The International Development Research Centre is a public corporation created by the Parliament of Canada in 1970 to help developing countries use science and technology to find practical, long-term solutions to the social, economic, and environmental problems they face. Support is directed toward developing an indigenous research capacity to sustain policies and technologies developing countries need to build healthier, more equitable, and more prosperous societies.

IDRC: Y. Beaulieu

CONTENTS

MESSAGE FROM THE CHAIRMAN

March 31, 2005 marked the end of the International Development Research Centre's current programing cycle and another milestone in IDRC's history of support for innovation and change in developing countries. As Chairman of the Centre's Board of Governors, I have the pleasure of submitting the annual report chronicling the past fiscal year.

The world has seen some remarkable changes since the Corporate Strategy and Program Framework (CSPF) was unveiled in 2000. Security concerns continue to shape political priorities and development agendas. Global markets have shifted their focus east to India and China as they flex their growing economic and political muscle. An International Criminal Court to promote the rule of law and ensure that the gravest international crimes do not go unpunished has been established, and the Kyoto Protocol to reduce global greenhouse gas emissions is now in force. Progress has been made on many fronts, but challenges remain as humankind struggles to chart a new path toward a sustainable future. I can think of few organizations better placed than IDRC to ensure that Canada's contribution to this effort is significant and lasting.

The Centre's work on biotechnology and a host of emerging technologies is a case in point. In 2002, the Centre launched a task force to see what role, if any, these technologies might play in development. Through consultations with IDRC's Southern partners, the task force highlighted issues of concern in different regions of the developing world. In a presentation to the Board in 2004, task force members noted the contributions made by IDRC in areas such as intellectual property rights and biosafety and underscored the need for caution if the Centre is to maintain its valued reputation for objectivity and neutrality in this hotly debated terrain. The Centre will now identify priority areas in which its support will strengthen Southern capacity to assess these technologies and develop appropriate policy responses.

The freedom to explore new approaches and examine new technologies is essential to a proper understanding of complex development processes and problems. The need to respond to new

issues of concern, however, must be counterbalanced by continuity and long-term support for ongoing, promising research. I believe the Centre's new 5-year plan does an admirable job on this front. IDRC's Corporate Strategy and Program Framework (CS+PF) 2005–2010 was approved by the Board in November 2004. Its approval is the culmination of 18 months of dedicated, collaborative work between Centre staff, Board members, and our Southern partners.

At its March 2005 meeting, the Board approved an Operational Framework – IDRC's first. The Framework will help managers account for and measure operational performance and ensure that the Centre's systems and business processes support the goals and objectives outlined in the CS+PF. Areas requiring change or improvement will be identified on an ongoing basis and the necessary actions taken. The Operational Framework also responds to a gap in the Centre's operational monitoring system identified by the Office of the Auditor General (OAG) in its Special Examination of IDRC in 2001/02.

The governance of Crown Corporations remained a priority for the Government of Canada this year. Not only was it a common theme in the annual reports of the OAG and the Treasury Board Secretariat (TBS), it was also the subject of comprehensive review by the TBS. As Chair, I am pleased to note that the Centre already has governance structures in place that fulfill the Government of Canada's expectations of Crown Corporations. Some, such as specifying the qualifications of Board members, were mandated by the IDRC Act and have been in place since 1970.

In November 2004, the Board approved a Philosophy of Governance to further strengthen the processes and structures in place to direct and manage the Centre's operations. The statement of principles serves as a guide for the Board's own operations. They underscore the importance of Governors and staff working together to achieve the best possible level of organizational performance.

To that end, I will work closely with the Centre's President, Maureen O'Neil, to seek clarity on how certain measures mentioned in the TBS review could best be implemented. For example, the report recommends that government reduce or eliminate the participation of public servants on boards. I believe it is in the Centre's interest to have the President of the Canadian International Development Agency (CIDA) act as a Board member. The work we do, though different, is complementary and a thorough knowledge of each other's priorities is often mutually beneficial. The recently completed Tanzania Essential Health Interventions Project (TEHIP), supported by both CIDA and IDRC, is a good example.

To ensure proper stewardship of public resources, the Board and senior management continue to champion greater clarity and predictability in the allocation of the International Assistance Envelope (IAE) among the lead agencies. One measure of the success of our interventions was the earmarking of a separate funding pool for development research in the February 2005 federal budget, within the overall official development assistance envelope. This does not, however, indicate the level of funding each pool will receive each year. IDRC will continue to strive to find an IAE management system that works for all those who share the IAE and respects the uniqueness of each agency's mandate and status. Discussions on IAE management are expected to extend into fiscal year 2005/06.

As the Centre works to implement its new 5-year strategy and program framework, Governors will give guidance and review program choices so that applied research continues to make a positive difference to the lives and hopes of people in developing countries. I look forward to working with my Board colleagues, IDRC management, staff, and research partners as we set the Centre's course for the next 5 years.

Gordon Smith
Chairman

MESSAGE FROM THE PRESIDENT

When a devastating tsunami hit the shores of South and Southeast Asia and East Africa in December, waves were felt around the world. Our sense of "connectedness" was heightened by the graphic images beamed into our living rooms, and by the personal threads that tie many of us to the affected areas.

The importance of connectedness was underscored by the narrow escape of hundreds of coastal villagers in the region of Pondicherry in southern India, thanks to the presence of a community knowledge centre set up by the M.S. Swaminathan Foundation, an IDRC partner. Where less than a decade ago there had been no phones, local people were able to relay a warning called home by a community member working in Singapore, who had watched television newscasts of the unfolding disaster. A public address system put in place to relay sea and weather conditions to fishers was used to broadcast the evacuation warning.

One could say the escape was thanks to technology, but much more sophisticated alert systems failed to warn thousands of others, in the absence of protocols and networks for sharing the information.

IDRC has long known the importance of networks in fostering and sharing knowledge for development. This year, the Centre began a strategic evaluation to consolidate what we know about supporting effective networks. To cite a background study, IDRC defines a "network" as "a forum for human exchange, a social arrangement involving organizations or individuals that is based on building relationships, sharing tasks, and working on mutual or joint activities."

At their best, IDRC-supported networks are powerful vehicles for change, connecting decision-makers, researchers, and affected communities. The creation of effective, inclusive, and enduring networks is at times one of the more visible indicators of our success in supporting developing-country researchers. This annual report highlights what networks bring to achieving all three of IDRC's strategic objectives: building capacity; informing policies and practices to improve the lives of the poor; and building on past investments while exploring new possibilities.

Building on learning

These three objectives remain a constant as IDRC makes the transition to a new 5-year corporate strategy and program framework, approved by the Board of Governors in November 2004, which will guide us to the year 2010. Our new strategic plan was based on extensive research and consultation, and reflects what we have learned from past efforts.

In consultations in Canada, Latin America, Asia, and Africa, our partners stressed that they particularly value IDRC's focus on capacity building, the sustained mentoring offered by our staff, our responsiveness to local needs and context, and our emphasis on scientific excellence.

In June 2004, the outcomes of an evaluation of the policy influence of IDRC-supported research were presented to members of the Canadian research, advocacy, and policy communities. Underway since 2002, the evaluation examined 25 cases of IDRC-supported research. It shed light on many concrete examples of Centre-supported research helping to shape policies, and underscored what our partners have told us: that policy formulation is complex and long-term, requiring a patient, flexible, and sustained approach to nurturing policy-relevant research.

The Centre will reflect this improved understanding in its future programing. We will help partners build their abilities to access and influence policy processes, and sustain their efforts. This will mean giving more support in the areas of communication and dissemination, and helping our partners diversify their funding sources and research collaborations.

At the nexus of development and innovation

As the only Crown Corporation supporting both Canada's international development and innovation agendas, IDRC found itself at the juncture of two key areas of emerging policy focus this year.

The February 2005 federal budget, and public statements by the Ministers of International Cooperation and Foreign Affairs, brought renewed commitment and clarity to Canada's

development assistance agenda, later confirmed in the International Policy Statement. Aid levels are expected to continue increasing annually by 8%. Another welcome development was the creation of a new system for managing the International Assistance Envelope in five funding pools, one earmarked for research for development. Good governance, health (including HIV/AIDS), basic education, environmental sustainability, and the role of the private sector in development – all areas in which the Centre supports research – were identified as priorities for the Canadian International Development Agency (CIDA).

Internationally, the UN Millennium Project Task Force Report on Science, Technology, and Innovation released in January 2005 characterized S&T innovation as crucial to the achievement of all the millennium development goals. The Report named IDRC as one of several institutions linking innovation and development, and singled out the Canadian government for its leadership in this area. This leadership was evident in the Prime Minister's commitment to devote no less than 5% of Canadian S&T funding to the needs of developing countries, repeated in the October 2004 Speech from the Throne. The Throne Speech also announced the creation of a Canadian Academy of Sciences, following last year's appointment of Dr Arthur Carty as Canada's first National Science Advisor.

Consistent with these developments, a fourth area has been added to IDRC's program framework: Innovation, Policy and Science will support research to strengthen S&T knowledge and institutions in developing countries while contributing to Canada's emerging S&T for development agenda.

Supporting research on global governance and the private sector in development

Since the March 2004 launch of *Unleashing Entrepreneurship: The Report of the UN Commission on the Private Sector and Development*, IDRC has collaborated with CIDA and others in bringing together leading thinkers from North and South to shape an effective agenda for promoting the private sector to meet development goals. An IDRC task force was struck in the

summer of 2004 to assist our explorations in this area, and at year's end, we were finalizing preparations for a CIDA–IDRC international conference – since held in April 2005 – aimed at setting a research agenda for private sector development.

During this past year, the Centre also helped to advance international dialogue on global governance. We are backing the L20 project, led by the University of Waterloo's Centre for International Governance Innovation and the University of Victoria's Centre for Global Studies, as well as the Global Financial Governance Initiative led by Oxford University. Both these initiatives aim to bring developing-country perspectives to bear on critical global policy issues. The L20 – an idea strongly promoted by the Prime Minister – is an attempt to break the logjam in international negotiations around key global issues through the expansion of the present G8 to a more inclusive G20 at the level of national leaders. Outcomes of the dialogue will feed into further Canada-specific research and high-level policy discussion.

Each IDRC program area has its own unique lens on governance. Involving poor communities in managing natural resources; developing telecommunication policy; improving online access to government services; and addressing the status of Palestinian refugees are just a few examples of IDRC support for governance-related research.

The practice of involving citizens in shaping evidence-based policies – the heart of good governance – is embedded in all IDRC programing.

Maureen O'Neil
President

STATISTICAL SNAPSHOT AND FINANCIAL HIGHLIGHTS

Statistical snapshot

Regional offices	6
Staff (full-time equivalents)	354
Research program activity	
Research projects	
Research projects approved in 2004/05	161
Research projects completed	134
Total active research projects	469
Research activities (includes research projects)	
Total research activities approved	432
Total research activities completed	421
Total active research activities	811

IDRC: D. Barbour

New research activities in 2004/05
(with total active in parenthesis) by area under study and by program area[a]

Area under study	Corporate		ENRM		ICT4D		SEE		Total		IDRC	Total[b]
											2004/05 allocation ($000)	
Asia	26	(28)	24	(58)	15	(33)	16	(28)	81	(147)	16 763	16 763
Eastern Europe	0	(1)	0	(0)	0	(0)	0	(0)	0	(1)	0	–
Latin America and the Caribbean	17	(26)	33	(65)	19	(42)	18	(32)	87	(165)	23 844	25 638
Middle East and North Africa	10	(19)	9	(15)	2	(4)	6	(20)	27	(58)	5 182	11 145
Sub-Saharan Africa	51	(63)	20	(63)	34	(73)	21	(53)	126	(252)	17 775	20 482
Multiregional	1	(2)	6	(10)	5	(5)	6	(7)	18	(24)	5 093	5 595
Global	45	(78)	14	(31)	5	(4)	26	(49)	90	(162)	24 519	27 843
Other[c]	2	(1)	0	(0)	0	(0)	1	(1)	3	(2)	137	148
Total	**152**	**(218)**	**106**	**(242)**	**80**	**(161)**	**94**	**(190)**	**432**	**(811)**	**93 313**	**107 615**

Note: Research activities include research projects, research support activities, awards programs, etc.

[a] ENRM (Environment and Natural Resource Management); ICT4D (Information and Communication Technologies for Development); SEE (Social and Economic Equity). Corporate activities include those of the Gender Unit, international secretariats, the Special Initiatives Division, Partnerships and Business Development, Evaluation Unit, the President's Office, Explorations, Regional Activity Funds, forward planning, etc.

[b] Includes both IDRC and external funding.

[c] Includes all other regions of the world, although in practice pertains mostly to Canada and IDRC's Canadian Partnerships Program.

Key financial highlights

For the year ended 31 March
(in thousands of dollars)

	2004/05		2003/04
	Actual	**Revised budget**	**Actual**
Revenues			
Parliamentary appropriations	122 340	120 646	107 932
Resource expansion	14 399	12 279	14 508
Recovery of indirect costs, investment, and other income	4 046	3 400	3 878
	140 785	136 325	126 318
Expenses			
Development research programs	90 031	89 731	77 069
Development research support	23 283	23 868	21 632
Administrative services	25 186	25 836	24 469
	138 500	139 435	123 170
Net results of operation	2 285	(3 110)	3 148
Equity	13 397	8 002	11 112
Expenditure benchmarks	65/17/18	64/17/19	63/17/20
Program allocations			
Centre programs	86 275*	85 000	75 265
Resource expansion	14 302	10 719	16 797
	100 577	95 719	92 062

Notes:

The Parliamentary appropriations represent 87% of the total revenues.

The expenses for development research programs represent 65% of the total expenses.

The actual expenditure benchmarks (development research programs/development research support/administrative support) demonstrate that IDRC is committed to investing in research program activities.

For further information on these key financial highlights, please refer to the Financial Management Discussion and Analysis, beginning on page 52.

* Does not include allocation of $7 038 for the Institute for Connectivity in the Americas.

Geographical distribution of program allocations
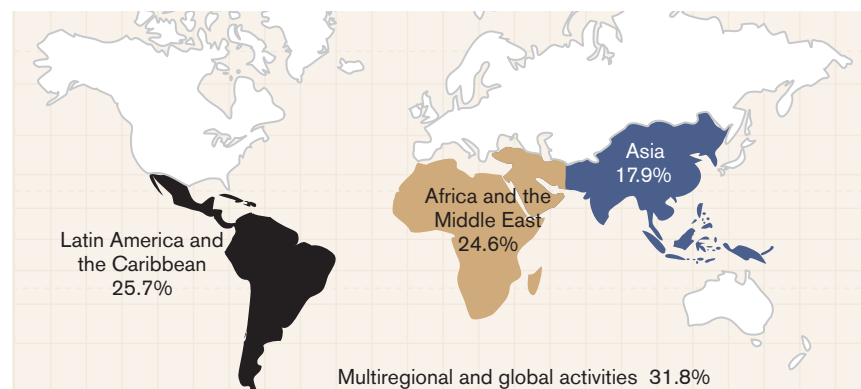
Asia
17.9%

Africa and the
Middle East
24.6%

Latin America and
the Caribbean
25.7%

Multiregional and global activities 31.8%

IDRC's Corporate Strategy and Program Framework 2000–2005 set notional targets for the distribution of programing resources. The distribution of resources shown here differs from these targets because some activities touch more than one region and others are considered to be global.

CORPORATE PROFILE

Mandate

A public corporation, IDRC was created by the Parliament of Canada in 1970. IDRC's objectives, as stated in the *International Development Research Centre Act*, are:

> " ... to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions ... "

In doing so, the Centre helps developing countries use science and knowledge to find innovative, practical, long-term solutions to the social, economic, technological, and environmental problems they face.

Mission and objectives – *Empowerment through knowledge*

The Centre strives to optimize the creation, adaptation, and ownership of the knowledge that the people of developing countries judge to be of the greatest relevance to their own prosperity, security, and equity.

As set out in IDRC's Corporate Strategy and Program Framework (CSPF) 2000–2005:

✦ IDRC will strengthen and help to mobilize the indigenous research capacity of developing countries, especially directed to achieving greater social and economic equity, better management of the environment and natural resources, and more equitable access to information.

✦ IDRC will foster and support the production, dissemination, and application of research results leading to policies and technologies that enhance the lives of people in developing countries.

✦ IDRC will explore new opportunities and build selectively on past investments within its program framework.

Operating principles

The Centre advocates a multidisciplinary, participatory approach. Many features describe and distinguish this approach, including:

✦ Responding to the needs of the developing world as identified by the researchers who live and work there.

✦ Focusing greatest attention on encouraging and supporting work by researchers in the developing world.

✦ Concentrating on developing human resources and strengthening existing institutions as well as the climate for research in developing countries.

✦ Devolving responsibility for management and administration of research to institutions in the South while maintaining accountability.

✦ Exploring the potential for research on how to apply scientific, technical, and other knowledge to development problems.

✦ Underpinning all programing by a quest for sustainable and equitable development.

✦ Adopting a multidisciplinary approach to development problems and employing a variety of ways to do research.

✦ Considering the differing impact of change on the lives of men and women.

✦ Tailoring support to different countries to best match their needs, resources, and aspirations.

✦ Placing high value on the creative judgement of staff.

In doing so, IDRC also:

✦ Concentrates on establishing partnerships with other donors, exploiting comparative strengths.

✦ Encourages connected communities of researchers.

✦ Assists researchers to access and distribute information themselves.

✦ Promotes evaluation as a planning, learning, and management tool.

✦ Works to ensure the impact of research by bringing it to the attention of policy- and decision-makers at all levels.

HOW WE PROGRAM

A key challenge for IDRC is how to combine responsiveness in its programing with quality and focus. This includes the challenge of identifying projects and processes through which good research will bring about significant benefits for economically and socially disadvantaged groups, and will build local research capacity. Equally important is the need to strengthen national and regional research and advocacy networks to share learning from effective local development and to build constituencies for change.

The Centre's Corporate Strategy and Program Framework (CSPF) recognizes the changing domestic and global environment for international development and sets the framework within which IDRC will provide support over a 5-year period – broad areas of research and the issues on which it will focus in each area. It also provides an indicative planning figure, in percentage terms, of the expected regional allocation of overall IDRC program funding over the 5-year period.

IDRC's Board of Governors was closely involved in defining and guiding the content of the CSPF 2000–2005, ended on 31 March 2005, and the CS+PF 2005–2010, based on extensive preparatory work and consultations undertaken by staff.
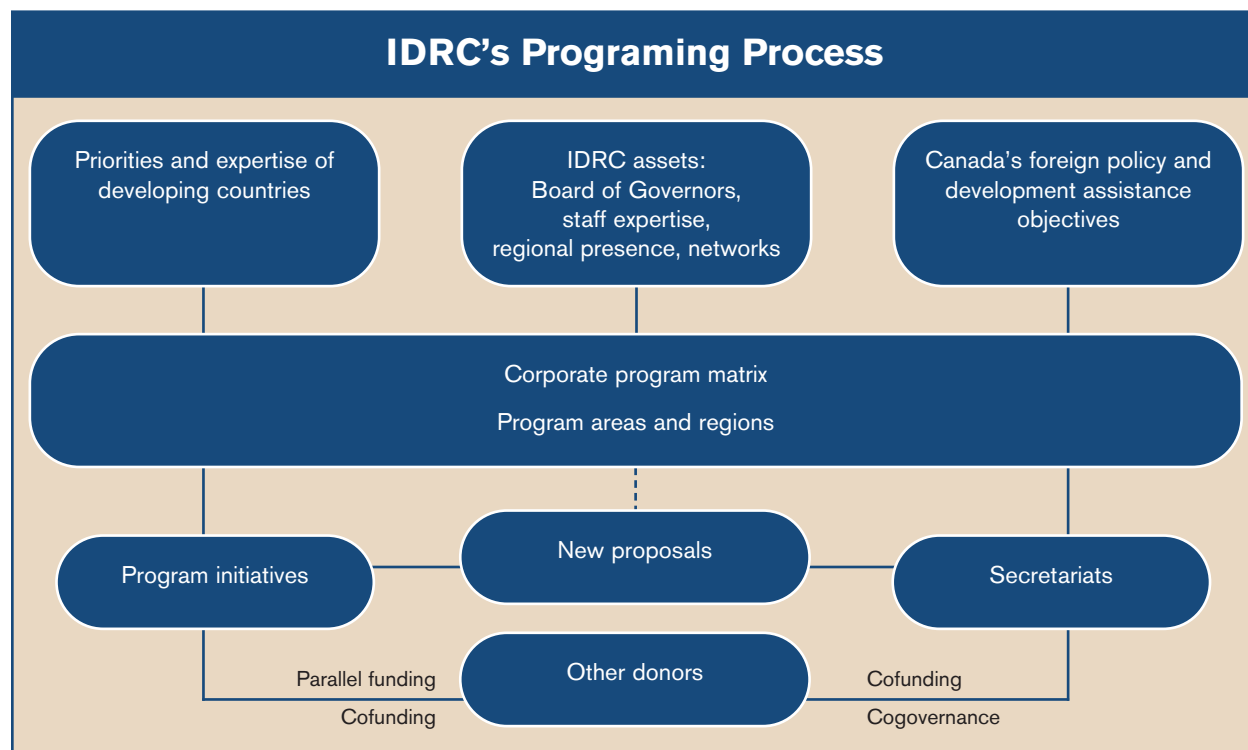
The year under review was the last under CSPF 2000–2005. It identifies three broad thematic areas in which IDRC supports research. These areas represent an intersection of the priorities of the developing countries and IDRC's potential to make a contribution to sustainable and equitable development:

✦ **Environment and Natural Resource Management (ENRM):** Research support focuses on the sustainable use and management of natural resources, stressing the involvement of local communities.

✦ **Information and Communication Technologies for Development (ICT4D):** IDRC was one of the first development agencies to embrace ICTs as a key means to foster development. Current research focuses on ensuring equitable and sustainable access to information and understanding developments in the information economy.

✦ **Social and Economic Equity (SEE):** Research support is directed toward issues in social and economic policy that relate to poverty reduction and enhanced social equity.

IDRC also devotes resources to research on two issues that cut across the full program framework – gender and knowledge systems. In 2004/05, the Gender Unit's activities increased substantially, building on a trajectory established the previous year.

In addition, the Special Initiatives Division promotes and sustains linkages with Canadian institutions and organizations; manages the Centre's Training and Awards program; and administers special projects, such as the CIDA-funded Expert Advisory and Services Fund for the Middle East Peace Process and the Scholarships for Palestinian Refugee Women in Lebanon,

IDRC's Programing Process

| Priorities and expertise of developing countries | IDRC assets: Board of Governors, staff expertise, regional presence, networks | Canada's foreign policy and development assistance objectives |

Corporate program matrix

Program areas and regions

Program initiatives | New proposals | Secretariats

Other donors

Parallel funding
Cofunding

Cofunding
Cogovernance

Programs (as of 31 March 2005)

Program Areas	Environment and Natural Resource Management	Information and Communication Technologies for Development	Social and Economic Equity
Program initiatives Number: 12 New research projects funded: 161 Total number of active research projects: 469	Alternative Approaches to Natural Resource Management in Latin America and the Caribbean Cities Feeding People Community-Based Natural Resource Management (Asia) Ecosystem Approaches to Human Health People, Land, and Water (Africa and the Middle East) Sustainable Use of Biodiversity	Acacia Pan Asia Networking	Governance, Equity, and Health Micro Impacts of Macroeconomic and Adjustment Policies Peacebuilding and Reconstruction Trade, Employment, and Competitiveness
Secretariats Number: 6	Environmental Management Secretariat for Latin America and the Caribbean International Model Forest Network Secretariat	Bellanet	Economy and Environment Program for Southeast Asia Research for International Tobacco Control Secretariat for Institutional Support for Economic Research in Africa
Corporate projects	EcoPlata Mining Policy Research Initiative	Connectivity Africa Electronic Networking for Rural Asia (ENRAP II) Institute for Connectivity in the Americas KariaNet PAN Americas Telecentre.org	Tanzania Essential Health Interventions Project Small Enterprise Policy Project (Egypt)
Crosscutting research	Gender Research on Knowledge Systems		
Special initiatives	Canadian Partnerships Training and Awards		

IDRC: S. Colvey

initiated by Foreign Affairs Canada. This type of project is under-taken on an as-needed basis with both IDRC and non-IDRC funding.

Overall program development and implementation are reviewed annually to take advantage of new opportunities and to ensure a balance between the evolving needs of the regions in which IDRC operates and the Centre's desire to maintain a coherent, focused program of research support. The directors of program areas and regional directors monitor program development in line with CSPF guidelines.

Programing mechanisms

IDRC delivers its programs through various modalities – program initiatives, secretariats, and corporate projects. Planning docu-ments guide them in applying the CSPF framework in particular fields. An annual Program of Work and Budget, approved by the Board, allocates resources across the different mechanisms. Projects set out the terms under which IDRC actually delivers its support.

Program initiatives (PIs) are the Centre's primary vehicle for funding Southern researchers and research institutions. These multidisciplinary staff teams in IDRC's headquarters and regional offices start with a problem, not a discipline, and consider what knowledge and what disciplines can contribute to its solution. PIs also act as networks that link researchers to address specific issues and to set research agendas. There were 12 program initiatives in 2004/05.

Each PI team develops a prospectus that outlines the scope of activities that will be supported during a given period of years. Projects submitted for funding are reviewed against the objec-tives and priorities set out in the prospectus. The Board of Governors approves each PI prospectus.

Secretariats have core funding from several donors, including IDRC. Independent steering committees oversee their operations and research directions, which are integrated into one of the Centre's program areas. There are currently six secretariats.

Corporate projects address special needs, opportunities, and exploratory activities that could eventually become significant sectors of intervention for IDRC. They are closely linked with one or more program initiatives.

Project funding

IDRC's principal approach is to support research projects and related activities developed and proposed by developing-country institutions, and by Canadian institutions in collaboration with developing-country partners. In 2004/05, 811 research activities were being carried out, including 469 projects. The Centre strives to achieve a critical mass of knowledge on particular topics. Frequently, this is done in collaboration with other donors.

Most project proposals submitted to IDRC result from direct exchange with developing-country institutions, in which Centre
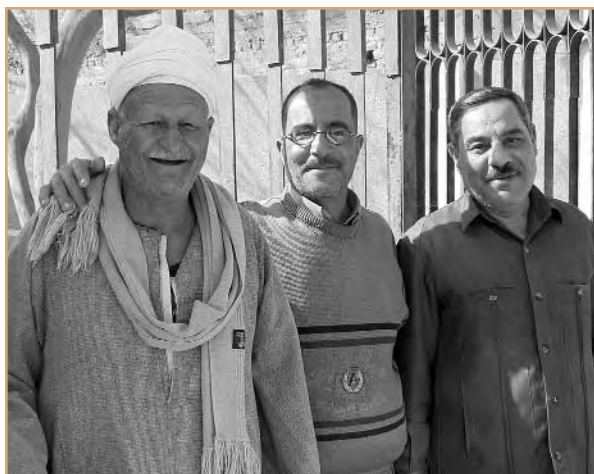
IDRC: L. Thompson

Most project proposals submitted to IDRC result from direct exchange with developing-country institutions.

officers and recipient institutions explore mutual areas of interest. Highly qualified researchers themselves, program officers also play an entrepreneurial role in bringing together the people and resources to pursue common objectives.

Proposals are usually developed on the basis of a detailed – and often lengthy – interaction between both parties. In addition to having scientific and technical merit and a potential development impact, projects must fit with IDRC's priorities; contribute to local capacity building; and include both gender and ethical considera-tions. The availability of human and institutional resources is also important. A number of program initiatives also fund research under competitive arrangements such as small grants competi-tions that, in addition to their research purpose, provide another way of identifying new researchers and institutions with which to work. In 2004/05, 14 such competitions were held.

Depending on the amount of funding required, the proposal is submitted to the program initiative team or to senior management for approval. A Memorandum of Grant Conditions (MGC) stipu-lates the value and purpose of the grant, the terms of its adminis-tration, the obligations of all participants, the reporting and payments schedule, and the formal starting date of the project. Program officers monitor the project's progress until completion. Each program initiative reviews its portfolio of projects annually.

Managing project risk

Weighing risk factors is an important part of project development and monitoring. Program initiative teams strive to create a bal-anced portfolio of projects – some that are high-risk and labour intensive, and others that are medium- or low-risk.

Before a project is supported by IDRC, it is appraised by a team of program staff. For large proposals, this includes a visit to the site by the responsible program officer. The appraisal includes an assessment of inherent risks that could affect the project's imple-

IDRC: R. Ghose

◆ *Evaluation and Learning*: IDRC recognizes that evaluation makes an essential contribution to learning and decision-making about research. The Centre develops evaluation methods and tools, and provides central coordination and support for monitoring performance and measuring program achievements. In 2004/05, 17 evaluations were carried out.

◆ *Research Information*: Through our databases, researchers can tap into development research results and current research dialogues. IDRC's information specialists offer efficient access to research information and intellectual support.

◆ *Communications*: IDRC employs a number of vehicles – publications, workshops, conferences, government/ parliamentary relations, public affairs, Web site, etc. – to disseminate information on the activities it supports and help ensure that the results of those activities benefit North and South. These activities also serve to help keep Canadians informed about international development and other global issues which affect them, as well as promoting a better understanding of IDRC-supported research and how their tax dollars are spent.

mentation, such as political and economic problems, social unrest, climatic changes, and inadequate sources of information.

Before approval, each project budget is reviewed by a grant administration officer. In collaboration with regional controllers in each of IDRC's offices, they verify the legal identity and status of the proposing institution and assess the administrative risk, reviewing the institution's administrative and management capacity, in accordance with IDRC's financial control framework. In the case of large projects with new institutions, IDRC staff carry out institutional assessments of recipients on site. The findings help to determine the grant conditions to be applied to the project.

Once a project is approved, program officers monitor its progress and help address any unexpected developments. Grant administration officers work with program officers and conduct regular compliance reviews throughout the life of the project. Senior grant administration managers also regularly visit institutions that have high volumes of IDRC funding to review managerial, administrative, and financial capabilities. The findings seek to confirm earlier assessments and help to determine if contract adjustments are necessary.

Program complements

Several activities are integrated in IDRC's research program to broaden its impact and scope:

◆ *Partnerships and Business Development*: IDRC enters into a variety of partnerships and resource expansion activities to expand the flow of resources to researchers in developing countries.

Regional presence

IDRC's headquarters are located in Ottawa. The Centre also maintains six regional offices: in Montevideo, Uruguay to serve Latin America and the Caribbean; in Singapore to serve Southeast and East Asia; in New Delhi, India to serve South Asia; in Cairo, Egypt to serve the Middle East and North Africa; in Nairobi, Kenya for Southern and Eastern Africa; and in Dakar, Senegal to serve West and Central Africa.

More than merely administrative outgrowths of headquarters, these offices represent a significant strategic asset and are part of IDRC's personality as an institution. Their role of providing a regional perspective to the Centre's programs and nurturing partnerships and resource expansion activities in the regions where IDRC works, as well as promoting the dissemination of research results, is essential to the effective management of the Centre's program matrix.

In addition to monitoring the risks of all aspects of IDRC's work and providing stewardship of the Centre's resources in the region, each regional director manages a Regional Activity Fund, enabling him or her to respond to priorities and opportunities in the region that are consistent with IDRC's mandate. In 2004/05, this fund amounted to $2.2 million, divided among the regions.

ACCOUNTABILITY AND GOVERNANCE

The Centre's financial statements are audited annually by the Office of the Auditor General and the Centre is accountable to the Parliament of Canada, reporting through the Minister of Foreign Affairs.

A 21-member international Board of Governors has overall responsibility for the management of Centre affairs. As Chief Executive Officer and an *ex officio* member of the Board, the President manages the Centre's operations, with the support of the Senior Management Committee (see page 47).

Financing

The Canadian Parliament provides IDRC with an annual appropriation. While this is its main source of revenue, the *IDRC Act* also allows the Centre to seek external funding. In 2004/05, IDRC's Parliamentary appropriation was $122.3 million. Revenues from other sources totaled $18.4 million.

Ethical conduct

High ethical standards are a hallmark of IDRC's activities. All IDRC-funded research must meet internationally recognized ethical standards. The Centre and its partners also seek to ensure that IDRC-supported research does not adversely affect participants' health, right to privacy, or living conditions. Grants are subject to terms and conditions developed on principles established by the Centre's Ethics Review Committee, to ensure the rights of research subjects are protected.

IDRC's Human Rights Policy, endorsed by the Board of Governors, promotes development that respects and enhances human rights. The Corporate Strategy 2005–2010, approved by the Board of Governors in November 2004, endorses and reinforces this policy on human rights and development.

IDRC's Patent Policy seeks to ensure that institutions under whose auspices inventions are made will potentially receive some financial reward from those inventions. It also seeks to ensure that all those in developing countries who want to use such inventions can have access to them on reasonable terms. To put the policy into effect, grant recipients are asked to sign a patent agreement.

The Employment Philosophy, adopted in 2002, provides managers and employees with a source of common understandings, which are values-based. As such, it guides the ethical standards and behaviours of the Centre's staff. The importance that the President and the senior management team have placed on the shared set of values articulated in the Employment Philosophy encourages employees to view IDRC as a "workplace of choice."

IDRC also strives to make its activities and operations transparent. Information on all research projects funded is available on the Centre's Web site, as are its annual reports. In December 2003, the Prime Minister announced the policy on mandatory publication of travel and hospitality expenses for ministers, ministers of state, and other officials. Although Crown Corporations were not explicitly included in the policy, IDRC began posting the hospitality and travel expenses of its senior executives on its Web site in 2004.

In addition, IDRC is subject to both the *Access to Information Act and the Privacy Act:* seven requests for information were received and responded to under the *Access to Information Act* in 2004/05. None were received under the *Privacy Act*.

SUPPORTING CANADA'S PUBLIC POLICY OBJECTIVES

IDRC provides technical support and funding to applied research in developing countries. IDRC's mission and work thus lie at the intersection of Canada's innovation and foreign policy agendas.

The gathering momentum around a science, technology, innovation, and development agenda as part of Canada's international face opens new opportunities for IDRC. In his response to the October 2004 Speech from the Throne, the Prime Minister reiterated a previous commitment to apply at least 5% of Canada's S&T resources to the problems of developing countries. This, combined with the stated commitment to an 8% annual increase in development assistance, signals that IDRC is well in tune with the government's priorities.

As part of its contribution, on 1 June 2004, IDRC seconded a senior program specialist for 1 year to the Privy Council Office as Senior Advisor (International Affairs) to Arthur Carty, National Science Advisor to the Prime Minister. On 15 October, IDRC President Maureen O'Neil, along with senior representatives from CIDA and other government departments, NGOs, and universities met with Dr Carty to discuss the preparation of a strategic framework for analyzing issues related to the internationalization of Canada's research capacity.

IDRC's support for the Global Health Research Initiative (GHRI) is one example of how this can be accomplished. Funded by IDRC, the Canadian Institutes of Health Research, CIDA, and Health Canada, this collaboration aims to help bring Canadian and developing-country expertise in health research together to address global health priorities. In July 2004, the Building Canadian Support for Global Health Research project was launched to build on this collaboration.

In 2004/05, IDRC supported Canadian public policy development in a number of ways. Here are some examples:

✦ One of the international reforms that the Prime Minister champions is the creation of a G20 world leaders forum (on the model of the G20 Ministers of Finance) to increase the participation of developing countries in addressing global challenges. IDRC supports and participates in thematic meetings for a Leaders-20 (L20) project to explore the potential for a G20 leaders forum. The University of Victoria's Centre for Global Studies and the Centre for International Governance Innovation in Waterloo, Ontario convene the L20 project. Senior IDRC staff have been present at every meeting of the L20 project since its formation in February 2004.

✦ IDRC was invited by the Canadian government to make a formal intervention on advancing sustainable development in water at the Twelfth Session of the UN Commission on Sustainable Development (CSD-12) in New York, 14–30 April. The CSD-12 session was a key meeting leading to the UN-Habitat 2004 World Urban Forum (WUF) in Barcelona, in September. IDRC participated at WUF, in part to lay the foundations for the Centre to play a leading role on urban agriculture at the next WUF planned for 2006 in Vancouver.

✦ An international panel, "Bringing the Best of the Private Sector to Development," was convened by IDRC in partnership with CIDA at the June Conférence de Montréal: the International Economic Forum of the Americas. It provided an opportunity to discuss the recent United Nations report *Unleashing Entrepreneurship: Making Business Work for the Poor*. The report was the outcome of the UN Commission on the Private Sector and Development, cochaired by Prime Minister Paul Martin and Ernesto Zedillo, former President of Mexico.

✦ On 26 October, Mexican President Vicente Fox visited IDRC headquarters to present the @Campus México, a comprehensive, online educational program for Mexico's public servants, created with Canada's help. The project emerged from an agreement between Mexico and Canada at the 2001 Summit of the Americas. The Canada School of Public Service collaborated in the project.

✦ IDRC helped to craft an international seminar on building science and technology capacity in Africa, bringing together key players from Canada, the UK, and Africa. The event, which took place 31 January–1 February, was a collaborative effort between IDRC, the Canadian High Commission in London, the British High Commission in Ottawa, and the UK Office of Science and Technology.

✦ On 18 February, IDRC built on its partnership with International Trade Canada (ITCan) by collaborating, for the second time, in ITCan's annual trade policy roundtable. Some 15 of the Centre's research partners participated in the discussion on the current multilateral trade agenda.

IDRC: P. Bennett

In partnership with the United Nations Economic Commission for Africa, IDRC is responsible for the establishment of Connectivity Africa.

A Crown Corporation operating under its own Act of Parliament, IDRC reports to Parliament through the Minister of Foreign Affairs. However, IDRC's Act accords the Centre the autonomy it needs to establish links and advance policy issues. IDRC can act effectively as a strategic partner to Foreign Affairs Canada, CIDA, and the Department of International Trade.

As a member of Canada's international policy community, the Centre remains committed to consultation and collaboration with other members of that community. For example, the process of developing the Centre's Corporate Strategy 2005–2010 has involved consultation with Foreign Affairs Canada, CIDA, the Department of Finance Canada, the Privy Council Office, Industry Canada, Health Canada, Natural Resources Canada, and the National Research Council, among others.

CIDA and IDRC are complementary organizations, each with its particular strengths. Our two agencies are in regular contact on strategic and programatic issues, and are frequently partners in important projects.

IDRC has proven to be a useful vehicle for the Government of Canada to support its agenda for promoting greater access to information and communication technologies for development. For example, IDRC's President served as the Canadian cochair of the G8 Digital Opportunities Task Force, along with the Deputy Minister of Industry Canada and the CEO of Telesystems. In partnership with the United Nations Economic Commission for Africa, IDRC is responsible for Connectivity Africa (CA), a Canadian government contribution to the New Partnership for Africa's Development and the 2002 G8 Action Plan for Africa. Officially launched in April 2003, CA is funded by the Canada Fund for Africa. The Centre is also host to the Institute for Connectivity in the Americas (ICA), announced by Canada at the 2001 Summit of the Americas. Industry Canada is a major partner in ICA, which builds on the success and experience of the Connecting Canadians program and Canada's international development and ICT programs.

Building Canadians' awareness of research for development

To engage Canadians and contribute to building and maintaining Canadian public support for international development, IDRC organizes and participates in a number of events and conferences. In 2004/05, these included:

✦ In June 2004, IDRC hosted the forum "Making the Most of Research: Research and the Policy Process" as a learning event and an opportunity to highlight the impact of Centre-supported research to Canadian constituencies. Participants included more than 90 representatives of federal government departments, NGOs, think tanks, and research-funding councils, as well as members of IDRC's Board of Governors.

✦ On 21 June, the Montréal Biodôme launched a new prize-winning exhibit, Eco Mondo, produced in partnership with ENvironnement JEUnesse, CIDA, and IDRC. The exhibit, which explores the links between the health of ecosystems and human health, highlights three IDRC projects. More than 900 000 people visited the exhibit.

✦ On 27 June, Canadian and Uruguayan scientists presented the results of an ambitious collaborative project to promote a new type of management of the Rio de la Plata coastal resources at the Coastal Zone Canada 2004 conference, held in St John's, Newfoundland and Labrador. Supported by IDRC, Uruguay's Ministry of Housing, Territorial Planning and Environment, UNDP, and UNESCO, EcoPlata has been recognized for its achievements in science, technology, and management of the coastal area, notably for encouraging the commitment and participation of communities.

✦ On 12 July in Montréal, IDRC's Ecosystem Approaches to Human Health program initiative convened a special session at the 8th Biennial Scientific Conference of the International Society for Ecological Economics to explore the links between health, environment, and economic benefits of development interventions.

✦ More than 600 people – half of them science journalists from 58 countries – participated in the Fourth World Conference of Science Journalists, sponsored in part by IDRC, CIDA, and Foreign Affairs Canada in Montréal, 4–8 October. The World Federation of Science Journalists, to be based in Montréal, was launched at the conference.

✦ Some 20 IDRC research partners from Latin America, Asia, Africa, and Europe participated in an IDRC-sponsored seminar on North–South regional and bilateral trade agreements. Organized in Ottawa in mid-February, the event enabled Canadian academics and policy officials to discuss research results and exchange ideas with IDRC partners. They also participated in two large events on trade and development and on WTO dispute settlement, hosted by Canada's University of Ottawa.

✦ An IDRC-supported study on the impact of the African Diaspora in building capacity on the continent, particularly in Ethiopia, was showcased at a November roundtable in Ottawa, hosted by IDRC and its research partner, AHEAD. The study revealed the impacts of the loss of skilled professionals on the economic development of sub-Saharan Africa.

✦ IDRC has been actively involved in the World Summit on the Information Society (WSIS) process since its inception. Looking ahead to the November 2005 Summit in Tunis, IDRC facilitated Southern civil society involvement in WSIS debates, notably on financing and Internet governance and supported a thematic meeting on the knowledge economy in Guatemala. One of the first organizations to recognize ICTs as an opportunity to foster development, the Centre, through its WSIS activities, seeks to promote the sharing of good practices, the use of ICTs to support the right to information, and the advancement of transparency in government.

IDRC and its partners honoured

✦ On 30 June 2004, in New Delhi, former IDRC Chair and former Secretary of State for External Affairs, the Honourable Flora MacDonald, was given the Padma Shri Award, one of India's highest civilian honours, for her social development work in India. Ms MacDonald is the first Canadian to receive this prestigious award. Long-time IDRC partner, Anil K. Gupta, professor at the Indian Institute of Management, was also awarded the Padma Shri for distinguished achievements in the field of management education.

✦ In July, the Araucarias del Alto Malleco Model Forest, supported by the International Model Forest Network Secretariat housed at IDRC, was recognized by the University of Chile's Foundation for the Alleviation of Poverty, and awarded the University's Citizenship and Local Management Program's 2004 National Prize for Citizenship Innovation (civil society category).

✦ On 21 October, the President of Mongolia, His Excellency Natsaglin Bagabandi, presented IDRC President Maureen O'Neil with the Friendship Medal – the highest award given to foreigners – for the Centre's role in developing Mongolia's information and communication technology network and for its support to community access and management strategies for natural resources.

✦ Professor Hans Schreier of the University of British Columbia's Institute for Resources, Environment and Sustainability received the 2004 Science in Action Award: The United Nations International Year of Fresh Water, Science, Education and Conservation Award, for outstanding work in watershed management innovation. A long-standing IDRC partner, Professor Schreier received an IDRC Senior Sabbatical Fellowship in 1999–2000 and a Canadian Researcher Award in 1996 for his contributions in the effective use of computer techniques and geographic information systems in mountain resource management in Nepal.

✦ In November, the prestigious science journal *La Recherche* named Université Laval Professor Alain Olivier a winner of *Prix La Recherche* (environment category) for his work to understand how Sahelian farmers can best take advantage of environmentally beneficial trees growing in their fields. Professor Olivier was coleader of an IDRC-supported agroforestry research project in West Africa.

✦ IDRC partner Dr Sabri Saidam has been named Palestine's new Minister of Telecommunications and Information Technology. Dr Saidam has been involved in an IDRC-supported project carried out by Queen's University (Kingston, Canada) and Cambridge University on the information society in Palestine.

✦ The IDRC-supported urban agriculture program of the municipality of Rosario, Argentina was selected for the biennial Dubai International Award for Best Practices to Improve the Living Environment in January 2005. The project aims to give the urban poor increased access to land for food production as a way of eradicating poverty and strengthening participatory governance.

✦ In February 2005, Venâncio Massingue was appointed Mozambique's Minister of Science and Technology. Through Acacia and other ICT initiatives, IDRC supported Dr Massingue's earlier efforts to champion the use of ICTs in Mozambique. As a direct result of his work, Mozambique drafted Africa's first national ICT policy, which it is now implementing.

IDRC: P. Bennett

THE YEAR IN REVIEW

OBJECTIVE

TRAIN PEOPLE, STRENGTHEN INSTITUTIONS

"IDRC will strengthen and help to mobilize the indigenous research capacity of developing countries, especially directed to achieving greater social and economic equity, better management of the environment and natural resources, and more equitable access to information."

Capacity building has, through the decades, been at the heart of IDRC's mandate and programing. Experience has shown that building effective research capacity is a long-term process, and involves looking beyond skills conventionally related to research. To carry on their work, share their findings, and contribute to change, our partner institutions also need to be able to manage funds, form productive partnerships, and communicate effectively.

Network strengthening can contribute enormously to all these areas. The Centre is uniquely positioned to create and sustain South–South and North–South networks that are inclusive and efficient. Networks can compensate for gaps or weaknesses within individual member institutions. Hence, network development is an important complement to building individual capacity and strengthening institutions.

This year, as the Centre prepared to develop its next 5-year Corporate Strategy and Program Framework, consultations pointed to the value of broadening and deepening our support for capacity building. Time and again, partners underlined that they value the Centre's sustained and continuous mentoring.

In 2004, IDRC initiated a strategic evaluation of its capacity-building efforts, as outlined in our Corporate Assessment Framework (CAF). The evaluation aims to shed more light on the kinds of capacities we are contributing to, and factors that help or hinder our efforts. The findings of this evaluation will guide us as we extend our efforts in years to come.

In May 2004, a 30-month, $1.2 million capacity-building project in resource expansion for IDRC research partners and networks was approved. A series of training workshops was designed and is now underway to improve partners' ability to form effective partnerships and raise funds in support of their research activities.

The Centre also fostered workshops to enhance the ability of partners to disseminate and communicate their research findings. As part of a synthesis of program lessons in the area of community-based natural resource management, a "Writeshop" held in the Philippines in May 2004 brought together 11 project teams from Asia. In an intense collaborative writing process, team members presented draft case studies, received feedback from peers and external reviewers, and then worked with IDRC staff to revise papers.

The Centre's Cairo office, in partnership with UNESCO, CIDA, SciDev.Net, and IslamOnline, also organized a training workshop for science journalists from the Middle East and North Africa (MENA). Participants from nine MENA countries worked to improve their understanding of science and their skills in communicating its importance to social and economic development.

The examples that follow illustrate the range of approaches and funding mechanisms IDRC uses to build capacity.

Capacity building: statistical snapshot 2004/05	
New projects approved with explicit capacity-building objectives:	50
Active projects with capacity-building objectives:	141
Number of recipient institutions:	149

Building Capacity for Social/Gender Analysis in Asia (SA/GA)

Community-Based Natural Resource Management PI
Project duration:
Phase I: 2002–2005   IDRC allocation: $655 000
Phase II: 2005–2008   IDRC allocation: $869 810

Objective: To strengthen the capacity of Asian research partners to apply social and gender analysis to their work in natural resource management.

Research must take into account the differing experiences and needs of each gender, and of different social groups.

Progress: To improve the well-being of marginalized groups, especially poor women, research must take into account the differing experiences and needs of each gender, and of different social groups. Since 2002, this umbrella capacity-building program has given IDRC-supported research teams in China, Mongolia, Viet Nam, India, and Nepal training in the area of social and gender analysis. Activities have included field-based training, documentation and sharing of good practices, networking, and writing and dissemination workshops.

In 2004/05, field work and training programs were finalized, experiences documented, and a summary workshop took place. Training enabled research partners to understand and apply social and gender theory in practical ways. Such analysis is being institutionalized within research programs, and subregional networks of researchers have formed.

Looking ahead: A second phase launched in March 2005 will focus more on change within organizations, curriculum development, and linking local research to policy. Its components include research and capacity-building programs in China, Viet Nam, and the eastern Himalayas, and an awards program on gender, environment, and development at the Asian Institute of Technology.

African Virtual Open Initiatives and Resources (AVOIR)
Acacia PI
Project duration: 2004–2006   IDRC allocation: $753 200

Objective: To develop knowledge and research capacity on free and open source software (FOSS) in Africa by supporting a core network of software developers at nine African universities.

Progress: The cost and inflexibility of commercial software make it poorly suited to many African institutions. On their own, most lack the resources to custom-build applications. In October

2004, IDRC provided funding to AVOIR, an African-led initiative that is expanding the pool of FOSS expertise within and beyond Africa.

A key focus in 2004 was the development of KEWL.NextGen, a second generation e-learning software. KEWL.NextGen, which is adapted to local bandwidth conditions, has a modular architecture, making it easy to adapt and extend. It provides a range of features needed in modern e-learning, such as chat rooms and instant messaging.

Following an initial AVOIR workshop held in Cape Town, software developers completed their first modules and are now able to work on original modules suited to their institutions' needs.

Looking ahead: Following the 2005 trial release of KEWL.NextGen, the AVOIR network will focus on PETS (pedagogically enhanced, teacher-like services); the creation of a real-time, virtual classroom; and implementing streaming media.

MERCOSUR Economic Research Network (MercoNet)
Trade, Employment, and Competitiveness PI
Project duration:
Previous phases: 1999–2004   IDRC allocation: $1 885 290
Phase III: 2005–2007   IDRC allocation: $1 478 900

Objective: To build local capacity to deliver high-calibre research, from a regional perspective, in aid of economic integration among the MERCOSUR countries.

Progress: MERCOSUR, Latin America's regional trading bloc of Uruguay, Paraguay, Argentina, and Brazil, is now the world's fourth-largest economic entity. Since 1999, IDRC has supported the Mercosur Economic Research Network (MercoNet) as a means to ensure that regional economic policies are increasingly evidence-based, and can serve regional development rather than competing national interests. Research is carried out by teams of highly qualified researchers from the four core member countries,
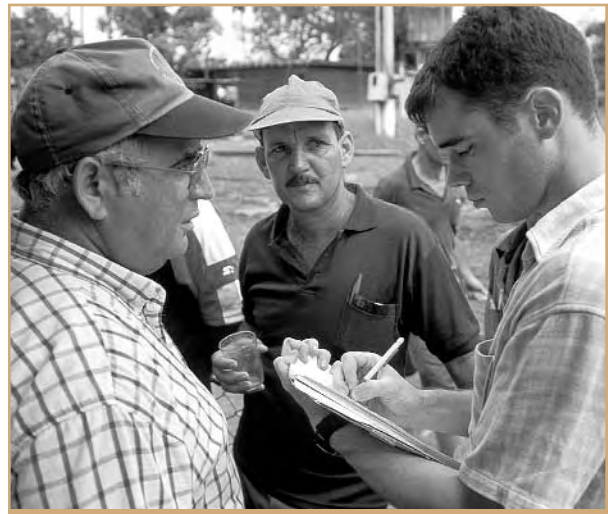
MercoNet builds local capacity to deliver high-calibre research from a regional perspective.

assisted by less experienced economists who benefit from the opportunity to enhance their research skills.

Building on an earlier project phase establishing the network, key outcomes this year included raising MercoNet's profile in the region, while expanding the network. Events in Rio de Janeiro and Ottawa, and the distribution of 1 000 policy briefs and related studies ensured that findings were shared with scholars, civil society, and senior government officials. Three new universities joined the network, further expanding local capacity to undertake regional economic analysis. Phase III was approved in 2005.

Now housed within MERCOSUR's headquarters in Montevideo, Uruguay, the network has built solid credentials and institutional links with official bodies, researchers, policymakers, and other key stakeholders.

Looking ahead: The newest phase of research will focus on trade and financial policies, supply chain complementarities, and regional imbalances within MERCOSUR.

Greywater Treatment and Reuse (Jordan)
Cities Feeding People PI
Project duration:
Phase I: 2001–2003   IDRC allocation: $200 000
Phase II: 2004–2007   IDRC allocation: $869 795

Objective: To expand the use of greywater recycling in Jordan to preserve scarce water and improve food security.

Progress: As one of the world's driest countries, Jordan faces increasing pressure on its water resources, as household needs compete with those of agriculture. Since 2001, IDRC has supported the Inter-Islamic Network on Water Resources and Development and Management (INWRDAM) to carry out action research addressing water scarcity and food insecurity.

A phase I project completed in 2003 developed a simple water-recycling system that allows household "greywater" – waste from sinks and showers, but not from toilets – to be reused in gardens. On average, 57% was diverted for irrigation, resulting in increased food production. The average household saved or generated an extra 10% of its annual income and saved 27% on water bills. Jordan's Ministry of Planning and International Cooperation subsequently approved the installation of greywater units in more than 700 households in 90 metropolitan areas.

A second phase now underway with INWRDAM and Canadian partner PLAN:NET aims to ensure the long-term sustainability of greywater recycling. In the fall of 2004, villages were identified; local needs and water usage practices surveyed; and technicians were selected and trained. These locally trained technicians will work with households on the sustainable operation and maintenance of the system.

Looking ahead: Construction is planned for additional treatment systems to serve a community of 300. The social, environmental, and economic impacts of greywater reuse will be monitored so as to foster similar efforts elsewhere in the region.

Reaching out to researchers

SUPPORT TO RESEARCH PARTNERS is an essential element of IDRC's approach to programing and capacity building. One way in which IDRC provides that support is through its Research Information Management Services Division (RIMS). RIMS offers access to the latest technical literature and disseminates the results of IDRC-supported research.

In recent years, a service to provide online access to leading academic journals for individuals and institutions receiving IDRC funding was launched. Document delivery services are also offered when full-text versions are not available.

The IDRC Library maintains a Corporate Archive of IDRC outputs to ensure continuing access to the Centre's accumulated knowledge assets. All final technical reports of IDRC projects, as well as documents, articles, books, speeches, and videos produced by IDRC and IDRC staff are collected and made available through BIBLIO.

Archives: 1 414 items were added in 2004/05.

BIBLIO: Catalogue of final research reports from IDRC-funded projects. Many reports and documents are now available in full text. In 2004/05, 38 114 searches were conducted by researchers external to IDRC.

IDRIS: Comprehensive and descriptive information on all IDRC research projects. In 2004/05, 25 174 searches were conducted by external researchers.

IMAGES: Digital photo library of thousands of images related to IDRC projects. External researchers conducted 18 838 searches in 2004/05.

Research databases: 1 020 subscribers to this service conducted 8 620 searches in 2004/05, accessing 6 248 full-text articles.

IDRC: Y. Beaulieu

Global Community of Practice in Ecohealth (COPEH)

Ecosystem Approaches to Human Health PI

Project duration:
Latin America–Caribbean: 2004–2009
IDRC allocation: $1 260 000

Sub-Saharan Africa: 2004–2007
IDRC allocation: $447 770

Objective: To build capacity for research that applies ecosystem approaches to human health by supporting a global community of practice.

Progress: While the connections between ecosystems and human health are increasingly recognized, research to date has largely been carried out through informal networks. In 2004 and early 2005, IDRC launched first-phase projects in two regions to begin collaborative global research in this field. The aim is to achieve a more consolidated "community of practice" in eco-health that unites Canadian and Southern expertise. COPEH will support excellence in research, regional capacity building, linking research to policy, and knowledge-sharing activities.

In collaboration with the Canadian Institutes of Health Research, four networks in Latin America and the Caribbean (LAC) received small grants to develop a full proposal to implement this initiative over the next 3 years. In sub-Saharan Africa, a first COPEH training workshop was held with regional research teams, followed by a competition to select pilot studies for support in Central and West Africa.

Looking ahead: A next selection round for proposals in LAC is planned for summer 2005. A second training workshop and selection round is planned for East and Southern Africa. A COPEH project will be launched in the Middle East and North Africa in 2005/06, with similar initiatives planned in Asia in future years.

A new generation of researchers

THE CENTRE TRAINING AND AWARDS Program (CTAP) embodies IDRC's commitment to the personal and professional development of Canadians and developing-country nationals. By supporting academic study and providing opportunities for hands-on experience, IDRC helps countries of the South develop a critical mass of trained researchers. At the same time, a new generation of Canadians has the opportunity to participate actively in international development and consider careers in this field.

Awards granted in 2004/05

AGROPOLIS	
International Graduate Research Awards in Urban Agriculture	10
International Post Doctoral Research Award in Urban Agriculture	1
The Bentley Fellowship	1
Canadian Window on International Development Awards	3
Carleton University, Clyde Sanger & IDRC Scholarship	1
Centre Internship Awards	11
Ecosystem Approaches to Human Health Awards	9
IDRC Awards for International Development Journalism	5
IDRC Doctoral Research Awards	17
John G. Bene Fellowship in Community Forestry: Trees and People	1
Professional Development Awards	4
Sabbatical Award	1
Scholar in Gender and Development	1
Visiting Research Fellowship	1
Total	66

Using networks to increase the quality and horizons of research

Development beyond economics

"Development can be seen ... as a process of expanding the real freedoms that people enjoy."

– Amartya Sen

THE IDEAS of Amartya Sen, 1998 Nobel Prize winner in Economics, have had a substantial and positive impact on development thinking. Challenging conventional economic theories, Sen brings an ethical dimension to economics, evaluating how well the global economy serves human well-being and freedom.

Sen's "capability approach" broadens the objective of development beyond income per capita to include things that people value: being healthy, educated, able to work, and able to engage in cultural activities, and being able to make choices about what kind of life they want to lead, among others. Also championed by eminent philosopher Martha Nussbaum, this school of thought is related to the human development approach reflected in the United Nations Development Programme's annual *Human Development Report.*

To pursue how the capability approach can translate into concrete research methods, processes, policies, and action, IDRC and the Boston law firm Ropes & Gray funded the Human Development and Capability Network (HDCN) in mid-2004 and supported the launch of the Human Development and Capabilities Association (HDCA) in Pavia, Italy on 6 September 2004 at the 4th International Conference on the Capability Approach. Amartya Sen is HDCA's first president and Martha Nussbaum, professor of law and ethics at the University of Chicago, is president-elect. Based at Harvard University, the network has developed strong collaboration with researchers in India and Latin America.

As IDRC Senior Economist Randy Spence noted: "This is a time of particular importance and opportunity to focus again on human development." Through its investment in operationalizing the capabilities approach, IDRC hopes to make a valuable contribution to building this new field of economic thought.

HDCN promotes multidisciplinary research on key problems, including poverty, justice, well-being, and economics. It provides training for a global network of scholars interested in developing practical and policy-relevant applications of the capability approach. Among its activities are an annual conference and information exchange. The development of young scholars from the South is a particular concern. This past year a HDCA chapter was set up in Latin America and workshops were held in the UK, India, and South Africa. The association's Web site provides a forum for collaborative research and has helped increase Southern participation in a creative and diverse network of young scholars.

For more information: www.hd-ca.org

Project duration: 2004–2005   A second phase is being planned for 2005/06.

IDRC allocation: $309 200

OBJECTIVE

PROMOTE CHANGE, TRANSFORM SOCIETIES

"IDRC will foster and support the production, dissemination, and application of research results leading to policies and technologies that enhance the lives of people in developing countries."

IDRC has long focused on supporting research for evidence-based policy- and decision-making. Linking research results and policy more closely is an integral component of the Centre's programing and outreach as IDRC-supported researchers work to develop and test innovative approaches that will improve the lives of people living in poverty in the developing world. Yet the challenge of creating strong links and relationships between the different worlds of research and policy is far from simple or straightforward.

It makes sense for ideas and information to flow from researchers to policymakers and vice versa. IDRC's comprehensive evaluation study, which systematically examined when and how developing-country research succeeded in informing policy, generated insights on what factors help or hinder policy influence. On 21 June 2004, the study's findings were presented to an audience that included participants from the Canadian policy research community.

A key finding was that policy influence requires that researchers address local concerns, local interests, local conditions, and local values. This is the only way that policymakers will take ownership of new knowledge and put it into practice. Observations on general laws and patterns of behaviour, while theoretically interesting, do not help policymakers with the specific real-world challenges they face on a daily basis.

The examples below highlight how IDRC-supported researchers are seeking to generate insights on how to solve problems directly relevant to issues policymakers in the South grapple with.

Policy influence: statistical snapshot 2004/05	
New projects approved with explicit policy objectives:	45
Active projects with policy objectives:	121
Number of recipient institutions:	117

Child Support, Poverty, and Gender Equity in the Caribbean

Gender Unit
Project duration: 2004–2007   IDRC allocation: $246 760

Objective: To investigate and understand the way the legal system operates with respect to child support matters in order to reduce women's vulnerability to poverty.

IDRC: P. Bennett

Bearing in mind the reality that men, as well as women, face poverty, researchers are also examining the viability of noncash awards for child support cases — for example, shared responsibility for childrearing.

Progress: In Barbados, Grenada, and Trinidad and Tobago, the courts are the sole form of recourse for women seeking justice for child support matters. What kind of justice are these women receiving? IDRC-supported researchers began examining this question in 2004. They are analyzing the way applications for child support are resolved by the courts, and are developing training modules on gender equity for judges, magistrates, and court personnel. Bearing in mind the reality that men, as well as women, face poverty, researchers are also examining the viability of noncash awards for child support cases — for example, shared responsibility for childrearing.

Looking ahead: Researchers will provide policy guidance on how child support laws could be reformed in order to improve the administration of justice. They will also provide insight into how the infrastructure within the court system could be developed for alternative dispute resolution and to improve the collection and enforcement of child support awards.

A Network for Improving the Management of Coastal Resources

Community-Based Management of Natural Resources PI
Project duration: 2001–2005   IDRC allocation: $779 530

Objective: To further develop the theory and practice of community-based coastal resource management (CBCRM) in Cambodia, the Philippines, Viet Nam, and other Asian countries by fostering a network of practitioners and advocates.

Progress: To reduce poverty among the most disadvantaged and marginalized populations in the South – who remain largely rural – addressing environmental and resource degradation is

Members of the network began using their expertise to develop plans for helping coastal communities receiving disaster relief become self-sustaining.

crucial. Involving local people in the management of natural resources has proven to be an effective way to improve the productivity of the resource base. However, for this approach to work, researchers must understand ecology and biophysical systems, as well as how to influence the social and cultural context of people's daily lives. To share and consolidate knowledge about these factors, researchers in Asia are participating in a community-based coastal resource management learning and research network (CBCRM LeaRN). The network has provided opportunities for members to receive training, undertake research, and produce books, case studies, and manuals. Researchers are using their knowledge to influence research and policy agendas with respect to coastal resources.

Following the 2004 tsunami, members of the CBCRM LeaRN network began using their expertise to develop plans for helping coastal communities receiving disaster relief become self-sustaining. Originally a 4-year project, CBCRM LeaRN has been extended by a year to allow researchers to develop more detailed plans on how best to implement this work.

Looking ahead: In an extended project phase, researchers will focus on developing alternative livelihoods for tsunami-affected communities to help reduce over-dependence on coastal resources, thereby ensuring resource sustainability while also reducing poverty.

Protecting Privacy in Online Judicial Information
PAN Americas
Project duration: 2002–2005   IDRC allocation: $246 600

Objective: To promote a balance between making judicial information widely accessible by using information and communication technologies (ICTs) and protecting privacy rights.

Progress: In many countries in Latin America and the Caribbean (LAC), judicial Web sites publish the full text of judicial decisions. This has been a boon for lawyers, but a liability for individuals involved in cases on sensitive issues, for example labour disputes. Previous IDRC-supported research revealed that self-regulation would be the most effective way of addressing privacy issues to protect individuals from discrimination. This research project brought together judicial powers, civil society organizations, and academics from nine LAC countries to reach a consensus on and approve a minimum set of rules (dubbed the Heredia Rules) for publishing judicial information online. In 2004, the Heredia Rules affected the actions of judicial powers in Argentina, Colombia, Costa Rica, Mexico, and Uruguay. Researchers also convened two judicial forums in 2004 to further disseminate information about the Rules.

Looking ahead: By categorizing data into sensitive and non-sensitive or public information, the Heredia Rules have served as a tool for reconceptualizing policies and programs in LAC. The region is increasingly interested in statutes concerning personal data protection and judicial policies.

Tobacco Control in Argentina
Research for International Tobacco Control Secretariat
Project duration: 2003–2005   IDRC allocation: $120 745

Objective: To promote social participation with youth leadership, particularly indigenous youth, in developing and implementing tobacco control actions in the province of Jujuy, Argentina.

Progress: The research team collaborated with Argentina's Secretariat for Drug Abuse Prevention and Eco Clubs to undertake a range of activities to engage youth, including a research methods workshop and essay writing competition. A range of institutions, from businesses to nongovernmental organizations, also participated in the project's tobacco-control activities. This helped create a network of individuals and institutions skilled at effectively delivering information to the public and media – an important counterweight to the strong influence over public opinion exerted by the tobacco industry. In 2004, the network was formalized when various institutions signed an agreement to collaborate in tobacco-control activities. Also in 2004, the mayor of the City of Palpapa declared the city to be smoke-free, a result of information provided by the research team.

Looking ahead: The research partner, Instituto de Ciencia y Technologia Regional (ICTER), is becoming established as a significant centre of research and advocacy focusing on tobacco control, among other social issues. The Argentinian Ministry of Health is funding ICTER to implement various smoke-free initiatives. With support from Research for International Tobacco Control (RITC) by means of a small-grants competition, ICTER will conduct research that will inform the smoke-free initiative in Palpapa.

Evaluation: A tool for planning and accountability

EVALUATION MAKES AN ESSENTIAL CONTRIBUTION to learning and decision-making about research within IDRC, and increasingly within its partner institutions. The Centre promotes evaluation as a planning, management, and accountability tool.

Capacity building in evaluation at all levels remains a priority with support going to enhance partners' and staff capacity in project and program evaluation. For example, in 2004/05, four training workshops were held at IDRC for staff and 10 scholarships were provided to IDRC partners to participate in the International Program for Development Evaluation Training, organized by the World Bank's Operations Evaluation Department and Canada's Carleton University. In addition, the Centre supported capacity building in other organizations through workshops and consultations. More than 100 people were trained last year in Outcome Mapping.

In 2004/05 the cross-case analysis of the strategic evaluation on the influence of IDRC-supported research on public policy was presented. Project documents are available on the IDRC Web site. Two strategic evaluations were initiated this past year: on the role of networks and on IDRC's effectiveness in building capacity. The studies are due to be completed in 2005/06.

Over the past 3 years, IDRC's evaluation system has been strengthened with the implementation of the Corporate Assessment Framework, the modification of the project completion reporting system, and the development of new evaluation thinking events.

Evaluations carried out by type and program area: 2004/05

Program area	Total	Project	Program	Corporate	Secretariat
ENRM	4	4	3	–	–
SEE	8	5	–	–	3
ICT4D	3	2	–	–	1
Other	2	–	–	2	–
Total	**17**	**11**	**–**	**2**	**4**

Note: Program level evaluations are usually made up of external PI reviews. No external reviews were completed during this fiscal year.

Decentralization and Women's Rights in Sub-Saharan Africa

Objective: To generate and support research on the linkages between state decentralization reforms and decentralized systems of government and the protection and realization of women's rights in sub-Saharan Africa.

Progress: Many developing countries are currently engaged in a process of political or administrative decentralization. Are contemporary decentralization reforms, in practice, contributing to the realization and protection of women's and girls' civil, political, social, economic, or cultural rights? Or are they, in fact, hindering the realization of these rights? To empirically investigate these questions, IDRC launched an annual research competition focused on decentralization in sub-Saharan Africa. In 2004, more than 91 proposals were received from 27 countries and a selection process based on peer review was used to select five finalists. These finalists, who were awarded grants up to a maximum value of $100 000 have begun documenting and analyzing specific state decentralization reforms that have helped promote women's rights – as well as those that have created barriers to the protection and realization of these rights.

Looking ahead: IDRC-supported researchers will actively seek practices, tools, strategies, and experiences that promise to make tangible contributions to national or other policy debates and processes related to decentralization and women's empowerment.

Making Links Between Agroforestry Research and Development

Objective: To improve the social, economic, and environmental well-being of rural households in the Sahel through the widespread use and adoption of promising agroforestry-based options.

Progress: In West Africa, farmers frequently cut down trees to build fences that will protect their crops from grazing animals. This process is labour-intensive and contributes to deforestation. However, trees planted close together can form an impenetrable barrier that also generates useful products. The World Agroforestry Centre, a Southern-based, not-for-profit research institution headquartered in Nairobi, has been promoting the use of "living fences" and other agroforestry techniques in the Sahel. Not all farmers have adopted these approaches. IDRC-supported researchers from Canada and the World Agroforestry Centre found out why. They determined, for example, that the promoters of living fences and other agroforestry techniques achieve a greater rate of adoption if they seek collective approval at the village level – as opposed to promoting the practice with individual farmers. For his contribution to the research project, Alain Olivier of Canada's Université Laval was awarded *Le Prix La Recherche* in December 2004 by France's *La Recherche* magazine.

Looking ahead: The World Agroforestry Centre and other organizations will use the research results to promote agroforestry innovations to help reduce poverty.

Promoters of living fences and other agroforestry techniques achieve a greater rate of adoption if they seek collective approval at the village level.

Creating Village Knowledge Centres in India

Objective: To assess the sustainability of programs using information and communication technologies (ICTs) in rural India.

Progress: In 1997, with support from IDRC, India's first people-centred ICT project was launched by the M.S. Swaminathan Research Foundation (MSSRF). IDRC staff provided MSSRF with information about how ICTs were being used for development in other Southern countries – for example, to access satellite images that could help fishers in Latin America locate the best fishing areas.

MSSRF's researchers undertook extensive consultations with the community to determine what information would be most valuable to them. Community-owned information centres, known as village knowledge centres (VKCs), were set up to provide access to ICTs and information that is relevant to the needs of villagers – for example, weather information and likely wave heights are downloaded from the Web site of the US Naval Oceanographic Office each day by VKC volunteers and broadcast to fishers using a public address system. This information is perceived by villagers to be potentially life-saving.

A second 3-year phase of research began in 2001 to assess whether new low-cost broadband wireless technologies and applications could improve access to information related to education, nutrition, and health care. Four more VKCs were established and researchers also worked to sensitize politicians about ICTs and rural development. Researchers are currently further testing applications and technologies and systematically assessing their impact. They are also examining how to facilitate the growth of a network of ICT practitioners.

In 2004, the project led to the National Alliance for Mission 2007, a movement to set up 600 000 VKCs by 15 August 2007 – the 60th anniversary of India's independence. The Government of India committed approximately $28 million to this initiative in its March 2005 national budget. In addition, the public address system of a VKC was used to alert villagers on 26 December 2004 in Pondicherry of the oncoming tsunami.

Looking ahead: Lessons and experiences will be synthesized and communicated to policymakers and the National Alliance for Mission 2007 to support the movement's work to make ICTs widely accessible.

Seven community-owned village knowledge centres (VKCs) were created, which proved to positively affect villagers' lives.

THE YEAR IN REVIEW
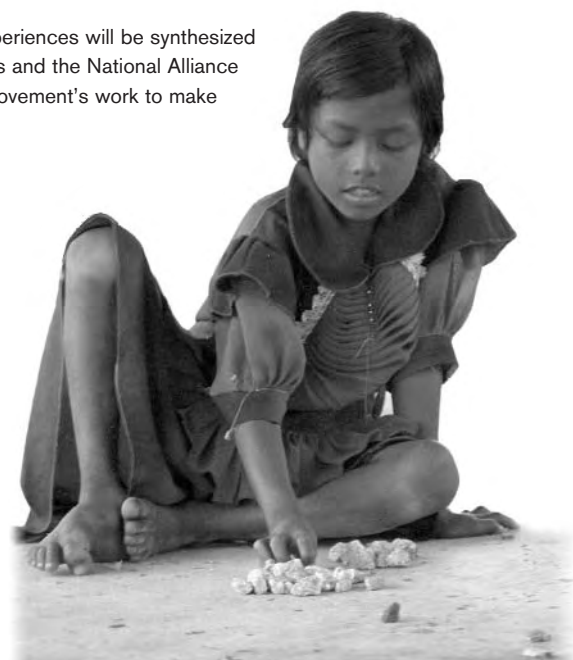
Using networks to advance the use of research in policy-making

Good science leads to good laws

"W A T E R I S L I F E," says Jaime Sainz Ureño, farmer and president of the small Saytu Khocha association in the poor Bolivian municipality of Colcapírhua. On Bolivia's arid altiplano, water has also been a source of bloody conflict: in 1997 when farmers opposed the drilling of new wells to alleviate the water shortages in Cochabamba; in 2000 when the government decided to privatize the city's drinking water provision; in January 2005 in El Alto, just outside the capital La Paz, again over privatization.

In addition to steep and sudden price hikes, the protests raged over the potential loss of customary water rights and usage by rural irrigators, particularly at the rural–urban frontier.

If poor Bolivians won the battles against multinational corporations, they have not yet won the war over control of their resources. They have gained new allies in their struggle, however. Among them are researchers at the Comisión para la Gestión Integral del Agua en Bolivia (CGIAB), a group of public and private institutions involved with water management. CGIAB is now working with the Consejo Interinstitucional del Agua (CONIAG), created by the Government of Bolivia in 2002 to coordinate a proposal for a new water law. CONIAG adopted a multistakeholder process, bringing government, civil society organizations, and the private sector to the table.

IDRC: M. Hibler

According to Flavio Barbieri, CONIAG's technical secretary, "this was the first time such an attempt at consultation was made, to work with local people and associations."

In November 2002, IDRC supported a project carried out by CGIAB to help CONIAG elaborate future water laws. As project leader Juan Carlos Alluralde explains, the project sought to build technical capacity within CONIAG, to determine how sound technical information could be incorporated in the multistakeholder process to develop an effective, equitable water rights management system.

The project, completed in March 2005, developed an innovative methodology that blends state-of-the-art science – water system modeling and geographic information systems to map customary water rights in two districts – with participatory social processes. The research team involved the leaders of social movements in the research design, presented and discussed the process with community members, and promoted widespread discussion. By providing analysis based on sound science and promoting knowledge sharing through effective networking, consensus was reached on how a new water law should be drafted and implemented.

On 8 October 2004, the Government of Bolivia promulgated *Ley numero 2878, de Promoción y Apoyo al Sector Riego.* Drafted with the active support and participation of the research team, the law recognizes traditional water rights and uses, and guarantees rights to water for irrigation for Indigenous and farming communities. Equally important, it allows communities to define rights as individual allotments or as communal rights, an important distinction to *campesinos* who consider water to be a common property resource. The law has gained widespread acceptance, a remarkable achievement. Noteworthy, says Barbieri, is that this is the first time in Bolivia that solid research has been used as the basis for formulating a law.

IDRC is supporting a second phase of the research to test specific regulations and processes for implementing *Ley 2878* and extend the processes to different watersheds.

Project duration: 2002–2005; Second phase planned for 2005/06.

IDRC allocation: $270 000

OBJECTIVE

BUILD ON THE PAST, EXPLORE THE FUTURE

"IDRC will build selectively on past investments and explore new opportunities within its program framework."

To bring about lasting change takes time and persistence. A good example from the past year is the Tanzania Essential Health Interventions Project (TEHIP). After a decade of research, TEHIP researchers announced dramatic improvements to people's health, not by applying new technologies or large sums of money, but by using available resources – a mere US $12 per person per year – better.

In providing long-term support for a particular project, like TEHIP, the Centre relies on the judgement of its professional staff and systematic evaluations to ensure that continued assistance will likely yield further positive results.

To provide a proper balance to its programing, IDRC has also developed mechanisms that allow it to respond appropriately to new and pressing problems. A case in point is the growing gap between developing and developed countries and their ability to assess, absorb, and adapt new technologies in support of their own development. The UN Millennium Project Task Force on Science, Technology, and Innovation flagged the problem in its recent report, *Innovation: applying knowledge in development*. The Canadian government has also recognized the key role technology and innovation play in national development and has reiterated its commitment to spend no less than 5% of national science and technology funding on the needs of developing countries.

IDRC has responded to the growing global disparities in the use of science, technology, and innovation principally through its well established Information and Communication Technologies for Development (ICT4D) program area and through two explorations, one in bio- and other emerging technologies and the other on knowledge systems. These activities have pointed to the need for a more systematic and integrated approach by the Centre to strengthen science and technology and innovation programs and policies in developing countries. In March 2005, IDRC responded by creating a new program area known as Innovation, Policy and Science.

By using targeted research to explore new issues, like biotechnology, IDRC reduces the risk associated with pursuing new avenues of research and begins to build a consensus around an appropriate research agenda.

As the other examples that follow show, it is this blending of perseverance and innovation that allows IDRC to fulfill its mandate and meet its objectives.

Networks: statistical snapshot 2004/05	
New network research projects approved:	91
Active network research projects:	180
Number of recipient institutions:	195

IDRC: L. Mougeot

RUAF facilitates the integration of urban agriculture in the policies and programs of national and local governments.

Resource Centre on Urban Agriculture and Forestry (RUAF)

Cities Feeding People PI
Project duration:

Phase I: 1999–2004	IDRC allocation: $3 359 572
Phase II: 2005–2008	IDRC allocation: $3 542 439

Objective: To facilitate the integration of urban agriculture (UA) into the policies and programs of national and local governments, technical departments, research centres, and NGOs through the active involvement of all local stakeholders.

Progress: Pioneering research supported by IDRC in the late 1980s and early 1990s highlighted the importance of urban agriculture in the South, especially for the urban poor. The Resource Centre on Urban Agriculture and Forestry (RUAF) was created in 1996 to promote UA among Southern institutions and local governments. RUAF support has led to a national policy on UA in Botswana, the development of ordinances to promote UA in Kampala, Uganda and a declaration of support for UA by 33 Latin American mayors. To build on this success, IDRC and the Dutch Directorate-General for International Cooperation (DGIS) approved a second phase of funding for RUAF in 2004.

Looking Ahead: RUAF will decentralize its operations to seven regional focal point institutions in the South. They will focus on building the capacity of their partners to more fully engage local stakeholders, such as farming groups, in the promotion of urban agriculture.

African Economic Research Consortium (AERC) Phase V

Trade, Employment, and Competitiveness PI and the
Micro Impacts of Macroeconomic and Adjustment Policies PI
Project duration:
Previous phases: 1989–2001 IDRC allocations: $2 763 128
Phase V: 2001–2005   IDRC allocation: $1 048 000

Objective: To strengthen local capacity for conducting independent, rigorous inquiry into the problems pertinent to managing economies in sub-Saharan Africa.

Progress: IDRC helped establish the African Economic Research Consortium (AERC) in 1988 to advance economic policy research and training in sub-Saharan Africa. AERC-supported researchers now contribute to policy-making processes at many levels, from within African governments, to World Trade Organization negotiations, to US congressional hearings. More than 700 students have graduated from the MA program it supports and a collaborative PhD program in Economics launched in 2003 will see its first 20 graduates in 2007. In 2004, AERC held its sixth Senior Policy Seminar to discuss the mobilization of resources for financing pro-poor growth in Africa. The seminar was an opportunity to encourage the application of AERC research to policy-making and to elicit feedback from policymakers on the AERC research agenda.

Looking ahead: AERC will build an electronic network among the universities participating in the collaborative PhD and MA programs to facilitate information sharing and improve access to resource centres around the world.

Water Demand Initiative (WaDI*mena*)

People, Land, and Water PI
Project duration: 2004–2009   IDRC allocation: $957 500

Objective: To promote effective water governance in the countries of the Middle East and North Africa (MENA) by enhancing water-use efficiency, equity, and sustainability.

Progress: The Middle East and North Africa is the most water-scarce region in the world. The best and cheapest sources of water are already being used to near capacity. To meet the increasing demand for scarce water, governments must increase the efficiency, equity, and sustainability of water uses. In 2004, IDRC, CIDA, and the International Fund for Agricultural Development (IFAD) launched the Water Demand Initiative (WaDI*mena*). It builds on the earlier work of the Water Demand Management Forums that highlighted issues surrounding water resources policy in the region and moved water demand management further up the policy agenda. WaDI*mena* will build on this body of work by promoting strategies and tools, such as wastewater reuse and water pricing, to better manage water demand. It will also support Regional Exchange Facility, a networking hub and clearinghouse for information and knowledge on water demand management.

Looking ahead: In its start-up year, WaDI*mena* will support a research grants competition to select research projects on water demand management for funding.

The three pillars of partnerships

PARTNERSHIPS ARE A KEY COMPONENT of IDRC-funded research programs. They represent as much an opportunity to mobilize scarce research funds for Southern researchers, as to more clearly understand development research from local and global policy perspectives. IDRC's Partnership and Business Development Division facilitates partnerships with other donors and development agencies to provide additional financial resources to research institutions as well as intellectual input, and to facilitate knowledge sharing. These strategic partnerships are based on a shared view of the fundamental importance of indigenous research capacity to the advancement of developing nations.

Partnerships at IDRC can take three forms:

✦ Cofunding, where one or more donor partners fund all or part of a project that is managed by IDRC.

✦ Parallel funding, where resources allocated to a project that is initiated or co-initiated by IDRC go directly to the research recipient institution or network.

✦ Knowledge sharing and exchange, whether formal, informal, or both, through individual contacts in the field or at the headquarters level.

Number of ongoing donor partnerships 2004/05:	36
Total number of donor partners since 1979:	50
Resource expansion 2004/05:	$14.4 million
Parallel funding 2004/05:	$22 million

IDRC: P. Bennett

In the Middle East and North Africa, the best and cheapest sources of water are already being used to near capacity.

Disseminate research results

FOR IDRC, SHARING THE RESULTS of the research it supports is a corporate imperative as much as a programing choice. It does so using various vehicles – a Web site, reports, books, workshops, meetings, government/Parliamentary relations, and public affairs activities, among others. Participating in Canadian and international events, such as the World Urban Forum in September 2004, provides IDRC with additional opportunities to communicate its research results and form strategic partnerships.

The Centre strives to provide balanced information to allow interested publics in both North and South better understand international development issues, the importance of research, and IDRC's contribution to sustainable and equitable development. To maximize access to the results of IDRC-supported research, IDRC entrusts publishing to academic and commercial publishers around the world. The Centre maintains online rights, however. New books are put full-text online on the Centre's Web site and on CD-ROM. Nineteen new volumes were added in 2004/05, bringing the total to 198: access is free of charge. IDRC ensures that all titles taken out of print are available digitally on its Web site (see www.idrc.ca/books).

Corporate communications: 2004/05	
Books published and copublished	19
Environment and Natural Resource Management	8
Information and Communication Technologies for Development	5
Social and Economic Equity	4
Other	2
Books available free, full-text online	198
IDRC Web site pages viewed during 2004/05	39 009 402
Monthly average	3 250 783

Gender Evaluation Methodology for ICT Initiatives Phase II

PAN Americas
Project duration:
   Phase I: 1999–2001   IDRC allocation: $246 586
   Phase II: 2001–2004 IDRC allocation: $195 200

Objective: To develop methodologies, generate research, and create tools for evaluating the gender dimensions of information and communication technologies (ICTs) used in development initiatives.

Progress: The Gender Evaluation Methodology (GEM) is a means for determining whether and how ICTs can improve women's lives. Over the past 3 years, GEM's developers, the Association for Progressive Communications Women's Networking Support Programme (APC WNSP) field tested the tool in some 27 ICT projects spread across 19 countries and continued to train community groups in its use. In 2004, the APC WNSP brought together activists, researchers, members of civil society organizations, and donor agencies from 23 countries in an effort to build a sustainable global gender and ICT advocacy movement to place gender issues at the centre of all ICT policy and practice processes. GEM's ongoing development is cofunded by IDRC, the UK's Department for International Development, and the United Nations Development Fund for Women (UNIFEM).

Looking ahead: Working through the practitioner network and its Web site, the APC WNSP will continue to develop GEM tools and increase the number of users.

Gender and Reparations: Opportunities for Transitional Democracies

Peacebuilding and Reconstruction PI
Project duration: 2004–2005   IDRC allocation: $328 500

Objective: To explore the possibilities of introducing a gender dimension into reparations programs to ensure adequate redress to female victims and their families.

Progress: In most postconflict societies, women play a crucial role in the recovery process – searching for victims, reconstituting families, and demanding justice – and face daunting challenges as surviving heads of families. Yet in their plans to

establish a transitional democratic society, state reparations programs often fail to capitalize on women's contributions. Launched in 2004, this project builds on the earlier work of the International Centre for Transitional Justice (ICTJ) to see how reparations programs were implemented and targeted, and the contributions the programs made in postconflict recovery and the transition to democracy.

Looking ahead: Seven country case studies and two thematic papers on gender and reparations will provide evidence that ICTJ and its partners will use to assist postconflict societies and to facilitate the adoption of norms and standards to guide current and future reparations efforts.

Networking Distance Learning Technology Engines for Research

Pan Asia Networking PI
Project duration: 2005–2008   IDRC allocation: $1 615 400

Objective: To develop practices and policies for enhancing the use of distance-learning technologies (DLTs) in Asia.

Progress: Demand for education in Asia, especially for higher and continuing adult education, drastically outstrips supply. In 1999, Pan Asia Networking (PAN) funded its first project to help teachers and their far-flung students teach and learn more effectively using emerging distance education tools. In 2005, PAN-DLT was launched to help 22 Asian institutions develop distance-learning strategies and deploy technologies to bridge the regional education gap. The project will address challenges highlighted by earlier research: issues of access, infrastructure (including software and content), instructional design, and supportive policies to promote the use of new media.

Looking ahead: Nine subprojects linked in a regional network will provide data on the effectiveness of DLTs in different geographic and cultural contexts. The research will be used to suggest models for delivery, technical standards, and policy guidelines. The network will also allow researchers to share resources, including software, and to learn from each other's experiences with ICT-supported distance teaching and learning.

IDRC: Z. Mikolajuk

In 2005, PAN-DLT was launched to help 22 Asian institutions develop distance-learning strategies.

Using networks to strengthen knowledge partnerships

Taking telecentres global

ASK ANYONE in the town of Manhiça where the local telecentre is and they can easily point the way: along the main street, past the general store, down the alleyway next to the evangelical church. Like its cousins the world over, this telecentre in Mozambique offers a variety of services from access to a telephone and the Internet, to photocopying and computer training. And like other telecentres, it has its share of challenges from an unreliable power grid and faltering telecommunications links to uncertain financing and underdeveloped human resources.

Describing Manhiça's telecentre experiment as an unqualified success is stretching the point, but it has certainly shown what has worked and what has not since it was launched in 1996. Sharing those hard-won lessons with other telecentre operators in other parts of the world could prove invaluable in helping them overcome similar problems. That's exactly what Telecentre.org intends to do. Launched this past year, it is a unique partnership between IDRC and Microsoft Corporation's Unlimited Potential program.

The network secretariat, housed at IDRC, will build on past investments of the two organizations, says Mark Surman, the network's Managing Director. "As social investors who have supported telecentres for years, both recognize the need to connect folks up and encourage knowledge sharing and learning if we want to take telecentres to the next level."

The ultimate goal is to build a strong global community of telecentre operators and practitioners. To date, however, the collective experience with telecentres is best described as a series of "localized successes." The hidden value of that experience, says Surman, is its diversity. "You see different types of successes in different places. If you can connect the people who have been successful so that they can see what has worked elsewhere, then they will begin to try new things and those local successes will begin to ripple out."

To strengthen this process of mutual learning, the network secretariat will invest in materials and resources that its membership identifies as important. A practical example is certification for telecentre managers. "We would invest in developing the curriculum and then piloting and perfecting it. We would then work through regional and national networks to adapt the material to local needs before rolling it out to the people they serve," says Surman.

By improving the services and leadership of local telecentres, Surman believes that the Telecentre Support Network will strengthen the global telecentre movement and change development practices. "When people understand that local technology access is something that should be integrated into other kinds of development work because access to information and the ability to communicate is so important, then telecentres should become an obvious part of the way people do development."

To learn more: Telecentre.org

Project duration: 2005–2009   IDRC allocation: $5 000 000

IDRC: P. Bennett

IDRC: P. Bennett

TAKING STOCK: 2000–2005

"The cornerstone of the Centre's work will be an ever stronger link to the aspirations and needs of the people in the developing countries of the world. Sustainable and equitable human activity depends on men's and women's control of their own social and economic progress, on equitable access to knowledge, and on an indigenous capability to generate and apply knowledge."

CSPF 2000–2005

Under the Corporate Strategy and Program Framework 2000–2005, IDRC aimed to strengthen and help mobilize the indigenous research capacity of developing countries; foster the production, dissemination, and application of research results leading to appropriate policies and technologies; and explore new ways and opportunities of building on past investments. The goals – greater social and economic equity; better management of the environment and natural resources; more equitable access to information – are all keystones of equitable and sustainable development.

The program framework adopted to realize these objectives reflected the goals thematically. IDRC focused on three areas of enquiry – Environment and Natural Resource Management (ENRM), Information and Communication Technologies for Development (ICT4D), and Social and Economic Equity (SEE) – broad areas where the priorities of developing countries dovetailed with IDRC's potential to make a contribution to sustainable and equitable development. In fact, IDRC has worked in these areas throughout its history.

In the past 5 years, IDRC supported 641 new research projects in addition to hundreds of related activities. All aimed to enhance the ability of Southern researchers and research institutions to undertake work that is increasingly multidisciplinary and collaborative, and to translate that research into benefits for the peoples of developing countries. At the end of March 2005, 469 projects were active.

Research projects supported (active) during CSPF 2000–2005 by program area

	2000/01	2001/02	2002/03	2003/04	2004/05
ENRM	41 (208)	47 (173)	41 (130)	43 (98)	52 (85)
ICT4D	19 (92)	23 (92)	18 (85)	17 (85)	25 (108)
SEE	29 (105)	38 (103)	34 (112)	47 (134)	54 (140)
Corporate[a]	17 (130)	16 (83)	15 (57)	23 (45)	18 (41)
Other[b]	0 (8)	0 (21)	3 (43)	8 (67)	12 (92)
Total	**106 (543)**	**125 (472)**	**111 (437)**	**138 (442)**	**161 (469)**

[a] Corporate projects include awards programs, small grants projects, forward planning activities, evaluations, etc.
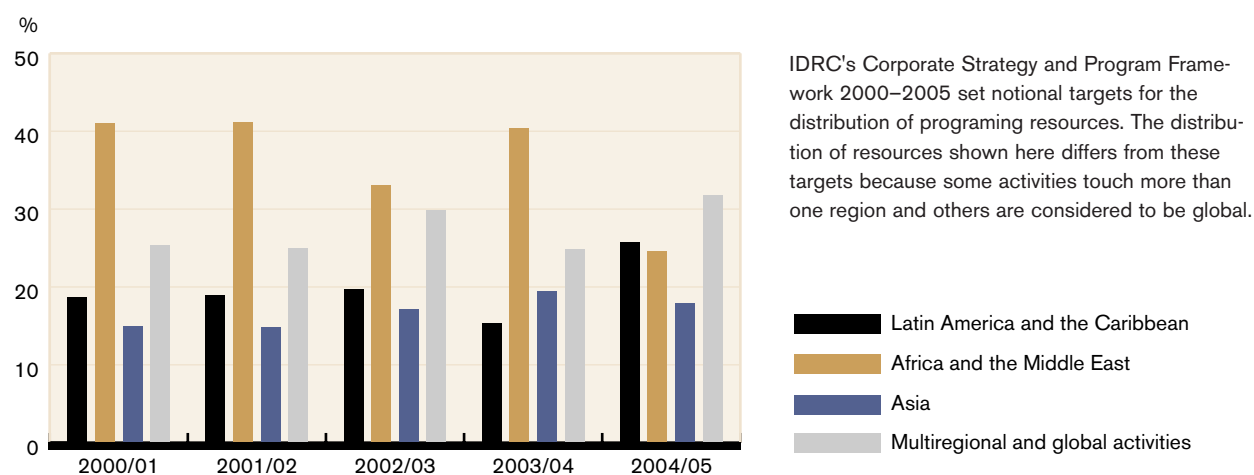
[b] Other projects are those that are supported in full or in part by external donors or through supplementary Parliamentary appropriations, such as Connectivity Africa, the Institute for Connectivity in the Americas, etc.

Research projects supported (active) during CSPF 2000–2005 by geographic area

	2000/01	2001/02	2002/03	2003/04	2004/05
Asia	22 (88)	23 (79)	30 (86)	29 (95)	34 (106)
Eastern Europe	0 (1)	0 (1)	0 (1)	0 (1)	0 (1)
Latin America and the Caribbean	22 (99)	29 (91)	28 (82)	29 (86)	37 (101)
Middle East and North Africa	9 (36)	9 (38)	6 (35)	12 (37)	14 (38)
Sub-Saharan Africa	37 (235)	47 (204)	30 (176)	46 (166)	43 (152)
Multiregional	3 (8)	1 (6)	0 (3)	3 (5)	12 (15)
Global	13 (74)	14 (50)	17 (51)	19 (51)	21 (55)
Other	0 (2)	2 (3)	0 (3)	0 (1)	0 (1)
Total	**106 (543)**	**125 (472)**	**111 (437)**	**138 (442)**	**161 (469)**

Regional allocation
% average over CSPF 2000–2005

IDRC's Corporate Strategy and Program Framework 2000–2005 set notional targets for the distribution of programing resources. The distribution of resources shown here differs from these targets because some activities touch more than one region and others are considered to be global.

- Latin America and the Caribbean
- Africa and the Middle East
- Asia
- Multiregional and global activities

Objective

IDRC will strengthen and help to mobilize the indigenous research capacity of developing countries, especially directed to achieving greater social and economic equity, better management of the environment and natural resources, and more equitable access to information.

New projects approved (active) with explicit capacity-building objectives

	2000/01	2001/02	2002/03	2003/04	2004/05
ENRM	8 (43)	16 (45)	12 (46)	9 (46)	17 (47)
ICT4D	7 (37)	7 (35)	9 (36)	3 (38)	9 (41)
SEE	9 (23)	10 (23)	3 (22)	10 (23)	12 (27)
Corporate	1 (40)	4 (18)	5 (11)	9 (15)	7 (18)
Other	0 (0)	0 (0)	1 (1)	0 (1)	5 (8)
Total	**25 (143)**	**37 (121)**	**30 (116)**	**31 (123)**	**50 (141)**
Number of recipient institutions	149	137	134	143	149

Selected results

ENRM – Foster sustainable use and management of natural resources
✦ In December 2003, the University of the Philippines launched the first introductory workshop of the *Isang Bagsak* ("arriving at a consensus") program, a learning and networking program in participatory development communication initiated in 2001. The program is geared to natural resource researchers, managers, and practitioners to teach them how to involve local communities in defining problems and finding solutions that improve resource management and reduce poverty.

✦ Final dissertation examinations and workshops by Vietnamese graduate students in early 2003 marked the end of a unique 10-year collaboration between Canadian and Vietnamese universities on the causes of serious deforestation and biodiversity loss in Viet Nam. The project enabled four PhD and eight Master's students to obtain degrees and improved the ability of four Vietnamese institutions to systematically collect and analyze field data on these issues.

ICT4D – Provide equitable access to information for social and economic development
✦ Benin's Centre Songhai defines itself as a centre for training, production, research, and development of sustainable agricultural practices. Every 18 months it trains more than 400 students at its five regional training centres. Some 250 young agricultural entrepreneurs now form the backbone of the National Network of Songhai Farmers. The Network provides an ongoing exchange of ideas and technologies to improve farming practices and to promote sustainable agriculture. IDRC support helped launch VSAT (very small aperture terminal) and online distance education in 2002, increasing the number of people using and paying to use Songhai's training, computer, and Internet-based services. Songhai then moved to help other NGOs adopt this approach to accessing the Internet in Benin and Nigeria.

✦ In October 2004, Vicente Fox, President of Mexico, launched an online education and evaluation program for Mexico's 47 000 public servants. @Campus México resulted from an agreement between Mexico and Canada at the 2001 Summit of the Americas.

SEE – Reduce poverty and enhance social equity
✦ In 2004/05, IDRC contributed funds for successful proposals on global health research, the first ever competition in Canada devoted to global health research and carried out with a Southern partner. Among the successful proposals was a study involving Dr Neil Andersson of the University of Ottawa and partners in the dengue-endemic countries of Brazil, Paraguay, Ecuador, Nicaragua, and Mexico. They will design a longer-term study to identify risk-transmission factors to inform dengue prevention strategies. The project is funded by IDRC, the Canadian Institutes of Health Research, Health Canada, and CIDA.

✦ In early 2004 and 2005, the Parliamentary Centre and IDRC brought together African parliamentarians at workshops in Senegal to help strengthen the role of African parliamentarians in the fight against poverty.

Special Initiatives Division (SID)
✦ In 2004/05, IDRC's SID launched two responsive small grants programs – Global Citizenship (50–60 awards per year; average $6 000 each) and Global and Emerging Issues (about 20 per year; average $15 000–20 000) to engage Canadians and encourage experimentation and innovation, and foster new ideas about development.

Windows on the world

"I now have a better understanding of the role of women in improving the state of a community."
– Katembo Kaluma, Université Laval, Doctoral Research Awardee 2003

"I think that international development opens up a field of intellectual and practical engagement with some of the most important questions of contemporary society."
– Pablo Shiladitya Bose, York University, Canadian Window on International Development Awardee 2004

IDRC's mandate is to support research that meets the priorities of developing countries. Most of the Centre's training funds and awards are therefore granted to individuals doing research directly related to and in the context of IDRC's programs and projects. Several programs have also been established to further IDRC's corporate objectives.

While the philosophy of the Centre's training program has remained constant over the years, the program itself has not remained static. During the past 5 years, for instance, 10 new types of awards have been introduced. A few have also been one-of-a-kind. The number of awards granted each year also varies depending on the budget available, and the number and quality of applicants. In addition to supporting corporate awards, the Training and Awards program administers three privately endowed awards: the John G. Bene Fellowship in Community Forestry; the Bentley Fellowship in Forage Crops in Sustainably Managed Agroecosystems; and the Carleton University, Clyde Sanger, and IDRC Scholarship.

IDRC monitors the awards program and makes adjustments accordingly. In 2002, for instance, the review of research proposals for Doctoral Research Awards was accelerated by considering them once they have been approved by candidates' supervisors, rather than waiting for approval by the thesis committee. An increase in awards granted that and the following year can be attributed to a number of other factors as well, including a post 9/11 resumption of travel by students.

Awards granted 2000–2005

Award Type	2000/01	2001/02	2002/03	2003/04	2004/05	Total
AGROPOLIS International Graduate Research Awards in Urban Agriculture	8	6	5	10	10	39
AGROPOLIS International Postdoctoral Research Award in Urban Agriculture	0	0	0	1	1	2
The Bentley Fellowship	1	2	1	1	1	6
Canada in the World – Standard Research Grant Awards (Phase 2) – SSHRC–IDRC joint initiative	3	0	0	0	0	3
Canada in the World – Postdoctoral Fellowship Award – SSHRC–IDRC joint initiative	1	0	0	0	0	1
Canadian Window on International Development Awards	0	0	1	3	3	7
Carleton University, Clyde Sanger & IDRC Scholarship	0	0	0	1	1	2
Centre Internship Awards	16	16	11	13	11	67
Ecosystem Approaches to Human Health Awards	7	6	5	0	9	27
IDRC Awards for International Development Journalism	0	1	5	5	5	16
IDRC Doctoral Research Awards	15	13	28	35	17	108
IDRC Research Awards on Economic and Social Policy in Peru	0	0	1	2	0	3
Individual Award	0	1	2	0	0	3
John G. Bene Fellowship in Community Forestry: Trees and People	1	1	1	1	1	5
Professional Development Awards	9	4	5	8	4	30
Sabbatical Awards	1	0	2	2	1	6
Scholar in Gender and Development	0	0	0	0	1	1
Senior Visiting Executive	0	0	0	1	0	1
Visiting Scholar	0	0	0	1	0	1
Visiting Research Fellowship	0	0	1	0	1	2
Total	**62**	**50**	**68**	**84**	**66**	**330**
Annual average: 66 awards						

Objective

IDRC will foster and support the production, dissemination, and application of research results leading to policies and technologies that enhance the lives of people in developing countries.

New projects approved (active) with explicit policy influence objectives

	2000/01	2001/02	2002/03	2003/04	2004/05
ENRM	7 (32)	8 (31)	8 (27)	5 (24)	8 (26)
ICT4D	5 (12)	5 (14)	4 (15)	4 (16)	4 (19)
SEE	13 (40)	12 (43)	23 (54)	15 (60)	26 (62)
Corporate	9 (32)	4 (22)	3 (15)	4 (9)	7 (10)
Other	0 (1)	1 (1)	0 (3)	2 (2)	0 (4)
Total	**34 (117)**	**30 (111)**	**38 (114)**	**30 (111)**	**45 (121)**
Number of recipient institutions	147	135	129	119	117

Selected results

ENRM – Foster sustainable use and management of natural resources

✦ In 2004, the Government of Bhutan released its recommendations for a comprehensive national community-based natural resource management policy framework. Their proposal is based on concepts and tools introduced through research supported by IDRC and other donors.

✦ Uruguay selected the EcoPlata project for presentation to the 2002 World Summit on Sustainable Development. In 2004, UNESCO recognized the project's achievements in science, technology, and management of the coastal area. The project led the Government of Uruguay to adopt policies to better manage and preserve the important estuary. IDRC has supported four phases of the project since 1994.

✦ More than 500 decision-makers from 11 countries participated in the four Water Demand Management Forums held in the Middle East and North Africa from 2001 to 2003. The success of this project, launched in 1998, led to the creation of WaDI*mena*, a 5-year, multidonor funded program (2004–2009) coordinated by IDRC in partnership with CIDA and the International Fund for Agricultural Development.

Finding evidence-based solutions

IDRC: P. Bennett

IN 2000, CIDA, IDRC, and the Egyptian Ministry of Foreign Trade jointly launched the Small and Medium Enterprise Policy Project (SMEPol) to both develop policy and build capacity to support micro, small, and medium enterprise policy development. Although the sector plays a crucial role in Egypt's economy, accounting for close to 75% of private sector employment, the overall policy environment for its development is weak.

In 2002, the Egyptian Minister of Economy and Foreign Trade announced that months of SMEPol-supported research and consultation had led to the development of a unified definition for SMEs. Based on this definition, the Government of Egypt also announced significant and wide-ranging policy measures to support the SME sector. On 26 March 2005, Egypt's Minister of Foreign Trade announced the "Enhancing SME Competitiveness" strategy at a national conference. The strategy, the result of 2 years of consultations with stakeholders, focus group sessions, and regional meetings, is Egypt's 5-year plan for enhancing SME competitiveness.

**ICT4D – Provide equitable access to information for social and economic development**

✦ IDRC took second place in the 2002 African ICT Achievers Awards for its work in bridging the digital divide. The award is coordinated by the South African Department of Communications and Forge Ahead BMI–TechKnowledge Group. The winner: SchoolNet South Africa, also funded by IDRC from 1997 to 2001.

✦ Between 2001 and 2004, IDRC supported a small company, Manobi-Senegal, to pilot the use of cell phones to transmit commodity prices from the main market in Dakar to farmers in their fields. This has directly increased participating farmers' incomes by some 30% and generated new employment for women. In November 2004, Manobi-Senegal was named Most Innovative Company and was the overall organizational winner at the African ICT Achievers Awards.

SEE – Reduce poverty and enhance social equity

✦ At their September 2004 meeting, the Commonwealth Finance Ministers endorsed the Gender Responsive Budget Initiative (GRBI), with a commitment to promote gender-responsive budget initiatives in all Commonwealth countries. GRBI is a joint initiative of UNIFEM, the Commonwealth Secretariat, and IDRC.

✦ In 2003, IDRC and the Netherlands Ministry of Foreign Affairs supported a multinational Experts Forum on third party involvement in the Israeli–Palestinian conflict. Four meetings have since been held to outline third party contributions to such thorny issues as border control. It is the only Track II forum to produce substantive planning reports. A second phase is underway to facilitate knowledge exchange.

✦ The Tanzania Essential Health Interventions Project, supported by IDRC and CIDA since 1992 and carried out by IDRC and the Tanzania Ministry of Health announced in 2004 that child mortality had been reduced by more than 40% and adult mortality by more than 18% in the two districts where the project was implemented. The cost? An additional $1 per person per year to the health budget of US$12 per person.
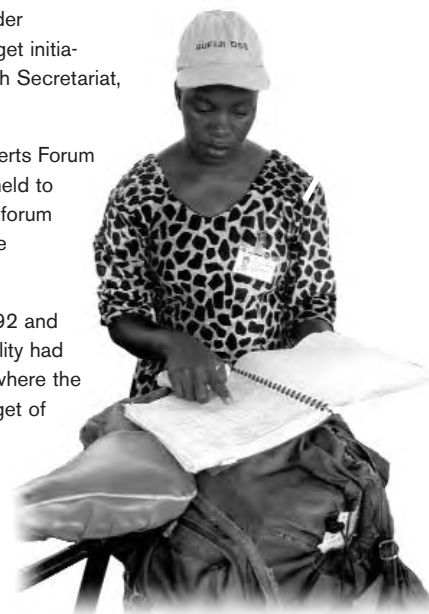
Supporting Kenya's transition to democracy
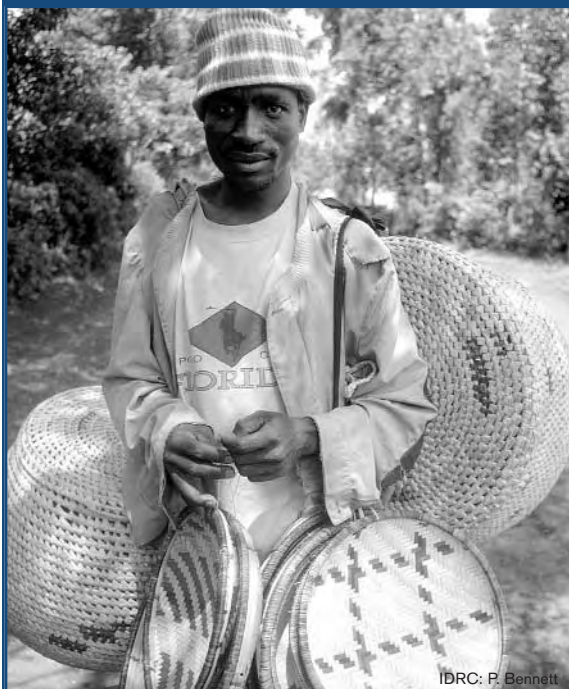
IDRC: P. Bennett

In December 2002, the National Rainbow Coalition came to power in Kenya through democratic elections, replacing the party that had ruled the country since independence in 1964. Through the Kenya Transition Umbrella Program, IDRC contributed significantly to the democratic transition by supporting research to help implement the ideas and visions of the new leadership.

The Transition Program sheltered a set of small and highly targeted projects customized to specific needs. It helped fund the development of an Economic Recovery Strategy and Action Plan for Kenya and the creation of new models for NGOs to operate in the changed environment. The program also facilitated the first anticorruption efforts of the Presidential Office of Governance and Ethics. Biodiversity became an integral part of Kenyan policy through IDRC-supported consultations. IDRC's contacts throughout the policy and NGO communities facilitated implementation and the Centre is continuing its involvement through strategic sessions with policymakers and donors.

In addition, two initiatives around information and communication technologies laid the groundwork for a larger project, launched in June 2004, to help Kenya identify the social, technological, and institutional structures needed to implement an ICT policy.

Objective

IDRC will explore new opportunities and build selectively on past investments within its program framework.

IDRC operates in a changing environment: research methodologies change; countries open and close; systems evolve; and technology changes. The challenge for IDRC is to combine long-term commitment to various lines of research while remaining flexible. A degree of adaptation to changing circumstances is therefore built into the programing system. During the past few years, approximately 13% of the program budget has been set aside to respond to opportunities that might lie outside the remit of individual programs.

There are three flex funds available to the Centre to respond to new ideas and unexpected opportunities to further corporate priorities:

✦ The Forward-planning Fund, used for activities within the Program Framework;

✦ The Special Program Fund, used for activities that lie outside the Framework but are consistent with IDRC's mandate; and

✦ The Regional Activity Fund, used to respond to regional priorities as identified by the regional directors in consultation with staff.

Innovations during 2000–2005

✦ CSPF 2000–2005 identified health systems and innovation in the management of public goods as priority areas for exploration. The Governance, Equity, and Health (GEH) exploration, approved by the Board of Governors in March 2001, addressed these priorities. In October 2002, the Board approved the prospectus of the new GEH program initiative.

✦ IDRC launched exploratory work in the field of Research on Knowledge Systems in 2001/02 to explore, from a developing-country standpoint, the ways in which knowledge is produced, communicated, and applied to development problems. Among its activities is an annual research awards competition: 21 grants were awarded between 2001 and 2004. In 2004, a new competition was launched in partnership with the Rockefeller Foundation.

✦ Inspired by the G8 Action Plan for Africa, in 2002/03 IDRC's Board of Governors approved a $2.5 million special fund for activities in support of the New Partnership for Africa's Development.

✦ A Centre-wide Task Force on Biotechnology and Emerging Technologies was established in December 2002. From an initial focus on genetically modified organisms as they relate to agriculture, food security, and poverty alleviation, the review expanded to cover several areas of biotech, as well as of nanotechnologies and converging technologies. The role of the task force will now be taken up under the Centre's new program area, Innovation, Policy and Science, which was approved by the Board of Governors in March 2005.

Exploration and innovation constantly occur within Centre programs, whether seizing on a new idea or building on past research. For example, in 2001 IDRC helped establish the Genetic Resource Policy Initiative to build the analytical and technical capacity of Southern actors engaged in genetic resource-related law and policy development. Work is taking place in six countries (Egypt, Ethiopia, Nepal, Peru, Viet Nam, and Zambia) and two subregions (East Africa and West and Central Africa). The project will institutionalize the earlier work of the highly successful Crucible Group, supported by IDRC between 1995 and 2001.

Sharing results

"*IDRC publications, in print and electronic formats, present and disseminate Centre activities to a wide range of audiences …*" CSPF 2000–2005

Books published and copublished

	2000/01	2001/02	2002/03	2003/04	2004/05
ENRM	10	13	6	11	8
ICT4D	6	2	4	2	5
SEE	10	13	6	6	4
Other	4	3	2	5	2
Total	**30**	**31**	**18**	**24**	**19**
Books online (free, full-text)	61	72	80	166	198

IDRC: S. Colvey

Promoting collaboration

IDRC HAS FOCUSED ON FOSTERING ALLIANCES and knowledge sharing between scientific, academic, and development communities in Canada and the South. These partnerships and networking can take many forms, but have a common goal: to help broaden the Centre's research program and expand its scope, as well as to promote collaboration in research on development problems between developed and developing regions, for their mutual benefit.

Building relationships

IDRC will continue to promote the coordination of international development research through the creation of networks among its programs and partners. – CSPF 2000–2005

New network projects approved (active network research projects)

	2000/01		2001/02		2002/03		2003/04		2004/05	
ENRM	14	(38)	18	(47)	16	(51)	17	(58)	21	(61)
ICT4D	8	(14)	13	(23)	13	(28)	14	(34)	13	(43)
SEE	16	(20)	22	(33)	19	(46)	23	(55)	31	(67)
Corporate	3	(20)	3	(11)	4	(8)	3	(5)	14	(6)
Other	0	(0)	0	(0)	2	(2)	9	(2)	12	(3)
Total	**41**	**(92)**	**56**	**(114)**	**54**	**(135)**	**66**	**(154)**	**91**	**(180)**
Number of recipient institutions	120		128		163		193		195	

Fostering partnerships

… IDRC has experimented with a range of options for partnerships and resource expansion, and will continue to do so. – CSPF 2000–2005

Resource expansion and parallel fund allocations 2000–2005 ($000)

	2000/01	2001/02	2002/03	2003/04	2004/05	Total
Budget	60 000	30 600	18 700	15 345	10 719	135 364
Actual resource expansion	58 373	65 938	30 822	16 797	14 302	186 232
Parallel fund allocations	11 548	21 264	14 270	14 005	22 049	83 136

AT THE CROSSROADS: 2005–2010

In November 2004, the IDRC Board of Governors approved the Corporate Strategy and Program Framework (CS+PF) 2005–2010. The Corporate Strategy lays out the foundations for the Centre's work: its legislative mandate and purpose, its values and fundamental beliefs, its strategic objectives, and its methods of work. The Program Framework describes the overall program architecture for the next 5 years – main areas of research, explorations, and how programs are expected to evolve.

Continuity and change are the context for IDRC's work. Continuity is assured by our mandate, determined by the *IDRC Act*. The Centre's mission remains "Empowerment through Knowledge" – to promote interaction and foster a spirit of cooperation and mutual learning within and among social groups, nations, and societies through the creation and adaptation of the knowledge that the people of developing countries judge to be of the greatest relevance to their own prosperity, security, and equity. Also unchanged are the principles that underlie our programing: sustainable and equitable development, poverty reduction, and human rights.

Evolution is reflected in our strategic goals 2005–2010:

✦ To strengthen and help to mobilize the local research capacity of developing countries, especially in the program areas of Environment and Natural Resource Management; Information and Communication Technologies for Development; and Social and Economic Policy.

✦ To foster and support the production, dissemination, and application of research results that lead to changed practices, technologies, policies, and laws that promote sustainable and equitable development and poverty reduction.

✦ To leverage additional Canadian resources for research for development by creating, reinforcing, funding, and participating in partnerships, between Canadian institutions and institutions in the developing world.

In supporting these goals, IDRC will assess performance according to four main criteria:

✦ Building a favourable environment within which research can be carried out and that provides opportunities for individual researchers in the South;

✦ Supporting research that is credible – scientifically valid and methodologically sound;

✦ Influencing practices, technologies, policies, and laws that contribute to sustainable and equitable development and poverty reduction;

✦ Building explicitly Southern agendas into current international policy debates and developmental decision-making at all levels.

Change is also reflected in modifications to our program matrix and a move to a greater degree of consolidation within program areas, a higher level of cross-program area collaboration, and the creation of a new program area, Innovation, Policy and Science.

Program Framework 2005–2010

	Program Initiatives 2000–2005	Program Initiatives 2005–2010	Secretariats	Corporate Projects
Environment and Natural Resource Management Program Area	Community-Based Natural Resource Management People, Land, and Water Minga: Alternative Approaches to Natural Resource Management	Rural Poverty and Environment	International Model Forest Network Secretariat	EcoPlata: Integrated Coastal Zone Management in Uruguay* Mining Policy Research Initiative*
	Cities Feeding People	Urban Poverty and Environment	Environmental Management Secretariat	
	Ecosystem Approaches to Human Health	Ecosystem Approaches to Human Health		
Information and Communication Technologies for Development Program Area	Acacia Pan Asia Networking	Acacia Pan Asia Networking	Bellanet	Connectivity Africa** Institute for Connectivity in the Americas** Pan Americas Telecentre.org
Social and Economic Policy Program Area (*formerly Social and Economic Equity*)	Governance, Equity, and Health Micro Impacts of Macroeconomic and Adjustment Policies Trade, Employment, and Competitiveness Peacebuilding and Reconstruction	Governance, Equity, and Health Globalization, Growth, and Poverty (*as of October 2005*) Peace, Conflict, and Development Women's Rights and Citizenship (as of March 2006)	Research for International Tobacco Control Economy and Environment Program for Southeast Asia Secretariat for Institutional Support for Economic Research in Africa*	Peru Consortium for Economic and Social Research* Small and Medium Enterprise Policies Project, Egypt* Tanzania Essential Health Interventions Project*
Innovation, Policy and Science Program Area (*approved March 2005*)				Biotechnology and Emerging Technologies Research on Knowledge Systems
Crosscutting research	Gender			
Special Initiatives	Canadian Partnerships Research on Knowledge Systems Training and Awards Program	Canadian Partnerships Training and Awards Program		

* These secretariats and corporate projects will be closed or devolved early in the program cycle.

** ICA and Connectivity Africa have been either fully integrated or "twinned" with other program initiatives/corporate projects. This trend of integration is expected to increase.

HUMAN AND FINANCIAL RESOURCES

CORPORATE GOVERNANCE

The Board of Governors

The Centre's work is guided by a 21-member international Board of Governors, with the Chairman of the Board reporting to Parliament through the Minister of Foreign Affairs. The *IDRC Act* stipulates that a majority of members, including the Chair and Vice-Chair, must be Canadian. By tradition, 10 Governors come from other countries, 8 from developing and 2 from donor countries. The international composition of its Board makes IDRC unique among Canada's public corporations and helps to ensure that the Centre's programs and operations effectively respond to the needs of the developing world.

Stewardship of the corporation

Board responsibilities
The key roles and responsibilities of the Board of Governors, its committees, and members are to:

✦ Establish the Centre's strategic program directions;

✦ Review and approve the Centre's financial objectives, plans, and actions;

✦ Review human resources management plans;

✦ Assess and manage risks associated with the Centre's business;

✦ Ensure the integrity of the corporation's internal control and management information systems;

✦ Monitor corporate performance against strategic and business plans;

✦ Assess its own responsibilities in fulfilling Board responsibilities; and

✦ Develop indicators to measure and monitor the President's performance.

Strategic direction
IDRC's Corporate Strategy and Program Framework (CSPF) for the period 2000–2005 ended 31 March 2005. The Board played a central role in the development of the new CS+PF, which is setting the Centre's course from 2005 to 2010.

The CS+PF 2005–2010 was approved by the Board at its November 2004 meeting; an amendment to the Program Framework followed in March 2005. The Board also reviewed and provided input to the Operational Framework (formerly the Operational Plan) for the CS+PF. The Framework lays out both how the Centre intends to organize itself and its work and how it intends to deploy human, financial, and other resources in order to implement the CS+PF as effectively and efficiently as possible. The Framework was presented in final form to the March 2005 meeting of the Board. In March 2005, the Board also approved, for the first time, a Communications Strategy for the CS+PF period.

Risk management
IDRC's Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities. The Committee works closely with the Chief Financial Officer and the Centre's internal and external auditors. One of its responsibilities is to ensure that the principal risks of the Centre's business have been identified, that they are being properly managed, and that assets are well protected. An annual risk assessment exercise carried out by Audit Services assists them in this task.

Succession planning
IDRC's approach to succession planning focuses, in part, on developing staff of high potential to ensure that the next generation of leaders is in place to support the Centre's commitment to excellence. Mechanisms are in place to facilitate these efforts, as the Centre will have to recruit a certain number of senior positions prior to 2008. Annually, the President and her two Vice-Presidents review demographic information on senior staff to prepare for eventual retirements and develop succession strategies. The President keeps the Board up-to-date on the demographic picture and the succession planning activities and strategies to be undertaken, either through the further development of promising internal candidates or the early planning of external recruitment.

Information received by the Board

Annually, in October, the Board receives a report on the status of IDRC programs and activities in relation to the overall Corporate Strategy. The directors of program areas and the regional directors alternate in presenting these reports. In March, the planned Program of Work and Budget for the coming year is presented to the Board for review and approval.

At its meeting in June, the Board receives an annual report on evaluation findings and activities, as well as a report on communications activities undertaken over the past year. The report on the annual financial audit conducted by the Office of the Auditor General (OAG) and the year's audited financial statements are also presented at this time.

At each Board meeting, the Board's Committee Chairs report on their meetings and the issues discussed.

Audit regime

The annual audit regime includes both internal and external audits. The Office of the Auditor General performs all external audits.

Public policy objectives

The *IDRC Act,* which established the Centre in 1970, continues to define its mandate and objectives. The Board ensures that the Centre adheres to the *IDRC Act* and its mandate to initiate, encourage, support, and conduct research into the problems of the developing world.

Communications

IDRC is exempt from Divisions I to IV of Part X of the *Financial Administration Act (FAA)*, pursuant to subsection 85(1) of the *FAA*. As a result, a Corporate Plan Summary is not required to be tabled in Parliament. Instead, the annual report serves as the primary vehicle for communicating with the Canadian government. Subsequent to recommendations in a report issued in 2000 by the OAG on the Governance of Crown Corporations, IDRC and the Department of Foreign Affairs and International Trade established a governance protocol to guide collaboration and consultation on key issues. In part, this protocol establishes a mechanism for input by the Minister and senior staff to the development of the CSPF.

The Chairman of the Board and the President meet at least once a year with the Minister of Foreign Affairs and the Minister of International Cooperation, and more frequently with senior public servants and ministerial advisors.

Working with management

Board and management relations

Board and management relations are characterized by a spirit of openness and transparency and a common belief in the principle of accountability and good public governance practices to achieve the best possible level of organizational performance.

The President is empowered by statute to supervise and direct the work of the Centre. As such, the President's objectives and performance measures are developed at the outset of each year in consultation with the Board. The Board is mandated to measure and monitor the performance of the President accordingly.

In managing the day-to-day activities of the Centre, the President is assisted by a Senior Management Committee (SMC), made up of the President, two Vice-Presidents, six Regional Directors, the Director of the Policy and Planning Group, the General Counsel, the Directors of Program Areas, the Director of Finance and Administration, the Director of Communications, and the Director of Human Resources. It meets regularly and prepares recommendations on most of the broad issues that come before the Board.

Board independence

The Board has established various structures and procedures that allow it to function independently of management. The roles of the Chairman and the President, who is the CEO, are separate: the Chairman manages the affairs of the Board; the President is responsible for the daily operations of the Centre. All Board members, except the President, are independent from Centre management and, like the Chairman and the President, are appointed by Governor in Council.

The Board meets three times a year. Every session includes an in-camera discussion and reports from Board committees. The Board has four standing committees: the Executive Committee, the Finance and Audit Committee, the Human Resources Committee, and the Nominating Committee. Generally, Committee members are elected on the basis of their interests, expertise, and availability. The Board also establishes *ad hoc* committees to deal with particular issues, as the need arises.

The Board has a stringent conflict of interest policy to maintain the highest standard of integrity for its members and for the Centre as a whole.

Executive Committee

Members of the Executive Committee meet before each Board meeting to review the agenda. Except for the requirements outlined in the *IDRC Act*, there are no formal terms of reference for the Executive Committee. The Chairman and the President look to the Board as a whole for strategic direction and decision-making.

Members: Gordon Smith (Chair), Margaret Catley-Carlson, Ged Davis, Sir Alister McIntyre, Tom McKay, Norah Olembo, Maureen O'Neil, Rodger Schwass.

Finance and Audit Committee

The Finance and Audit Committee assists and makes recommendations to the Board of Governors in relation to

✦ Financial matters that deal with the Centre's strategic direction;

✦ Ensuring that the principal risks of the Centre's business have been identified and that appropriate systems to manage these risks have been implemented;

✦ Ensuring that the Centre's information systems and management practices meet its needs and give the Board confidence in the integrity of the information produced; and

✦ Ensuring that the internal audit function is operating effectively.

In 2003, the Treasury Board of Canada released *Guidelines for Audit Committees in Crown Corporations and Other Public*

Enterprises. Over the past year the Finance and Audit Committee of the Board has reviewed its operations in relation to the guidelines contained in the document. Work on drafting new Terms of Reference for the Committee as well as an annual work plan were nearing completion in March 2005. The Committee and Board will review the new Terms of Reference and annual work cycle in June 2005.

Members: Tom McKay (Chair), Mervat Badawi *(deceased in November 2004)*, Margaret Catley-Carlson, Mary Coyle, Maurice Foster, Octavio Gómez-Dantés, Jean-Guy Paquet, Rodger Schwass *(January and March meetings only)*, Maureen O'Neil.

Human Resources Committee

The Human Resources Committee assists and makes recommendations to the Board in relation to policy, procedures, and standards involving the Centre's human resources. It also provides input and advice to the President on human resource matters.

Members: Sir Alister McIntyre (Chair), Margaret Catley-Carlson, Francine Matte, Tom McKay, Maureen O'Neil, Rodger Schwass.

Nominating Committee

The Nominating Committee's principal tasks are to consider and recommend suitable candidates for appointment to the Board of Governors, including its Chair, and to monitor the composition and performance of the Board and its committees in terms of attendance, participation, and responsiveness.

Members: Gordon Smith (Chair), Margaret Catley-Carlson, Tom McKay, Maureen O'Neil, Rodger Schwass.

The position of CEO

Selecting the best individual to lead a corporation is where good governance begins. In accordance with the *IDRC Act*, the Board of Governors recommends the appointment of the President of IDRC to the Governor in Council.

The Board also evaluates the President's performance against objectives on an annual basis and establishes objectives for the coming year.

Functioning of the Board

Renewal of the Board

The *IDRC Act* specifies that at least 11 of the Governors must have experience in international development or a background in the natural sciences, social sciences, or technology. These stipulations are reflected in a profile of skills and experience developed by the Board to assist in identifying suitable candidates to fill Board vacancies. A majority of current Board members meet these requirements.

Board members are appointed for a term of 4 years and may be appointed for a second term. In 2004/05, one new Governor was appointed to the Board and two Governors were re-appointed for a second term.

Education

New Board members receive extensive background material on the Centre, including a briefing manual, and participate in orientation sessions. All Board members can make trips during their term to visit IDRC projects, to consult with stakeholders, and see first-hand how IDRC works and the impact of the research it supports. This year two field trips were organized: one to Viet Nam, Cambodia, and China in November and the other to Bhutan and India in March 2005.

Compensation

Compensation for Board members is set according to Government of Canada *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations.* These guidelines establish the following ranges:

Per diem for Governors: $390 – $420

Annual retainer for Committee Chairs: $4 600 – $5 400

Annual retainer for the Chair: $9 200 – $10 800

Responsibility for corporate governance

The objective of good governance is to promote a strong and viable institution that effectively fulfills its legislative mandate. The Board of Governors is responsible for the overall approach to governance issues in the Centre. Looking to its own governance practices and performance, a self-assessment survey of Board members was conducted under the leadership of the Chair. Survey results were used to generate a governance work plan. Work was completed in 2004/05 on a key item of the work plan – the development of a governance philosophy.

The Chair of the Board asked all Governors to attend an education session on Corporate Governance for Federal Crown Corporations, developed by a management-consulting firm in collaboration with the Treasury Board of Canada and the Privy Council Office. A number of Governors have already attended the session.

The IDRC Board of Governors, 2004/05

GORDON S. SMITH, Chairman, Victoria, Canada
Executive Director of the Centre for Global Studies at the University of Victoria and former Deputy Minister of Foreign Affairs

MARGARET CATLEY-CARLSON, Vice-Chairwoman, Wakefield, Canada
Chair, Director, or Advisor to several organizations, and former President of the Population Council in New York

MAUREEN O'NEIL, President, IDRC, Ottawa, Canada
Former President of the International Centre for Human Rights and Democratic Development and former President of The North–South Institute

MERVAT BADAWI, Safat, Kuwait
(deceased 22 November 2004)
Director, Technical Department for the Arab Fund for Economic and Social Development

LALLA BEN BARKA, Dakar, Senegal *(term ended 25 September 2004; reappointed 17 February 2005)*
Regional Director, UNESCO Africa

Senior Management Committee

A decision-making body, IDRC's Senior Management Committee (SMC) is subject to the President's ultimate responsibility for the supervision and direction of the work and staff of the Centre, as provided in the *IDRC Act*. SMC's functions are:

✦ Subject to the overall responsibility of the Board of Governors, to develop, foster, and communicate corporate interests and values; to anticipate events affecting the Centre; and to promote team work, adaptability to change, and collaboration among the different responsibility units;

✦ To assist the President in discharging her obligations to the Board of Governors and, in doing so, to formulate the main corporate objectives, policies, and programs that are submitted to the Board and embodied in the Corporate Strategy, the Program Framework, the annual Program of Work and Budget, the evaluation system, the annual report, and in specific policy papers as may be required; and

✦ To carry out such other specific functions as may be delegated to it by the Board of Governors or the President.

Members of SMC, 2004/05

MAUREEN O'NEIL, President
Former President of the International Centre for Human Rights and Democratic Development and former President of The North–South Institute

JOHANNE BERNIER, Director, Human Resources
Human resources specialist and former Director of Resourcing and Recruitment, Human Resources Development Canada

FEDERICO BURONE, Director, Regional Office for Latin America and the Caribbean
Economist and former Executive Director of the Environmental Management Secretariat for Latin America and the Caribbean, Uruguay

JORGE DA SILVA, Director, Finance and Administration
Chartered management accountant and former Director, Audit Services, IDRC

ROGER FINAN, Regional Director, Regional Office for South Asia
Chartered management accountant and former Director, Internal Audit, IDRC

JEAN-MARC FLEURY, Director, Communications
(until 31 August 2004)
Senior Communications Advisor, Programs, IDRC and Director General, World Federation of Science Journalists

GILLES FORGET, Regional Director, Regional Office for West and Central Africa
Toxicologist and former Team Leader, Ecosystem Approaches to Human Health Program Initiative, IDRC

CONSTANCE FREEMAN, Regional Director, Regional Office for East and Southern Africa
Economist and former Chair of the Economics Department at the African Center for Strategic Studies in Washington, DC

RICHARD FUCHS, Director, Information and Communication Technologies for Development
Sociologist, former President of Futureworks Inc., and former Commissioner of the Newfoundland Economic Recovery Commission

BRENT HERBERT-COPLEY, Director, Social and Economic Equity
Political scientist and former coordinator of Research on Knowledge Systems, IDRC

JEAN LEBEL, Director, Environment and Natural Resource Management
Environmental health specialist and former Team Leader for the Ecosystem Approaches to Human Health Program Initiative

STEPHEN MCGURK, Regional Director, Regional Office for Southeast and East Asia
Development economist and former Program Officer of the Economic Security Program, Ford Foundation

ROHINTON MEDHORA, Vice-President, Program and Partnership Branch
Economist and former Team Leader, Trade, Employment, and Competitiveness Program Initiative, IDRC

LAUCHLAN MUNRO, Director, Policy and Planning
Social sector economist, former Senior Policy Analyst in Policy and Planning Group, and former Chief of Strategic Planning with UNICEF

EGLAL RACHED, Regional Director, Regional Office for the Middle East and North Africa
Renewable resources and agriculture specialist and former Chief Scientist, Food Security, IDRC

ROBERT ROBERTSON, General Counsel
Barrister and solicitor of the Ontario Bar and past President of Amnesty International (Canada)

CHANTAL SCHRYER, Director, Communications
(appointed 10 January 2005)
former Chief, Public Affairs and Government Relations, IDRC and former Manager, Shareholder and Government Relations, Atomic Energy of Canada Limited

DENYS VERMETTE, Vice-President Resources and Chief Financial Officer
Former Vice-President, Corporate Services and Director, Human Resources for the Canadian Nuclear Safety Commission

Governance practices

In the interests of ensuring accountability and good governance, IDRC recently conducted a gap analysis, comparing recommended and good practices in Crown Corporation governance and its own practices. Highlights are presented in the table below.

Recommended/good practice	IDRC practice
Board Composition The Board is made up of individuals who, collectively, have the required skills, competencies, and personal attributes to carry out their responsibilities effectively. The Board regularly reviews its needs in respect of skills and experience.	**Board Composition** The *IDRC Act* established the size, member configuration, and certain expertise required by Governors in order to carry out the Centre's mission. The Board has also approved a Board and Governors' profile that lists the key areas of responsibilities and skills required by Governors to carry out these responsibilities. Appointment submissions are made in accordance with established Treasury Board guidelines.
Board members are independent from management and have no material interest in the organization.	All members of the Board, except the President, are independent from management. (The President is also a Governor, according to the *IDRC Act*.)
Board Responsibilities The Board publishes a charter that details its roles and responsibilities and the governance processes used to fulfill them.	**Board Responsibilities** Key Board responsibilities are listed in the *IDRC Act* and in the Board/Governors' profiles.
Committees The Board has committees that address the Finance, Governance, Human Resources and Compensation, and Audit functions, as well as any other committees relevant to Board operations.	**Committees** In accordance with the *IDRC Act*, there is an Executive Committee and a Finance Committee of the Board. In recognition of the importance of the Finance Committee's audit responsibilities, the Committee was renamed the Finance and Audit Committee in 1977. In 1993, a Human Resources Committee was created to deal with compensation, as well as other human resources issues. In 2004, the Nominating Committee was established.
Each Board committee has written Terms of Reference that are available publicly and that outline its composition and responsibilities.	All committees have written Terms of Reference.
Each committee keeps informed about emerging best practices in corporate governance relevant to its function.	The Corporate Secretary informs committee members about governance issues and developments.
Audit Committees Audit Committee members are financially literate and at least one member has accounting or related management expertise.	**Finance and Audit Committee** The current members of the Finance and Audit Committee are financially literate and the Chair possesses a financial designation. The Centre has included financial literacy as a requirement in most of its recent appointment recommendations.
The Audit Committee meets from time to time with the external and internal auditors without management present.	The Finance and Audit Committee meets from time to time without management present.
The Audit Committee annually reviews its Terms of Reference and assesses its effectiveness in meeting the needs of the Board of Directors.	The Terms of Reference for the Finance and Audit Committee have been updated to respond to the guidelines for audit committees in Crown Corporations, prepared by Treasury Board.

Recommended/good practice	IDRC practice
The Board Chair The position of Chair and CEO are separate.	**The Board Chair** The position of Chair and President (CEO) are separate.
CEO or President The Board is involved in the recruitment and selection of the CEO. The Board annually assesses the performance of the CEO.	**CEO or President** In accordance with the *IDRC Act,* the Board of Governors is responsible for nominating candidates for the appointment of the President to the Minister of Foreign Affairs. In the past, a Selection Committee of the Board has been established to manage the identification of suitable candidates for this position. The Board annually reviews corporate performance and assesses the performance of the President. The President's objectives for the coming year are discussed and approved.
Code of Conduct and Ethics The Board has adopted a Code of Conduct that sets out the expectations for both Directors (Governors), and employees of the organization, in terms of ethical conduct and behaviour. Codes of conduct are made available to all employees and communicated to stakeholders.	**Code of Conduct and Ethics** The Board approved a Philosophy of Governance in 2004, which addresses the Board's values and its commitment to the highest ethical standards. The Philosophy of Governance was made available to all IDRC staff.
Orientation and Professional Development The Board has an orientation program for new directors. The Board provides ongoing educational opportunities for directors to learn about the organization, its sector, and its corporate governance practices.	**Orientation and Professional Development** There is an orientation process for all new members of the Board as well as written documentation and guidelines. IDRC Governors have participated in seminars organized by the Privy Council Office and Treasury Board on the role and responsibilities of Board members and have traveled to the field to view Centre-supported projects and meet project partners.
Communications Strategy An appropriate communications strategy is in place that meets the needs of all stakeholders, employees, and government, and reflects a public sector organization's requirement for transparency and accountability.	**Communications Strategy** In March, the Board of Governors approved a Communications Strategy for the period covered by the Corporate Strategy and Program Framework 2005–2010. The Communications Strategy addresses the needs of a variety of stakeholders.

The following documents were consulted in compiling the above Recommended/good practices:

✦ Government of British Columbia, Board Resourcing and Development, Office of the Premier, *Best Practice Guidelines. BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations,* February 2005 www.fin.gov.bc.ca/abc

✦ Government of Canada, Treasury Board, *Guidelines for Audit Committees in Crown Corporations and Other Public Enterprises,* Ottawa, 2003 www.tbs-sct.gc.ca

✦ Government of Canada, Treasury Board, *Review of the Governance Framework for Canada' s Crown Corporations — Meeting the Expectations of Canadians,* Ottawa, February 2005 www.tbs-sct.gc.ca

✦ Joint Committee on Corporate Governance, *Beyond Compliance: Building a Governance Culture.* Final Report. Toronto, November 2001 www.jointcomgov.com

Human Resources Management

The corporate context

Within the legislative context of the *IDRC Act*, IDRC has developed a Corporate Strategy and Program Framework for 2005–2010 (CS+PF 2005–2010), that will help its Board, managers, and employees meet the challenges that lie in supporting and strengthening the research capacity of developing countries.

Governance for human resources management

While the Centre's President is ultimately accountable for the overall management of human resources at IDRC, the Board of Governors, through its five-member Human Resources Committee, provides effective oversight. The President and senior managers report to and discuss human resources issues with the Human Resources Committee and the Board at regular intervals.

In discharging her responsibilities, the President operates within a governance structure referred to as the "advisory model." This structure provides the consultative and decision-making machinery through which human resources policies, programs, and services are delivered. The structure includes the Human Resources Management Committee (HRMC), chaired by the Vice-President, Resources, and a subcommittee, the Advisory Committee on Regional Offices (ACRO), chaired by a regional director. Both of these committees are composed of managers and staff association representatives from head office and the regions. These committees advise the Senior Management Committee and the Board of Governors on strategic human resources issues and initiatives. This committee structure ensures a high level of coordination of activities between regional offices and head office, and thereby mitigates the overall risk associated with such activities.

The human resources management context

IDRC is recognized internationally for its outstanding workforce of researchers, scientists, academics, managers, analysts, and administrative and professional staff working at the Centre's head office in Ottawa and in six regional offices around the world.

IDRC's human resources management works in close collaboration with IDRC's Board, management, employees, and staff association to develop human resources policies, programs, and practices that contribute to attracting and retaining skilled workers. Human resources management is governed by several tools that assist IDRC in managing its human resources in an efficient, fair, and transparent manner. One of these tools is the employment philosophy that articulates IDRC's values and its commitment to ethical behaviour and productive management–employee relations. Discussions are held annually across the organization to ensure the philosophy's principles remain alive and attuned to the evolving needs of the Centre.

A comprehensive set of policies and a competitive benefits program contribute to a productive business environment and culture that support the health and well-being of employees. A variety of tools are used to maintain an efficient human resources operation. An Integrated Payroll and Human Resources Management System is used to manage staff compensation and to record workforce data. The Centre's Intranet and divisional Web sites inform employees about services, policies, and programs. In 2004, the Human Resources Division also introduced a newsletter to enhance information sharing with staff in Ottawa and the regions.

Linking human resources management and business planning

In 2004 IDRC developed a Strategic Human Resources plan (SHR plan) in a collaborative and consultative manner. Like the CS+PF, the SHR plan outlines corporate directions and strategies, focusing on meeting the human resources challenges in support of the Centre's business and research objectives. Some prominent highlights of the SHR plan and examples of initiatives conducted during 2004/05 are:

✦ Continued development of an accountability framework that will provide clear statements of the Centre's policies on a full range of human resources management issues.

During 2004/05, five major policy chapters, which deal with such processess as job evaluation, job evaluation appeals, management of unsatisfactory performance, progressive approach to discipline, and terminations of employment, were approved. These will align a number of administrative processes with the principles of the Centre's employment philosophy, in terms of providing processes that are fair, open, and transparent, while clearly defining managerial accountability.

✦ Periodical surveys to ensure continued comparability of salaries and benefits with relevant market comparators and to maintain IDRC's ability to attract and retain talented and resourceful managers and employees.

During 2004/05, a complete examination of the benefits, terms, and conditions of employment for Ottawa-hired staff was undertaken. As a result of this review, the Board of Governors adopted revisions to the Centre's benefits package. It is anticipated that these enhancements will allow the Centre to maintain its competitive advantage within the market. A similar and complementary review of salaries is planned for 2005/06.

✦ Development and implementation of a Framework for Learning that will be both work-relevant and competency-based.

During 2004/05, the Senior Management Committee approved a conceptual framework for IDRC's overall approach to individual learning to complement current organizational learning initiatives conducted under the auspices of the Evaluation Unit. A work plan is in development to implement elements of this framework including a vision, principles, and strategic goals, learning programs based on competencies, and supporting policy processes and tools. A review of current training programs, such as the orientation and language

training programs, will also be part of the work associated with the framework.

✦ Enhancement of IDRC's policies and programs in support of the health, safety, and security of Centre staff.

During 2004/05, work was undertaken to develop a Business Continuity and Resumption Plan to ensure that critical services or functions continue to be delivered during a disruption due to a fortuitous event or disaster (natural or environmental disasters, accidents, power disruptions, etc.), and to ensure that the organization has the resources and information needed to deal with these emergencies and to recover from them.

✦ The development and implementation of selected *performance indicators* that will demonstrate the efficiency and effectiveness of the Centre's Human Resources Management Program.

During 2004/05, performance indicators were developed to assess the performance of IDRC human resources programs and services and to provide information on the overall "health" of IDRC human resources management. Data collected will form the basis for analysis and future human resources management and planning decisions. Information will be gathered throughout the next fiscal year and reports presented regularly to senior management.

Support and promotion of Canadian government programs

Official languages

Through its own actions, both internally and externally, the Centre actively promotes the spirit and intent of Canada's *Official Languages Act*, most particularly, the provisions of section 41 of the *Act,* concerning the advancement of the English and French languages and communities. The Centre hires employees of Canada's two official languages groups, in accordance with the linguistic needs of IDRC; employees, as well as interns and holders of Professional Development Awards, are supported in their pursuit of learning their second official language; employees are encouraged to communicate with one another in either official language at every opportunity; and all corporate internal and external communications are made available in both official languages.

Externally, the Centre strives to maintain an appropriate linguistic balance among individuals selected for internships and Professional Development Awards.

Employment equity

IDRC is, by its very nature, focused on "equity" in its broadest terms. The Centre is also true to its obligations under Canada's *Employment Equity Act.* For the year ending 31 December 2004, the Centre exceeded the labour force availability targets for the hiring of visible minorities and women. The Centre continues to pursue its outreach efforts to reduce the very small gaps it experiences in the representation of Aboriginal peoples and persons with disabilities.

IDRC staff: full-time equivalents

	2005/06 Budget	2004/05 Revised budget	2004/05 Actual	2003/04 Actual
Development research support				
Technical support	89	88	83	77
Program complements	38	38	36	37
Program management	27	25	24	26
	154	151	143	140
Administrative services				
Administration	136	132	129	128
Regional office management	85	85	82	83
	221	217	211	211
Total	375	368	354	351
Secondments			2	3
Secretariat/project staff			69	81

FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS

Income statement discussion

Revenues

($000)	2005/06 Budget	2004/05			2003/04 Actual	% change actual
		Revised budget	Actual	Variance		
Total revenue	**145 160**	**136 325**	**140 785***	**4 460**	**126 318**	**11.5%**
Parliamentary appropriations	129 715	120 646	122 340	1 694	107 932	13.3%
Resource expansion	12 190	12 279	14 399	2 120	14 508	-0.8%
Recovery of indirect costs	975	982	1 380	398	1 162	18.8%
Investment income	1 059	1 135	1 226	91	1 303	-5.9%
Other income	1 221	1 283	1 440	157	1 413	1.9%

The Centre's funding is derived from five different sources: Parliamentary appropriations, resource expansion, recovery of indirect costs, investment income, and other income.

* IDRC holds a controlling interest in E-Link Americas, a not-for-profit organization incorporated in 2004 under the Canada Corporations Act. The 2004/05 results include the assets, liabilities, and results of operations of E-Link Americas.

The Centre receives different types of **Parliamentary appropriations**. The main appropriation represents the Centre's share of Canada's Official Development Assistance (ODA) envelope. The Centre also receives a Parliamentary appropriation to cover part of the compensation costs. From time to time, the Centre receives supplementary Parliamentary appropriations for specific projects. These funds are recorded as deferred revenue and recognized when the related project expenses are incurred. This year's total Parliamentary appropriation revenues were $1.7 million higher than budgeted. The growth in our ODA envelope was attributed in part by the increase in the Institute for Connectivity in the Americas (ICA) supplementary Parliamentary appropriation. The variance on ICA is due to the approval of a large project initiated in 2003/04. The substantial year-over-year increase in Parliamentary appropriations is explained by the federal government's commitment to double international assistance by 2010. The 2004 budget plan committed to increasing IDRC's funding by 8% annually for 2004/05 and 2005/06, in recognition of its world class reputation for supporting research aimed at funding innovative solutions to challenges facing developing countries.

Revenues from **resource expansion** relate specifically to research conducted or managed by the Centre on behalf of other organiza-tions. The projects under these activities all fall within the Centre's mandate. The total revenue for resource expansion for the year was $14.4 million, or $2.1 million higher than budget due to a quicker than budgeted spending pattern. Next year's budget shows an antici-pated decrease on revenues mainly due to the lower expected level of resource expansion allocations.

The revenue from the **recovery of indirect costs** represents the fee that the Centre charges to manage resource-expansion activities. This year's revenue is slightly over budget ($0.4 million) due to a higher rate of recovery. The budget for 2005/06 is slightly lower due to the expected decrease in resource expansion revenues.

The Centre is authorized to invest surplus funds into interest-bearing securities. For 2004/05 the **investment income** amounts to $1.2 million, slightly above budget due to a higher average balance of the portfolio throughout the year. For the next fiscal year, it is anticipated that our average investment portfolio will be lower due to an increase in our activities.

Other income includes revenues associated with subleasing of office space, hospitality and conference facilities, the sale of publica-tions, other income from E-Link Americas, and other miscellaneous items. Income from these sources was $1.4 million, slightly over budget.

Expenses

($000)	2005/06 Budget	2004/05			2003/04 Actual	% change actual
		Revised budget	Actual	Variance		
Total expenses	**149 783**	**139 435**	**138 500**	**(935)**	**123 170**	**12.4%**
Development research programs						
Centre programs	84 274	77 452	75 632	(1 820)	62 561	20.9%
Resource expansion	12 190	12 279	14 399	2 120	14 508	-0.8%
Development research support	25 863	23 868	23 283	(585)	21 632	7.6%
Administrative services	27 456	25 836	25 186	(650)	24 469	2.9%

The Centre's expenses are segregated based on a three-tier cost structure. This structure distinguishes between research grants, knowledge-intensive support, and administrative costs.

The expenses under **development research programs** reflect the direct costs (mainly in the form of grants) of scientific and technical research projects either financed or administered by IDRC for both Centre programs and resource expansion. For 2004/05, Centre program spending was $75.6 million. The $1.8 million variance is mainly attributable to ICA. The significant increase in the 2005/06 budget is explained by the increased expenditure rate at which new projects will be disbursed. The expenses on resource expansion total $14.4 million, or $2.1 million higher than budget.

Development research support represents the costs of knowledge-intensive activities in support of development research programs, including the cost of technical support, program complements, and program management. Development research support expenses amounted to $23.3 million, or $0.6 million less than budgeted. These variances were primarily attributed to staffing gaps and a lower level of travel than originally anticipated. The $2.0 million increase in development research support expenses for 2005/06 is attributed to salaries and benefits, travel, and professional services.

Administrative services provide a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and corporate responsibilities, including the management costs of six regional offices. These expenditures amounted to $25.2 million, with variances of $0.7 million when compared to budget, attributed to a lower level of travel, reduced amortization due to delays in the development of corporate information systems, and lower than expected use of professional services. The $1.6 million increase in administrative services expenses for 2005/06 is attributed to salaries and benefits, professional services, and travel.

Balance sheet discussion

Assets

($000)	2004/05 Actual	2003/04 Actual	% change actual
Total assets	**57 392**	**51 581**	**11.3%**
Cash and short-term investments			
Unrestricted	29 083	24 319	19.6%
Restricted	15 616	16 941	-7.8%
Accounts receivables and prepaid expenses	5 397	4 516	19.6%
Long-term assets	7 296	5 805	25.7%

The high level of **cash and short-term investments** results from the fact that the Centre receives funds well before they are spent. These funds are invested in short-term money market instruments.

Since certain funds are received for specific purposes, the Centre accounts for them as restricted cash and short-term investments. All other funds are considered unrestricted.

The $4.8 million increase under unrestricted cash is mainly explained by the excess revenues over expenses of $2.3 million at year-end.

As at 31 March 2005, the restricted **cash and short-term investments** total $15.6 million, down $1.3 million from last year.

Accounts receivable and prepaid expenses total $5.4 million, up $0.9 million from 31 March 2004 due to greater accounts receivable on resource-expansion activities and $0.4 million from E-Link Americas.

Long-term assets are composed of capital assets. As at 31 March 2005, they total $7.3 million, up $1.5 million from last year.

Liabilities

($000)	2004/05 Actual	2003/04 Actual	% change actual
Total liabilities	**43 995**	**40 469**	**8.7%**
Accounts payable and accrued liabilities	13 044	9 575	36.2%
Deferred revenue	18 099	18 788	-3.7%
Other long-term liabilities	12 852	12 106	6.2%

Accounts payable and accrued liabilities are part of the regular operations of the Centre and represent such things as payments to suppliers and grants payable to recipients, as well as salaries and annual leave benefits owed to employees. At the end of March 2005, the accounts payable and accrued liabilities total $13 million, including $1.2 million from E-Link Americas, up $3.5 million from March 2004.

Deferred revenue includes the unspent portion of funds received or receivable from resource-expansion activities and the supplementary Parliamentary appropriation. The year-end closing balance is $18.1 million, down $0.7 million from 2004.

Other long-term liabilities include a provision for employee future benefits, deferred rent charges on the head office lease, and deferred revenue for capital assets purchased. At $12.9 million, the long-term liabilities are $0.7 million higher than last year, with the variance being mainly the result of increase in the deferred rent and employee future benefits.

Equity

($000)	2004/05 Revised budget	Actual	Variance	2003/04 Actual	% change actual
Equity	8 002	13 397	5 395	11 112	20.6%

The **Equity** as at 31 March 2005 is $13.4 million, up $2.3 million from 31 March 2004. The variances are due to the net results of operations for the 2004/05 fiscal year ($0.3 million) and the consolidation of $2 million equity of E-Link Americas. The year-end equity is $5.4 million higher than budgeted. The combination of higher Parliamentary appropriation and lower than budgeted expenses for Centre programs and administrative services explains this variance.

Other key financial targets discussion

Outstanding commitments on research projects

($000)	2004/05 Actual	2003/04 Actual	% change actual
Total outstanding commitments	**103 247**	**88 354**	**16.9%**
Centre programs	84 865	72 446	17.1%
Resource expansion	18 382	15 908	15.6%

As at 31 March 2005, the Centre was committed to making payments on research projects of up to $103.2 million. This commitment is subject to funds being provided by Parliament or external donor partners as well as to compliance, by recipients, with the terms and conditions of project agreements. The **outstanding commitments** significantly increased from last year's $88.4 million due to the higher level of program allocations during the fiscal year.

Of the total **outstanding commitments**, $84.9 million is for Centre programs funded through the Parliamentary appropriation, including two specific projects funded through supplementary Parliamentary appropriations allocated in previous years ($1.4 million). In addition, $18.4 million is for projects funded by other donors, i.e., resource expansion.

Program allocations
(previously referred to as program appropriations)

($000)	2005/06 Budget	2004/05 Revised budget	2004/05 Actual	2004/05 Variance	2003/04 Actual	% change actual
Total program allocations	**106 200**	**100 919**	**107 615**	**6 696**	**96 451**	**11.6%**
Development research programs						
Centre programs	89 000	85 000	86 275	1 275	75 265	14.6%
Institute for Connectivity in the Americas	4 200	5 200	7 038	1 838	4 389	60.4%
Resource expansion	13 000	10 719	14 302	3 583	16 797	-14.9%

Program allocations represent the funds that are set aside for new projects within IDRC's development research program activities. The majority (87%) of the program allocations were committed during the 2004/05 fiscal year and will become expenses over the individual life of the approved projects. For the year ending 31 March 2005, total program allocations were $107.6 million. The **Centre programs and ICA allocations** were over budget by $3.1 million. The increase in our Parliamentary appropriation resulted in a year-over-year increase in the Centre's program allocations. The **program allocations on resource expansion** were $3.6 million over budget. This variance is mainly explained by the fact that a contract was signed for a higher value than originally expected.

Outlook for the future

Fiscal year 2005/06

Following the federal government's commitment to double the international assistance envelope by 2010/11, the federal budget called for an increase of 8% for 2005/06. IDRC's government funding for the fiscal year 2005/06 coming from ODA has been set at $122.4 million, an increase of $8.9 million from 2004/05. When considering the Treasury Board votes for compensation costs, the deferral of capital assets purchased, and the supplementary Parliamentary appropriations, the total **revenue from Parliamentary appropriations** for 2005/06 is set at $129.7 million.

For 2005/06, the **Centre's program expenditures** are budgeted at $84.3 million, an increase of $8.6 million from 2004/05 in order to support research aimed at funding innovative solutions to challenges facing developing countries. The growth in program expenditures is attributable to additional payments to be made on previous year commitments as well as projected higher disbursements on projects approved in 2005/06.

The 2005/06 expenditure budget for **research support and administrative services** is set at $53.3 million, up $3.6 million from the 20004/05 revised budget. The key factors contributing to the increase include: incremental costs of additional full-time equivalents, increase in travel, incremental costs for the Corporate Information System initiatives, and miscellaneous increases such as implementation costs for the Corporate Assessment Framework, Corporate Governance training, and inflationary pressures.

The **Centre's program allocations** level has been established at $89.0 million. This represents an increase from the $86.3 million approved last year, and is a result of the increase in our funding for fiscal year 2005/06.

In recent years, as the Centre's programing activities changed significantly, the forecasting of program expenditures became a challenge. The Centre has devoted significant resources to strengthen IDRC's ability to forecast expenditures and equity. For 2005/06, the Centre has established quarterly expenditure targets for Centre program expenses; these targets will be diligently monitored. The research support and administrative services expenses will be monitored on an ongoing basis and funds will be re-allocated during the year to the highest priority area in order to maximize the use of available resources.

Fiscal year 2006/07

In the 2005 budget, the federal government announced an 8% increase in international assistance for 2006/07. The materialization of an increase in the funding made available to IDRC would allow the Centre to increase its programing expenses even further. The increase in Centre program expenses would come from increased Centre program allocations. The research support and administrative services expenses will be adjusted for inflation and other factors deemed necessary to the operations of the Centre.

Five-year historical review

($000)	Budget	Actual				
	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01
Income statement						
Revenues						
Parliamentary appropriations	129 715	122 340	107 932	97 603	97 164	91 242
Resource expansion	12 190	14 399	14 508	36 505	47 515	39 796
Recovery of indirect costs	975	1 380	1 162	1 218	1 615	1 810
Investment income	1 059	1 226	1 303	1 140	779	1 223
Other income	1 221	1 440	1 413	1 565	1 202	1 237
Expenses						
Development research programs						
Centre programs	84 274	75 632	62 561	61 389	50 997	55 634
Resource expansion	12 190	14 399	14 508	36 505	47 515	39 796
Development research support	25 863	23 283	21 632	20 152	18 830	20 111
Administrative services	27 456	25 186	24 469	21 892	21 218	21 420
Net results of operations	**(4 623)**	**2 285**	**3 148**	**(1 907)**	**9 715**	**(1 653)**
Program allocations						
Development research programs						
Centre programs	89 000	86 275	75 265	62 855	54 957	43 565
Institute for Connectivity in the Americas	4 200	7 038	4 389	1 916	1 120	–
Resource expansion	13 000	14 302	16 797	30 822	65 938	58 373

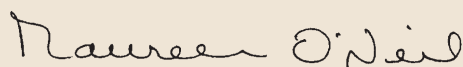| ($000)	Actual				
	2004/05	2003/04	2002/03	2001/02	2000/01
Balance sheet					
Assets					
Cash and short-term investments					
Unrestricted	29 083	24 319	17 261	16 413	8 211
Restricted	15 616	16 941	13 413	31 104	31 540
Accounts receivables and prepaid expenses	5 397	4 516	6 636	4 600	15 869
Long-term assets	7 296	5 805	8 914	8 482	8 802
Liabilities					
Accounts payable and accrued liabilities	13 044	9 575	9 822	7 166	9 942
Deferred revenue	18 099	18 788	16 729	32 779	43 679
Other long-term liabilities	12 852	12 106	11 709	10 783	10 645
Equity	13 397	11 112	7 964	9 871	156
Outstanding commitments					
Centre programs	84 865	72 446	64 532	59 171	64 825
Resource expansion	18 382	15 908	19 131	56 652	45 148

FINANCIAL STATEMENTS

Responsibility for Financial Statements

The financial statements presented in this annual report are the responsibility of management and have been reviewed and approved by the Board of Governors of the Centre. The financial statements, which include amounts based on management's best estimates as determined through experience and judgement, have been properly prepared within reasonable limits of materiality and are in accordance with Canadian generally accepted accounting principles. Management also assumes responsibility for all other information in the annual report, which is consistent, where applicable, with that contained in the financial statements.

Management maintains financial systems and practices to provide reasonable assurance as to the reliability of financial information and to ensure that assets are safeguarded and the operations are carried out effectively and in accordance with the *International Development Research Centre Act* and bylaws of the Centre. The Centre has an internal audit department whose functions include reviewing internal controls and their application on an ongoing basis.
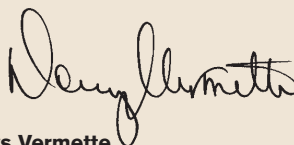
The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board benefits from the assistance of its Finance and Audit Committee in overseeing and discharging its financial management responsibility, which includes the review and approval of the financial statements. The Committee, which is made up of Governors, meets with management, the internal auditors, and the external auditors on a regular basis.

The Auditor General of Canada conducts an independent examination in accordance with Canadian generally accepted auditing standards. Her audit includes appropriate tests and procedures to enable her to express an opinion on the financial statements. The external auditors have full and free access to the Finance and Audit Committee of the Board.

Maureen O'Neil
President

Ottawa, Canada
June 3, 2005

Denys Vermette
Vice-President, Resources and CFO

Auditor General of Canada
Vérificatrice générale du Canada

AUDITOR'S REPORT

To the International Development Research Centre
and the Minister of Foreign Affairs

I have audited the consolidated balance sheet of the International Development Research Centre as at 31 March 2005 and the consolidated statements of operations and equity and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

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

Shahid Minto, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada

30 May 2005

Consolidated Balance Sheet

as at 31 March 2005
(in thousands of dollars)

	2005	2004
Assets		
Current		
Cash and short-term investments (Note 3)		
Unrestricted	29 083	24 319
Restricted	15 616	16 941
Accounts receivable (Note 4)	4 110	3 455
Prepaid expenses	1 287	1 061
	50 096	45 776
Capital assets (Note 5)	7 296	5 805
	57 392	**51 581**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	13 044	9 575
Deferred revenue (Note 7)	13 671	11 308
	26 715	20 883
Deferred revenue – long-term (Note 7)	4 428	7 480
Deferred funding – capital assets (Note 8)	5 945	5 805
Employee future benefits (Note 6)	4 331	3 998
Deferred rent – head office	2 576	2 303
	43 995	40 469
Equity	13 397	11 112
	57 392	**51 581**

Commitments (Notes 12 and 13)

Contingencies (Note 15)

The accompanying notes and schedule form an integral part of the financial statements.

Gordon S. Smith
Chairman
Board of Governors

Tom McKay
Chairman
Finance and Audit Committee

Consolidated Statement of Operations and Equity

for the year ended 31 March 2005
(in thousands of dollars)

	2005	2004
Revenues		
Resource expansion (Note 9)	14 399	14 508
Recovery of indirect costs (Note 9)	1 380	1 162
Investment income	1 226	1 303
Other income	1 440	1 413
	18 445	18 386
Expenses		
Development research programs		
Centre programs	75 632	62 561
Resource expansion	14 399	14 508
	90 031	77 069
Development research support		
Technical support	13 601	11 985
Program complements	5 188	4 895
Program management	4 494	4 752
	23 283	21 632
Administrative services		
Administration	20 390	19 542
Regional office management	4 796	4 927
	25 186	24 469
Total expenses (Schedule I)	**138 500**	**123 170**
Cost of operations before government funding	(120 055)	(104 784)
Parliamentary appropriation (Note 10)	113 987	102 106
Supplementary Parliamentary appropriations (Note 11)	6 388	3 528
Amortization of deferred funding – capital assets (Note 8)	1 965	2 298
	122 340	107 932
Net results of operations	2 285	3 148
Equity at beginning of the year	11 112	7 964
Equity at end of the year	**13 397**	**11 112**

The accompanying notes and schedule form an integral part of the financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2005
(in thousands of dollars)

	2005	2004
Cash flows from operating activities		
Net results of operations	2 285	3 148
Items not affecting cash		
Amortization of capital assets	1 965	2 298
Gain on disposal of capital assets	(19)	(9)
Change in provision for employee future benefits	332	250
Increase in deferred rent	273	273
	2 551	2 812
Net change in working capital other than cash and short-term investments	4 951	622
Net cash flows from operating activities	**9 787**	**6 582**
Cash flows from financing activities		
(Decrease) increase in deferred revenue – long-term	(3 052)	3 310
Capital funding	2 105	2 172
Amortization of deferred funding – capital assets	(1 965)	(2 298)
Net cash flows (used in) from financing activities	**(2 912)**	**3 184**
Cash flows from investing activities		
Additions to capital assets	(3 436)	(2 163)
Decrease (increase) in restricted cash	1 325	(3 528)
Maturing of long-term investments	–	2 983
Net cash flows used in investing activities	**(2 111)**	**(2 708)**
Net increase in cash	**4 764**	**7 058**
Unrestricted cash and short-term investments, beginning of the year	24 319	17 261
Unrestricted cash and short-term investments, end of the year	**29 083**	**24 319**

The accompanying notes and schedule form an integral part of the financial statements.

Consolidated Schedule of Expenses

for the year ended 31 March 2005
(in thousands of dollars)

Schedule I

	2005				2004
	Development research programs	Development research support	Administrative services	Total	
Grants	67 203	–	–	67 203	53 524
Salaries and benefits	7 653	16 148	13 772	37 573	36 283
Professional services	5 977	947	1 670	8 594	8 687
Travel	4 156	2 963	886	8 005	6 087
Accommodations	424	2 028	3 604	6 056	5 974
Training	1 744	51	341	2 136	2 900
Amortization	–	38	1 927	1 965	2 298
Communication	519	522	776	1 817	1 434
Meetings and conferences	1 512	96	207	1 815	2 303
Office supplies and expenses	106	32	891	1 029	996
Furniture, equipment, and maintenance	459	37	379	875	1 393
Books and periodicals	48	205	40	293	356
Insurance	7	–	257	264	230
Miscellaneous	223	216	436	875	705
Total expenses on Consolidated Statement of Operations and Equity	**90 031**	**23 283**	**25 186**	**138 500**	**123 170**

Notes to Financial Statement

(in thousands of dollars)

1. Authority and objective

The International Development Research Centre (the Centre), a corporation without share capital, was established in 1970 by the Parliament of Canada through the *International Development Research Centre Act*. The Centre is funded mainly through an annual appropriation received from the Parliament of Canada. For purposes of the *Income Tax Act*, the Centre is a registered charitable organization.

The objective of the Centre is to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.

IDRC holds a controlling interest in E-Link Americas, a not-for-profit organization incorporated in 2004 under the *Canada Corporations Act*. Its mandate is to help unserved and underserved communities in Latin America and the Caribbean to use the Internet to develop tools for social and economic development. At an appropriate time in the future, IDRC will review the status of its involvement in E-Link Americas and decide whether it should operate independently.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The statements include the accounts of the Centre and the assets, liabilities, and results of operations of E-Link Americas.

The significant accounting policies of the Centre are:

A) Parliamentary appropriations and deferred capital funding
The Centre is mainly funded by the Government of Canada. Parliamentary appropriations provided for programing and operating expenditures are recorded on the Consolidated Statement of Operations. The portion of the Parliamentary appropriation used to fund the purchase of capital assets is recorded as deferred capital funding on the Consolidated Balance Sheet and is amortized on the same basis and over the same periods as the related capital assets.

Supplementary Parliamentary appropriations received for specific projects are deferred and recognized when the related project expenses are incurred.

B) Revenues
Funds received or receivable in respect of resource expansion contracts are recorded as deferred revenues. These deferred revenues are recognized as revenues in the year in which the related project expenses are incurred.

All other revenues are recorded on the accrual basis of accounting.

C) Grant payments
All contractual grant payments are subject to the provision of funds by Parliament. They are recorded as an expense in the year they come due under the terms and conditions of the agreements and the Centre's payment policy. Refunds on previously disbursed grant payments are credited against the current year expenses when the project is active or to other income when the project is closed.

D) Capital assets and amortization
Capital assets are recorded at cost and amortized, starting in the subsequent year of acquisition, over their estimated useful lives on a straight-line basis. The estimated useful life of each capital asset class is as follows:

Computer equipment	3 years
Software	3 or 5 years
Office furniture and equipment	5 years
Vehicles	3 years
Communications systems	5 years
Leasehold improvements	Remaining term of lease

E) Investments
Short-term investments are recorded at the lower of cost and market value.

F) Foreign-currency translation

Monetary assets and liabilities are adjusted to reflect the rate of exchange in effect at year-end. Revenue and expense transactions are translated into Canadian dollars at a weekly rate of exchange. Exchange gains and losses are included in operations for the current year under other income. The Centre does not hedge against foreign currency fluctuations.

G) Employee future benefits (EFB)

i) Pension benefits – Head Office

All eligible head office hired employees participate in the Public Service Pension Plan administered by the Government of Canada. The Centre's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The Centre's contributions are expensed during the year in which the employee's services are rendered and represent the total pension obligation of the Centre. The Centre is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

ii) Pension benefits – Regional Offices

The Centre offers a number of defined contribution plans that provide pension and other benefits to eligible employees. The Centre's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions to the plans. The Centre's contributions are expensed during the year in which the employee's services are rendered and represent the total obligation of the Centre. The Centre is not currently required to make contributions with respect to actuarial deficiencies of these plans.

iii) Severance Benefits

Employees are entitled to severance benefits, as provided for under their conditions of employment. Management determined the accrued benefit obligation using a method based upon assumptions and its best estimates. This method reflects that, generally, employees with more than five years of service are entitled to a severance benefit calculated on the basis of one week of salary per year of service. The cost of these benefits is accrued as employees render the services necessary to earn them.

H) Deferred rent

Any rent-free period or other incentives associated with long-term leases are deferred and amortized over the term of the lease on a straight-line basis as a reduction to the expense.

I) Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Employee severance benefits, estimated useful lives of capital assets, and contingent liabilities are the most significant items for which estimates are used. Actual results could differ from those estimates.

3. Cash and short-term investments

	2005	2004
Cash	858	1 913
Short-term investments		
Canadian chartered banks	30 922	36 034
Commercial corporations	12 919	330
Government of Canada Bond	–	2 983
	44 699	41 260

The Centre is authorized to invest in interest bearing securities such as issued by the above noted entities. These funds are invested in short-term money market instruments which are rated R-1 (low) or better by the Dominion Bond Rating Service.

The average yield of the portfolio as at 31 March 2005 is 2.54% (2004: 2.16%) and the average term to maturity is 79 days (2004: 74 days). The fair market value of the investment portfolio as at 31 March 2005 approximates the net book value.

The Centre has various bank accounts, some of which have a line of credit associated with them. As at 31 March 2005, all balances in these line of credit accounts were nil (2004: nil).

Of the total cash and short-term investments, $15 616 (2004: $16 941) is restricted for specific research activities as follows:

	2005	2004
Institute for Connectivity in the Americas	8 788	11 815
Resource expansion	6 357	4 283
Endowment funds	463	471
Health support – Africa	–	360
Other	8	12
	15 616	16 941

4. Accounts receivable and payable

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair value because of their short maturity. A large portion (33%) of accounts receivable is due from the Canadian International Development Agency (CIDA) and does not present a significant credit risk. Of the total accounts receivable, $2 946 (2004: $2 318) is on account of resource expansion activities.

5. Capital assets

	Cost	Accumulated amortization	Net book value	
	2005	2005	2005	2004
Software	7 271	5 030	2 241	2 299
Computer equipment	8 109	6 115	1 994	2 012
Communications systems	1 725	217	1 508	78
Leasehold improvements	2 463	1 857	606	701
Office furniture and equipment	2 235	1 662	573	498
Vehicles	1 017	643	374	217
	22 820	15 524	7 296	5 805

Amortization expense for the year is $1 965 (2004: $2 298).

6. Employee future benefits

i) Pension benefits – Head Office
The Centre and all eligible head office hired employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Centre's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2005	2004
Contributions by the Centre	2 846	2 714
Contributions by employees	1 427	1 301
	4 273	4 015

ii) Pension benefits – Regional Offices
The Centre and eligible regional employees contribute to various defined contribution pension plans as specified in the Plan Agreements. The Centre's contributions to these plans for the year were $248 (2004: $264).

iii) Severance benefits
The Centre provides severance benefits to its employees based on years of service and final salary. This benefit plan is not prefunded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations. Information about the plan, measured as at the balance sheet date, is as follows:

	2005	2004
Accrued benefit obligation, beginning of year	4 221	3 748
Cost for the year	713	711
Benefits paid during the year	(381)	(238)
Accrued benefit obligation, end of year	4 553	4 221
Short-term portion	222	223
Long-term portion	4 331	3 998
	4 553	4 221

7. Deferred revenue

Deferred revenue includes the unspent portion of funds received, or receivable on resource expansion activities, the unspent portion of the two supplementary Parliamentary appropriations (see Note 11), and other monies received in advance at 31 March 2005. Details of these balances are as follows:

	2005	2004
Current		
Resource expansion	9 303	6 600
Other	8	12
Supplementary Parliamentary appropriations		
Health support – Africa	–	361
Institute for Connectivity in the Americas	4 360	4 335
	13 671	11 308
Long-term		
Supplementary Parliamentary appropriations		
Institute for Connectivity in the Americas	4 428	7 480

Of the total deferred resource expansion funding, CIDA accounts for $2 839 (2004: $3 042) of which $1 479 (2004: $2 185) was received and $1 360 (2004: $857) is receivable at year end.

8. Deferred funding – capital assets

	2005	2004
Balance at beginning of year	5 805	5 931
Funding for capital assets purchased	2 105	2 172
Amortization	(1 965)	(2 298)
Balance at end of year	5 945	5 805

9. Resource expansion activities

Resource expansion activities relate specifically to research conducted or managed by the Centre on behalf of other organizations. This research is funded by CIDA, other Government of Canada entities, and other agencies. A breakdown of the revenue and expense recognition for resource expansion is provided below:

	2005	2004
CIDA	5 497	5 341
Other Government of Canada entities	5 693	5 463
Other agencies	3 209	3 704
	14 399	14 508

The Centre recovers indirect costs from the administration of resource expansion activities. This year's total is $1 380 (2004: $1 162) of which $519 (2004: $413) was recovered from CIDA.

10. Parliamentary appropriation

	2005	2004
Parliamentary appropriation approved	116 092	104 278
Deferral for capital assets purchased (Note 8)	(2 105)	(2 172)
Parliamentary appropriation recognized in the		
consolidated statement of operations and equity	113 987	102 106

11. Supplementary Parliamentary appropriations

In March 1994, the Centre received a supplementary Parliamentary appropriation of $15 million for a Health Support project in Africa. In September 2001, Parliament approved $20 million for the Institute for Connectivity in the Americas. For the current fiscal year, the total revenue recognized from these two sources is $6.4 million (2004: $3.5 million).

12. Operating lease commitments

The Centre has entered into various lease arrangements for staff accommodation in various countries and for office premises and equipment in Canada and abroad. Those lease agreements expire at different dates up to 2009. The Centre is currently in negotiations for its head office accommodations. Once settled, operating lease commitments will be adjusted accordingly. The total minimum annual payments existing under various lease arrangements are as follows:

2005/06	6 285
2006/07	7 476
2007/08	4 430
2008/09	269
Total	18 460

13. Contractual commitments – project related

The Centre is committed to make payments up to $103.2 million (2004: $88.3 million) during the next four years, subject to funds being provided by Parliament or external partners and subject to compliance by recipients with the terms and conditions of project agreements. Of this amount, the Centre is responsible for $84.9 million (2004: $72.4 million) and the balance of $18.3 million (2004: $15.9 million) is provided by external partners.

14. Related party transactions

In addition to those related party transactions disclosed in Notes 4, 7, and 9 to these financial statements, the Centre is related in terms of common ownership to all Government of Canada created departments, agencies, and Crown corporations. The Centre enters into transactions with these entities, in the normal course of operations, under the same terms and conditions that apply to unrelated parties.

15. Contingencies

A claim of approximately $0.6 million relating to a leased property remains outstanding at the end of the year. Based on the advice of legal counsel, management is of the opinion that it is not possible to determine the amount of the liability, if any, that may result from settlement of this claim.

The Centre is a defendant in other pending lawsuits. In management's opinion, the outcome of these other actions is not likely to result in any material liabilities.

16. Comparative Figures

Certain 2004 comparative amounts have been reclassified to conform to the financial statements presentation adopted in 2005.

HOW TO REACH US

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www.idrc.ca – to access IDRC's corporate Web site
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