Conference of the Parties (COP 16) of the United Nations Framework Convention on Climate change, in Cancún, Mexico in 2010 and the Environmental Fair of World Environment Day in 2011.

Financial Indicators

CATIE's efforts to control spending and monitor the overdrafts of projects financed with funds from the core budget ensured that despite the strong revaluation of the colón in relation to the dollar, the institution's financial performance in 2010 has been positive. This is confirmed by the financial indicators shown in Table 3.

2010 surplus for the period. The surplus for the period refers to the difference between accountable income and expenses of the core budget for the period. It does not take into account the non-payment of quotas by some member countries, which are entered as accounts receivable (see liquidity). In this case, the surplus is US\$160,000 from the core budget.

Liquidity. Includes cash and short term investments of the core budget. Despite the fact that some member countries have not paid their quotas, liquidity increased by US\$35,000, reaching US\$1,504,000 at the end of 2010.

Income and expenses executed versus budgeted. This compares the original budget with the funds actually executed. If the number is positive it indicates that the amount executed was greater by the percentage indicated. During 2010, the income was very similar to the amount budgeted, but spending was 5% higher than budgeted, mainly due to the revaluation of the Costa Rican colón in relation to the US dollar.

Overdrafts. Shows the percentage of growth (if positive) of funding for projects from the core budget, resulting from pending disbursements to be received. In this case, the funding for projects was reduced by 23%, thereby increasing our liquidity.

Table 3. Financial Indicators

US\$160.000	• Surplus from the period
-0,3%	• Income budgeted/income executed
5%	• Expenses budgeted/expenses executed
-22,7%	• Overdrafts, agreements and escrow funds Dec09/Dec10
US\$1.504.000 97 days	• Liquidity 2010 period
US\$1.469.000 102 days	• Liquidity 2009 period

5. Our impact on the region

CATIE's key functions are interconnected in such a way that outreach and technical cooperation activities are supported by research and education; this integration provides the basic framework that enables us to fulfill our mission.

This approach allows us to make an impact on the lives of thousands of families in rural areas, exerting influence at different levels and training the leaders who will lead us along the road to development, both now and in the future.

Well-being for rural families

Rural families and communities are CATIE's *raison d'être* and therefore we must focus our efforts on making a lasting impact on the lives of these families, either directly through our own initiatives, or indirectly through the actions of partners who utilize the resources, products and services that CATIE channels toward these areas.

The initiatives executed under the Mesoamerican Agroenvironmental Program directly or indirectly benefited approximately 30,000 families through coordinated actions by 20 MAP units, including projects, the National Technical Offices and cross-cutting projects focusing on forests, forest management and agroforestry; integrated water resource management; coffee, vegetables and cacao production; and sustainable management of agricultural land.

The MAP: a strategic program that makes a difference.

2010 was a harvest year for the Mesoamerican Agroenvironmental Program (MAP), CATIE's first strategic and integrated program, whose ultimate goal is to improve human well-being and promote environmental conservation in the rural territories of Mesoamerica.

Taking into account only the regional projects and other MAP initiatives (such as the allocation of competitive funds

for partners), we can affirm that more than 30,000 families benefited from our products and services.

Livestock producers concerned about the environment.

Through its Livestock and Environmental Management Program (GAMMA), CATIE works with livestock producers in different countries of the region, such as the Corporación Ganadera de Costa Rica (CORFOGA) and the Colombian Livestock Federation (FEDEGAN). CATIE has also worked closely with the private sector, for example with Nestle of Central America and with the Rainforest Alliance. These coordinated actions have encouraged more than 3,000 farmers in the Mesoamerican region to implement different technologies for silvopastoral systems, which CATIE has been improving with its partners and which are being promoted for the development of sustainable livestock production in the region.

It is estimated that through the different activities implemented in the region by our GAMMA program, always in cooperation with our strategic partners in the countries, CATIE has promoted improvements in the application of environment-friendly silvopastoral technologies in an area of nearly 370,000 ha.

In Nicaragua, CATIE has worked with the Nitlapán research center to implement the CAMBIO (CHANGE) Project on livestock and biodiversity, funded by the Central American Bank for Economic Integration (CABEI). During 2010, around 600 farmers benefited through the project's "green credit package" that promotes the use of technologies for silvopastoral systems.

It is estimated that the various activities implemented in the region by our GAMMA program, always in cooperation with our strategic partners in the countries, have promoted improvements in the application of environment-friendly silvopastoral technologies in an area of nearly 370,000 ha in that same year.

Cacao production. A total of 5,648 families, 36% of which included women’s participation, were involved in CATIE’s work on cacao in 2010, through a program of field schools. First 2011 semester, representatives from more than 120 cocoa producing families of northern Costa Rica graduated from this program. These schools were sponsored by our national and regional partners, and received the support of local partners, including donors and farmers’ associations.

Governance for forest resources. The model forest approach has been widely disseminated by CATIE as one of its area-based (territorial) approaches. Through networking efforts, key territories were secured for the sustainable management of forest resources in 25 model forests in 12 countries. These model forests cover an area of approximately 30 million hectares and are home to more than seven million people. This platform was used to disseminate knowledge and practices on a wide range of important topics such as biodiversity and community development, analogue forestry, restoration and management of degraded landscapes, protected areas and land use management.

Impacts over time. Counting the total number of families involved in activities directly supported by CATIE, or indirectly through its partners, is a difficult and costly task. However it is important to emphasize that the impact of these actions remains and is multiplied for an indefinite period. The partners involved in the “Restoration of Degraded Pastures” project, which concluded in 2009, are a clear example of this (Table 4).

In 2010, various mechanisms were used to implement an “institutional anchorage” strategy that has enabled us to scale-up the project results to more than 5,000 families, using the field schools methodology. The aim is to continue replicating the lessons learned through the project to promote silvopastoral systems in Guatemala, Honduras and Nicaragua.

A joint effort. Constant work is not sufficient to achieve our goals and improve the quality of life of rural families. In the struggle against poverty and the degradation of our natural resources, partnerships are essential. For this reason, identifying the best partners at local level, in the territories, and involving them in a common project is an essential task.

Table 4. Impact of the Restoration of Degraded Pastures project on the scaling out of results through field schools (FS) for producers.

Country	Name of the institution	Staff members trained	FS	Families benefited
Guatemala	School of Veterinary Medicine and Animal Sciences (FMVZ-USAC)	485	19	533
Guatemala	Catholic Relief Services and Caritas de Guatemala	30	20	300
Guatemala	MANMUNISURP	9	27	392
Guatemala	MANCOVALLE	37	5	120
Guatemala	MAGA	12	14	305
Guatemala	FUNDEBASE	22	12	217
Guatemala	GLOBAL HUMANITARIA	14	18	432
Guatemala	PROPETEN	4	7	297
Guatemala	ASORECH	4	3	60
Honduras	OCDIH	10	15	305
Honduras	CONIMCHH	2	2	45
Nicaragua	MANCORSARIC	1	2	43
Nicaragua	ADDAC	2	1	30
Nicaragua	Municipality of Muy Muy	2	2	50
Nicaragua	ADDAC	8	10	240
Nicaragua	Nitlapán	15	108	1.740
Total		657	265	5.109

Just as the cacao sector was successful in working with grassroots organizations to promote horizontal scaling up of its efforts, in the forestry sector, through “Forests and Forest Management in Central America” project (MAP-Finnfor), between 2009 and may 2011, a total of 29 agreements and understanding letters were negotiated between different partners inside and outside the region and 19 of these were formalized, most of them thanks to NTO support and consideration.

Partnerships enhance cooperation efforts. Through agreements, contracts and other mechanisms to formalize partnerships, CATIE managed to enhance its technical cooperation actions such as courses, consultancies and technical assistance. The center’s programs and projects also financed small projects by our partners and allies.

In 2010, 108 joint actions were implemented, 46 of which are executing funds. This has enabled CATIE to directly or indirectly support nearly 2,500 new families and impact their quality of life with its outputs and inputs.

An important action in this regard was the launch of the project “Support Mechanism for Indigenous Peoples, Oxlajuj Tzikin” (Phase II) in Guatemala, funded by Swedish cooperation, in the context of which more than 20 new partnerships were signed.

Similarly, it is essential to forge partnerships in other countries where CATIE aims to strengthen its presence, such as Mexico, Belize, the Dominican Republic and Brazil.

These results are derived from the watershed co-management model designed by CATIE, a process that involved municipalities, government institutions, local organizations and communities.

MAP competitive funds for our partners. In addition to the traditional cooperation mechanisms implemented with CATIE’s partners, competitive funds are being allocated to MAP partners, under the leadership of the National Technical Offices and in coordination with CATIE’s programs and projects. This new tool has proven valuable in achieving our development goals. In total, 22 new small-scale projects were approved, aligned with the thematic areas and approaches of the MAP, which directly or indirectly benefit more than 1,500 families.

Competitive processes of MAP funds for 2011 partners are currently in closing process.

These funds have enabled CATIE to expand its impact and scale up its efforts in rural territories by providing financing for small projects implemented by new partners in various thematic and strategic areas such as value chains, ecosystem services and climate change, aimed at promoting sustainable land management.

Advocacy for development

Outreach and technical cooperation is one of CATIE’s front-line functions, and its purpose is to deliver the inputs developed through research to the rural territories - in other words, to our target populations. These approaches are then replicated in our educational efforts and through our work

An abundance of high-quality water: the impact of Focuecas in Honduras and Nicaragua

During the period 2004-2010, CATIE implemented the Focuecas II project with support from Swedish cooperation. This project supported the execution of an Environmental Fund in each of the model watersheds involved, providing “seed capital” so that four watershed committees in Honduras and Nicaragua could implement local projects to benefit communities in the watershed areas.

In 2010, during the project’s closing period, CATIE worked indirectly through its partners and allies, with over 1,000 families.

In its six years of operation, the co-management project has created 70 local decision-making bodies (governance) and protected 2.600 hectares for water recharge purposes. Around 7,500 families have received regular, high-quality water services (51% women and 49% men), 35 communities have applied municipal ordinances, 3.500 families have benefited from investments in water infrastructure and 1,665 low-income families have benefited from the provision of alternative technologies (eco-ovens, biodigestors, solar panels, etc.). In other words, more than 12,000 families benefited indirectly.

with strategic partners and allies, members, and donors. In this way, CATIE makes its services more relevant and is better able to meet the needs of the different stakeholders, thereby impacting the region's development through its technological and methodological contributions.

The allocation of MAP funds to partners has enabled CATIE to expand its impact and scale up its efforts in rural territories by financing small projects implemented by new partners in various thematic and strategic areas such as value chains, ecosystem services and climate change, aimed at promoting sustainable land management. In total, 22 new small projects were approved, directly or indirectly benefiting more than 1,500 families. These projects are currently in evaluation closing process and evaluation of MAP funds for 2011 partners.

This effort requires close cooperation between the different internal Units; the artificial distribution of functions and areas of competence, which is done for management purposes or for convenience, almost completely disappears. In this way, we are expressing the value of teamwork.

The coordination of efforts by the different programs and projects with the Outreach and Development Office has enabled CATIE to double its 2010 target for participation in regional, national and local advocacy processes.

National Advisory Committees. With the implementation of the Mesoamerican Agro-environmental Program (MAP), major strategic actions were launched to influence development in the countries where CATIE has a presence. One of the most important initiatives in this regard has been the creation of the National Advisory Committees (CAN, for their Spanish acronym).

The CANs are advisory bodies made up of representatives belonging to institutions and organizations that are strategic partners and allies of CATIE. Their purpose is, on the one hand, to match the countries' demand for technology to CATIE's services, and on the other, to act as a mechanism for increasing the center's impact on public policies. In 2010, committees were established in Costa Rica and Belize, making a total of seven countries with a functioning Committee.

These forums promote the active participation of government representatives from the ministries of agriculture, livestock and environment, and from public

agricultural research institutions, as well as representatives of non-governmental organizations (NGOs), academic centers and the productive sector.

In countries such as Nicaragua, El Salvador and Guatemala, the Committees are operating on a regular basis and have begun to disseminate our institutional efforts through presentations and synthesis reports for decision-makers on issues such as sustainable livestock and firewood production and sustainable land management.

During 2010, a total of 10 CAN meetings have taken place in the countries for the purpose of sharing ideas and developing joint initiatives. In some cases, there are projects in the initial stages. In 2011 first months, 5 meetings have been developed.

With support from the leaders of programs and projects, and from the Communications and Incidence Office, policy inputs were presented to these Committees, to be submitted to the consideration of decision-makers, on the following topics: a) sustainable livestock (analysis and mapping of stakeholders), b) firewood dynamics in Guatemala (inputs for a synthesis report for decision-makers), c) sustainable land management (inputs for a synthesis report for decision-makers) and d) a synthesis reports for decision-makers on climate change and coffee production, and an event on knowledge management with field schools.

The National Advisory Committees are composed of representatives of CATIE's partner institutions and allies. Their purpose is, on the one hand, to match the countries' demand for technology to CATIE's services and, on the other, to act as a mechanism for increasing the center's impact on public policies. In 2010, Costa Rica and Belize were added to existing CAN, making a total of seven countries with a CAN running.

Although each Committee sets its own agenda and defines its own thematic priorities, according to each country's national situation, the common feature of the CAN is that they provide support to CATIE and enhance its positioning in the countries, thereby expanding opportunities for technical cooperation and advocacy.

Participation in advocacy processes. Joint actions involving the NTOs and CATIE's programs and projects in the countries have facilitated the exchange of ideas and opinions with different stakeholders and forums. Our

participation in around 100 initiatives allowed us to contribute to permanent or semi-permanent processes in support of government institutions and other platforms for consensus-building and governance (discussion panels, sectoral groups, boards, commissions, committees, permanent forums and others).

Contributing to the financing of Protected Wildland Areas

Various studies carried out by the research team of CATIE's "Governance and Socioeconomics of Environmental Goods and Services" Program have contributed methods to improve the financing of Protected Wildland Areas (PWA).

Some of these studies provide clear examples of how government decision-making on the pricing of entrance fees to Protected Areas in Costa Rica are now based on technical recommendations. This is important because entrance fees currently provide one of the main sources of funding for Costa Rica's National System of Conservation Areas (SINAC).

Another study contributed to the design of a methodology for estimating the costs of concessions of non-essential services in Protected Areas. This methodology has been approved by the National Commission for Conservation Areas (CONAC) as the official method for estimating costs in the concession of non-essential services in the protected wildlands.

The NTOs are currently representing CATIE in at least 12 different processes to support national and regional partners and institutions. CATIE's involvement in these processes serves to increase its influence on issues such as environmental livestock production, particularly in relation to the introduction of standards for sustainable livestock production, in partnership with the United States Agency for International Development (USAID) and the Rainforest Alliance. Significant progress has also been achieved in developing technological innovations for crops such as cacao, coffee and vegetables.

The effort to develop the Standard was prompted, among other reasons, by growing consumer demand for differentiated products, and by the need for private sector organizations and institutions to assume a greater social

and environmental responsibility, in response to the current situation.

In Honduras alone, CATIE participated in 27 platforms during 2010, including: value chains managed by the productive sector, particularly in livestock production, vegetables, coffee and cacao; area-based (territorial) platforms, focusing mainly on watershed management, forests and the recovery of degraded lands; and platforms for co-management of pilot watersheds in the Focuecas project and in the National Network of Watersheds of Honduras (RENACH) and related projects.

Environmental livestock production is also being strongly promoted in Guatemala and Nicaragua; an analysis and mapping of stakeholders is being carried out as the basis for the design of a national strategy and its inclusion in policymaking.

Other institutional achievements include the design and application of technical inputs for environmental livestock production policies and cacao production technologies. In the latter case, Nicaragua's Ministry of Agriculture and Forestry is organizing consultation meetings in the territories to obtain approval.

Participation in regional processes. CATIE has been systematically involved in regional initiatives such as the Central American Strategy for Rural Area-based Development (ECADERT, for its Spanish acronym), the Central American Integration System for Agricultural Technology (SICTA), the Central American Regional Agro-environmental and Health Strategy (ERAS) and the Regional Climate Change Strategy. It is also contributing to the development of policy inputs for the Central American Integration System.

Participation in global forums. CATIE participated in the Sixteenth Conference of the Parties (COP 16) of the United Nations Framework Convention on Climate Change, held in Cancún, Mexico from November 29 to December 10, 2010. Around ten of our staff members attended the meeting, including the Director General and representatives of the Climate Change and Watersheds Program, the Governance and Socioeconomics of Environmental Goods and Services Program, the Livestock and Environmental Management Program and the Office of Communications and Incidence.

In the context of this world forum and in coordination with our partners, the Overseas Development Institute of the United Kingdom, the Regional Community Forestry Training Center of Thailand (RECOFTC) and the Ugandan Coalition for Sustainable Development (UCSD), CATIE

participated in a parallel event to discuss the topic “*Carbon Rights in ReDD+: Toward a Common Understanding*” and played an important role in the *Fifth Forestry Day*, giving several presentations and chairing various sessions.

CATIE also hosted a stand at the Conference, where it displayed and distributed its publications on the subject of climate change, including a book entitled “The ABC of Climate Change,” a publication that resulted from CATIE’s technical support to the Regional Climate Change Strategy during 2009 and 2010.

Certification for sustainable cattle farms

CATIE’s Livestock Production and Environmental Management Program (GAMMA, for its Spanish acronym) has played a leading role in the development of technological innovations for sustainable cattle production in Latin America, based on the use of silvopastoral systems and the implementation of good management practices on cattle farms.

Various research projects have identified key indicators that will improve productivity on cattle farms and promote the conservation of ecosystem services such as biodiversity, water resources and carbon sequestration, among others. Working closely with farmers, researchers have also identified the main measures required for adaptation and mitigation of climate change in livestock production systems.

During the last four years, CATIE and the Rainforest Alliance, in consultation with public and private sector partners and organizations of the international livestock sector, have worked to develop standards that will enable cattle farms to differentiate their products, increase their productivity and operate in harmony with natural resources, paying special attention to workers’ well-being and also complying with international animal welfare standards.

In August of 2010, the “**Standard for Sustainable Cattle Production Systems**” was launched with the support of the United States Agency for International Development (USAID) and the Rainforest Alliance. In recent years, the process to consolidate these standards has all received backing from the Japanese International Cooperation Agency (JICA), the World Bank (BM) and the FAO’s Lead Program.

Facilitating scientific inputs to decision-makers. Influencing public policies for development requires continuous communication and contacts with authorities at all levels. In order to showcase CATIE’s services and scientific inputs, our staff visited decision-makers in various ministries and sectoral institutions with the aim of promoting the inclusion of science in the design of public policies.

In Nicaragua and Guatemala, CATIE contributed in 2010 with three technical inputs to influence policies on various topics, which are currently in the process of discussion and approval.

In Honduras CATIE provided a total of 12 policy inputs to national decision-making bodies such as the Secretariat of Natural Resources and Environment (SERNA), the National Institute for Forest Conservation and Development (ICF) and the Technical Secretariat of Planning and External Cooperation (SEPLAN), and participated in processes to promote their adoption.

In 2011, at Costa Rica periodical meetings have been developed among highest authorities from Ministries of Agriculture and Livestock towards an agreement which promotes CATIE’s participation as an strategic ally on implementation of a climate change strategy on national agricultural sector, as well as the design and implementation of a carbon sequestration project. A forum between members of the parliament was also held to talk about Promotion of Silvopastoral Systems for the Development of Carbon Neutral Farming and a Green Economy in Costa Rica.

In Panama, on may 2011, through an effort led by GAMMA program in coordination with NTO and Communication and Advocacy Office, assistance was provided to the Commission of Population, Environment and Development of the National Assembly in the review process of Law 220 which establishes the social and environmental responsibility of livestock sector.

In 2010, research programs, prepared synthesis reports for decision-makers on issues such as natural resource management and conservation, climate change, water resources and local governance. (Table 5)

Strategic corporate communications strengthen dissemination and advocacy. Considering the need to improve CATIE's positioning in the member countries and strengthen its core function of technical cooperation and outreach, CATIE's management decided to assign the Communications and Advocacy Office to the Outreach and Development Division, with the task of guiding advocacy efforts through the integration of the Communications and Policy Unit created by the MAP.

The mission of the Communications and Incidence Office is to take charge of external and internal communications, facilitate advocacy processes for development and influence public policies through advisory services, outreach and dissemination of CATIE's work, ensuring its recognition as a center of excellence and helping it fulfill its mission, vision and strategy.

To carry out this task, the Office of Communications and Incidence has adopted a strategic approach to corporate communications that is reflected in its work during 2010 and 2011. Some of its most important achievements include: strategic planning aligned with CATIE's and Outreach and Development Office goals; CATIE's Communications and Advocacy Policy, which aims to facilitate integration processes and the provision of internal services; the inputs of experts in aspects of media relations and advocacy on

policies; and a 50% increase in the number of press releases published.

In addition, the institutional graphic identity manual was approved and disseminated, starting in 2011, with training on topics relevant to the new strategic approach to communications and advocacy work, including etiquette and protocol in institutional events.

In general, progress was made in integrating the Communications and Incidence Office with other CATIE units (programs, projects, NTO) and new areas of work were incorporated, in pursuit of a comprehensive approach to corporate and strategic communications. Although much work still remains to be done, major steps have been taken to bring about positive changes in order to facilitate and achieve the institution's strategic objectives.

The Communications and Incidence Office also analyzed the contributions made by CATIE's programs and projects to the advocacy goals proposed by the MAP in key territories where we work, and the results were presented at a meeting of MAP donors during a tour of Petén, Guatemala and Belize.

During this visit, representatives of Sweden, Finland and Norway had an opportunity to discuss these issues with

Table 5. Syntheses for decision makers published in 2010

Program	Title	Language	Author (s)
GSEBSA	Timber flows in the Amazon border of Colombia, Brazil and Peru. Understanding the magnitude, causes and effects of uncontrolled extraction on the local economy	Spanish	María del Pilar Trujillo
GSEBSA	Exploring cooperative or non-cooperative fisheries management for the Argentine shortfin squid in the Patagonian Large Marine Ecosystem	English	Sebastián Villasante Rashid Sumaila
GSEBSA	Evaluating the long-term effects of global climate change on the Brazilian agriculture according to farm size	English	Juliana Speranza and José Feres
GSEBSA	Understanding consumption and residential use of water at the household level in Quito, Ecuador	English	Oscar Zapata
Territorial Management	Adaptive co-management of watersheds for local governance: guidelines for local authorities in Central America		Hans Kammerbauer, Josué León, Néstor Castellón, Sonia Gómez, José Manuel González, Ingo Gentes

farmers and ministers alike, and were able to experience at first-hand CATIE's impacts on people and see how our contributions to development improve the quality of life of rural populations, reaching the highest decision-making levels and integrating local with country-level actions.

In 2011, advocacy progress was presented, not only to MAP cooperants, but also during the meeting of donors and partners and to the Board in April.

CATIE welcomes donors and strategic partners in annual meeting

In April 2011, CATIE welcome its donors and strategic partners on it's annual meeting, who collaborated on research, higher education and technical cooperation of the institution. This activity got together around 20 worldwide representatives and institution's work has been shown to them.

During this activity, CATIE's 2010 annual report was presented, a report about given recommendations on 2010 meeting. At the same time, CATIE's approaches to address new global challenges were presented.

Geoff Hawtin, president of CATIE's Board of Directors, participated of this meeting, as well as high-level organizations like Ministry of Foreign Affairs of Finland (MAEF), Norwegian Ministry of Foreign Affairs (MFA), Agricultural Research International Centre (Cirad),

National Institute of Biodiversity Rica (INBio) from Costa Rica, International Centre of Forestal Research (CIFOR), International Centre of Tropical Agriculture (CIAT), International Union for Nature Conservation (UICN), European Union (UE) and Embassies of Great Britain, France, Spain, Canada, among others.

In order to to consolidate and integrate CATIE'S efforts of CATIE on impact issues about public and private policies, the advocacy committee was created in 2011. This committee is represented by scientific programs, Outreach and Development, NTO, MAP and Education Division, being Communication and Advocay its permanent secretariat.

Committee members have participated in conversations with experts and representatives of international authorities of strategic partners in the advocacy area, around issues such as agriculture and climate change, deforestation, among others. The first task of this committee is to define an advocacy strategy for CATIE.

Based on our concept of "advocacy" (an action derived from our technological services which has the purpose of exerting influence), it is clear that the institution has made major contributions. However, because these actions were not previously included in our work plans or goals, and had not been documented or systematized, we could not quantify our influence. Through these actions, CATIE

CATIE recibe a sus donantes y socios estrat gicos en reuni n anual

En el mes de abril de 2011, el CATIE recibió en su reunión anual a sus donantes y socios estratégicos, quienes contribuyen a la investigación, educación superior y cooperación técnica de la institución. La actividad reunió alrededor de 20 representantes del mundo entero a quienes se les mostró el trabajo realizado por la institución

Durante la actividad, se presentó el informe anual 2010 del CATIE, un informe acerca del seguimiento de las recomendaciones brindadas en la reunión 2010. A su vez, se mostraron los enfoques del CATIE para abordar los nuevos desafíos globales.

En la reunión participó Geoff Hawtin, presidente de la Junta Directiva del CATIE, así como representantes de alto nivel de organizaciones como el Ministerio de Asuntos Exteriores de Finlandia (MAEF), el Ministerio Noruego de Asuntos Exteriores (MFA), el Centro Internacional para la Investigación Agrícola (Cirad), el Instituto Nacional de Biodiversidad (INBio) de Costa Rica, el Centro para la Investigación Forestal Internacional (CIFOR), el Centro Internacional de Agricultura Tropical (CIAT), la Unión Internacional para la Conservación de la Naturaleza (UICN), la Unión Europea (UE) y las embajadas de Gran Bretaña, Francia, España, Canadá, entre otras.

Another example of advocacy: new protocol for ornamentals favors Costa Rican producers

In 2010, CATIE's Clean Propagative Material Program (executed between 2006-2009 in collaboration with the University of Purdue and with funding from the National Production Council), resulted in the signing of a protocol that will allow Costa Rican producers of the ornamental plant *Dracaena* (*Dracaena marginata*) to export plants larger than 18 inches and older than two years to the United States.

This program designed tools to help farmers adopt appropriate plant health practices, making their farms more sustainable and economically viable. Its target was to reduce the number of interceptions and the risk of quarantine pests entering the United States from Costa Rica.

Based on the experience acquired with this program, CATIE and the University of Purdue approached the World Trade Organization (WTO) with a proposal to continue working to develop protocols for the management of quarantine pests in other agricultural products exported to the United States. A consortium was formed with organizations from the United Kingdom and Luxemburg to implement two projects on regulations for the export of Central American agricultural products to the European Union.

proposes not only to quantify these contributions, but to increase them in proportion and efficiency.

Most of CATIE's advocacy actions are conceived as efforts to influence development, through processes that ultimately end up in rural territories, in the hands of local decision-makers, farmers, communities or the private sector, and not only in public policies. For this reason, CATIE is also developing a strategy that will focus on advocacy processes at the public policy level, an effort in which CATIE hopes to take better advantage of the strategic role of the CAN.

It is hoped that during 2011, changes will be made to the law that will bring greater market opportunities, increase competitiveness and result in higher incomes for producers.

Leaders for change

CATIE's Graduate School is more than a higher education center: it is an international university that offers an environment for intercultural exchange and multidisciplinary learning, in which students and teachers, researchers, donors and partners, administrative staff and consultants, all work together to build the edifice of regional development.

During 2010, the Graduate School consolidated its leadership role in the training of leaders who will one day replicate and enrich the systemic and collaborative approaches promoted by CATIE. This is how we have accomplished our goals:

Excellence, our active ingredient. If we were to label our academic service, its active ingredients would be excellence and quality. On July 2010, the National Accreditation Council approved **CATIE's membership of the National Accreditation System for Higher Education (SINAES)**. This agreement constitutes a milestone in the history of our Graduate School, since it marks a radical shift in the traditional thinking of a large segment of the public higher education sector regarding our institution. It also expressly recognizes the unique nature of CATIE in integrating its three key functions: education, research and outreach, acknowledging its status as an international university.

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It is important to emphasize that this recognition extends to the regional and international spheres, given that SINAES is not only the official accreditation agency in Costa Rica, but is also a member of the Ibero-American Network for the Accreditation of Quality in Higher Education (RIACES) and was certified by the International Network of Quality Assurance Agencies in Higher Education (INQAAHE). This means that the future accreditation of CATIE's postgraduate programs will confer official international recognition of their quality.

This achievement would not have been possible without the creation of the Academic Quality Management System (SIGECA) and, as part of this, the creation of the Academic Evaluation Unit (UEA). Both bodies have already been formally established within the institution and in 2011 have been the key to lead self-evaluation and accreditation processes of the scientific Master's programs.

Knowledge Management: Orton Memorial Library

The Orton Memorial Library provides valuable support to all the research, education, training and rural development programs carried out by CATIE and IICA.

During 2010, the library served approximately 12,500 onsite users and 858,154 online users. Last year the monograph catalogue increased to 87,000 bibliographical records, of which 6,535 documents are available in full text. The library also acquired 42,421 scientific and technical documents, both in print and electronic format.

The library's Virtual Bookstore received 8,967 online visits (hits) and sold 179 publications. The entries into the database for magazines totaled 41.612 volumes, in addition to subscriptions to 91 titles of scientific journals in print and electronic formats.

Through the BCO, 37 training activities were implemented with 1,453 researchers, teachers, librarians, students, extension workers and farmers from different countries. Two international databases were acquired – CABI (referential) and TEEAL (full text) - as well as 30 scientific books for a total investment of US\$41.271.

The interdisciplinary approach: our trademark. Although CATIE has always been well known for combining different disciplines, during 2010, we further expanded our horizons through the Joint Doctorate Program with the University of Idaho. This resulted in the launch of the IGERT II project entitled "Evaluating the Resilience of Ecological and Social Systems in Changing Landscapes," a Doctoral Research and Education Program sponsored by the National Science Foundation (NSF) of the United States.

The creation of the Development Practice Specialization as a complement to the existing scientific Master's programs, and with a highly interdisciplinary approach that demands the integration of health sciences, social sciences, natural sciences and those related to development, is yet another sign of this progression.

CATIE was one of the first institutions to implement an academic program as part of this initiative, which involves 23 universities around the world. The invitation to join the program had a greater than expected acceptance: in 2010, 45 first-year students and nine second-year students took on a greater academic load and made an additional effort to prepare their thesis, to follow their interest in this specialization. A total of 37 students graduated from this Specialty.

However, this was only the beginning, given that the MacArthur Foundation approved a second loan for US\$600,000 to establish a Master's program in Development Practice. So that in 2011, first group of Master's students has joined, along with a second group of students for the Development Practice Specialization.

In February 2011, Third Meeting of the Global Network of Master's Programs in Development Practice was held at CATIE, which gathered more than 60 people from 18 countries of all the continents.

Completing our actions in response to the challenge of expanding our interdisciplinary approach, we have created a new joint Master's program in International Sustainable Tourism with the University of North Texas (UNT).

In May 2010, UNT's Board of Directors and the Texas Higher Education Coordinating Board approved the creation of the Master's program and the Southern Association of Colleges and Schools (SACS) endorsed its quality by including the program in the academic courses accredited by the University of North Texas. The first group of six students joined the program in August the same year..

Interdisciplinary approach to training. CATIE's strategic partnerships also contributed to improve the content, quality and interdisciplinary nature of its training efforts. In 2010, in partnership with the German Cooperation Agency for Training and Development (InWent, now GIZ) training materials on "Governance and REDD" were designed for a series of 12 courses. One of these courses will take place in second half of 2011, in collaboration with the NTO of Acre in Brazil, with a view to strengthening CATIE's positioning in this Member State.

In the context of the Alliance for Development and Strengthening of Competencies and Capacities for the Management of Natural/ Environmental Resources in Central America in Central America," and with the participation of the Zamorano Panamerican School of Agriculture, the National School of Forest Sciences (ESNACIFOR) of Honduras, the Central American Institute of Public Administration, INCAE, InWent and CATIE supported and participated, in 2010, on several joint activities, including a Seminar on Biofuels at the Zamorano, a Seminar on Sustainable Energy at INCAE, a Course on Multifunctional Forest Management in ESNACIFOR and a Course on Forest Governance at held at CATIE.

Thus, our training efforts have not been excluded from the process of continuous improvement implemented by the Education Division.

Open enrollment. These and other educational opportunities were offered to our target population during activities to promote our postgraduate programs at different fairs and presentations. The Education Division, the MAP and our network of NTOs have made joint efforts to increase student applications from our member countries. As a result, in 2011 a total of 72 students joined the both Master and Phd programs, representing the largest student intake ever.

Our graduates. In our efforts to promote our academic programs, we do not forget our graduates. Our alumni associations in El Salvador, Nicaragua, Honduras, Guatemala and Panama are actively involved with their respective NTOs, supporting their advocacy actions and efforts to position CATIE. In addition, the Alumni Associations of IICA and CATIE (AGECATIE) received significant support to organize the Fourth Meeting of Graduates of CATIE-IICA Masters and Doctorate Programs, held at CATIE in March 2010.

Knowledge in action. Part of a leader's role is to become a catalyst for change and a multiplier of opinion. This task is accomplished, in part, through research projects involving

Global Network of Masters in Development Practice celebrated the third annual meeting at CATIE

The Global Network of Masters in Development Practice (MPD) held on February 2011 their third annual meeting at CATIE's headquarters.

This network consists of 23 world-leaders universities implementing practice development programs, including CATIE. These entities get reunited once a year to review progress and quality of programs. In 2009, CATIE joined the network creating a specialization in development practices. However, from 2011, CATIE launched a new Master in that subject, getting to expand institution's academic offer according to the area's needs.

Among the objectives of the meeting was to establish a monitoring system of evaluation for MPD programs to ensure their quality in every university, to determine which categories of partners will be on the network and to decide about eventual acceptance of new partners and programs. In addition, they discussed issues like each program curriculum, direct practices on field, running and financing of the network, graduates, among others.

This third annual meeting of the Global Network of Masters in Development Practice was sponsored by CATIE, the Master's in Development Practice Secretariat and the MacArthur Foundation.

our students. In 2010, a survey was also conducted with students' professors/thesis counselors, to determine whether or not our students incorporate systemic and integrated approaches in their research work, and the answer was clear: 94% of our students admit that their studies incorporate our approaches in some way.

As well as being highly receptive to our research approaches, 77% of our graduates add policy considerations to the scientific findings of their thesis projects, complementing their analyses with contributions aimed at including science in policy design and influencing decisions on the management of natural resources.

Graduates apply systemic approaches

According to the results of the second survey of CATIE in 2010, graduates were very encouraging in terms of their leadership profiles, their essential role as agents of change and their willingness to apply the systemic approaches learned during their postgraduate studies.

The survey shows that 89% of students apply systemic approaches in their daily work; 86% not only apply these systems but also teach these methods to others. Watershed management is the most widely applied approach, although more than half the respondents said they do not apply a single approach, but rather a combination of these.

In addition, 46% indicated that these approaches were either absent or were seldom applied in their area of work. Those surveyed work as consultants, teachers, or with rural communities, research, public sector and other.

The survey also shows that our graduates do not limit themselves to implementing these approaches, but adopt a much more proactive role as multipliers of opinion: 70% said they had published articles after graduating, mostly in technical journals, extension documents, reports for seminars and conferences, but more than one-third said they had published material in scientific journals, chapters of books and press articles. Thus, CATIE's influence through its graduates reaches even greater levels (Figure 1).

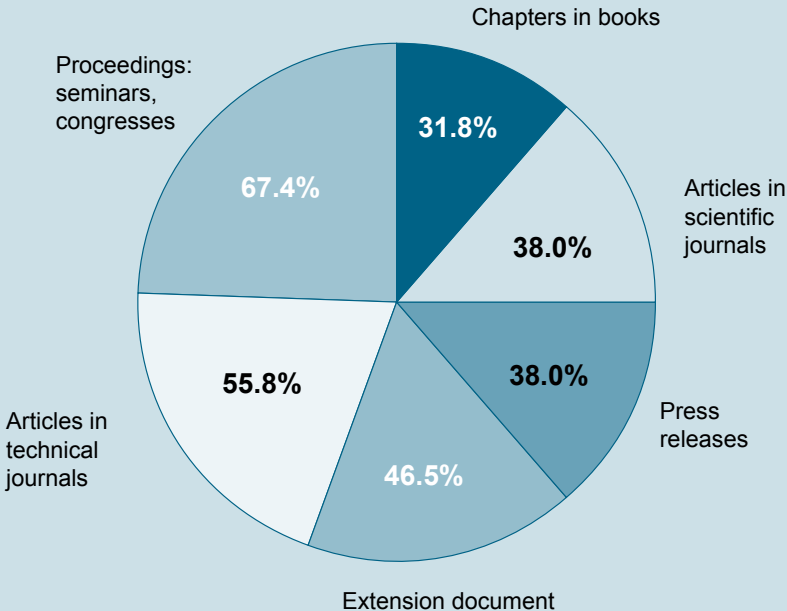


Figure 1. Percentage of alumni who have published in the different types of publications.

However, the task does not end there: almost all graduates said they wished to receive further training on CATIE's approaches and methodologies. This presents us with a very interesting challenge and we need to consider responding to their commitment to continuous education.

Multiplying our impact. Territorial or area-based approaches, livelihoods and value chains - adapted and

improved with the CATIE seal - would simply be a "dead letter" if 89% of our graduates had not admitted to applying these approaches in their daily work as leading professionals in the sector. Furthermore, 85% of graduates surveyed not only apply these methods, but also teach them to others and are seriously interested in continuing with this process of constant learning and updating of the knowledge acquired during their graduate training (Figure 2).

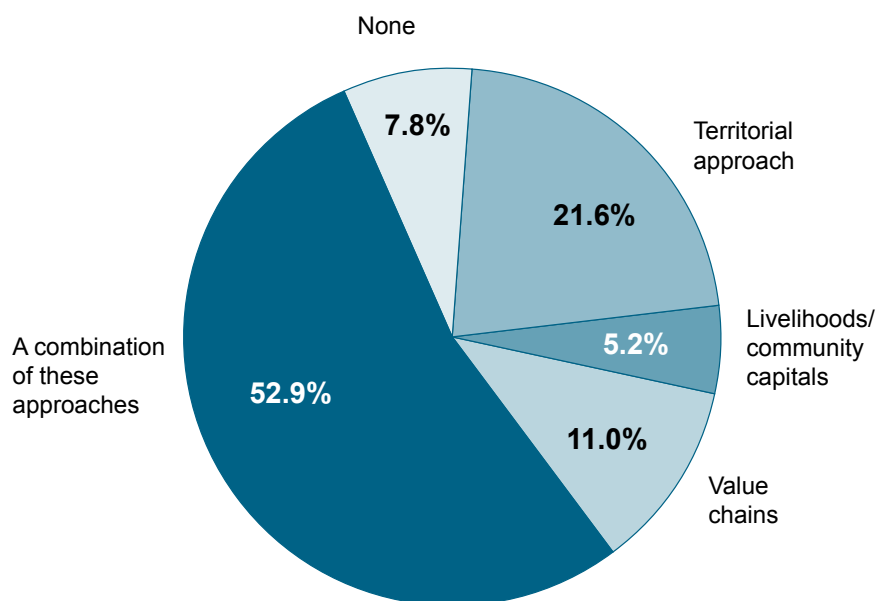


Figure 2. The systemic approaches applied by CATIE alumni.

6. Our advantage: systemic and collaborative approaches

Since its inception, CATIE's mandate has been to work in the areas of agriculture and natural resources, with the aim of achieving positive impacts on the well-being of rural populations in their territories. In this context, the application of systemic approaches is the basis of all our programs, projects and activities which, in line with our technical and scientific expertise, promote the involvement of the stakeholders and communities that comprise the social space under development.

Innovative and sustainable solutions to complex challenges

CATIE has a long experience in interdisciplinary research. Since the 1980s we have given priority to the study of topics such as production systems on farms, agroforestry systems, watershed management and traditional knowledge.

In more recent years, CATIE has begun working with other systemic approaches such as value chains, sustainable livelihoods and territorial (or area-based) co-management systems, these three being the ones that best represent the institution's current systemic focus, as mentioned previously.

2010 was a successful year for CATIE in terms of achieving recognition - both within and outside the institution - of the systemic approaches that we have gradually developed and refined over the years, with increasing clarity and greater achievements in terms of results and impacts.

As of today, our systemic and collaborative approaches reaffirms at each international event and in each institutional activity as the best option for addressing the challenges of poverty reduction and the conservation of natural resources in rural areas.

Integration for innovation. Over 50% of our research studies and projects are implemented in the context of integration programs, following the example of the Mesoamerican Agroenvironmental Program (MAP), the first of its kind to be implemented at CATIE.

The MAP projects and initiatives are being implemented in eight countries of the region, as shown in the map below,

Our systemic approaches

Our target of being **leaders in systemic approaches and collaborative** that offer innovative and sustainable solutions to the complex challenges facing agriculture and natural resources in Latin America and the Caribbean, has resulted in intense efforts to develop and adapt three major approaches: territorial co-management, sustainable livelihoods and value chains.

The **territorial co-management approach** places emphasis on the interrelations between environmental and socioeconomic components in biophysical and political-administrative contexts. The goal is to contribute to build sustainable territories. For this, planning and management through multi-institutional platforms are essential elements. CATIE applies this approach in biological corridors, model forests and watersheds using the successful model of adaptive co-management.

The **livelihoods approach** provides a conceptual and methodological framework to analyze, evaluate plan and monitor rural development interventions, considering economic, social, environmental and institutional aspects, from the rural family to the macro environment. The approach emphasizes the importance of the assets and resources (natural, human, cultural, social, financial capital) available at the family, community or territorial levels, in order to identify opportunities for the formation of capital-assets that allow for greater social and environmental resilience at the different levels.

The **value chain approach** aims to identify possible synergies between the different actors of a value chain, from production and processing to marketing and the end consumer. In addition to increasing efficiency within the chain, this approach promotes win-win relations among the different actors and improves social and environmental responsibility throughout the chain.

Approaches promoted by CATIE in the international agenda

CATIE has been very well represented at different international forums, both by its Director General, Dr. José Joaquín Campos, and by its outstanding program leaders.

In 2010, Dr. Campos was elected to the Governing Board of the world's leading scientific body on forestry issues, the International Union of Forest Research Organizations (IUFRO), comprising more than 700 partner organizations and nearly 15,000 scientists from around the world.

His appointment was made during the Thirteenth World Forestry Congress, held in November in South Korea. Dr. Campos played an important role in this event and imparted one of the five master lectures at the congress. His presentation, which summarized the work and systemic approaches applied and promoted by CATIE, was prepared with inputs and contributions from the center's program leaders and scientific team. The way in which CATIE addresses the complex global problems while addressing local demands received positive comments and praise.

Dr. Campos, together with the Director of the Research and Development Division, Dr. John Beer, also attended a meeting in Quebec, Canada, with representatives of the North American Network of Basin Organizations (ROBAN, for its French acronym) at McGill University. Here they presented CATIE's methodologies and approaches, which attracted much approval and interest in forging closer links with our institution and defining joint work opportunities.

promoting the integration of research programs in order to achieve a combination of sectoral approaches, such as value chains, territorial approaches such as adaptive co-management of watersheds or biological corridors, and to increase the different types of capital in rural communities.

Even when other initiatives are not included in an integrated program, there have been numerous interactions and collaborations in nearly all the research projects undertaken during 2010. There has also been a notable increase in the level of cooperation and even integration

of actions -of and between - cross-cutting programs such as "Climate change and Watersheds", "Governance and Socioeconomics of Environmental Goods and Services" and "Competitiveness and Value Chains," with programs that focus more on production systems, such as "Tree Crops in Agroforestry Systems", "Livestock and Environmental Management", "Agro-ecological Production of Food Crops" and "Production and Conservation in Forests." These efforts, together with the many linkages established between CATIE units and our partners in the Scientific Cooperation Platform and the Mesoamerican Agroenvironmental Program, show that CATIE has succeeded in organizing most of its actions in a way that promotes the integration of sectors, disciplines, programs, institutions and approaches, as a favorable environment for promoting creativity and innovation and achieving lasting impacts.

Scientists without borders. Other platforms were equally successful in providing innovative solutions to complex challenges by combining different approaches and knowledge.

Both the Ibero-American Network of Model Forests, led by CATIE, with activities in 13 countries and with 26 model forests, and the Platform for Scientific Cooperation implemented with the Center for International Cooperation and Agricultural Research for Development of France (CIRAD, for its French acronym), and four other international partners in Mesoamerica, managed to integrate the contributions of researchers from very diverse disciplines and geographic areas in different research projects.

In 2010, in partnership with the International Forest Research Center (CIFOR), Bioversity International, the International Center for Tropical Agriculture (CIAT) and the International Center for Research in Agroforestry (ICRAF), CATIE worked on several initiatives to contribute to mega development programs executed by the Consultative Group on International Agricultural Research (CGIAR).

With their support, we promoted the participation of these CGIAR members in CATIE's research and development actions, such as the program on forestry and silvopastoral systems in preparation for Acre, Brazil, among others. All these initiatives by CATIE and CGIAR promote the integration of different disciplines in systemic research.

The progress achieved in implementing these systemic approaches represents a comparative advantage for CATIE in its mission to resolve the complex problems of rural communities in a context of constant economic, environmental, political and social changes at the global level.

Sustainable land management. Guaranteeing the conservation of natural resources in a context of expanding agricultural and forest production, is a key approach for working with local, national and regional partners in key territories and pilot areas of the Mesoamerican Agroenvironmental Program in the eight countries where it currently operates, from Mexico to Panama.

Based on this approach, CATIE works with local and national partners to implement methodologies for sustainable land management in 24 defined territories (Figure 3).

CATIE’s research programs and other units also promote and collaborate in participatory research and development efforts, through horizontal scaling up and other initiatives independent from the MAP, both within and outside Mesoamerica.

Scaling up: from the family to the region

Despite achieving such encouraging results, we are realistic in recognizing that CATIE alone cannot take on the task of meeting the complex challenges facing rural populations in Latin America and the Caribbean.

Our scaling up strategy requires the creation and consolidation of strategic partnerships for development. These strategic partners and allies are the factors that multiply our impact in the region and in 2010 we doubled our target in establishing partnerships.

Strategic local partners on the road to development. Based on CATIE’s key functions and using the establishment of “partnerships” as a strategy, we negotiated cooperation agreements with partners and allies with a view to working together in rural territories with our target groups. A total of 64 new cooperation agreements enabled CATIE to triple the work programmed for 2010, enabling it to increase its promotion of systemic and collaborative approaches for production and conservation.

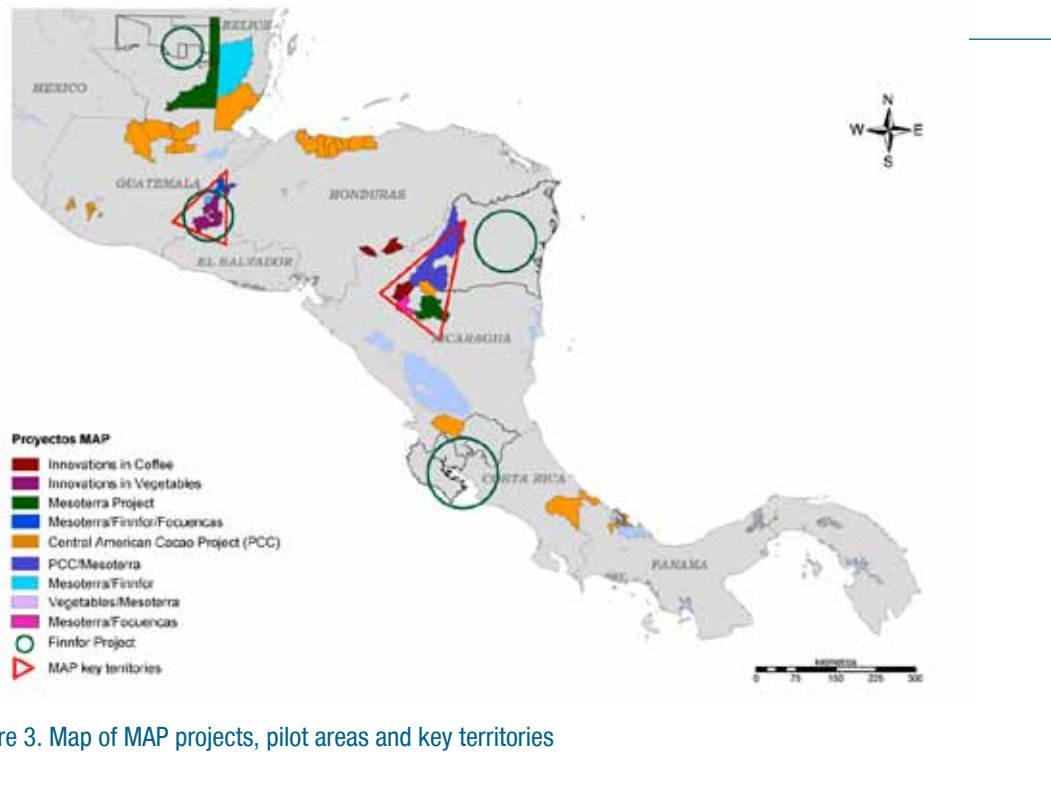


Figure 3. Map of MAP projects, pilot areas and key territories

Making our services accessible. The NTOs in coordination with CATIE's programs and projects organized and implemented courses, lectures and technical assistance actions, as a mechanism to disseminate the products and advances of our research. In 2010, a total of 121 training activities and 25 courses were implemented on a wide range of topics.

Training courses on environmental education, technical assistance missions to rural communities, discussion meetings with different governmental, scientific and academic institutions, as well as lectures, newsletters and fairs, were among the mechanisms used to disseminate our achievements and promote development. These actions were supported by specialists of the different scientific programs and their projects.

Courses were also imparted by specialists who visit the countries, particularly on topics such as environmental livestock production, agribusiness and its links with value chains and co-management of watersheds, and issues related to the forest agenda. Exchange visits to countries and participation in strategic courses were other contributions to this effort.

Other training activities, projects, or technical services are offered jointly with national and international partners. Thanks to increased promotional efforts by the NTOs and to the publicity achieved through press releases and television, demand for our services and publications has increased in the countries.

In response to specific requests from our partners, topics included the challenges and lessons of food security and rural development, production of edible mushrooms, vulnerability to climate change, cacao production, forest governance, analysis of investment and financial flows, organizational strengthening and consensus-building platforms, biological corridors and connectivity, awareness-raising and training in gender approaches, among others.

Similarly, CATIE received specific requests for support from partners linked to the MAP, and was able to establish small contracts or agreements for actions in various countries.

In addition, important bilateral cooperation agreements were signed, such as the cacao project financed in 2010 by Austrian cooperation for US\$480,000.

7. Our internal strengths

The objectives related to the external functions of outreach and working with our target populations, partners and allies, and the optimal performance of our core functions of research, education and technical cooperation would not be possible without a firm foundation of internal organization and efficient management of our resources. In these aspects we also achieved significant and relevant advances, as essential pillars for accomplishing our mission.

Committed human talent

The key factor of success in an organization like CATIE is, without a doubt, its people. Attracting motivated staff who are committed to the institution's mission and continuously strengthening their capabilities, is a major challenge in an institution that embodies the value of appreciation of diversity, where manual workers, technicians, operators, researchers, teachers, consultants and administrative staff of the most diverse backgrounds work side by side every day.

Improving the organizational climate. In the highly diverse environment of 2010, for the second consecutive year, we conducted a survey to find out about our staff members' perceptions of the organizational climate. The number of participants in this year's survey increased from 30% to 60%, with a seven point increase in positive perceptions of the organizational climate, from 74% to 81%.

The results reflect the efforts made in various important aspects of human resource management since 2009, which were continued in 2010, such as incentives, training opportunities, the analysis of the 2009 employees' survey by the program leaders and the subsequent action plans implemented. In the same year the results of the survey were presented to 43 of the 45 leaders of CATIE's different units.

Training for life and for work. Training was vital to support improvements in CATIE's organizational climate, but even more importantly, to contribute to the professional development of our staff in order to accomplish our mission. In 2010, investment in training accounted for 0.9% of the budget, equivalent to US\$217,600, slightly higher than the

proposed target for that year. The training activities are financed through direct disbursements but also through agreements without cost or with internal resources.

It is important to mention that training has been included in the professional development agenda of many more employees than in the past - from leadership training for the senior management, to the use of technological tools and languages for administrative and support staff and doctorate studies for researchers. Around 400 employees received some form of training, clocking up more than 9,000 training hours.

The challenges of competitive salaries. An evaluation carried out at the end of 2010 found that the competitiveness of CATIE's salaries, with respect to the local market, was seriously affected by the decline in the value of the dollar. Whereas last year 74% of our staff salaries were equivalent to, or higher than the market average, this year the figure fell to 50%.

In 2011, steps are being taken to remedy this situation, including the search for funding to restore the purchasing power of the salaries fixed in dollars. CATIE will also consider alternatives to increase the proportion of the payroll paid in dollars in order to mitigate the exchange rate risk.

NTOs will be compensated for collection of quota payments from member countries. The Corporate Services Office, in coordination with the Outreach and Development Office, approved an incentives system for the National Technical Offices, which consists of an investment fund that receives a percentage - ranging from 5% to 8% - of the quotas recovered from CATIE's member countries. These resources will be repaid into this fund, in accordance with the investment plans submitted and approved.

Integrated resource management

A timely and exhaustive financial analysis has laid the foundations for a positive launch of CATIE's financial strategy, which includes the following measures: increasing the income of the core budget, increasing liquidity, progress

in activities-based costing (ABC), the consolidation of the Commercial Division and the creation of the Technical Services Unit (UGO).

Income increased by a higher proportion than the core budget. The income of 2010 core fund (not including income from the interest from trust funds) increased to US\$5.3 million (a 3% increase). However, since the total income, which reached US\$29.8 million increased by a higher proportion (17% increase), the ratio of the core budget with respect to total budget declined to 18% that year (Figures 4 and 5).

Recovering costs. As a result of training and the creation of a work group for activities-based costing six units made significant progress in preparing their ABC costing analyses.

Their proposals are currently being reviewed and 10 other units have already received training in this methodology.

Parallel to training and the application of activities-based costing, the strategy for recovering certain costs is being analyzed by a work group made up of representatives of all the divisions and directorates.

Liquidity of CATIE's core fund is maintained. After achieving a record liquidity of US\$1,469,000 in December 2009, and despite the pressure on those funds, the institution ended 2010 with a liquidity of US\$1,504,000, equivalent to 97 days of operation of the core budget. This is slightly less than the 102 days achieved in 2009, due to increased budget execution in 2010. This liquidity does not include US\$500,000 in project funds that are temporarily held in the core fund for payments in 2011.

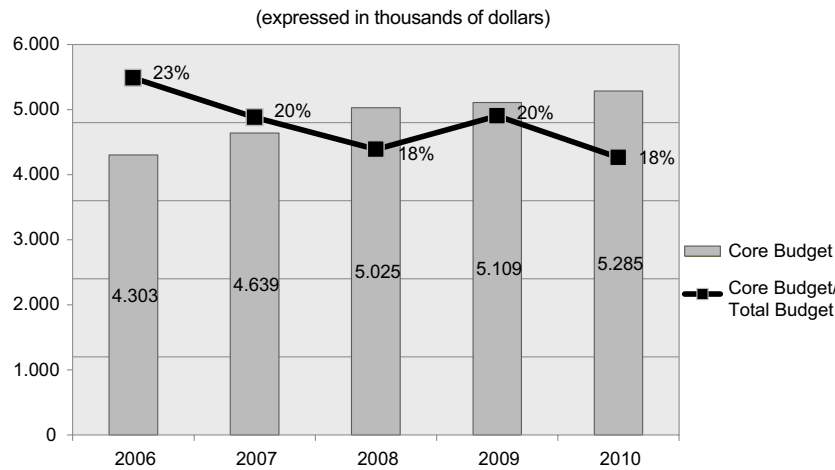


Figure 4. Core income and relationship between core budget/total budget

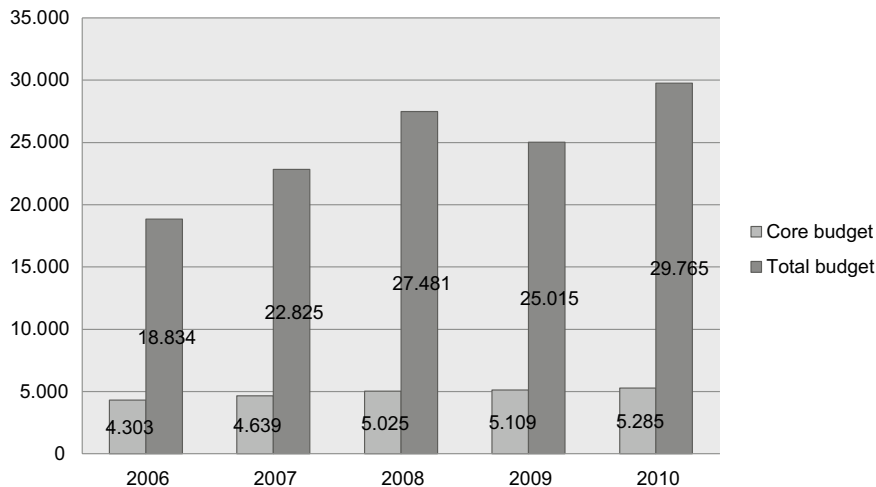


Figure 5. Core budget and total budget (expressed in thousands of dollars)

Continuous monitoring of the accounts receivable and taking the appropriate actions resulted in a 23% reduction in overdrafts. The cuts made in operating expenses to mitigate the effect on the cost in dollars of salaries paid to national employees on the payroll prevented the accounting surplus from being reduced to the point where it would represent a blow to the institution's liquidity, as shown in the 2010 statement of results (Figure 6).

For the first time in many years, investment exceeded depreciation. Investment reached US\$390,000 until 2010 and was 14% higher than depreciation. Both results surpass all others since 2003. The investments made in modernizing the premises of the International Club, building a dairy module and purchasing infrastructure for the communications network, marked a major leap forward in the level investment for 2010 and constitute the first

steps in the plan to restore our assets over the coming years (Figure 7).

Financial measures for educational activities. In line with CATIE's financial strategy, the Graduate School prepared the first draft of a financial plan to strengthen its finances and made progress in preparing a study on the costs of the Master's programs.

In recent years, CATIE has made major efforts to identify new sources of funding for students, mainly among the educational credit institutions. On 2011 first semester, an agreement was signed with COLFUTURA (Colombia) and the required documentation was submitted to CABELI in the first quarter of 2011, so that Central American students may have access to an attractive credit line for their postgraduate studies at CATIE from partner banks of CABELI.

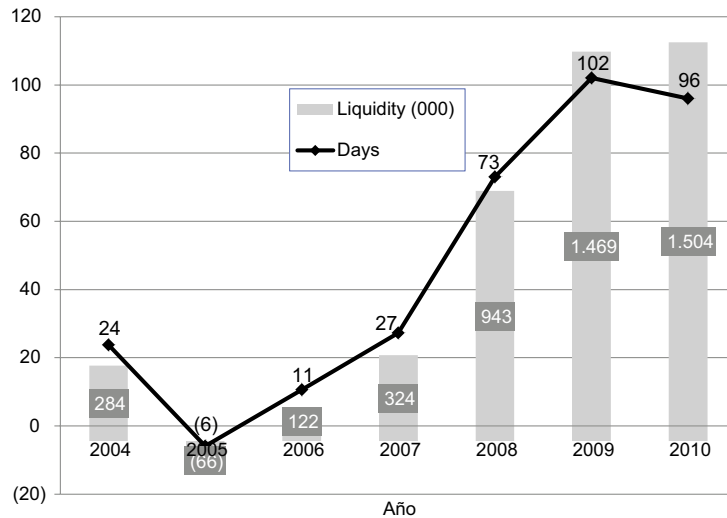


Figure 6. Liquidity (expressed in thousands of dollars)

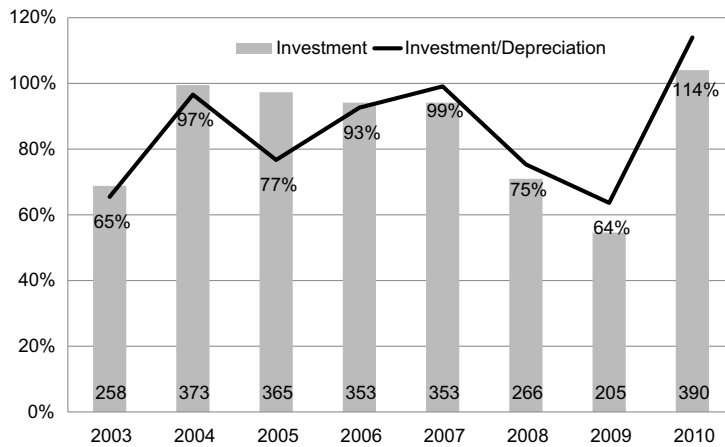


Figure 7. Investment (expressed in thousands of dollars)

In addition, contacts have been established with SENACYT and IFARHU in Panama, where CATIE's former Director General, Dr. Rodrigo Tarte, offered his support to finalize agreements with those institutions, which will complement those already existing with FANTEL (El Salvador), CONAPE (Costa Rica), SENESCYT and IECE (Ecuador), FundaPro (Bolivia) and ICETEX (Colombia).

It is important to mention that CATIE's membership of the Panamerican Association of Educational Credit Institutions (APICE) has facilitated closer contacts with most of these institutions. In all the agreements, we seek to negotiate favorable terms for CATIE.

At the same time, a 20% increase in CATIE's enrollment fees has been approved, together with increases in the rates of student residences and adjustments in the fees for information technology (IT) services.

Protected Areas Chair. In 2010, significant progress was made in consolidating the Kenton Miller Latin American and Caribbean Chair for Protected Areas and Biological Corridors. With the support of CIM, two doctorate-level specialists were appointed and will serve as co-directors of the Chair.

Chair's strategic activities included the presentation of a proposal for the donation of a 600 hectare property by TNC to the consortium CATIE- Osa Peninsula Conservation Area, in order to create a Trust, using the mechanism of a Green Fund, in order to ensure its financial sustainability.

In addition, proposals for specific technical cooperation and training projects were presented In 2010, focusing on management and policies for protected areas and biological corridors in several Central American countries. As a result, in 2011 Chair was selected by the Convention on Biological Diversity (CBD) to serve as subregional coordinator in strengthening capacities to implement its work plan in protected areas from Mexico and Central America.

In addition, an agreement was signed for the Chair to support CBD together with these countries, in selection of interest expressions (project proposals) to submit to the Ife-Web initiative, directly coordinated by CBD.

Links between addressing demand and supplying technical services. Over the last decade, CATIE has gradually begun to offer technical services, primarily in response to demand or specific requests for support through competitive bidding processes. The NTOs were the first to use this mechanism to capture resources, but subsequently the center's programs and specialists also found this to be an effective system. The proactive attitude shown by CATIE's different units

led to an increase in these initiatives; however, there was no mechanism to regulate and facilitate these processes.

A policy of austerity in spending, efficient management of accounts receivable and improvements in liquidity that remained at the same levels of 2009, despite the strong decline of the dollar, have been essential to currently have a financially healthy and solid institution.

In order to implement this new approach to harnessing resources, CATIE created the Technical Services Unit (UGO) in 2010. Initially, this unit will play a facilitating role and, in the short term will implement a business plan that not only contemplates efforts to raise funds and contributions to support the center's financial sustainability, but also to promote joint proposals and coordinated actions among the different units (NTOs, programs and projects). In this last aspect, considerable progress was made during the last few years, given that most of the proposals submitted promoted the integration of CATIE's professionals and graduates and the knowledge and methodologies generated in their respective units.

In 2010, the UGO surpassed its goals in terms of the number of processes facilitated or supported, and its growth augurs promising results in future (Annex 2).

Funds for research and development. Thanks in large measure to the support of countries such as Norway, Sweden and Finland, CATIE was able to surpass its target of ensuring that its scientific programs contribute more than US\$1,500,000 to the core budget, in order to strengthen CATIE's capacity to provide services throughout the region.

In addition, the total research and development budget administered in 2010 by CATIE, which supports numerous activities with partners, reached a figure of just over US\$19 million, with Nordic/Scandinavian financial contributions being the most significant, and accounting for over US\$9,000,000.

It is equally important to acknowledge the valuable contributions made by other strategic partners, such as CIRAD and the Canadian University Service Overseas (CUSO), which appointed high-level professional staff to support initiatives such as the Scientific Cooperation Platform's "Perennial Crops in Agroforestry Systems" and the "Ibero-American Model Forest Network".

As a conservative estimate, in 2010 the economic value of these contributions exceeded one million dollars; however, their value in terms of knowledge, contacts, networks and other intangibles associated with the institution's work, are incalculable.

All these actions, together with a policy of austerity in spending, efficient management of accounts receivable, improvements in days of liquidity (which was maintained at the same level as in 2009, despite the sharp fall of the dollar), have been essential to create a financially strong and sound institution, which can cope with the vagaries of the national and international economies and move forward toward accomplishing its development goals.

Own resources: our strategy for sustainability and integration

In terms of productivity, investment and the generation of new technical and financial data on CATIE's commercial activities, 2010 was an intense year. As a result of improvements in infrastructure, the introduction of more efficient management systems, the execution of investment plans and the implementation of strategies to help its businesses adapt to adverse or unforeseen conditions, CATIE's commercial activities and hospitality services increased their direct contribution to the institution's core budget, reaching the sum of US\$568,000, after deducting the operating costs and amortizations. The goal for 2011 is to reach US\$585,000 surplus. Among other goals planned for this year are to achieve a two star Increase on our farms' Ecological Blue Flags, to start operating CatieNatura Park, to continue with investment plans in commercial farm and hospitality.

Commitment. The hard work and commitment shown by our team of workers, technicians and professional staff has been essential to the center. Our personnel challenges their creativity to provide new solutions to emerging problems, and as a result of their implementation, the center has learned valuable lessons.

Productivity. The productivity of the dairy herd increased, while the productivity of the sugar cane and coffee plantations was maintained and deliveries to processing plants were diversified.

Quality. The management and investment strategies applied by CATIE in its tropical dairy have turned this operation into the Commercial Farm's most profitable activity. In 2010, the farm was also awarded **an honorable mention for its PREMIUM quality milk** by the Dos Pinos R. L. Dairy Cooperative.

Adaptation. The decline in seed sales in important markets for the Forest Seeds Bank was mitigated with internal corrective measures and with efforts to promote new markets and agreements with the National Technical Offices for the marketing of seeds.

Service. The full occupancy of our student lodgings and residences and the effective operation of other services in which CATIE has invested systematically to ensure corrective and preventive maintenance, along with investments made in the International Club have improved the quality of life on our campus and provide appropriate recreation facilities.

Future vision. The consolidation of the Exhibition Room in the Botanical Garden and the use of the Rancho for special events have laid the foundations for the CATIENatura project. The conservation of the germplasm collections, particularly of citrus, in cooperation with the Costa Rican Ministry of Agriculture, has resulted in the development of one of the leading collections in the region. The germplasm collections are managed by the Phylogenetic Resources Committee in an effort to conserve these resources and ensure the region's food security.

The investments that allow for long-term capital formation in the Commercial Division are based on viable business plans submitted to internal units, among others, as well as loans from trust funds that yield higher interest than the bank investments available in the local market.

CATIE joins Global Crop Diversity Trust initiative and more than a dozen of germplasm banks of Latin America to generate thousands of unique varieties of coffee, tomato, pepper, beans, corn and other important crops. Duplicates of the materials will be sent to international genetic banks and the Global Seed Vault of Svalbard in Arctic.

In 2010, Fundatrópicos approved a loan for US\$485,000, to be disbursed over three years, for investment in the farm's agribusiness activities. Of this amount, US\$299,000 was used to renovate coffee and sugar cane crops, and for various operations in the dairy. In the measure that efficiency translates into greater margins of contribution, it increases the center's possibilities of accessing better investment sources in the medium and long term, thereby promoting its financial independence.

Possibly the greatest contribution made by CATIE's commercial operations - which are intended to support

the center's financial sustainability by generating their own resources- is that these activities provide a physical space to support the functions of research, education and technical cooperation on the campus. The commercial production of F1 coffee varieties has involved joint work with the area of biotechnology and, and in the short term, with the agroforestry program. The dairy has combined the capabilities of the GAMMA Program with those of the Commercial Division, and the aim is to enhance these synergies in the coming years.

We practice what we preach: corporate social responsibility (CSR)

CATIE's Corporate Social Responsibility (CSR) Program, implemented by the Commercial Division, demonstrates the institution's commitment to sustainability and is a valuable outreach tool for disseminating its work:

Sustainability. Thanks to this initiative, CATIE managed to implement nearly all the measures required to obtain certification from the Ecological Blue Flag Program. As

CATIE's tropical dairy: adaptation to climate change in action

The investments and strategy outlined in the Commercial Farm's business plan establish the basis for an appropriate model of production, and environmental and financial sustainability for a tropical dairy, that offers an effective alternative for adapting to climate change. The center's commercial operations work closely with the scientific programs to create a symbiosis that maximizes the impact of CATIE's core functions in the region through four main thematic areas:

Agroforestry systems: understanding the relationships between soils, pastures, forage crops, trees, animals and the environment allows for a more stable production to cope with climate variability and climate change. It also promotes recycling of nutrients on dairy farms and therefore reduces production costs through a decreased use of conventional inputs. Silvopastoral systems increase carbon sequestration and thereby contribute to reducing greenhouse gas emissions on farms.

Quality of life of animals: Involves animal comfort in pastures, holding pens and milking sheds through the management of caloric stress, waste products, product safety and technical and financial records. Shaded pastures improve animal well-being, helping to maintain a lower temperature and reduce caloric stress which, depending on the climatic conditions, increases production by 10% to 20%. Improvements in the milking process reduce potential contamination and enable farmers to obtain higher prices for better quality milk and its by-products.

Dairy adapted to climate change: Genetic management using hybrids results in cows that are better adapted to more severe climatic conditions, are more heat tolerant, more efficient in the use of forage and therefore reduce the use of concentrates. Other complementary and simultaneous activities include waste management, mitigation of greenhouse gases, generation of energy, harvesting rainwater, production of organic compost, organic fertilization of pastures and raw materials for the restoration of soils.

Agribusiness and dairy policy: Competitiveness of the tropical dairy in the region; social, environmental and financial impacts of silvopastoral systems, nutritional efficiency based on pastures, certifications, the environmental and financial impact of investments, different management strategies, policies and advocacy in the region's dairy industry.

part of this process, the workers on the commercial farm received training, sustainable practices were promoted and the farms are ready to be certified in March 2011. This work and recognition marks a new phase in the management of the center's agribusiness activities. Progress was also made in implementing the solid waste management program, increasing our contacts with suppliers of "green" products and registering CATIE's forest reserves in the Costa Rican Network of Private Reserves.

Social responsibility. The image of CATIE's International Fair as an educational and cultural event directed at families was reinforced by the increased presence of the national media, which also expanded the channels for disseminating our work. Thanks to increased sponsorships and strong sales

Thanks to its corporate social responsibility (CSR) program, CATIE managed to execute nearly all the measures required to obtain certification from the Ecological Blue Flag Program. As part of this process, the farm workers received training, more sustainable practices were applied and the farms are ready for certification in March 2011.

on our stands, CATIE distributed nearly 14 million colones among different local beneficiary organizations, thereby improving people's perceptions of our institution in the community of Turrialba.

8. Our partners: members, donors and strategic partners

In the race to find innovative solutions to the complex challenges of sustainable rural development in the region, CATIE has the support of committed partners who contribute their resources, efforts, knowledge and enthusiasm to this task: these are our member countries, donors and strategic allies, all of whom share a common vision and an excellent reputation.

In pursuit of our goals, during 2010 we forged closer links and expanded the scope of our initiatives with current donors and strategic partners, and also identified cooperation opportunities with potential donors, while at the same time strengthening the mechanisms of interaction and feedback with our member countries.

Committed to development: our donors

Our donors are more than financial agencies: we work with them to build a world vision, and decide which human, material and economic resources we should bring to the table in order to have shared equity in the enterprise of sustainable development.

In this regard, our strategy has been to promote the integration of cooperation actions, expand the existing platforms for integration and attract new strategic donors.

Integrated programs score high marks. The willingness of major donors to unite efforts and coordinate actions in a participatory initiative during 2010, enabled CATIE to fulfill its target of funding 50% of its projects through integrated programs.

Our donors are more than financial agencies: we work with them to build a world vision, and decide which human, material and economic resources we should bring to the table in order to have shared equity in the enterprise of sustainable development.

An integrated program is one that significantly contributes to CATIE being recognized as a leader in the development and application of systemic approaches, while at the same time promoting integration and cooperation among the institution's internal units and generating synergies in the use of human and financial resources. This approach creates a more solid institution with a more strategic direction.

In this strategy, the Mesoamerican Environmental Program once again sets the standard for the *modus operandi*, not only of the National Technical Offices, projects and programs but also of the donors, although many other initiatives are following the same approach.

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Contacts with donors at country level. Work strategies based on integrated programs are desirable not only at regional level, but also at country level. At the national level CATIE seeks bilateral cooperation agreements with embassies and their respective cooperation agencies, although the different mechanisms and policies applied by each agency do not make this a simple task. However, some progress has been achieved in Guatemala and Nicaragua.

In terms of identifying new partners, our main achievement has been to secure support from Swedish cooperation in Guatemala and Austrian cooperation in Nicaragua. Our contacts with the Spanish Agency for International Cooperation for Development (AECID), the European Union (EU) and the United States Agency for Development International (USAID) emerge as interesting options.

Contacts were also established with multilateral agencies for the execution of non-reimbursable funds such as the Inter-American Development Bank (IDB), the World Bank (WB) and KFW.

New strategic regional donors. CATIE has made numerous efforts to forge closer ties with donors and search for new regional partners. In 2010, 25 projects were approved for a total of US\$1,992,038, as well as 29 cooperation agreements.

Through multiple contacts with Canadian authorities at the diplomatic, academic and scientific levels, CATIE made progress in its efforts to incorporate the Canadian cooperation agency as a full partner within the MAP's integrated platform.

At the same time, the MacArthur Foundation's decision to approve funding for the Master's in Development Practice opens up a wide range of cooperation opportunities and the possibility of expanding initiatives that are already under way.

Similarly, the Climate Change and Watersheds Program has successfully negotiated various initiatives – from training projects in forest governance and REDD+ with the German Technical Cooperation Agency (GTZ, now known as GIZ) to the Biopact project, coordinated by Germany's *Wirtschaft und Infrastruktur GmbH & Co Planungs KG* (WIP), to projects to analyze socioeconomic impacts and sustainability, which receive financial support from the European Union.

In this same line, CATIE secured approval for a project financed by the Climateworks Foundation, which began operations in the first months of 2011, with the aim of strengthening the capacities of different stakeholders, including indigenous populations, involved in processes for the Reduction of Emissions due to Deforestation and Forest Degradation (REDD), in developing countries.

Through training activities directed at local communities and indigenous leaders located in key zones of Mesoamerica, considered priority REDD areas, CATIE will strengthen and complement the aforementioned training initiative implemented with GIZ.

Finally, with the opening in 2010 of its new office in Acre, Brazil, CATIE has begun negotiating various proposals with different cooperation agencies from Germany (another country that has worked with CATIE for more than 20 years), including the Center for Migration and International Development (CIM, for its German acronym), the German Technical Cooperation Agency (formerly GTZ, and now known as GIZ), and the German Federal Ministry for the

Environment, Nature Conservation and Nuclear Safety (BMU), with the aim of establishing a regional agro-environmental program in South America, in the adjoining states of Madre de Dios (Peru), Acre (Brazil) and Pando (Bolivia).

Traditional donors. These new partners join the many traditional donors who have supported us over the years, and continue to do so, among which we are proud to include countries such as Sweden, Norway, Finland, Canada, the United Kingdom, Japan, Spain and development agencies such as the World Bank, the Inter-American Development Bank and the Central American Bank for Economic Integration (CABEI).

With the continuous support of the International Development Research Center (IDRC) and the Swedish Agency for International Development (SIDA), the Latin American and Caribbean Environmental Economics Program (LACEEP) completed its sixth year of activities in 2010 and has become a reference point for researchers throughout the region. Many investigators approach CATIE with research projects that address urgent issues, which are also relevant for the design of public policies and deeply rooted in their daily knowledge on the causes and consequences of the environmental degradation identified in their respective countries.

A joint effort: our members

Addressing our members' needs is an institutional priority and one of our most essential values in this context is accountability. The presentation of country reports and accountability seminars are the mechanisms adopted to put this value into practice. At the same time, the investment made in each member country is vital to enable CATIE to fulfill its mission.

Recovery of quotas from member countries. The total of outstanding quotas recovered from member countries until 2010 reached US\$357,000 (without including the IICA quota), compared with US\$308,000 collected during the previous year, representing a 4% reduction in the pending debt (arrears).

The NTOs were instrumental in arranging payments with member countries and also in increasing our technical-academic services, as well as our outreach, dissemination and advocacy efforts. This included visits to ministries of finance, agriculture and other government authorities, the preparation of executive reports on CATIE's impact in the countries, and efforts to negotiate with the authorities in order to promote the budgeting of expired quotas and their payment.

As a result of these efforts, in 2010 the sum of US\$438,000 in unpaid membership quotas was recovered from El Salvador, Belize, Bolivia and the Dominican Republic. El Salvador paid three outstanding quotas from previous periods, Bolivia one and Belize three and a pending balance of US\$25,000. The Dominican Republic paid nearly \$162,000 through an agreement with the Secretariat of the Environment.

Accountability. During 2010, six accountability seminars were held in the member countries with 30 to 50 partners attending each of these events, including high-ranking authorities such as ministers and ambassadors and our strategic partners, including IICA. And so far in 2011, there have been five accountability events.

CATIE ensures the participation of the institution's senior staff members at these seminars, as a sign of the high priority given to the needs of our member countries. All these events were attended by the Director General, the Director of Outreach and Development, the CATIE Representative in the country and members of the Technical Advisory Group.

During this public event, the Country Report is presented, containing an overview of CATIE's actions in the country and their main impacts on rural territories.

Investing in the development of our member countries.

CATIE invested a total of US\$11,268,283 (38.9% of its total budget) in its member countries during 2010. An absolute variation of US\$2,317,316 was obtained with respect to the country investment report for 2009. Table 6 shows the distribution of investment by country, while Annex 5 contains details of the Investment Report by Country.

New members. In November 2010, State of Acre in Brazil opened its CATIE's NTO at Xapuri municipality. As part of developed actions in this country, in 2011 first semester an agreement with the Ministry of Environment of Brazil was signed.

Shared ideals: our partners

It is important to emphasize, once again, that working in partnership is essential to achieve our objectives. The level of commitment shown by our strategic partners has been invaluable, as has the scale of their contributions, which have included the efforts of senior professionals, volunteers, consultants to further the exchange of information and knowledge and the promote our work. In addition, these partners enjoy an excellent international reputation, associated with our own. Thanks to these joint efforts it is impossible quantify all the value added.

The support and sponsorship received from partners such as Bioversity International, CIRAD and Eco-agriculture Partners were decisive in the success of the Wallace

Collaborative research with IICA produces valuable results on quinoa in 2010

The joint work carried out by CATIE's Agro-ecological Production of Food Crops Program and IICA's Department of Natural Resources facilitated the implementation of the Masters thesis "Relationship between the quinoa agro-ecosystem with the livelihoods and food security of small farmers in the Andean zone of Colombia," carried out with 15 farming families in Boyacá, Colombia. The project studied the contribution of quinoa crops to the management of agro-ecosystems, to the development of various types of capital in communities and to food security.

The study found that quinoa production is based on an agro-ecological approach and involves conservation practices that tend to be extended to other crops. It was also found that quinoa is not merely a food crop (human capital), and a source of income (financial capital), but is also an important source of social capital (exchange networks), human capital (access to training and improvement of self-esteem), political capital (provides access to decision-making spheres), cultural capital (rescuing an ancestral crop and of traditional knowledge), natural capital (recognition of environment-friendly practices; protection and valuation of agrobiodiversity) and physical capital (access to productive infrastructure).

Table 6. Investments by CATIE by member country

Country	2010	2009	Absolute Variation
Nicaragua	2.872.137	3.221.159	-349.022
Guatemala	2.799.734	2.123.790	675.944
Costa Rica	1.621.690	-	1.621.690
Honduras	1.212.460	1.307.300	-94.840
El Salvador	916.215	932.112	-15.897
Panama	465.678	505.031	-39.353
Mexico	419.104	198.857	220.247
Colombia	320.127	226.250	93.877
Belize	256.325	206.010	50.315
Dominican Republic	152.348	111.440	40.908
Bolivia	126.077	71.795	54.282
Brazil	48.282	-	48.282
Spain	46.108	-	46.108
Paraguay	9.355	39.923	-30.568
Venezuela	2.643	7.300	-4.657
	11.268.283	8.950.967	2.317.316

Scientific Conference, the most important scientific event held every two years on our campus. Last year the topic was “Agrobiodiversity in Mesoamerica: from Genes to Landscapes”, in the context of activities to mark the International Year of Biodiversity.

This event was attended by experts from 14 countries, including the Director General of IICA, Victor Villalobos, who delivered the inaugural address.

At the same time, the joint work carried out by CATIE’s Agro-ecological Production of Food Crops Program and IICA’s Department of Natural Resources produced

interesting research on the potential of the quinoa crop in Colombia, which has also opened up further opportunities to work on joint proposals for development projects and policy recommendations for decision-makers.

We have already mentioned the efforts carried out with CGIAR and CIRAD through the Platform for Cooperation Scientific, and it is also important to emphasize the joint work undertaken with institutions such as the University of North Texas, the University of Bangor, the University of Idaho, the University of Purdue and INCAE in academic and research initiatives that have resulted in enormous

CATIE in the media: Agroforestry farms counteract biodiversity loss

The cover of the Aldea Global (Global Village) section of La Nación, Costa Rica’s leading daily newspaper, featured a long article about the Sixth Conference in the series of Henry Wallace scientific lectures entitled “Agro-biodiversity in Mesoamerica: from Genes to Landscapes”.



benefits to the region's development and to CATIE's growth.

Finally, CATIE's participation in the International Union of Forest Research Organizations (IUFRO) is crucial for the repositioning of forestry issues on the regional agenda.

After being elected in 2010 to the IUFRO Governing Board, our Director General is working toward the objective of increasing actions on forest issues in Latin America, including the organization of the Third Latin American Congress of IUFRO in 2013. The aim is to hold the 2018 IUFRO World Congress in a Latin American country, thereby focusing growing attention on the future of our forests and our peoples in Latin America.

Other representatives of CATIE (including the Dean of the Graduate School and Director of the Education Division, Dr. Glenn Galloway; the Leader of the Production and Conservation in Forests Program, Dr. Bryan Finnegan; the Leader of the Livestock and Environmental Management Program, Dr. Muhammad Ibrahim; and the Leader of the Climate Change and Watersheds Program, Dr. Bastiaan Louman) have a distinguished role in different committees, workforces, special projects and regional groups of the IUFRO.

We hope that many new partnerships of this nature will yield abundant fruits in 2011, in order to benefit our region.

CATIE-IICA: a fruitful partnership

Cooperation between CATIE and IICA continues to be an institutional priority, and for this reason a number of specific actions of mutual support were carried out in 2010.

These actions included joint participation in and accompaniment of regional platforms of the Central American Integration System for Agricultural Technology (SICTA) and the Central American Strategy for Rural Area-based Development (ECADERT).

In addition, efforts were made to develop courses on topics such as sustainable livelihoods and the framework of community-based capital for the analysis of social vulnerability to climate change. In addition, a proposal was prepared for the design of 13 training modules based on the needs and wishes expressed by farmers to help promote the quinoa crop in Colombia.

IICA personnel also participated in the Workshop on Challenges and Opportunities for Food Security in Chiapas, organized by CATIE, and began preparing a synthesis report for decision-makers that addresses the issue of food security and promotes quinoa production as an option to help resolve this problem in Andean communities. Another important effort undertaken with IICA-CATIE funds was the preparation of a recipe book containing 24 quinoa recipes to contribute to food security.

One of the longest-running and most successful joint initiatives is the Orton Memorial Library, where IICA and CATIE have worked together to meet the urgent challenge of improving its infrastructure. We hope to sign a further cooperation agreement, under the terms established in our regulatory framework.