



IDRC  CRDI

International
Development
Research
Centre

IDRC

Annual Report
2006–2007

Canada 

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.

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Cover photos are some of the best entries from IDRC's *Expose Urban Solutions* photo contest, held at the third World Urban Forum in Vancouver, Canada, in June 2006. The contest captured some of the innovative ways people in the developing world are making their cities better, more livable places.

1st row: Monica Rucki, Meghan Simms, Laura Berman, Tonya Crawford

2nd row: Cheryl Siat, Pallava Bagla, Brendan Baker (winner), Dereje Ashebir Bezabih

3rd row: David Elsworth, Brendan Baker, James Nguyen, Sara Finley

4th row: Jose Alden Arellano, Leah Castillo, Nelsón León Nicolau

Photos, page 2, 4: Michelle Valberg/Valberg Imaging

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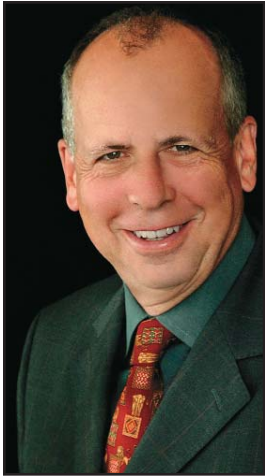
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This report is printed on FSC-certified recycled paper. To reduce costs, very few copies have been printed. However, the complete report can be found on the IDRC website at www.idrc.ca/ar0607/

{ Table of Contents

2	Message from the Chairman
4	Message from the President
6	Statistical Snapshot and Financial Highlights
8	CORPORATE PROFILE
10	How We Program
14	Accountability and Governance
16	Communicating with Canadians and the World
20	IDRC'S PROGRAMS: A GLOBAL NETWORK
23	Addressing New Challenges — West and Central Africa
25	Following Africa's Lead — Eastern and Southern Africa
27	Fostering Growth with Equity — South Asia
29	Advancing Regional Collaboration — Southeast and East Asia
31	Facilitating Open Dialogue — Latin America and the Caribbean
33	Focusing on Practical Issues — Middle East and North Africa
35	MEETING OUR OBJECTIVES
36	Objective: Research to Strengthen Capacity
43	A focus for hope — Amanda Vincent, The University of British Columbia
44	Objective: Research to Influence Policy
50	Bridging the last mile — Gordon Gow, University of Alberta and Peter Anderson, Simon Fraser University
51	Objective: Leveraging Canadian Resources for Research
56	Charting the research agenda — John Cockburn, Université Laval
57	Emerging Priorities
60	HUMAN AND FINANCIAL RESOURCES
61	Corporate Governance
61	The Board of Governors
67	Senior Management Committee
68	Human Resources Management
71	Financial Management Discussion and Analysis
80	Financial Statements
96	HOW TO REACH US

Message from the Chairman



IDRC believes that sustainable development goes hand-in-hand with a commitment to democracy and the rule of law. For this reason, the Centre supports research that contributes to good civic governance; at the same time, it espouses these principles in the conduct of its own corporate affairs.

Unfortunately, good governance and the rule of law have sometimes proven elusive in countries in which IDRC operates. Some have been mired in long-running civil conflicts; others have undergone difficult transitions. Canada's defence forces, diplomatic corps, and development agencies each have their particular responsibilities in troubled zones. IDRC's special role is to support researchers in their efforts to find the practical knowledge that is needed to bolster fragile states, foster reconciliation and recovery, and help return these states to viability, and eventually, to well-being.

For example, this past year IDRC joined with other donors to strengthen the skills of researchers seeking alternative livelihoods for poor rural people in Afghanistan who currently depend on the opium poppy. Another IDRC grant funds a network of Latin American academics who are evaluating their home countries' efforts to achieve reconstruction and democratization in Haiti. Still another study addresses the root causes of the wars and humanitarian crises in areas of Uganda and Sudan, including Darfur, with emphasis on the regional links among these conflicts and on the gender and generational aspects.

These are only a few examples of the many projects IDRC has supported in countries undergoing a political, social, or economic transition. Conducting research in contexts of rapid change can be risky, but these transitions — which, after all, are what we often mean by "development" — can also provide opportunities for such research to help give direction to the change.

Continuity and change — staying the course while being flexible — are core tenets of IDRC's Corporate Strategy and Program Framework 2005–2010 (CS+PF). The Centre's Board of Governors approved the CS+PF in 2004, and the Board's oversight ensures that IDRC's programming continues to focus on the needs of disadvantaged people. In doing so, IDRC mobilizes talented scientists, both in Canada and in developing countries, to find innovative solutions to real problems. How, for instance, can communities better use — and reuse — scarce water supplies to meet household and agricultural needs? How can modern communication technologies like the Internet be deployed to give poor, often illiterate rural people access to vital health, marketing, and other information? How can governments ensure that

their scarce health budgets are allocated in ways that prevent the most deaths and illness?

IDRC believes that science and technology, wisely applied, can help solve these and other kinds of practical problems. It believes that Canada's strong research base can help scientists and policy-makers in developing countries confront these issues, and so make a real difference in the world. I am pleased to present the *IDRC Annual Report 2006–2007*, which sets out many examples of these efforts.

Encoding standards of good governance

The CS+PF also commits IDRC to exercising probity and proper stewardship of the public resources entrusted to it. The Board is responsible for ensuring that the Centre's high standards of governance are upheld and that its management meets or exceeds all the benchmarks and reporting requirements for Canadian Crown corporations.

For example, in 2006/07, the Board approved IDRC's new Code of Conduct, which commits the Centre to uphold and promote the highest ethical standards in all its activities. The Code — which covers employees, Governors, and officers — includes IDRC's Employment Philosophy, whereby the Centre pledges to foster a work environment that encourages creativity and innovation, rewards competence and teamwork, and is managed in a fair and equitable manner. This Code is less a conventional series of rules or prohibitions and more a positive message comprising a collective commitment to cultivate an ethical workplace.

The Code of Conduct is consistent with the *Public Servants Disclosure Protection Act* and with Treasury Board's 2005 recommendations to strengthen the governance of Crown corporations.

A second document also approved this past year, the Board Charter, harmonizes operating guidelines, duties, and responsibilities, and specifies terms of reference for the Board, individual Governors, officers, and committees. Like the Code of Conduct, the Charter meets federal regulations on Crown corporations. But as with the Code, IDRC has sought to achieve more than mere compliance. The Charter is designed to be both a register of current practice and an everyday working resource. It is a living text, presenting an accurate and timely window on the Centre's corporate governance.

Auditing for accountability

Accountability and transparency are touchstones of good governance. As noted in the 2003 Special Examination and annual audits conducted by the Office of the Auditor General (OAG), IDRC's management systems meet or exceed standards set for Crown corporations.

Among measures taken this year to ensure that these standards are maintained, IDRC hired a senior risk management specialist and contracted a new internal audit provider, thus completing its Risk Management and Internal Audit Group. IDRC's revised approach ensures that the principal threats to its core business are identified and properly managed, and that assets are protected. In fact, the Board received reports this past year on management's response to a number of current or potential risks faced by the Centre, from activities in the Middle East following the 2006 crisis in Lebanon to the relocation of IDRC's head office in 2007.

In March 2007, the Senior Management Committee approved IDRC's Corporate Risk Profile 2007–2008, which aims to identify and assess risks, set priorities among them, and inform stakeholders about them. The Profile and the Framework for Integrated Risk Management at IDRC will be presented to the Board at its October 2007 meeting. Refining IDRC's risk management practices will be an ongoing process.

This year the Board also approved IDRC's new Internal Audit Charter. Among other purposes, this document establishes the terms of reference for the provision of internal audit services to IDRC. The internal audit review offers an independent assessment of the internal controls in place in operational, governance, risk management, and computer system processes, and examines the extent to which resources are managed efficiently and effectively.

In November, the Board invited the OAG to conduct a Special Examination of IDRC. These examinations have been a statutory requirement only since 2005, but IDRC has volunteered for them regularly since 1982. Past Special Examination reports have praised IDRC's good governance and management, while providing useful advice to the Centre. Although the law requires that the next such examination be completed only by 2010, IDRC asked the OAG to conclude the review by March 2008 to maintain the five-year cycle. The OAG agreed, and in March 2007 it presented IDRC's Board with its examination plan. IDRC's Board and management look forward to the results of this special assessment. It will be an important review to help a new Board Chair and President assume their responsibilities.

Renewal for strength

In February 2007, IDRC received a strong vote of confidence when the government approved a \$10.5 million increase to IDRC's 2007/08 Parliamentary appropriation. The additional resources will enable IDRC to expand its support for research in developing countries.

A continuing pleasure during my years at IDRC has been working alongside staff and Governors who are dedicated to making a better world. The past year saw a larger-than-usual turnover among Governors. In keeping with qualifications for Governors set out in the *International Development Research Centre Act*, the six new Board members include science and development specialists in such areas as peace and post-conflict research, education, international business development and corporate governance, diplomacy, and public policy and management. The Board includes, in addition to Canadians, members from all the regions in which IDRC operates.

I am pleased to welcome to the Board of Governors distinguished new members Jocelyn Coulon, Amina Ibrahim, Andy Knight, Barbara McDougall, Andrés Rozental, and Xue Lan. I also extend a warm hand to those Governors whose terms were renewed this year.

In March 2007, the Board created a committee of Governors to conduct a search for a suitable candidate to replace Maureen O'Neil, who plans to step down at the end of her term in April 2008 after 11 years as President. Replacing her rare blend of skills and commitment will be a demanding mission, and one to which the Board attaches the utmost importance.

Finally, my own term as Chairman ends in August 2007. I am grateful for the honour of representing IDRC for so many years and of having played a role in helping the organization meet its global challenges.



Gordon S. Smith
Chairman

Message from the President



A number of events this past year underlined that democracy is a universal aspiration. They also underscored that democracy entails much more than elections and other trappings of representative government. A truly democratic society is one where freedom of expression, human rights, the rule of law, and accountability are respected.

As I testified before the House of Commons Standing Committee on Foreign Affairs and International Development this past October, IDRC firmly believes that research in developing countries fosters democratic development. The scientific method, after all, encourages a spirit of open inquiry and debate, while the new knowledge generated by research offers a wider choice of solutions to problems, helps hold governments and others to account, and underpins credible, evidence-based public policies.

In March 2007, when I accompanied members of the Centre's Board of Governors on a field visit to Bolivia, we were able to observe first-hand how IDRC-supported research promotes democracy.

The Cochabamba region had been troubled for years by a seemingly intractable and sometimes violent dispute over access to water. In 2002, a team of IDRC-funded Bolivian researchers began drafting a water management law that would be acceptable to all parties — a task at which others had failed dozens of times.

This time a measure of consensus was reached, and in 2004 Bolivia's government introduced a more equitable irrigation law. The result: key disputes within this multifaceted crisis were settled. In 2006, the country's new government went further and established a water ministry. One of the Centre's research partners was appointed vice-minister.

Why did this effort succeed when so many others had failed?

For one thing, the research generated new knowledge about effective approaches to managing water. The reliance on impartial "facts" — on evidence — also provided the contending parties with neutral ground that offered openings for compromise. More importantly, the process succeeded because it was inclusive and participatory: researchers consulted citizens from a broad range of social groups and worked closely with them to find a solution.

Research promotes justice

The Bolivia project is a prime example of how participatory research can help resolve disputes, advance good governance, and improve life for ordinary people. It is also an

excellent illustration of how the practice of involving citizens in shaping evidence-based policies — the heart of good governance — is embedded in IDRC programming.

During 2006/07, IDRC supported several other efforts to foster democracy, respect for human rights, and the rule of law.

In April 2006, for example, the Centre launched its Women's Rights and Citizenship program focused on promoting concrete changes in policies, institutions, and practices to ensure that women enjoy equal rights and freedoms. In March 2007, IDRC shared the results of this program's research on India's "missing" girl children and on the impact of violent conflict on girls and women at the United Nations Commission on the Status of Women.

In Peru, the Economic and Social Research Consortium, which is funded by the Canadian International Development Agency (CIDA) and IDRC, played a vital non-partisan role in the April 2006 general election. The Consortium commissioned "proposals for a better government" on 10 crucial public policy themes, and publicized these ideas as a framework for conducting the election campaign. In addition, it convened debates among the candidates. In doing so, the Consortium has dramatically raised public expectations in Peru about the level of future debate on policy issues.

IDRC continues to play a constructive role in the Democracy Council, a forum for the Canadian government and arm's-length organizations. In February 2007, in Ottawa, the Council hosted a dialogue on Canada's approach to democratic development that brought together Canadian parliamentarians with people active in the struggle for democracy. A notable speaker was exiled Kenyan corruption-fighter — and visiting IDRC fellow — John Githongo. Then, in March, IDRC steered the launch of a feasibility study for a Senegal "observatoire," a network of Senegalese researchers, activists, journalists, and academics who aim to fill an accountability gap by offering feedback on the work of Canada and other donors in promoting democracy and human rights.

One of Canada's foreign policy priorities is ensuring security and fostering development and good governance in Afghanistan — a country where IDRC was first involved in the early 1970s. In June, IDRC supported a study visit to Canada by members of the newly formed Afghan National Assembly, which enabled them to learn about our legislative process. In January, IDRC representatives explored new programming possibilities in Afghanistan, including potential projects on security sector reform and transitional justice.

Maintaining our focus, engaging partners

These activities were only a small part of IDRC's program of work during the past year. In keeping with our Corporate Strategy and Program Framework 2005–2010, during 2006/07 we continued to focus on four program areas: Environment and Natural Resource Management; Information and Communication Technologies for Development; Innovation, Policy and Science; and Social and Economic Policy. This thematic approach to programming recognizes that national borders cannot contain problems, nor should they circumscribe solutions. Research launched this year on adaptation to climate change, on avian flu, and on HIV/AIDs are excellent examples of how this approach fosters international collaboration.

This thematic programming approach is supported by IDRC's six regional offices and by its program staff who work in close collaboration with recipients. The intimate knowledge about developing-country issues that our staff gathers enhances the Centre's efficiency and effectiveness, and its credibility. How well this approach is appreciated is reflected in the honours bestowed this year by Burkina Faso, Chile, and Morocco — among others — on our developing-world partners and staff, and on IDRC itself.

IDRC's reputation is also reflected in the donor partners it attracts. During the year, for example, IDRC strengthened its relationship with CIDA (which remains IDRC's largest donor partner), Health Canada, and the Canadian Institutes of Health Research in building the Global Health Research Initiative. In May, I and the UK's Secretary of State for International Development, Hilary Benn, shared the honour of launching the Climate Change Adaptation in Africa program, a joint IDRC–Department for International Development initiative.

IDRC also engages a wide range of Canadians in efforts to solve pressing development problems. One exciting instance is the new joint venture with Canada's Networks of Centres of Excellence, a pilot initiative designed to expand the international reach of these domestic research networks.

Reaching out to Canadians

In keeping with our principle of engaging communities, IDRC also communicates to Canadians the results of its activities. This is crucial for a number of reasons: to build support for research for development, to account in a transparent manner for the public funds the Centre expends, and to inform debates about development assistance.

The Centre does this in part through public events, publications, and a comprehensive website. The voices of our Southern partners have also been carried by the media, in Canada and abroad. During the past year, IDRC's work was mentioned in hundreds of stories in the press, on radio and television, and on the Internet. Of note are the dozens of instances where IDRC-supported research was featured in publications targeted to the scientific and research community. For instance, *Nature* — one of the premier international journals — reported on IDRC-supported efforts for improved science journalism.

IDRC also shares the results of the research it supports and consults with a variety of stakeholders at international conferences, a number of which are described later in this annual report. This past year these included the third World Urban Forum held in Vancouver, which I had the pleasure of attending, the 11th World Congress on Public Health, in Rio de Janeiro, and the Global Microcredit Summit in Halifax.

Notable this year among IDRC's efforts to extend access to knowledge was the development of the Digital Library (launched in April 2007). This comprehensive collection of research results generated by IDRC-funded projects, recipients, and staff is the first open access institutional repository to be established by a Canadian research-funding organization. By providing a venue for developing-country researchers to freely publish their research and have it publicly debated, the Digital Library is also contributing to the democratic process.

This annual report details some of these projects and activities, as well as the partner organizations and people around the world who are implementing them. By conducting and publishing research, and contributing to public debates about problems and solutions, all are contributing to the advance of democracy and respect for human rights.



Maureen O'Neil
President

Statistical Snapshot and Financial Highlights

STATISTICAL SNAPSHOT 2006/07	6 regional offices	446 staff (full-time equivalents)	
Research program activity — Research projects	179 research projects approved in 2006/07	147 research projects completed	524 total active research projects
Research activities (includes research projects; research support activities such as workshops, conferences, and dissemination activities related to projects, awards program, and other activities)	429 total research activities approved in 2006/07	412 total research activities completed	940 total active research activities active at year end

Research activities in 2006/07

New (total active) by area under study and by program area at 31 March 2007

Area under study	Program area ^a						2006/07 allocation (\$000)	
	Corporate	ENRM	ICT4D	IPS	SEP	Total	IDRC	Total ^b
Asia	24 (36)	20 (51)	16 (40)	8 (7)	17 (37)	85 (171)	19 849	23 521
Global	47 (77)	17 (33)	14 (18)	2 (15)	25 (61)	105 (204)	40 005	46 976
Latin America and the Caribbean	17 (21)	14 (62)	13 (43)	0 (0)	10 (32)	54 (158)	12 809	15 265
Middle East and North Africa	15 (30)	2 (18)	5 (11)	0 (0)	10 (24)	32 (83)	5 927	8 862
Multiregional	8 (10)	5 (10)	5 (12)	2 (4)	7 (15)	27 (51)	9 992	10 451
Sub-Saharan Africa	43 (62)	29 (71)	25 (65)	2 (3)	27 (72)	126 (273)	24 250	34 941
New (total) research activities	154 (236)	87 (245)	78 (189)	14 (29)	96 (241)	429 (940)	112 832 ^c	140 016
IDRC allocations (\$000)	21 309	25 760	19 206	3 593	42 964	112 832 ^c		
Total allocations (\$000)	25 219	44 270	20 225	3 593	46 709	140 016		

Notes: Research activities include research projects; research support activities such as workshops, conferences, and dissemination activities related to projects, awards program, and other activities.

^a ENRM (Environment and Natural Resource Management); ICT4D (Information and Communication Technologies for Development); IPS (Innovation, Policy and Science); and SEP (Social and Economic Policy). Corporate activities include those of the international secretariats, the Special Initiatives Division, Partnerships and Business Development, Evaluation Unit, President's Office, Explorations, Regional Activity Funds, and forward planning.

^b Includes both IDRC and other donor contributions.

^c Does not include allocation of \$1 426 for the Institute for Connectivity in the Americas.

Key Financial Highlights

for the year ended 31 March 2007
(In thousands of dollars)

	2006/07		2005/06
	Actual	Revised budget	Actual
Revenues			
Parliamentary appropriations	144 760	137 494	131 955
Donor partnerships			
Funding for development research programs	18 618	24 874	16 010
Recovery of administrative costs	1 908	2 569	1 572
Investment and other income	4 779	3 405	3 243
	170 065	168 342	152 780
Expenses			
Development research programs	101 295	112 873	95 239
Development research support	32 604	33 087	30 709
Administrative services	26 717	26 170	24 931
	160 616	172 130	150 879
Net results from continuing operations	9 449	(3 788)	1 901
Net results from discontinued operations	(155)	0	(1 802)
Equity			
Unrestricted	12 959	4 141	8 496
Restricted and reserved	9 831	5 412	5 000
Expenditure benchmarks	63/20/17	66/19/15	65/17/18
Program allocations			
Funded by Parliamentary appropriation	112 832 ^a	112 784	97 249
Funded by donor partnerships	27 184	38 242	14 797
	140 016	151 026	112 046

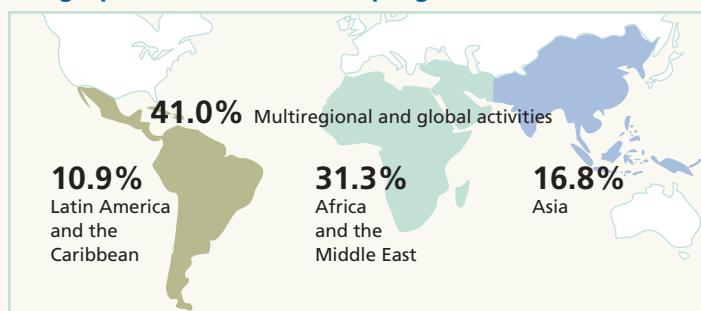
Notes:

^a Does not include allocation of \$1 426 for the Institute for Connectivity in the Americas.

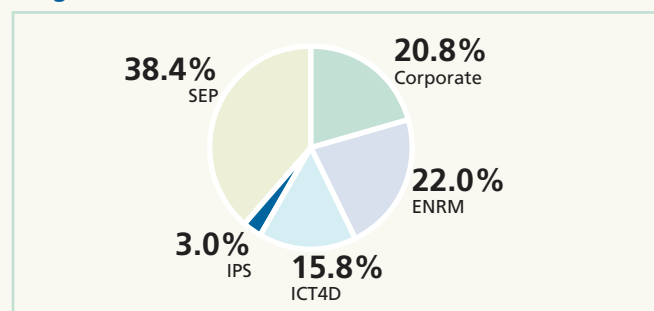
- The Parliamentary appropriations represent 85% of the total revenues.
- The expenses for development research programs and development research support represent 83% of total expenses.
- The expenditure benchmarks differ slightly from the revised budget due to the under-expenditure in development research program expenses.

For further information on these key financial highlights, please refer to the Financial Management Discussion and Analysis on page 71.

Geographical distribution of program allocations



Program distribution of total allocations





{ Corporate Profile

{ Corporate Profile

IDRC's mandate

A Crown corporation, IDRC was created by the Parliament of Canada in 1970. IDRC's objects, 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 regions use science and knowledge to find practical, long-term solutions to the social, economic, 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 most relevant to their own prosperity, security, and equity.

Its objectives, as set out in the Corporate Strategy and Program Framework (CS+PF) 2005–2010, are

- 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; Innovation, Policy and Science; 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; and
- to leverage additional Canadian resources for research for development by creating, reinforcing, and participating in partnerships between Canadian institutions and institutions in the developing world.

In pursuing these goals, IDRC assesses its performance according to the extent to which it contributes to

- 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; and
- building explicitly Southern agendas into current international policy debates and development decision-making at all levels.

{ How We Program

A key challenge for IDRC is how to balance responsiveness and foresight in its programming while maintaining quality and focus. This includes the challenge of identifying projects and processes that will build local research capacity and through which good research will have significant impact. Equally important is the need to strengthen national and regional research networks through which learning from effective local development can be shared, and thus build constituencies for change.

The Centre's Corporate Strategy and Program Framework 2005–2010 (CS+PF) sets the modalities within which IDRC

"IDRC will retain the principles of sustainable and equitable development and poverty reduction as the foundations for its programming."

CS+PF 2005–2010 (CS, para. 53)

will provide support over a five-year period — broad areas of research and the issues on which it will focus in each thematic area. IDRC

focuses on four broad themes that represent an intersection of the priorities of developing countries and IDRC's potential to make a contribution to sustainable and equitable development:

- **Environment and Natural Resource Management:** Research support focuses on the sustainable use and management of natural resources, stressing the involvement of local communities.
- **Information and Communication Technologies for Development:** Research focuses on ensuring that developing countries benefit from and contribute to the information economy.
- **Innovation, Policy and Science:** Now in its second year, this program area focuses on the science and technology and development agenda.
- **Social and Economic Policy:** This program area supports research to inform key areas of public policy related to poverty reduction, equitable development, and human rights.

In addition, the Special Initiatives Division promotes collaboration and sustains linkages with Canadian institutions and organizations, manages the Centre's Training and Awards program, and administers special projects. These include the Expert Advisory and Services Fund for the Middle East Peace Process, funded by the Canadian International Development Agency (CIDA) since 1992; the Middle East Good Governance Fund, initiated by CIDA's Iraq Task Force in 2004; and the Scholarship Fund for Palestinian Refugee Women in Lebanon, funded by the Department of Foreign



IDRC: Jan Kassay

Affairs and International Trade (DFAIT). These special projects are undertaken 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 the CS+PF. Progress reports are presented to the Board of Governors annually. In keeping with the Centre's geographical and thematic matrix structure, these are presented by region and program area in alternate years: regional reports were presented in 2006/07.

An annual Program of Work and Budget, approved by the Board, allocates resources across the different programs. Projects set out the terms under which IDRC delivers its support. Projects submitted for funding are reviewed against the objectives and priorities set out in program prospectuses. The Board of Governors approved the prospectus of a new

"During CS+PF 2005–2010, each [program area] will pursue nuanced shifts in focus from previously, move to a greater degree of consolidation in programs and their management, and lead to an even higher level of cross-program area collaboration."

CS+PF 2005–2010 (PF, para. 25)

program — Innovation, Technology and Society — in 2006/07.

In keeping with the commitment made in the Corporate Strategy and Program Framework 2005–2010, Centre programs and activities are being brought closer together within their respective program areas to maximize synergies and reduce internal transaction costs. In 2006/07, this included the linkage of regional environmental economics activities — including the Economy and Environmental Program for Southeast Asia secretariat — into the Centre's new Environmental Economics program; the integration of the Bellanet secretariat into the Information and Communication Technologies for Development (ICT4D) program area; and the relocation of the International Model Forest Network Secretariat to Natural Resources Canada–Canadian Forest Service. In addition, the new large Climate Change Adaptation in Africa program, supported by IDRC and the UK Department for International Development, was placed under the Rural Poverty and Environment program. Similarly, Research for International Tobacco Control and the Global Health Research Initiative were brought under the umbrella of the Governance, Equity and Health program.

To maintain IDRC's programmatic flexibility, a part of its program budget — 14% in 2006/07 — is set aside to seize new opportunities, deepen existing programming, or support work that crosscuts individual programs. In 2006/07, these funds were used to support such activities as the creation of the Environmental Economics program, initiate exploratory ICT4D programming in the Middle East and North Africa, and explore ways to support research chairs in the South with possible linkages to the Canada Research Chairs.

Developing and funding projects

IDRC's principal modality is to support research projects and related activities such as workshops and awards programs, developed and proposed by developing-country institutions, and by Canadian institutions in collaboration with one or more developing-country partners. At the end of 2006/07, research activities totaled 940, of which 524 were research projects.

IDRC frequently works in collaboration with other donors. For example, in 2006/07, the Pan American Health Organization, the Organization of American States, and the Inter-American Development Bank joined IDRC to launch a call for concept notes for research on ecohealth approaches to communicable vector-borne diseases, such as Chagas, dengue, and malaria in Latin America and the Caribbean. In January 2007, the Global Health Program of the Bill & Melinda Gates Foundation awarded IDRC close to US\$1 million in support of this program.

Most projects proposed to IDRC result from direct exchanges with developing-country institutions, in which Centre 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 interaction. In addition to having scientific and technical merit and a potential development impact — in particular, on policy, programs, and practice — projects must fit with

IDRC's priorities; contribute to strengthening local research capacity; and consider both gender and ethical issues. The availability of human and institutional resources is also important. A number of programs also fund research under competitive arrangements that, in addition to their research purpose, provide another way of identifying new researchers and institutions with which to work.



IDRC: Stephanie Colvey

A Memorandum of Grant Conditions stipulates the value and purpose of the grant, the terms of its administration, the obligations of all participants, and the formal starting date of the project. Program officers monitor the project's progress until completion. Each program reviews its portfolio of projects annually.

Managing project risk

Weighing risk factors is an important part of project development and monitoring. A team of program staff appraises each proposed project. Grant administration managers and controllers in each of IDRC's regional offices, working collaboratively with program staff, 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 grant administration managers

and regional office controllers carry out financial management assessments of proponents on site. The findings help to determine the administrative conditions to be applied to the grant.

Program officers monitor projects' progress and help address any unexpected developments. Working with program officers, grant administration officers conduct regular compliance reviews throughout the life of the project. 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.

While several risks have always been assessed in a formal way prior to project approval, overall or summative project risk assessments have only been required as part of the project approval process since 2005. How this is being done and how effective this is in identifying risks and linking them with risk management practices at the Centre will be analyzed in 2007/08.

"Supporting research, especially in the context of weak infrastructure and in circumstances where the prospects for the uptake and effective use of knowledge are uncertain, is inherently a risky business [...] Using evidence sensitive to the contexts and perspectives of the South, IDRC will take risks knowingly and adapt to local settings."

CS+PF 2005–2010 (CS, para 61)



IDRC: Nancy Lessard

Program complements

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

- **Communications:** IDRC employs a number of tools — publications, workshops, conferences, government/parliamentary relations, public affairs, websites, 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 keep Canadians informed about international development and promote a better understanding of IDRC-supported research and how their tax dollars improve the lives of developing-country citizens.
- **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.
- **Partnership and business development:** IDRC enters into a variety of partnerships and collaborates with other donors, international organizations, and Canadian agencies committed to the long-term development of Southern research capacities. The Partnership and Business Development Division also manages a capacity-building program to help IDRC research partners

mobilize resources for their research and become more financially sustainable. In 2006/07, donor contributions allocated to projects totaled \$27 million.

- **Research information:** IDRC links its partners with a world of scholarly literature by providing access to research databases and the support of information professionals. The Centre's online databases provide the Canadian public and researchers around the globe with an open window on IDRC-funded activities and research outputs since the Centre's inception. At the end of the year, IDRC launched its Digital Library, an open access repository of IDRC-funded research results. The Digital Library enables comprehensive, long-term access to IDRC-funded research results and demonstrates the Centre's commitment to public accountability. It also provides an opportunity for the Centre's research partners to publish their research results.

"IDRC believes that it should not only be perceived as being sensitive to and knowledgeable about research conditions in the South, but it should also be physically present in the developing regions of the world." CS+PF 2005–2010 (CS, para. 74)

Regional presence

IDRC's head office is located in Ottawa. The Centre also maintains six regional offices: in Montevideo, Uruguay, to serve Latin America and the Caribbean; in Singapore and New Delhi, India, to serve Asia; in Cairo, Egypt, to serve the Middle East and North Africa; in Nairobi, Kenya, and Dakar, Senegal, to serve Africa.

These offices represent a significant strategic asset and are part of IDRC's personality as an institution. Their role in providing a regional perspective to the Centre's program 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 the regional office to respond to priorities and opportunities in the region that are consistent with IDRC's mandate. In 2006/07, this fund amounted to \$2.1 million, divided among the six regional offices.



1. IDRC: Federico Gutierrez
2. IDRC: Jason Taylor
3. IDRC: Sandy Campbell
4. IDRC: Jan Kassay

Accountability and Governance

The Chair of IDRC's Board of Governors reports to the Parliament of Canada through the Minister of Foreign Affairs. A 21-member international Board of Governors oversees Centre affairs. As Chief Executive Officer and an *ex officio* member of the Board, the President manages and directs the work and staff of the Centre with the support of the Senior Management Committee (see page 67).

IDRC's financial statements are audited annually by the Office of the Auditor General (OAG). The OAG also conducts periodic Special Examinations of IDRC; in 2006, the IDRC Board requested, and the OAG agreed, to conduct a Special Examination in 2007/08.

Financing

The Canadian Parliament provides IDRC with an annual appropriation. While this is its primary source of revenue, the IDRC Act also allows the Centre to seek other sources of funding. In 2006/07, IDRC's Parliamentary appropriation was \$144.8 million. Revenues from other sources totaled \$25.3 million.



Social responsibility

Ethics and equity

High ethical standards are a hallmark of IDRC's activities. All IDRC grants require adherence to internationally recognized ethical standards and grant recipients must report on their compliance with standards to protect the dignity and privacy

of individuals, participants' health, and living conditions. The Centre's Ethics Review Committee ensures that the rights of research subjects are protected.

"IDRC recognizes that the respect, protection, and promotion of human rights constitute an integral part of sustainable and equitable development and poverty reduction." CS+PF 2005–2010 (CS, para. 57)

IDRC also supports the objectives of the 1992 Convention on Biological Diversity, in particular that of promoting the fair and equitable sharing of the benefits arising from the use of genetic resources. IDRC's Human Rights Policy, endorsed by the Board of Governors in 1992, promotes development that respects and enhances human rights.

The Centre also requires that recipients acquire goods, vehicles, and equipment valued over \$5 000 on a competitive basis.

Ethics in the workplace

IDRC's Employment Philosophy fosters a work environment that is supportive and encourages creativity, innovation, competence, and teamwork, as well as fair and equitable management. As part of their annual performance appraisal, employees report on their achievements in promoting and adhering to the Employment Philosophy. Annual all-staff discussions are held on the Philosophy to ensure that it is sustained as an integral part of organizational culture.

In keeping with its commitment to good corporate governance and ethical behaviour, the Board of Governors approved a Code of Conduct in November 2006, which was communicated to staff in early 2007. The Code translates the Employment Philosophy principles into concrete actions, consistent with the Centre's core values, principles, and standards, and it confirms IDRC's commitment to scientific excellence and ethical research. IDRC's Code of Conduct meets the requirements of the *Public Servants Disclosure Protection Act*, scheduled to come into effect April 15, 2007.

IDRC's policy on harassment and discrimination in the workplace implements the principles of the Canadian *Human Rights Act*.

IDRC employees again demonstrated their generosity by contributing \$47 015 to the 2006/07 Government of Canada Workplace Charitable Campaign — 121% of the Centre's objective.

Environmental stewardship

IDRC's environmental commitments are manifested most clearly through its Environment and Natural Resource Management program area, which supports field-based action and policy research that offers viable alternatives to or improves on current environment management practices and institutions. IDRC also considers environmental risks when evaluating potential projects, regardless of program area.

IDRC strives to be an environmentally friendly organization. A recycling program is in place at the Ottawa head office where paper, water, and energy conservation are actively promoted. All papers used for IDRC publications are recycled as well as recyclable, and all inks and coatings are vegetable-based products. In 2006/07, senior management launched an investigation into means to offset IDRC's carbon footprint resulting from its substantial travel requirements.



IDRC: Stephanie Colvey

Transparency

IDRC is subject to both the *Access to Information Act* and the *Privacy Act*: five requests for information were received and responded to under the *Access to Information Act* in 2006/07. One was received under the *Privacy Act*.

IDRC makes information on all research projects it has funded available on its website, as well as its annual reports.

In keeping with the federal government policy on mandatory publication of travel and hospitality expenses for senior officials, IDRC posts the hospitality and travel expenses of its senior executives on its website.

A program will be in place during the next fiscal year to address this impact.

Concern for the environment extends to IDRC's regional offices. All offices promote energy conservation, for example, by setting air conditioners to higher temperatures in Singapore and turning them off on weekends; avoiding the use of air conditioning in the Nairobi office; and installing double-glazed windows in Montevideo. Waste paper is re-used whenever possible and recycled. Water conservation is also practiced — the Dakar office installed water-saving devices, for instance. The New Delhi office discourages the use of plastics. In collaboration with the Canadian Embassy in Uruguay, the Montevideo office refurbishes and donates used computers.

Communicating with Canadians and the World

"IDRC will communicate to the Canadian public the central importance of international research cooperation in an increasingly interdependent global economy and will inform it of the results achieved through the Centre's efforts."

CS+PF 2005–2010 (CS, para. 76)

With the launch of the latest in_focus book and website, *Growing Better Cities: Urban Agriculture for Sustainable Development*, at the third World Urban Forum in Vancouver in June 2006, IDRC put 20 years of urban agriculture research experience into the public realm. IDRC's in_focus thematic dossiers were designed as an innovative integration of print and Web-based tools to communicate the results of IDRC-supported research. As Federico Burone, IDRC's Regional Director for Latin America and the Caribbean, noted, this integrated publishing model serves "to meet the insatiable demand for electronic content that reflects a reality in modern day research — if it is not online, it is invisible."

Certainly IDRC's website is an information source of choice for development practitioners and others interested in research for development. In 2006, 2.2 million unique visitors viewed more than 85 million pages — more than 7 million per month, a number on par with visits to the World Bank, Ford Foundation, and UK Department for International Development sites.

The Centre's efforts to increase understanding of international development issues and the importance of research, and to demonstrate IDRC's contribution to sustainable and equitable development include liaison with Canadian and international media. In addition to research published by staff and partners in academic and other journals, in 2006/07, IDRC work was profiled in 29 publications targeted to the scientific and research community, including *Découvrir*, *Canadian Government Executive*, and *Nature* magazines. In all, 546 news reports, with an estimated reach of 18.5 million people, dealt with IDRC-supported research. This included articles in such Canadian media as the *Toronto Star*, *Ottawa Citizen*, *The Globe and Mail*, *Le Devoir*, *Edmonton Journal*, *Montreal Gazette*, and *Vancouver Province*, as well as CBC radio, television, and online.

To maximize access to the results of IDRC-supported research and ensure that it benefits as many people as possible, IDRC co-publishes books with academic and commercial publishers around the world. The Centre maintains online rights, however. All books are available without charge, full-text online on the Centre's website: 24 new volumes were added in 2006/07, bringing the total to 243. IDRC has also signed distribution and marketing agreements with a number of providers of electronic books, further extending the reach of research results. In addition, they are distributed on CD-ROM: 15 000 copies of the *IDRC 2006* CD-ROM were distributed last year.

A multi-pronged approach

For IDRC, sharing the results of the research it supports is essential to carrying out its mandate. It does so using various vehicles in addition to its vast website — a monthly electronic newsletter, books and other publications, workshops and conferences, government, and parliamentary briefings, and speakers' tours, among others. For example, in October, the President addressed the House of Commons Standing Committee on Foreign Affairs and International Development on the role research plays in fostering democratic development.

IDRC also launched an internal information campaign this past year — *Making a World of Difference* — to better inform all staff in Ottawa and in the regions about notable IDRC-supported projects and research results, and thus equip them to better communicate IDRC activities. Plans are underway to extend the campaign to external audiences on the Centre's website.

"I think that this CD [IDRC 2006] will help me and our research partners to learn more on research for development and to strengthen research activities more effectively in the future."

— Kim Nong, Ministry of Environment, Cambodia

Engaging Canadians, informing the world

Participation in conferences and events gives IDRC unparalleled opportunities to effectively reach and engage with a variety of audiences and to form strategic partnerships. This year, the Centre had a significant presence at several key conferences and organized its own events, both in Canada and abroad.



IDRC launched its Speaker Series in Ottawa in April 2006.

- In April 2006, IDRC launched its Speaker Series with a lecture by Nobel Prize winner, economist Amartya Sen. Professor Sen shared insights from his book, *Identity and Violence: The Illusion of Destiny*, with a packed audience at the National Gallery of Canada. He also participated in a panel discussion on the social determinants of health with Monique Bégin, the former Canadian federal minister of health, and John Frank, the scientific director of the Canadian Institute of Population and Public Health.
- In June, Canada hosted decision-makers from all over the world as they gathered in Vancouver during the third session of the World Urban Forum (WUF3) to debate the potential and perils of urban development. IDRC and its partners shared research results at several events at the Forum.
- Also in June in Bali, in parallel with the 11th Biannual Conference of the International Association for the Study of Common Property, IDRC-supported an international seminar on the devolution of natural resources. Government officials, researchers, and civil society leaders from six Asian countries assessed the impact of recent reforms in recognizing community-based property management. The seminar provided an opportunity to launch *Communities, Livelihoods and Natural Resources: Action Research and Policy Change in Asia*, co-published by IDRC.
- IDRC, together with the Department of Foreign Affairs and the Parliamentary Centre, organized a tour for Afghan parliamentary officers in June. The parliamentarians met with the Prime Minister and observed how Canada's Parliament functions, touching on fundamental issues such as the roles and responsibilities of legislators.

- IDRC participated in the XVI International AIDS Conference in August in Toronto, where some 50 IDRC-affiliated researchers presented their work at satellite sessions, video and poster presentations, and a symposium. IDRC also supported the participation of developing-country community radio journalists. The Centre announced at the conference its grant of \$250 000 to the Lacor Hospital in Northern Uganda as part of IDRC's contribution to the Teasdale-Corti Global Health Research Partnership.

- Also in August, IDRC organized a number of panels at the 11th World Congress on Public Health in Rio de Janeiro, Brazil, bringing some 40 researchers from 17 countries to the assembly. During the Congress, IDRC announced its call for proposals for an ecohealth approach to communicable diseases in Latin America and the Caribbean.

- At the Global Microcredit Summit held in Halifax in November, IDRC announced its partnership with the Grameen Foundation to support the establishment of an African community of Mifos users and developers. Mifos is a new open source software developed by Grameen to run microfinance operations. Muhammad Yunus, the 2006 Nobel Peace Prize winner, officially launched Mifos at the summit.

- At the invitation of the Governor General, IDRC's President participated in the fall state visit to Africa. The delegation met with IDRC research partners working on strengthening the public health system's rollout of anti-retroviral therapy in Free State Province, South Africa.

- IDRC participated in CIDA's International Cooperation Days in late October, hosted by the Minister of International Cooperation, Josée Verner. More than 1 800 representatives from the NGO, voluntary, public, and private sectors attended the international forum. IDRC organized a panel on the role of research in delivering effective aid. IDRC President Maureen O'Neil also moderated a session on successful partnership models.

- In March 2007, IDRC hosted two panels at the 51st session of the UN Commission on the Status of Women in New York. Panelists addressed some of the complex issues surrounding declining sex ratios in North India and China and the impact of violent conflict on women and girls. *Gender Justice, Citizenship and Development*, an IDRC co-publication, was launched in New York. IDRC also organized a public event in celebration of International Women's Day at its head office in Ottawa.



Amartya Sen and Maureen O'Neil.



IDRC at the World Urban Forum — The Hon. Lawrence Cannon, Canada's Minister of Transport, Infrastructure and Communities, speaks with IDRC's Jean Lebel.



IDRC's Christina Zarowsky meets with Parliamentary Secretary to the Minister of International Cooperation, Ted Menzies, at the XVI International AIDS Conference.

CORPORATE COMMUNICATIONS: Statistical Snapshot 2006/07

24
books published
and co-published

243
books available
free, full-text
online

12 490
subscribers to
IDRC Bulletin CRDI

**> 85
million**
IDRC website
pages viewed
during 2006

546
news reports



Afghan journalists Najeeba Ayubi and Mehria Azizi spoke about freedom of the press and the role of women in Afghan society.

■ IDRC and Reporters Without Borders Canada organized a cross-country tour for Mehria Azizi and Najeeba Ayubi, two Afghan women journalists, to speak about freedom of the press and the role of women in Afghan society. The Minister for International Cooperation, José Verner, spoke at the Montréal event while Parliamentary Secretary Ted Menzies made remarks in Ottawa. The November tour also included stops in Halifax, Toronto, and Calgary.

■ In March 2007, IDRC organized the Canadian launch of *The Media and the Rwanda Genocide* on Parliament Hill and at Carleton University. An IDRC co-publication, the book was edited by veteran journalist and Carleton University professor Allan Thompson. Senator Roméo Dallaire, former head of UN peacekeeping forces in Rwanda at the time of the genocide, is one of the book's contributors. Thompson also discussed the issue at nine events across Canada, as well as in the US, England, and East Africa, including Rwanda where he presented a copy of the book to President Paul Kagame. IDRC had supported the conference from which the book evolved.



Carleton University professor Allan Thompson, IDRC President Maureen O'Neil, and Senator Roméo Dallaire at the book launch of *The Media and the Rwanda Genocide*.

A year of awards and recognition

In May 2006, Professor Calestous Juma of Harvard University was elected to the Royal Society of London for his work on the application of science and technology in developing and developed countries. The African Centre for Technology Studies in Kenya, which he founded, has been a recurrent IDRC research partner.

In June, the Sustainable E-government for the City of Fez project was awarded Morocco's e-Mtiiaz 2006 Prize (Prix national de l'administration publique numérique), the national award for the best e-services to citizens. The project allows residents to access government services through free public digital kiosks. Developed by AI Akhawayn University in collaboration with the Fez municipal government and in partnership with Université Laval, Québec, this pilot is now being replicated in other Moroccan municipalities.

In August, Professor Asit K. Biswas, a long-time IDRC partner on water-related research, was awarded the 2006 Stockholm Water Prize. Biswas is co-editor of the 2001 IDRC co-publication, *Water Management in Islam*.

In September, the Disney Wildlife Conservation Fund selected KAMADA as one of eight global Conservation Heroes. KAMADA, an alliance of small-scale fishers in Central Philippines, was created and is now mentored by the IDRC-supported Project Seahorse. The alliance was honoured for its efforts to establish marine protected areas for biodiversity conservation and fisheries regeneration.

In October, two IDRC research partners were among nine inaugural winners of the John D. and Catherine T. MacArthur Foundation's new Award for Creative and Effective Institutions: the Sociedad Peruana de Derecho Ambiental (Peruvian society for environmental law) of Lima, and the Mexico City-based Fundar: Centro de Análisis e Investigación (Fundar research and analysis centre). In honouring the winners, the Foundation paid "tribute to creative organizations everywhere working toward the highest aspirations of human dignity, security, and opportunity."

Microcredit pioneer and long-time IDRC partner Muhammad Yunus was awarded the Nobel Peace Prize in October 2006 for his work in advancing economic and social opportunities for the poor, especially women. Yunus shared the award with the Grameen Bank, which he founded. The Bank has helped millions of poor Bangladeshis, many of them women, improve their lives by lending them small sums to start businesses. IDRC has collaborated with Yunus and Grameen on a number of projects that use information and communication technologies as a means to reduce poverty.

In November, the IDRC-supported Computers for Schools and Personal Computers Recycling Applied Research project won a 2006 Chilean E-Waste Award. The project is implemented by the Corporación de Estudios Sociales y Educación SUR—Corporación SUR. The award recognizes innovative electronic recycling initiatives that protect the environment and that serve as examples of corporate social responsibility in Chile.

IDRC was named a Chevalier de l'Ordre National (Knight of the National Order) — Burkina Faso's highest honour — for its contribution to the development of the country. In awarding the medal to IDRC on November 25, President Blaise Compaoré cited IDRC's work in strengthening Burkina Faso's research capacities in a number of areas, including agroforestry, natural resource management, and poverty alleviation.



Long-time IDRC partner Muhammad Yunus was awarded the Nobel Peace Prize in October 2006.

Howard Alper, IDRC's Visiting Executive, was named **co-chair of the InterAcademy Panel on International Issues** at its December general assembly in Alexandria, Egypt. The network of science academies from 90 countries offers advice to governments on international science-based issues.

In February 2007, IDRC research partner **Amanda Vincent** was presented first prize in the Yves Rocher Foundation's **Canadian Women of the Earth Awards**, honouring women who are committed to improving and preserving nature. Vincent was recognized for her work with the IDRC-supported Project Seahorse, the international marine conservation group that she co-founded and directs.

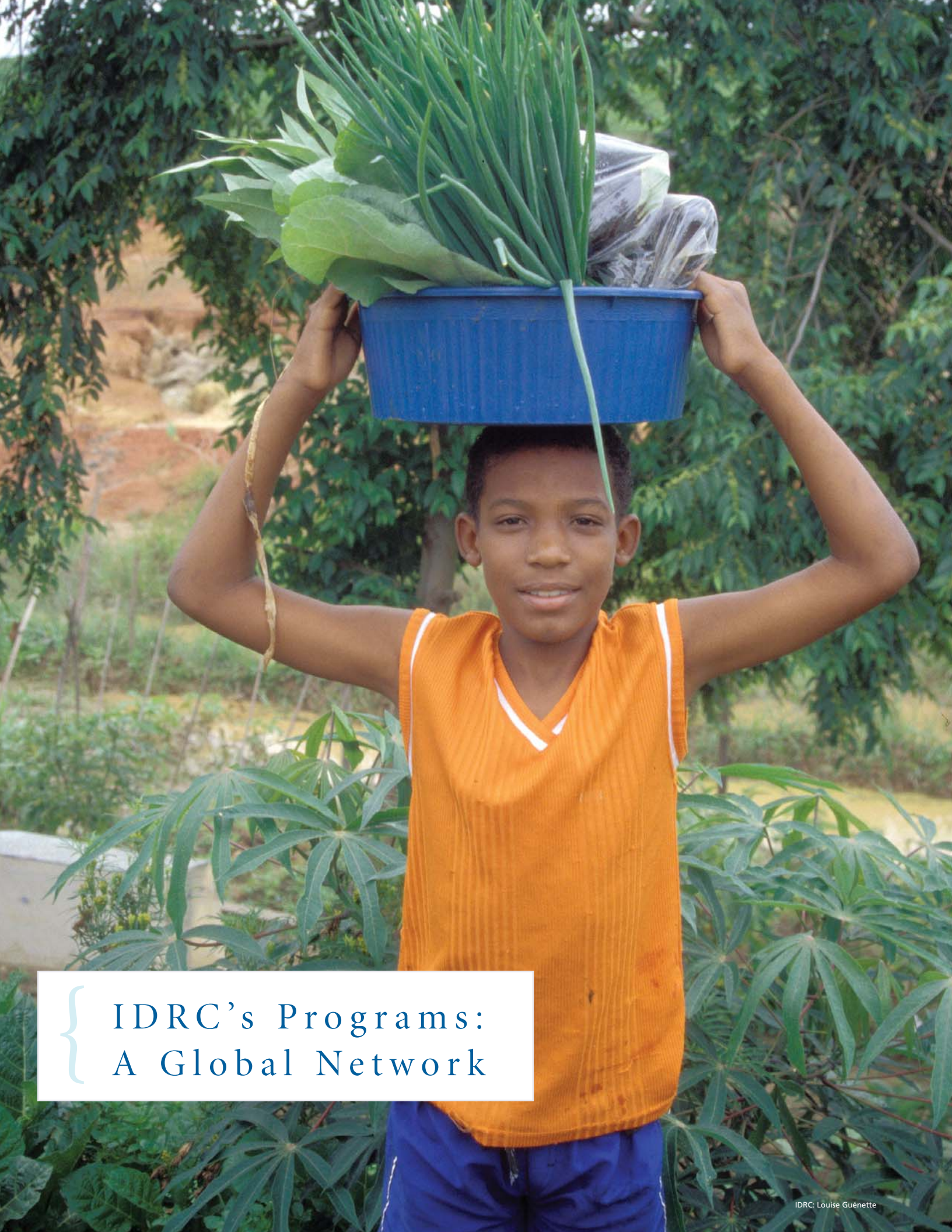
Former IDRC program officer **Njuguna S. Ndung'u** was appointed to a four-year term as **Governor of Kenya's Central Bank** in March 2007. Ndung'u worked in the Centre's Nairobi office and held posts with the Kenya Institute for Public Policy Research and Analysis and the African Economic Research Consortium, both long-standing IDRC partners.

IDRC hosted a number of **Visiting Fellows** in 2006/07, among them: **George Sciadas**, Statistics Canada; **Naila Kabeer**, the Institute of Development Studies at the University of Sussex; **Hubert Zandstra**, past Director General of the International Potato Center; **John Stone**, member of the Intergovernmental Panel on Climate Change; **Harsha Liyanage**, champion, telecentre programs, Sarvodaya Shramadana Movement of Sri Lanka; and **John Githongo**, Kenya's former Permanent Secretary in charge of Governance and Ethics.



Amanda Vincent, winner of the Canadian Women of the Earth award.

Project Seahorse



{ IDRC's Programs:
A Global Network

IDRC's Programs: A Global Network

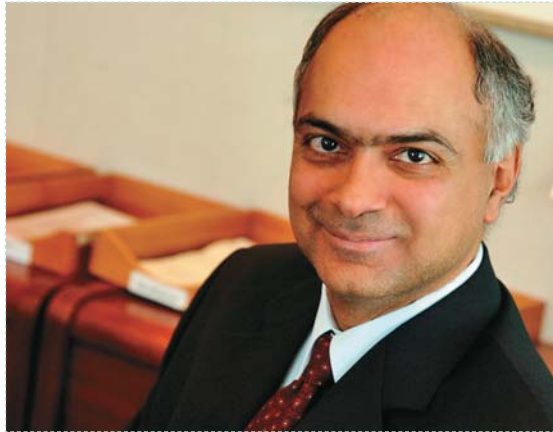
If a multiple-choice question were asked about whether the world is (a) flat, (b) unipolar, or (c) multipolar, the Centre's preferred answer might well be (d) matrixed. The Centre's research support programs are organized to recognize that the world is both global and local, with themes along one axis and regions on the other.

IDRC's four program areas — Environment and Natural Resource Management, Information and Communication Technologies for Development, Innovation, Policy and Science, and Social and Economic Policy — do not represent development silos. Nor are the regions in which the Centre primarily works — Asia, Africa, Latin America and the Caribbean, and the Middle East — islands unto themselves. Rather, in working in developing countries, critical issues are addressed jointly, and IDRC believes more effectively, precisely because of the recognition that successful outcomes require enduring investments in local capacities over a broad spectrum of institutions and disciplines, connected with similar efforts in Canada and elsewhere in the world.

In reading the perspectives of the Centre's Regional Directors that follow, it is striking how much the developing regions of the world have in common. Perhaps the rubric of "globalization" is far too generic to adequately describe the context within which researchers and institutions in developing countries operate. But consider the themes that run through all six essays — movement of people, the growth of cities, climate change, economic liberalization, and crosscutting them, relatively weak capabilities to deal with the challenges and seize the opportunities.

Climate change is a classic "global" issue. To be sure, at its core it knows no national boundaries, as some of its elements are best tackled at the multilateral level. But there are important differences between and within developing countries that must be recognized if mitigation and adaptation solutions are to be found. It is a safe bet that as the Centre expands its work on climate change currently focused on Africa, to Asia and to Latin America and the Caribbean, the nature of the Centre's interventions, and the projects that follow, will not simply replicate each other.

The emergence of large developing countries, such as Brazil, China, and India, with rapidly growing economies and high degrees of innovative capability adds another level of complexity to the question of building research and analytical capabilities in developing countries. Whether called emerging markets, BRICs, growth poles, or competitors to the industrialized countries (for they are all of these), these countries provide an agenda all their own for researchers and policy-



Rohinton Medhora, Vice-President, Programs

makes the world over. But they also provide new ways in which multi-country networks can be designed and operate.

A potentially important avenue is opened with research-granting agencies in many developing countries, such as China, Thailand, and Vietnam, which might serve as partners for IDRC's own activities. A promising start has been made with the Centre's work on pandemics, with granting agencies in several countries in Southeast Asia. This issue is being explored in greater depth in a study that IDRC commissioned in 2006/07 as part of its continual scan of the environment in which it operates.

A fundamental crosscut in IDRC's programs is the role that Canadian institutions play in their design, support, and delivery. Through the Canadian Partnerships and Training and Awards programs — but equally important through the professional judgement of scores of specialist staff working in individual programs — partnerships with a wide variety of Canadian institutions bring, as we at IDRC sometimes say, "Canada to the world, the world to Canada."

The Centre's thematic priorities are most pertinent when they are made to play out through the local lens, and as an important facet of Canada's connections with the rest of the world.

Rohinton Medhora
Vice-President, Programs

Programs (as of 31 March 2007)

[Program areas]				
	Environment and Natural Resource Management	Information and Communication Technologies for Development	Innovation, Policy and Science	Social and Economic Policy
179 new research projects funded	Ecosystem Approaches to Human Health	Acacia	Innovation, Technology and Society (approved June 2006)	Globalization, Growth and Poverty
524 active research projects	Rural Poverty and Environment ■ Climate Change Adaptation in Africa	Bellanet	Research Partnerships Challenge Fund	Governance, Equity and Health ■ Global Health Research Initiative ■ Research for International Tobacco Control (RITC)
429 new research activities funded	Urban Poverty and Environment	Connectivity Africa		Peace, Conflict and Development
940 active research activities		ICT4D Americas ■ Institute for Connectivity in the Americas		Women's Rights and Citizenship
		Pan Asia Networking		
[Secretariat]				
205 institutions supported in 2006/07	International Model Forest Network Secretariat (relocated to NRCan-CFS)			
714 institutions currently supported				
[Corporate projects]				
	Environmental Economics	telecentre.org		
[Special initiatives]				
	Canadian Partnerships Centre Training and Awards Expert Advisory and Services Fund Middle East Good Governance Fund Scholarship Fund for Palestinian Refugee Women in Lebanon			

Addressing New Challenges

From his office in Dakar, Senegal, IDRC West and Central Africa Regional Director Gilles Forget has seen some aspects of life — particularly relating to trade — become easier.

Now that “continental integration is starting to take hold,” he says, cotton growers in landlocked Mali no longer have to pay excessive tariffs to ship their goods through a Senegalese port. Meanwhile, the telecommunications revolution that has gripped most of Africa has helped improve the lot of entrepreneurs, farmers, and many others.

But alongside these improvements have come new challenges. Animal herders in West and Central Africa, for instance, must deal with a number of ecological and social changes, such as the sale of pastureland to farmers. Privatization of former common land often spells trouble for herders and their livestock: if a herder and his animals happen across a tasty field of vegetables, for example, conflict with the landholder is sure to result.

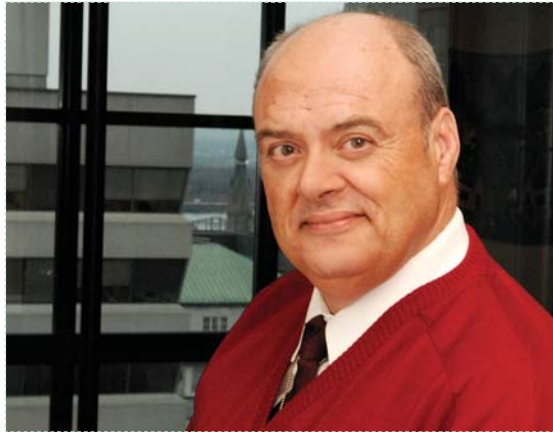
That’s why some herders — whose basic job description hasn’t changed much in hundreds of years — can now be found carrying PDAs, or Personal Digital Assistants. IDRC-supported research has introduced these devices to give the herders crucial information to help them choose their route. Now, not only can herders see in advance when they are about to stumble upon that farmer’s vegetables, they can also see if their intended destination has attracted other herds before them, enabling them to choose an alternate course that will take them to untouched pastureland.

Individual benefits, environmental impacts

Forget says that beyond its personal benefit to farmers, the project has a major positive environmental impact: “It’s instrumental in helping local people protect their area from encroachment by the desert. If too many sheep come to a particular area and pull out all the grass, it’s much more likely that the desert will move in.”

Like many other initiatives in this region of Africa, this project’s success hinges on its ability to examine a far-reaching social problem in the light of the individual people who are affected and involved at various levels.

In urban Senegal, for example, IDRC-supported research addressing the use of contaminated wastewater in food production involved many players, including the mayor, individual householders, and the people who grow and sell fruits and vegetables. For people in this community on the peri-urban fringe of Dakar, there were powerful factors



Gilles Forget, Regional Director for West and Central Africa

encouraging wastewater use in food production. First, the region is increasingly dry, meaning that a source of water that is free looks very attractive. As well, transporting food from the country to the city is costly and unreliable, adding to the imperative to grow food where people live. The abundance of nutrients in wastewater ensures that those crops grow big and abundantly.

The problem, of course, is that wastewater’s contaminants, including microbial material, make people sick. Says Forget: “Sometimes necessity makes you do things that are bad for you in the long term, and that is what was happening here.”

Technology and personal commitment

The solution was partly technological: the project introduced a new method of treating wastewater that achieves results exceeding European Union standards. But equally important, it required that everyone — from the mayor’s office down to the street vendors — understood and accepted what they had to do. “People who sold produce in the street had to know that they could no longer make their fruit look shiny and fresh by washing them in dirty water,” Forget explains. “It was a very participatory process. Everybody had to know what their role was.”

Forget is also proud of the work done by the IDRC-supported Educational Research Network for West and Central Africa (ERNWACA), recognized in 2006 as a Centre of Excellence in Africa. Active in 13 countries, ERNWACA believes its research and activities will help the region meet



the benchmarks for education set out in the Millennium Development Goals. Additionally, IDRC has supported a significant amount of gender-based research — the outcomes of which include giving women their first opportunities to participate in the political process. Some countries have also benefited from IDRC-sponsored research advising them on how best to adapt to the rules of the global economy.

Of course, not all aspects of this story are positive. Gilles Forget says, for example, that research institutions suffer as low salaries compel African researchers to take employment abroad. (IDRC is attempting to address this problem through a program called Capacity Building in Resource Mobilization for IDRC Research Partners.)

Dangers also loom on the broader African political, social, and economic landscape — in richer countries, conflict over natural resources is one. New waves of foreign investment may also potentially encourage unwise environmental practices.

But Forget believes that Africans have shown themselves capable of dealing with the most daunting of challenges. What is important, he says, is that they have good research to make the task more manageable.

Following Africa's Lead

Too often, says Connie Freeman, when people in the North attempt to understand Africa, they reach for a tired script with a well-worn plot and a predictable ending. This standard scenario casts Africa as a continent largely beyond hope.

But IDRC's Nairobi-based Regional Director for Eastern and Southern Africa has seen subtle shifts that hint at a different story. Recent solid economic growth rates in many African countries — while far from a guarantee that poverty rates will fall — nonetheless provide a promising platform for social progress and an opportunity for Africa to finally put the effects of the debt crisis behind it. Another positive sign is the growing public impatience with poor governance that Freeman believes has helped propel several countries toward more open and accountable leadership.

"People are tired of military dictatorships, autocracies, being told what to do, being scared, having war all the time," she says. So while in the past the standard response to corruption, for example, was that "everybody shrugged their shoulders," the mood has now changed. A new set of public expectations, Freeman believes, may well have contributed to the current reality wherein "you have more countries in Africa today with representative government of one sort or another than ever in the history of Africa."

Erosion of dependency

Another important, hopeful trend is what Freeman calls "the erosion of dependency." For most of recent memory there was an expectation, she says, that industrialized countries would take the leading role in repairing the damage done to Africa by slavery and other forms of colonial plunder. Now, however, there is an insistence that, for development to be meaningful and to yield real advances, it must be planned locally and led by Africans. Freeman sees Africans' strengthened desire to direct their own futures as reflected in the fact, for example, that Kenya's national budget has for several years contained no donor funding. South Africa similarly rejected funding from the international financial institutions (directly following the end of the apartheid era), so as not to be bound by the external conditions accompanying such funds.

IDRC is well positioned to contribute to Africa's development within this new context since many of those emerging conditions have themselves been cornerstones of the Centre's programming. "Unlike other donor or assistance agencies, IDRC funds research that is done by Africans, conceived on the continent, and rooted in the local reality,"



Connie Freeman, Regional Director for Eastern and Southern Africa

says Freeman. "What we have always done is provide support and capacity building for Africans to run their own development process." She also notes that improving standards of governance has been an important area of concern for IDRC: with the end of autocracy in Kenya, for example, IDRC backed a research program on transitions to democracy that focused in large measure on ethics in government and anti-corruption policy.

Climate change, and a climate for change

This is not to suggest that IDRC's future role in Africa will simply be a matter of "staying the course." New or intensifying challenges require new programs and new approaches. Climate change, for example, is widely seen not as a problem that looms on the horizon, but as one that has an impact *today*. That's why the recently launched Climate Change Adaptation in Africa (CCAA) program — administered, staffed, and partly funded by IDRC, with the collaboration of the UK's Department for International Development — seeks to understand how people cope with the impacts of climate change.

"People in Africa have already accommodated themselves to climate change over time," explains Freeman. "They employ all kinds of techniques. Our premise is: let's find out what those techniques are and help them figure out ways they can improve on them. While we know that people do adapt, we don't know how they adapt and we don't have knowledge in a form that's transferable to other contexts across Africa."



IDRC: Peter Bennett



IDRC: Richard Lord

Another pressing problem is continued, large-scale migration from rural areas to unplanned settlements on the urban fringe, where services are non-existent and living conditions are “egregious.” Says Freeman: “We need to figure out ways to make urban living more acceptable and less lethal.” To that end, two Focus Cities projects in different regions of Africa — one in Kampala, Uganda, and another in Dakar, Senegal —are taking a systems approach to overlapping issues such as urban agriculture, environmental management, employment, and public services. Part of the objective is to find the positive potential in negative circumstances: creating safe ways to use wastewater as fertilizer for urban crops, for instance, would solve two problems and lead to a net social gain.

Connie Freeman is convinced that research is a particularly important commodity at a time when Africans are trying to forge a new future. “There are many different types of transitions underway,” she says. “And people are much more receptive to research during times of transition — you can take new ideas and push them a lot further.”

Fostering Growth with Equity

Asia has been experiencing “an extraordinarily rapid transformation,” observes Stephen McGurk. Explosive economic growth has unleashed, in many parts of the continent, a series of historic shifts “in many areas of life — social relations, relations between citizens and their states, relations between countries.”

As IDRC’s New Delhi-based Regional Director for South Asia and China, McGurk has seen in the cityscape around him reflections of both positive and negative aspects of this transformative growth. Environmental degradation, intensified urbanization, and the resulting strain on infrastructure are apparent in daily life — and have led to increased confrontation.

“There have been traders’ strikes and universities have been closed because of active disagreements between authorities and citizens over how urban life should be lived,” he says. “This is symptomatic of the challenges India’s rapid development is causing, particularly in urban areas, large and small, where rapid change is visceral and there is increasing conflict over the nature of India’s transformation.”

Environmental burdens, urban stress

Intensified migration and the resulting urban stress are not unique to India, of course, and IDRC — through its Urban Poverty and Environment program — has been addressing these issues across the region. Colombo, Sri Lanka, for example, is an IDRC Focus City. There, a multistakeholder team is attempting to promote good practices and offer policy options to reduce environmental impacts. Building on the local municipal council’s Poverty Reduction Strategy Framework, the Colombo city team is looking at how improved service delivery can reduce environmental burdens — concentrating on specific links such as the one between land tenure and improvements in water and sanitation services. The team is also supporting a participatory process to encourage safe urban agriculture.

Mirroring the crisis in rapidly expanding urban areas are the poor economic circumstances in rural areas — the root cause of the new migration to overcrowded cities.

“Although India has become a global economic leader,” McGurk says, “poverty in rural India has decreased quite slowly in 30 years. That leads to governments falling and to increasing discontent because citizens in poorer regions are increasingly aware of the global role their country is playing and of the impacts of globalization on their own lives, but also of economic inequities.”



Stephen McGurk, Regional Director for South Asia and China

IDRC: M. Valberg/Valberg Imaging

As in urban areas, the poverty that’s evident on the rural landscape has environmental consequences — creating an interlocking set of problems that is the target of IDRC’s Rural Poverty and Environment program.

One project in India, undertaken with Canadian and Indian partner organizations, illustrates this link. It examines the potential of policies to be adaptive or maladaptive to change, with a view to describing the common features of adaptive policy-making. For example, weather-indexed crop insurance can protect farmers’ incomes and stabilize precarious rural economies. The underlying idea is that insurance against weather-related crop failure can improve farmers’ risk profiles, thereby increasing their access to bank credit — while at the same time reducing their vulnerability to climate variability.

Building regional networks

Across South Asia, complex and interwoven sets of problems suggest that nations need the best tools to rise to the challenges that face them. But the strength of research institutions varies by country, which is why IDRC is committed to helping build national research capacity, partly through the construction of regional networks.

“Our efforts through research networks and multi-country projects try to tie in the major Asian drivers of change and regional research hubs with countries that have weaker research capacity,” explains McGurk. “The idea is to address problems in individual countries through working with peers in multi-country or regional venues.”



Information and communication technologies (ICTs) represent another tool with great potential to help South Asia's citizens find their own, more rewarding futures. Perhaps the most ambitious deployment of ICTs to date is Mission 2007 — a brainchild of the M.S. Swaminathan Foundation supported by the Indian government, IDRC, Microsoft, and others — a social networking effort to extend the concept of the "Village Knowledge Centres" across rural India. A pilot in rural Pondicherry, long supported by IDRC, is based on the idea that information is a critical missing ingredient that could transform local ingenuity and energy into improvements in living standards. Accordingly, Mission 2007 aims to provide isolated rural people with Internet-based access to critical knowledge on health matters, approaching weather conditions, current commodity prices for local goods, and so forth.

While Mission 2007 is the culmination of many years' work, IDRC has also embarked on a whole new field of endeavour: helping to rebuild democratic institutions in Afghanistan. Drawing on a 36-year history of research partnerships in post-conflict peacebuilding, as well as its recognized expertise in gender issues, IDRC is now establishing relationships with Afghan civil society organizations. Areas of work include helping women to participate in reconstruction, providing rural farmers with new ICT tools, and working to strengthen local seed systems.

In South Asia, a region marked by rapid and profound change, it appears that long-term commitment and short-term flexibility are complementary ingredients for success.

Advancing Regional Collaboration

Richard Fuchs believes that people who want to understand how the world is changing should look to the wave of transformation that is sweeping across Asia.

“This region *is* the future,” says Fuchs, who became IDRC’s Singapore-based Regional Director for Southeast and East Asia late in 2006. “The next economy will be an Asian economy. There’s a revolution here in the way that wealth gets produced and distributed, and it’s interesting to be inside it, to try to understand it, and to advocate for the kind of equitable and sustainable economic and social development that IDRC tries to support through research.”

The positive aspects of the current transformation are often stunning. Singapore, which 40 years ago was a mostly unnoticed developing country, now has the lowest infant mortality rate and the highest test scores in math and science in the world. Although they are often in the shadow of China’s economic dynamo, even more remarkable is the explosive growth being experienced by countries such as Laos, Cambodia, and Vietnam, which were mired in war as recently as 25 years ago.

Economic renaissance, environmental degradation

The pace of change in the region, however, has also increased environmental threats and widened the gap separating rich and poor — both between countries and within them. Attempts by IDRC and its local research partners to address this inequality often take a very different form within this context of dynamic (but uneven) growth than they would on other landscapes where the economic outlook is uniform.

For instance, several innovative projects use access to information, and to information and communication technologies (ICTs), to ensure that marginalized people have opportunities to enjoy the fruits of the region’s economic boom. An IDRC collaboration with Consumers International, for example, seeks to increase access to educational materials by examining the extent to which national copyright laws in 11 developing countries incorporate the maximum limitations and exceptions allowable.

Another program is developing applications software, strengthening human resource capacity, and encouraging policy action in the area of multilingual computing so that digitized information can be conveyed in the region’s many languages. “If the local languages poor people use are not available in digital form,” Fuchs explains, “it is difficult for



Richard Fuchs, Regional Director for Southeast and East Asia

them to benefit from the technology. But if their language is on the Internet and on computers, they are much more able to use technology to access health information and education, government services, and economic opportunities.”

A joint effort with Canada’s Athabasca University similarly envisions knowledge as the key to development. The project involves sharing good practices and developing standards for the region’s expanding use of distance learning technologies by open institutions that provide higher education at much lower cost than traditional universities, thereby allowing wider access.

Global concerns and action

Many pressing social and environmental concerns in this region have a potentially global impact. Perhaps no issue has broader transnational implications than the containment of avian flu. On this front, IDRC is employing its network-building expertise to encourage an effective, coordinated response to a problem that can move quickly from the local to the international stage.

“Obviously avian influenza doesn’t respect national boundaries,” comments Fuchs. IDRC played an active role in bringing together researchers and other interested parties from five Asian countries, as well as Canada, to develop collaborative research in pandemic influenza control. “The goal is for the Asian Partnership for Avian Influenza Research to increase researchers’ understanding of interlinked social, economic, and environmental factors that influence the



spread of avian flu to help formulate better policies and approaches to controlling the disease.”

Avian flu is just one example of a development problem brought about by the complex links between globalization, natural resource use, environmental degradation, and human well-being. Others include climate change and environmental degradation in both rural and urban areas, problems on which IDRC is also focusing its attention.

In Southeast Asia, for example, the practice of clearing land by burning forests blanketed the entire region in haze in 1997, jeopardizing the lives and health of 70 million people. IDRC-supported research on the costs of these fires led to policy changes and concerted action to prevent these occurrences. Other research in the area focuses on collaborative management of natural resources — forests, fisheries, pasture lands, etc. — to ensure that local people, especially the poor, benefit and that resource use is sustainable.

In the teeming city of Jakarta, Indonesia, a project draws together local officials, non-governmental organizations, and marginalized citizens to deal with water, sanitation, and waste management issues in a way that will increase incomes for the poor.

Fuchs believes that IDRC is well placed to support the region’s development and transformation. “The Singapore office has been here for 36 years, so we have footprints in the region that are pretty deep,” he says. “I think that bodes well for our work in the future.”

Facilitating Open Dialogue

The challenges that Latin America and the Caribbean face today have arisen, in large part, because of flaws in the way the region's economies were reformed in the 1990s, says Federico Burone, IDRC's Regional Director for Latin America and the Caribbean (LAC). "The reforms addressed the economic structure of these countries but paid little attention to whether the populations had the proper skills to accompany these changes" he says.

So while most LAC countries are better positioned to compete in the global marketplace, many of their citizens lack the skills or the proximity to viable industries that would allow them to play a role. Together with the effects of country-specific financial shocks, this has led to increasing poverty and a growing chasm between rich and poor in many LAC countries.

The uncertain economic picture has had repercussions across the region. Large waves of rural-to-urban migration have led to environmental damage and strained social and healthcare networks. The growing inequality has also created a new sense of social polarization. Against this backdrop, IDRC's work within LAC continues to focus both on finding new technical answers to the region's challenges and on creating platforms on which multiple players can contribute to innovative problem solving.

One example can be found in Moreno, Argentina, a suburb of Buenos Aires, where more than 50% of the population lives in poverty. Moreno's population grew dramatically the year following Argentina's 2001 financial crisis as citizens abandoned rural communities to find jobs in the metropolis. The torrent of migrants strained existing infrastructure and basic services, in turn sparking social tensions. "The situation," Burone recalls, "posed an extraordinary risk not only for Moreno but for the whole of Buenos Aires." Different levels of government tried to implement aid plans, but soon it became clear that the parties faced difficulties in coordinating their efforts.

The need for "honest brokers"

That's when IDRC-supported researchers became involved, making Moreno an IDRC Focus City and attempting to deal systemically with overlapping demands for land planning and housing, functional health systems, and environmental cleanup. Explains Burone: "There was an opportunity for the researchers to take on the role of 'honest brokers.' They were able to facilitate dialogue between citizens and government officials, and to create an environment in which



Federico Burone, Regional Director for Latin America and the Caribbean

evidence became the basis for decisions, rather than politics."

The participatory nature of the process was key: "Often people who live in poverty are ignored and governments feel very little accountability to them. Here the researchers helped to establish a more transparent relationship between institutions and people, and to organize citizens into small groups in which they could better realize what the possibilities were." A similar approach is now being used by researchers implementing IDRC's Focus Cities initiative in other LAC countries.

Participation and open dialogue are at the centre of a similar process in rural Bolivia, where IDRC-supported researchers have been exploring ways to uphold Indigenous peoples' access to land and other resources. Most recently, they have been addressing the divisive issue of land tenure. Collaborating in debates between landlords and the majority Indigenous population that is seeking control of land for communal cultivation, the researchers are analyzing and proposing a middle path whereby some land would stay in private hands while increasing Indigenous people's access to and use of the land.

Many challenges, varied approaches

The diversity of the LAC region needs a variety of approaches. In nations facing the Pacific, for example, IDRC-supported researchers are dealing with complicated questions of trade relations with the new Asian power-houses. Social and health problems also loom large, calling



for innovative approaches. In Peru, for example, young people have been recruited in the fight against HIV/AIDS. A Web portal allows them to communicate with their peers on disease prevention, as well as to collaborate with health professionals in detection and monitoring efforts. The initiative is being adapted for use in the Caribbean.

IDRC is also bringing together specialists from four Latin American countries with development cooperation or peace-keeping experience in Haiti to probe what is needed to foster a durable peace and re-establish functional institutions in the country. Examining a broad range of areas including economics, governance, and environmental improvement, the project could become a template for examining how fragile and failed states can rebuild and identifying ways in which Latin American countries can further collaborate.

“Sadly,” says Burone, “there is no shortage of nations where this knowledge can be applied.”

Focusing on Practical Issues

Few regions capture the gaze of the international news media as consistently as the Middle East. To many in the world community, the area seems almost synonymous with the sectarian and political tensions whose implications extend far beyond the region's boundaries.

That makes it easy to overlook the fact that many Middle Eastern and North African countries face other profound challenges. Environmental concerns, for example, are paramount. "This region is the most water scarce in the world," says Eglal Rached, IDRC's Regional Director for the Middle East and North Africa, "which is why water management is a major focus of our work."

Economics is another key issue. Rached points out that, although economic indicators appear healthy for the region as a whole, removing oil-rich Gulf states from the equation reveals that some Middle Eastern countries have low growth rates. While the oil boom has brought tremendous growth for some countries in the region, it has not always translated into increased growth and reduced poverty in resource-poor economies. This, combined with a high proportion of young people and low job-creation capacity in those countries, bodes ill for the future. Resolving the apparently overwhelming political issues facing the region seems rooted — at least partly — in addressing more prosaic issues such as job creation.

Promoting business, creating jobs

IDRC-supported researchers have been doing just that in Egypt, where economic reform has become a high priority. Although the government could once be counted on to create jobs for youth entering the workforce, a drastic decline in the state's economic role has led to a spike in youth unemployment. This has shifted the burden to the country's small and medium enterprises (SMEs) that provide "about 90% of jobs in the non-agricultural sector," notes Rached. "That's on a par with many neighbouring countries where the figure is generally around 70 to 80%."

But the capacity of Egypt's SMEs to provide new employment is limited by the bureaucratic hurdles they face. "In a country where you have to go to 20 to 26 places to get a permit to operate a business," explains Rached, "it could take you a year to set up a new enterprise. If you can make it easier to do business for both local and foreign investment, then you are helping the process of economic development."



Eglal Rached, Regional Director for the Middle East and North Africa

And that's precisely the point of research — co-funded by IDRC, the Canadian International Development Agency, and the Egyptian Ministry of Finance — to help reform-minded government officials encourage job creation by cutting red tape and introducing a range of efficiencies that would "open up the economy, facilitate new trade relationships, and stimulate new business." Some of the measures envisioned — such as changes to Egypt's customs laws — have recently been put into effect, while other reforms are still pending.

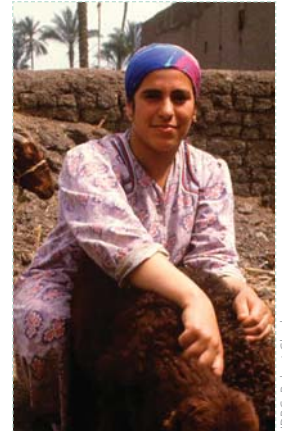
Working on the water front

Water management is another area where IDRC-funded research has made a significant splash. The emphasis is on making the existing water supply go further. Projects allowing communities to safely re-use "greywater" (used water from sinks and showers) in Lebanon, Jordan, and West Bank and Gaza, are now being replicated elsewhere. IDRC has also supported groundbreaking research in related areas such as managing small watersheds in deserts and harvesting rainwater for use in irrigation.

Overall, Rached says that IDRC has achieved concrete results, despite a challenging political climate, because it has focused on practical issues. Although an emphasis on gender issues, for example, might be expected to conflict with existing cultural sensitivities, Rached says that the role of women is always raised in a specific context — with clear relevance to the subject under consideration.



IDRC: Jan Kassey

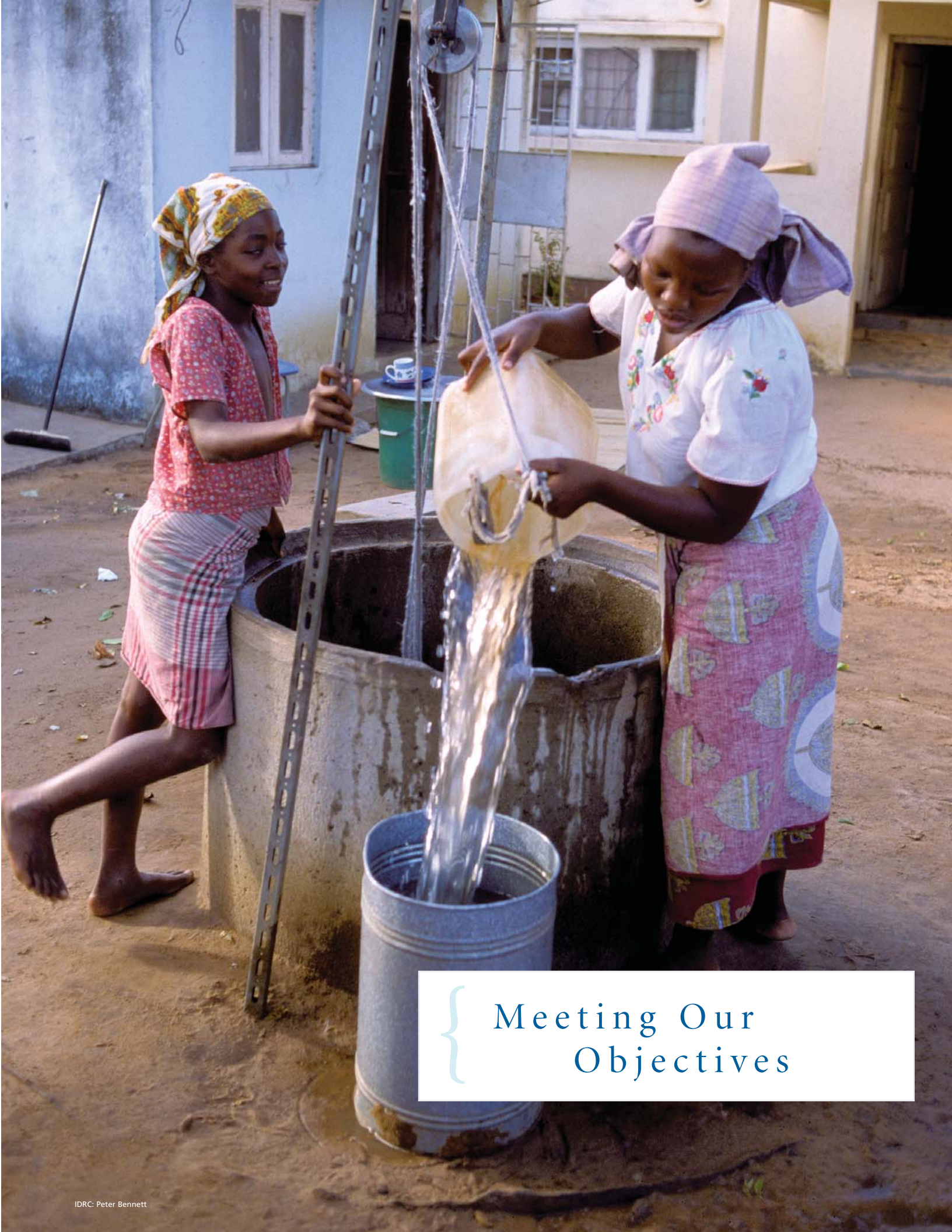


IDRC: Robert Charbonneau

“When you look at fields like the management of natural resources,” she explains, “for many researchers the importance of gender divisions in farm labour is not really that obvious. They might not normally think to take data separately from men and women, differentiating it, and analyzing it as such. It takes time for people to realize that ‘yes, women are now the heads of many rural farms and families,’ and so one has to look at the distinctive ways they do things, not just at the technologies.”

This does not mean that there is no opportunity to look at broader issues. For example, IDRC — through its Peace, Conflict and Development program and in collaboration with other Canadian government agencies — has tried to construct platforms for dialogue in countries where conflict is never far from the surface. “The objective,” says Rached, “is to try to understand the different forces that are currently there: the ‘political’ Islam, the secular movements, opposition parties, civil society. Where and how do they position themselves? What are the areas or points where they can connect and discuss?”

“What we are ultimately looking for,” she says, “is an opportunity where all these groups can level their areas of difference and have some sort of discussion. If you do not really understand the others, you cannot talk with them.”



Meeting Our Objectives

Research to Strengthen Capacity



IDRC: Lorra Thompson

OBJECTIVE: “IDRC will strengthen and help to mobilize the local research capacity of developing countries” Corporate Strategy and Program Framework 2005–2010 (CS, para. 66)

For IDRC, building the research capacity of its partners is a prime objective. Increasing and using local capacity lies at the heart of the Centre’s approach to international development, an approach that emphasizes process as well as substance, that stresses partnerships and the forging of relationships.

Over the past two years, IDRC has sought to gain a deeper understanding of how it supports capacity building and what the results have been. Completed in 2006/07, the second phase of this strategic evaluation confirmed many assumptions about the value of IDRC’s approach — engaging all concerned in solving key challenges — and about the outputs of these efforts — trained researchers, training materials, research dissemination, and the development of databases.

It also showed that IDRC contributes not just to its partners, but also to the beneficiaries of that support — the partners’ partners — a ripple effect that extends capacity building one step further.

IDRC supports capacity interventions in various ways:

- At the individual level, IDRC favours peer-to-peer learning, supporting researchers through education, training, and mentoring among other means. They, in turn build the capacity of others.
- IDRC focuses on building the capacity of individuals around the operational and management aspects of organizations — how to plan, implement, manage, and monitor a program or project.
- In addition, IDRC supports networks, providing researchers opportunities to collaborate with others. The research competition on the changing role of universities, described below, well illustrates this approach.

And the results? The evaluation has shown that IDRC’s support improves or expands the research capacities of its partners — and their partners in turn. In many cases, the research generates knowledge that can lead to new relationships, networks, and institutions, as well as to innovative ideas, approaches, and tools that can influence policies and technologies. At the same time, research benefits communities — the project on mercury contamination in the Amazon

CAPACITY BUILDING: Statistical snapshot 2006/07	57 new research projects with explicit capacity-building objectives	207 projects with explicit capacity-building objectives active at year-end
67 new research activities with explicit capacity-building objectives	261 research activities with explicit capacity-building objectives active at year-end	278 recipient institutions involved

described in the project highlights below is a case in point: applying the findings has led to improved health in the study population. And the new knowledge, behaviours, or relationships can affect policies and practices, whether of organizations or governments.

According to the evaluation, IDRC’s success in its capacity-building efforts is largely due to its persistence, patience, and willingness to make prolonged commitments. Its flexibility and agility in adapting programs and budgets in keeping with realities on the ground were also credited. Other success factors include the Centre’s wide range of expertise and focus on mutual learning.

The final phase of the strategic evaluation will be completed in 2007/08.

Reducing mercury contamination in the Amazon

Environment and Natural Resource Management program area

Project duration:

Previous phases: 1995–2003 IDRC allocation: \$992 390

Phase III: 2002–2007 IDRC allocation: \$555 100

Objective: When high mercury levels were found in fish-eating populations in the Tapajós River basin of the Brazilian Amazon, the artisanal gold mining industry was blamed. However, research by the Federal University of Rio de Janeiro and the Université du Québec à Montréal, supported by

IDRC, showed that one of the main causes of contamination was the erosion of tropical soils, which released natural mercury into the aquatic ecosystem. A second phase of research identified and tested interventions to decrease the exposure in a trial population by modifying dietary patterns. As a result, mercury levels in the test population were 40% lower than previously. The third phase will involve the entire Tapajós River basin and adapt interventions to different ecosystems.

Results to date: The most recent phase of this research project, completed this year and carried out with communities throughout the basin, confirmed earlier local findings, such that current agricultural practices were unsustainable and a leading cause of erosion. Social networks were strengthened and tools developed to communicate both the dangers and preventative measures (such as modifying dietary habits to reduce mercury exposure) to different socio-economic groups. A comic strip developed collaboratively by researchers, students, and community members proved particularly effective.

Through the project, more than a dozen Canadian and Brazilian students have undertaken postgraduate studies and communities have learned how to organize and participate in research. A regional network was created to mobilize communities. The Brazilian team has established itself as a node of expertise on ecohealth approaches to human health. Collaboration with the pan-Canadian Collaborative

“For a similar amount of fish consumption, those who ate more fruit had lower mercury levels. This important discovery has important repercussions, not only for health, but also for future agricultural practices.” Donna Mergler, Institute of Environmental Studies, UQAM



IDRC: Jean Lebel

Mercury Research Network, developed through the project and funded by the National Sciences and Engineering Research Council to tackle mercury contamination in the Canadian North, continued through field visits and other exchanges.

Looking ahead: Building on this project, the team is pursuing research on the links between land use practices (such as slash and burn) and health issues through a new four-year project, approved in March 2007 through the competitive Teasdale–Corti Global Health Research Partnership program. Close to 20 Canadian and Brazilian graduate students will be involved in the field research.

Promoting e-business in Latin America

Information and Communication Technologies for Development program area

Project duration:

Phase I: 2004–2006

IDRC allocation: \$239 083

Phase II: 2006–2009

IDRC allocation: \$610 000

Objective: Information and communication technologies have revolutionized the way business is conducted. But a shortage of financial, human, and technical resources prevents small and medium enterprises (SMEs) in developing countries from quickly adopting new technology that would allow them to compete in national and international markets. In 2002, the Inter-American Development Bank and the Multilateral Investment Fund launched the ICT-4-BUS program to improve the competitiveness, productivity, and efficiency of SMEs in Latin America and the Caribbean by promoting the implementation of innovative ICT and e-business solutions. In 2004, IDRC support to ICT-4-BUS co-financed two of the 12 projects selected under a competitive call for proposals. This second-phase project continues this collaboration.

Results to date: One of the projects supported by IDRC to bring ICT solutions to the tourism industry in the Peruvian Andes allowed small local providers to compete with large overseas tourism firms by providing them with a dedicated, high quality presence on the Internet, coupled with strong marketing efforts. The experience exposed SMEs to the benefits of online operations, but also showed the complexity of implementing innovations in the small tourism sector. The second project developed an open source operating system manager, which has been adopted by more than 3 000 organizations in Brazil — mostly public schools, but also private companies and public health clinics — showing that such applications can be developed locally.



IDRC: Yves Beaulieu

A second phase of support approved in 2006/07 is funding four additional projects, selected in early 2007. It will also support the sharing of knowledge, experiences, and lessons to ensure a wider adoption of these technologies in the region.

Looking ahead: The new knowledge gained through these experiences will continue to be tested and explored. With the International Labour Organization and its training arm, the Inter-American Training and Documentation Centre on Vocational Training, IDRC is assessing the possibility of developing an executive training program drawing from the ICT-4-BUS experiences.

The changing role of universities in the South

Innovation, Policy and Science program area

Project duration: 2006–2010

IDRC allocation: \$1 289 000

Objective: Knowledge is essential for development, whether it is to find ways to safeguard biodiversity, promote economic growth, or control malaria. But translating research into action is complex. It also increasingly requires

interactions between a wide range of actors in public and private sectors, and in academe. This brings into question what the role of universities should be. How

do they — and could they — contribute to meeting development goals? Are they evolving in a way that strengthens innovation in low- and middle-income countries? This competitive awards project aims to develop a sustainable knowledge network that can advance understanding of the changing role of universities in the South.

Results to date: In April 2006, IDRC launched a call for proposals on the changing role of universities in the South. The regional and national competitions under this call were open to researchers and research institutions throughout the developing world. The graduate competition was open to master's and doctoral students in Africa only.

In December 2006, three national proposals focused on the social and economic relevance of national universities in Ghana, Indonesia, and Venezuela were selected. Three cross-national and comparative projects, looking at the nature of university–industry linkages and at contributions to

innovation and to economic and social development, were also chosen. One graduate award was made in Cameroon.

Looking ahead: To build enduring partnerships, the grantees will interact with each other throughout their two years of research, as well as with UniDev, a research network analyzing the future role of higher education. Launched in 2005, the 14 member-country network is coordinated by the Research Policy Institute of Sweden and is supported by the Swedish International Development Agency. IDRC support is also enabling UniDev to undertake research on public and private appropriation of knowledge in the field of biotechnology.

Small business policy development in Egypt

Social and Economic Policy program area

Project duration: 2000–2008

IDRC allocation: \$750 000

Objective: Although they account for 75% of private sector employment, small and medium enterprises (SMEs) and micro-enterprises in Egypt operate in a weak and chaotic environment. IDRC and the Canadian International Development Agency (CIDA) are supporting the Egyptian government's efforts to design policies, legislation, and regulations that promote the development of these small businesses and contribute to job creation and growth.

Results to date: With the SME Development Unit of the Egyptian Ministry of Finance setting the agenda in concert with IDRC and four SME policy committees decreed by the finance minister, the Small and Medium Enterprise Policy (SMEPol) project is successfully using research, capacity building, dissemination, and networking to support policy development. Several policy recommendations related to micro-enterprises and SMEs have emerged from research and were discussed with business owners, donor

“Productive and equitable development requires an integration of higher education strategies with development strategies.” Maureen O’Neil, IDRC President



IDRC: Lorra Thompson

organizations, and other stakeholders. As a result, the government endorsed a competitiveness strategy guiding all services, programs, incentives, and policy initiatives addressing smaller businesses.

A new income tax law simplified accounting and auditing procedures and created tax exemptions for small and micro-businesses. And an amended tender law now allocates 10% of government procurement to SMEs. In 2006/07, 10 more studies were undertaken on such issues as women-led businesses, the formalization of the informal sector, and the supply and demand for private equity and venture capital.

Training has strengthened capacity to develop policy in the Ministry of Finance's SME Unit. The focus on networking has helped the Ministry gain access to information, learn about good practices, and regularly consult with and disseminate information to key stakeholders.

Looking ahead: Much more change is required to improve the business environment for Egyptian micro-enterprises and SMEs and their access to finance, information, and business development services. The competitiveness strategy's acceptance across government and its implementation outside the Ministry of Finance remain important challenges. The SME Unit is participating in government consultations on a national small enterprise strategy. (CIDA is providing technical assistance.) As work continues in Egypt, IDRC is exploring the possibility of supporting SME policy and private sector development elsewhere in the Middle East and North Africa.



SHARING KNOWLEDGE AROUND THE GLOBE

IDRC maintains that knowledge must be shared if it is to bring about positive change in people's lives. The Centre's Research Information Management Service (RIMS) supports this mandate by offering services and tools to IDRC-supported partners and development researchers worldwide.

RIMS collects the research outputs of all IDRC-supported activities to ensure their availability and long-term preservation: 2 900 such items were added to the IDRC archives in 2006/07.

IDRC also provides transparent public access to all activities it supports through the IDRIS+ database, available on the Internet: more than 16 000 searches were registered last year by researchers external to IDRC. This project information is supplemented by a Web-based photo library called IMAGES: some 25 000 searches were conducted last year by researchers, publishers, students, and educators.

Notable this past year was the development of an electronic institutional repository, based on an open access platform. The IDRC Digital Library provides the international research community with Internet access to a current and comprehensive collection of

"IDRC is dedicated to facilitating timely access to relevant, accurate information for research purposes." CS+PF 2005–2010 (CS, para. 77)

research results and documents generated by more than 35 years of IDRC-funded projects, IDRC fund-

ing recipients, and IDRC staff on a wide range of subjects related to international development. This is the first open access institutional repository established by a Canadian research-funding organization.

In addition to making information more freely available, this initiative provides IDRC-funded researchers with a valuable outlet to publish and showcase their work. Through the IDRC Digital Library their work will be available, not just to a select few subscribers of journals, but to the global research community.

By making sharing and collaboration much easier, the Digital Library will also strengthen IDRC-supported research networks. And by giving all stakeholders equal access, it will

make it easier for research results to play a central role in public debate about development issues.

The new delivery platform extends the reach of BIBLIO, the previous database of research outputs, which logged more than 55 000 searches by researchers outside IDRC in 2006/07.

Through RIMS, IDRC also provides knowledge support to its funded partners. The Centre makes available to its partners a collection of research databases, a highly valued service that contributes to their ability to develop well-researched proposals and to ensure that their research is informed by global scientific and scholarly literature. The almost 1 700 partners who currently subscribe to the service conducted close to 45 000 searches over the past year. They downloaded 27 000 full-text articles. RIMS staff supplement the online access: in 2006/07, they delivered more than 1 000 articles to IDRC partners.

RIMS also makes *RefWorks* available to all Centre staff and partners. This online research management and collaboration tool allows researchers to manage and share references to the articles, papers, reports, and books used in the course of their research. There are now 239 registered users: 28 442 references are stored in the various client databases.

"In so many ways, this helps us not only access what we really need, but it gives us heart: there are people on the other side of the globe who care to support developing-world researchers."

Rita Giacaman, Birzeit University, West Bank



Mark Loewen, recipient,
IDRC Doctoral Research Award

EXPOSURE TO DEVELOPMENT CHALLENGES

The professional development of individual researchers has always been an IDRC priority. The Centre offers a number of research and training awards to new and mid-career researchers in Canada and developing countries, selected through a competitive process. It also supports senior researchers who bring a critical and constructive perspective to IDRC and other Canadian institutions.

Through academic study, field research, or journalism practice, award recipients gain international experience and are exposed to development challenges in Southern countries. Many explore the interconnectedness of North and South and address problems that Canada shares with the world.

In 2006/07, the Centre launched the IDRC Science Journalism Awards with several partners to foster reliable and critical science reporting. Agence Science-Press in Montréal and SciDev.Net and *Nature* in London, England, host the award holders, who subsequently pursue independent research and reporting projects in one

or more developing countries. Two Francophone journalists (from Canada and Cameroon) and two Anglophone journalists (from Canada and Zambia) were the first to receive the new awards.

In February 2007, one of Africa's most distinguished corruption fighters, John Githongo, accepted a one-year IDRC Visiting Fellowship. Working with the Parliamentary Centre in Ottawa, Queen's University in Kingston, and IDRC, the former Kenyan Permanent Secretary in charge of Governance and Ethics and founding member of Transparency International Kenya, will complete a book based on his experience in fighting corruption and will contribute to knowledge on democratic development in Africa.

"The balance between development and environmental sustainability is perhaps the most important issue of our times. And so, to be able to travel to India and cover it as a journalist is tremendously rewarding and deeply satisfying."

Daemon Fairless, 2007 recipient of the IDRC – *Nature* Science Journalism Award

76

INDIVIDUALS RECOMMENDED FOR AN AWARD IN 2006/07:

1

Bentley Cropping Systems Fellowship

2

Bourses du CRDI en journalisme scientifique — Agence Science-Press

1

Community Forestry: Trees and People — John G. Bene Fellowship

3

IDRC Awards for International Development Journalism

2

IDRC Canadian Window on International Development Awards

36

IDRC Doctoral Research Awards

3

IDRC Evaluation Research Awards

2

IDRC Graduate Research Awards

11

IDRC Internship Awards

1

IDRC – *Nature* Science Journalism Award

5

IDRC Sabbatical Awards

1

IDRC – SciDev.Net Science Journalism Award

1

IDRC Visiting Fellowship

6

Professional Development Awards

1

Visiting Scholar in Feminist Perspectives on Globalization

CANADIAN RESEARCH AND KNOWLEDGE FOR DEVELOPMENT

There is a growing potential and desire among Canadians to address problems of international development and to do so in partnership with peers in developing countries. IDRC's Canadian Partnerships program encourages and supports Canadian participation in international research, networks, and knowledge-sharing activities.

Through small grants, the program supports research projects and various initiatives throughout the country, aiming to increase the number of Canadians learning about and engaging with issues of the South.

In 2006/07, IDRC allocated \$7.5 million to the Canadian Partnerships program. Here are some examples:

"The Centre will continue to develop and maintain a range of partnerships with Canadians based on inter-institutional cooperation, collaborative research, and extensive networking around research and access to knowledge."

CS + PF 2005–2010, (PF, para. 70)

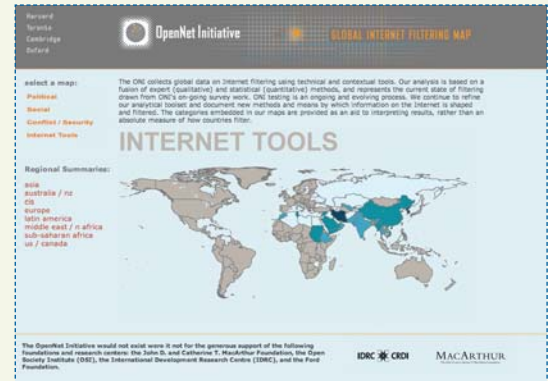
The program builds and maintains long-term relationships with Canadian institutions such as the Association of Universities and Colleges of Canada and The North–South Institute — both based in Ottawa — and the International Institute for Sustainable Development in Winnipeg, Manitoba. Canadian Partnerships is also responsive to the energy and inspiration evident in civil society organizations, research institutes, and universities when they undertake initiatives that build or spread knowledge related to development.

Dialogue on Child Soldiers:

A grant contributed to travel and accommodation costs for 50 Southern partners participating in a three-day workshop to initiate new collaborative action to prevent the use of child soldiers. The workshop is the first phase of the Child Soldiers Initiative, established by Senator and Lt. General (Ret.) Roméo Dallaire, Search for Common Ground, USAID's Displaced Children and Orphans' Fund, UNICEF Canada, and the University of Winnipeg, where the August 2006 workshop was held.

Global Internet

Censorship Map: The Citizen Lab at the University of Toronto's Munk Centre for International Studies created the online Global Internet Filtering Map with



Canadian Partnerships support. The map, also available as a poster, indicates levels of national Internet content filtering, or censorship, identified by the OpenNet Initiative, a collaboration between the Citizen Lab, Cambridge University's Advanced Network Research Group, the Berkman Center for Internet & Society at Harvard Law School, the Oxford Internet Institute, and partner organizations throughout the world.

Cooperation among Development Studies Programs:

A small grant to Saint Mary's University in Halifax has helped to create an international network in support of doctoral programs in international development studies. The network will facilitate the sharing of resources and coordination of activities among its

members in existing and future doctoral programs in international development studies. In collaboration with the network, Saint Mary's is participating in the PhD program in this field at the Universidad Autónoma de Zacatecas in Mexico.



A focus for hope

**Amanda Vincent,
The University of British Columbia**

"... As enabled by the IDRC Act, the Centre will '... enlist the talents of natural and social scientists of Canada...' and will seek to improve the opportunities for Southern researchers to access the knowledge and perspective of Canadian researchers." Corporate Strategy and Program Framework 2005–2010, (CS, para. 71)

A project to assess the value of marine conservation areas in the central Philippines has seen marked recovery of some fish species — and a striking increase in the research and management capacity of the people involved.

Amanda Vincent knows all about evolution. She grew up "gallivanting around the globe with my family, and took my first-ever science course in Grade 12," she says. "And I was suddenly bitten by the biology bug." She now holds the Canada Research Chair in Marine Conservation at the University of British Columbia and leads an international conservation group, Project Seahorse, which helps communities address marine-management challenges. She also played a central role in getting trade in seahorses regulated internationally, the first time this had ever happened for marine fish of commercial value. The Yves Rocher Foundation presented her with first prize in its 2007 Canadian Women of the Earth Award.

With support from IDRC and the John D. and Catherine T. MacArthur Foundation, Vincent and a tightly knit team of researchers have spent five years assessing the effectiveness — for fish and people — of marine protected areas (MPAs) on the Danajon Bank in the Philippines. One of only six double barrier coral reefs in the world, it is the 145-kilometre-long, severely degraded home of five seahorse species as well as of other marine life. "Seahorses are caught by small-scale fishers to feed the lucrative export market. These are some of the world's most desperate people, who have largely turned to these quirky fish as a resource of last resort," Vincent says. "But our work in the Philippines is not about seahorses per se — they're catalysts for much bigger and broader initiatives."

Those initiatives derive strength from disciplinary diversity. The fieldwork and analyses at the heart of the IDRC/MacArthur project were mainly conducted by three Filipino PhD students registered at Canadian universities — Jonathan Anticamara, Eulalio Guieb, and Marivic Pajaro — taking three approaches: biology, anthropology, and resource management. They have been mentored by Vincent (a biologist), anthropologist Colin Scott of McGill University, and Concordia University geographer Monica Mulrennan.

"Initially we prepared this as a biological proposal," Vincent says, "but I hadn't considered how it was going to grow into the social sciences." IDRC helped her expand the scope of the project — and her approaches to research. Now she is the first to argue that conservation is "more about enabling people to make wise decisions than it is about science per se." The students, who will present their findings at a national training workshop in the Philippines, also "wander back and forth across the disciplines at will," she says. "Once they're back home, all three will undoubtedly become leaders, decision-makers. They're just that good."

Philippine law requires municipalities to set aside 15% of their waters as "no-take" reserves. The students — working with the Project Seahorse Foundation for Marine Conservation, a Filipino NGO — are helping some meet that goal. The Foundation initiated a fishers' alliance, KAMADA, that promotes sustainable fishing on the Danajon Bank. (The alliance, which now comprises 900 fishing families, won a Conservation Hero award from the Disney Wildlife Conservation Fund in 2006.) Working together, KAMADA, the Foundation, and the project team have set up nine new MPAs under the IDRC/MacArthur grant, and can barely keep pace with local demand for more.

"Marine reserves are providing a focus for hope in the region," Vincent says, noting that they serve to build villagers' confidence and promote community engagement generally. "There's a growth of some sort of local strength that may be one of the less heralded but most important benefits of this marine-reserve initiative."

Understanding and Improving Marine Protected Areas (Philippines)

Project duration: 2001–2006
IDRC allocation: \$443 470

Research to Influence Policy

OBJECTIVE: “IDRC will 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.”

Corporate Strategy and Program Framework 2005–2010 (CS, para. 67)



IDRC: Federico Gutierrez

In March 2007, the city of Rosario, Argentina finished building its first garden park, five hectares of landscaped grounds where low-income families produce enough vegetables, fruit, and medicinal plants for home use and sale.

“It is a unique experience for the size of chemical-free food production it represents, and has already generated interest from cities in Colombia and Brazil,” says Rosario’s mayor Miguel Lifschitz.

By marrying recreation and farming, the city can assign more land to urban agriculture as a strategy to combat poverty. Garden parks are one of many outcomes from IDRC-supported research in Rosario in the early 2000s on how to include urban agriculture in municipal policies and programs. Other

outcomes include a municipal program promoting agricultural production, regulation supporting the activity, and the addition of urban farming to the city’s overall planning priorities.

Policy influence came naturally out of the Rosario research because the local government participated as a project partner and because growing hardship from the economic crisis and 2002 peso devaluation spurred authorities to act quickly and decisively.

“The program not only helped urban farmers feed themselves, their families, and their neighbours, it also created some stability and brought renewed hope to their lives.” Raul Terrile, Centre of Agro-Ecological Production Studies, Rosario, Argentina

Close to one third of IDRC’s active 2006/07 research projects also explicitly seek to influence policy. As in the Rosario case, municipalities, government departments, and federal agencies often participate in these projects as partners, research team members, or key stakeholders. The research-to-government policy link is of particular concern to IDRC and its partners as research provides evidence to improve laws, regulations, government programs, and public service provision, which play an important role in shaping people’s lives. It is also through national government uptake that successful local pilots can spread. It is, for example, through the central Moroccan government’s increased involvement that e-government service provision tested in the city of Fez, as described below, will reach other cities.

Government is not the only target for change, however. IDRC-supported research has also made the case for gender research in several Southern universities, for example, and for infusing social sciences into natural science research so that communities become active participants. Research results also inform the practices and policies of community groups, non-governmental organizations (NGOs), and international donors. This is one reason why communication and dissemination are necessary components of IDRC-supported research.

An essential element of policy research is building researchers’ capacity to distill policy-relevant findings from

POLICY INFLUENCE: Statistical snapshot 2006/07	44 new research projects with explicit policy-influence objectives	166 projects with explicit policy-influence objectives active at year end
44 new research activities with explicit policy-influence objectives	169 research activities with explicit policy-influence objectives active at year-end	217 recipient institutions involved

their research and the capacity of governments and other stakeholders to integrate this evidence in decision-making processes.

The following are a few examples of research to influence policy in 2006/07.

Extending e-government services in Morocco

Information and Communication Technologies for Development program area

Project duration:

Phase I: 2004–2006 IDRC allocation: \$378 320
Phase II: 2006–2008 IDRC allocation: \$472 800

Objective: Like many African countries, Morocco is decentralizing government services to increase efficiency, transparency, and responsiveness to local needs. E-government is an essential part of this strategy as most government services, such as obtaining a birth certificate or registering to vote, are only available at government offices in major cities. Implementing e-government in Morocco is difficult, however, because of the low use of information and communication technologies (ICTs) and high illiteracy rates.

The first phase of this project sought to test and pilot e-government services for local communities of the city of Fez. Carried out by Al-Akhawayn University in Ifrane, in partnership with Université Laval in Québec and in collaboration with the municipal government, the project also aimed to develop a detailed road map to guide the government in deploying e-government services throughout the country. The second phase, started this past year, will extend the results.

Results to date: During the pilot phase, completed in mid-2006, the e-Fez project developed and deployed an intelligent, context-sensitive ICT system that automates and streamlines service delivery. As a result, the residents of the Fez-Agdal region can now obtain birth certificates quickly, at any time of the day, at government offices, on the Web, or through free public digital kiosks that provide audio instructions and are equipped with touch screens designed to be

“Our goal is to network all of our services with all the cities in the kingdom so that any kind of record can be obtained in any of the districts.”

Mohamed Titna Alaoui, President, Fez-Agdal district

used by people with limited literacy. Implementing offices also report a sharp increase in productivity and employee satisfaction.

Through the official portal of the city of Fez, also set up by e-Fez and currently offered in French and Arabic, people can access information about the city, its services, and its staff and representatives from anywhere in the world.

The project was awarded Morocco’s e-Mti az 2006 prize, the national award for the best electronic administration services, not only because of its technological success, but because of its work with communities, its training of government staff, and its dissemination activities. Two ICT research and development laboratories were set up at the university as part of this project.

Looking ahead: The project will be extended to the remaining local government offices in Fez and the digitization and e-delivery of documents, such as marriage and divorce certificates, will be undertaken. E-government services will subsequently be extended to other provinces: the goal is national coverage by 2012.



The official website portal of the City of Fez.

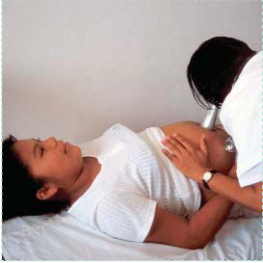
Healthcare reform: New approaches to research for policy

Social and Economic Policy program area

Project duration:

Phase I: 2001–2003 IDRC allocation: \$185 500
Phase II: 2004–2007 IDRC allocation: \$650 260

Objective: Governments in Latin America and the Caribbean have been reforming their healthcare systems in an attempt to provide more equitable access to quality services. In particular they wish to expand “social protection



IDRC: Peter Bennett

in health” — the reduction of financial barriers to access, leading ideally to universal health insurance coverage.

Achieving such an ambitious goal calls for research — and for fresh approaches to conducting it. IDRC and the Pan American Health Organization (PAHO) have funded an innovative two-stage initiative linking researchers with policy-makers who work in partnership to define, design, implement, and apply the research.

During Phase I, teams of researchers and decision-makers were assembled to draft proposals for nine health-related investigations. Of these nine, five were chosen by a competitive process for implementation.

Results to date: The Phase II studies, conducted in four countries, explored a range of issues: the relationship of governance to equity, public insurance targeting priority populations, and barriers to access. While in the conventional way these projects sought substantive new knowledge, their core goal was to integrate their scientific findings with public policy measures, all the while strengthening the long-term capacity of researchers to collaborate with decision-makers.

Results presented in April 2006 suggest that collaborative research can indeed help sway policy-makers. For example, in Medellín, Colombia, different levels of government joined to contribute 40 billion pesos (CA\$22 million) to an unemployment insurance fund. Jamaica’s Minister of Health called for an assessment of alternative financing strategies to replace preventive user fees for health services. And in Argentina, municipalities are working with researchers to assess how governance affects maternal and child public health insurance.

The collaboration convinced some researchers and policy-makers of the usefulness of mutual learning systems. However, because the cross-sector experiments raised concerns about a blurring of customary professional roles, a challenge for the future will be better definitions of the working relationship.

Looking ahead: Many countries in the region are launching health reforms with an emphasis on the renewal of primary healthcare (PHC) strategies. IDRC and PAHO are exploring new research-to-policy activities focusing on the analysis of governance and health services performance, with a spotlight on the renewal of PHC.

ICTs in educational systems in Africa

Information and Communication Technologies for Development program area

Project duration: 2006–2009

IDRC allocation: \$1 475 280

Objective: ICTs are making steady inroads into African educational systems. While efforts are being made to increase access to equipment in schools and to improve their connectivity, the effective integration of ICTs into the curriculum is rare in Africa. Rarer still is research on the subject. Building on IDRC-supported research carried out by the Mali-based Educational Research Network in West and Central Africa in collaboration with the Université de Montréal, this project aims to develop a pan-African research agenda on how best to integrate ICTs in education. The goal is to inform and support policy processes and bring about effective changes for ICT-embedded learning environments and practices, thus improving the quality of education in Africa.

Results to date: Through this project, launched in late 2006, a network has been established to link university-based research institutions in 11 countries that have significant experience in introducing ICTs in school systems. Policy dialogue is a key component of this network, with committees in each participating country that bring together policy-makers from the ministries of education and communication, curriculum developers, researchers, and the private

“We can talk about the introduction of computers in the school system, but not of integration.”

Alioune Moustapha Diouf, President, Commission informatique, École normale supérieure de Dakar, Senegal



IDRC: Anne Karine Brodeur

sector. These committees ensure that research addresses priorities and that results are applied to educational systems.

Extensive international consultations in 2006 determined the research scope, orientation, and methodology. A prototype observatory on ICTs in education has been established as a main vehicle to produce, analyze, and disseminate research. It is the first such online platform on this subject in Africa. The network is also developing strategic partnerships with various institutions involved in e-learning activities across the continent.

Looking ahead: The participation of faculties of education will ensure that students are involved in carrying out the research, thus increasing their research capacities and understanding of the subject. This will also facilitate integrating research findings into teacher training. Université de Montréal researchers will continue to contribute to building local research and communications capacities.

Solving the “daughter deficit”

Social and Economic Policy program area

Project duration: 2004–2007

IDRC allocation: \$253 640

Objective: The “missing” daughters phenomenon — girls who die from discriminatory treatment — first appeared on India’s public agenda in the 1960s. The country’s 2001 census, however, revealed a worsening scenario: an alarming drop in the number of females per males in the zero-to-six age group, particularly in the north. The Indian non-governmental organization ActionAid, under the supervision of an academic advisory group, surveyed communities and households in five northern Indian states to obtain local data and shed light on the individual choices behind these statistics. The aim is to implement programs and recommend policies geared to reversing the disastrous imbalance in female/male ratios.

Results to date: House-to-house surveys and researchers’ observations in selected households documented the family motivations for sex selection. “Sons extend the lineage, earn money, and stay with the parents,” said one informant. “On the other hand, girls are someone else’s property. And a lot of money is spent on their marriage.” Research showed that education and income levels do not alter this view.

The Indian government’s promotion of smaller families is leading to planning for one or two sons. Women who abort female fetuses cited many reasons for their action, listing

social, cultural, economic, and political biases against having female children. Many spoke of the family pressure, especially from parents-in-law who exercise considerable sway over a couple’s reproductive decisions, to bear a son. Girls also die of infanticide and neglect because their families are less likely to immunize them, take them to the doctor when ill, or provide them a nutritious diet. The missing girls trend persists even though men in the most affected states are forced to look for mates in regions where the sex ratios are still fairly even.

Looking ahead: ActionAid and the academic advisory group are preparing to disseminate state-specific reports and make policy recommendations. ActionAid will develop its own programming strategy to reverse the sex-selection trend through action at the district level that involves community groups.

Increasing access to natural resources

Environment and Natural Resource Management program area

Project duration:

Previous phases: 1995–2000 IDRC allocations: \$1 069 877

Phase III: 2000–2006 IDRC allocation: \$415 720

Objective: Legal and illegal logging and land clearing for plantation agriculture threaten the rich natural resource base and traditional livelihoods of Cambodia’s highland people, leading to conflicts. IDRC has supported research for more than a decade in Ratanakiri Province to explore how the problems of poverty and resource conflicts can be addressed at the local level. Working in collaboration with villagers, researchers developed land and resource use maps and plans that helped gain official recognition of the people’s resource use and management rights. This has enabled communities to successfully challenge commercial plantations and limit logging by outsiders.

This third phase of research aimed to continue the work to ensure that communities have control over and access to natural resources and to support the choice of a sustainable development path in northeastern Cambodia.

Results to date: Completed in September 2006, the project has helped increase the livelihood security of local people and improve governance in Ratanakiri Province. For instance, the land use planning tools developed by the project have informed the government land titling program in ethnic areas. The research team facilitated the establishment of natural resource management committees in the



IDRC: Jason Taylor



communes, some of which have successfully negotiated land management rights with the government.

At the scenic Yeak Loam Lake, a successful, community-owned ecotourism site was established. Its committee has provided training to another ecotourism site committee, and the province has requested a replication of the Yeak Loam experience. Working with farmers and extension staff, the project has explored cropping options to increase productivity and sustainability in shifting cultivation systems and strengthened government capacity to facilitate cropping experiments.

When the team reviewed its work at the project's close this year, it concluded that "the project has had its largest impact in transforming government structures and processes. It set up a more enabling environment for

"In Ratanakiri, we can see that the villagers have made the kind of plan we need, based on a classification of the types of soil in the forest. We want to help the community protect its natural resources."

Governor Kham Kheun,
Ratanakiri Province, Cambodia

learning together how to decentralize natural resource management."

Looking ahead: Resource management continues to present challenges in Ratanakiri. For example, the

policy reforms have led to disputes over which government agency should be responsible for the new local management processes. But with strengthened capacities and effective models for intervention, local resource users, local governments, and provincial agencies now have better tools to take on the political and practical issues that development is bringing to the region.

IDRC colleagues share project management experiences during ALF 2007.



FEEDBACK FOR LEARNING, LEARNING FOR IMPROVEMENT

What practical steps can IDRC take to maintain its effectiveness, efficiency, and accountability? One promising measure is to ensure that reflection and learning remain essential components of the organization's work.

This is IDRC's philosophy. In its continuing effort to improve, the organization weaves evaluation and capacity building into its activities. It monitors its projects and programs, and makes the most of this valuable feedback to nurture skills at both the individual and institutional levels. It constantly seeks to draw useful lessons from its development efforts.

During 2006/07, IDRC applied a range of learning and capacity-building mechanisms. It held training exercises for staff and project partners in-house, and it sponsored sessions at the International Program for Development Evaluation Training. It launched an internal website and campaign dedicated to raising staff awareness of — and pride in — the wide range of IDRC's work. It promoted an online community dedicated to the new evaluation methodology called outcome mapping — itself an IDRC creation. It carried out formal appraisals of specific programs and projects, and worked to complete strategic evaluations of cross-cutting issues such as networking and capacity building.

Responding to the 2003 recommendation of the Office of the Auditor General, IDRC continues to enhance its system for reporting the progress of research projects. Formerly, the drafting of crucial project completion reports was often delayed. Innovative procedures have now streamlined the process. During the nine months before January 2006, for example, 58 projects closed while only 46 reports covering this and earlier periods were submitted; during the nine months before January 2007, however, 73 projects closed but fully 95 reports were completed. By January 2007, fewer reports (50) were pending than ever before. A valuable by-product of the new approach has been a wealth of information about the everyday management of these research projects, so that the reports now constitute a rich learning resource.

At another level, IDRC strives to improve the measurement of its overall performance. The Corporate Assessment Framework aims to appraise the Centre's progress toward achieving its basic mission. In 2006/07 this framework employed, among other techniques, sophisticated computer analyses of the contents of hundreds of IDRC documents. Perhaps unsurprisingly, its most strongly substantiated finding was "the consistent promotion and uptake of a decentralized and use-oriented evaluation system within IDRC."

In March 2007 IDRC held its third annual "learning forum." This one-day gathering of staff provides a chance for colleagues to talk, reflect, and share fresh ideas about how to improve IDRC's performance. This year's theme was "strengthening organizational capacity," and among the many energizing workshops was a videoconference linking 175 Ottawa head office staff with 20 colleagues at the West and Central Africa Regional Office in Dakar, Senegal.



Bridging the last mile

Gordon Gow,
University of Alberta

Peter Anderson,
Simon Fraser University

"... As enabled by the IDRC Act, the Centre will '... enlist the talents of natural and social scientists of Canada...' and will seek to improve the opportunities for Southern researchers to access the knowledge and perspective of Canadian researchers." Corporate Strategy and Program Framework 2005–2010 (CS, para. 71)

Disaster alerts cannot save the lives of people they cannot reach. The deadliest tsunami in recorded history drove that lesson home in December 2004.

In the wake of the Indian Ocean disaster, governments raced to address the communication failure blamed for many of the 230 000 deaths. UNESCO has led efforts to set up a high-tech early warning system in the region, but its deep-sea sensors and data networks can only reach so far. They can alert countries of an impending disaster, but they can't disseminate that warning to communities around the coastline.

In Sri Lanka, where the tsunami claimed nearly 40 000 lives, LIRNEasia, a regional communications organization, is leading a project to determine what information and communication technologies will best reach dispersed communities. With IDRC support and in collaboration with the country's biggest development NGO, Sarvodaya, and other partners, LIRNEasia is also focusing on building the capacity of communities to respond to warnings of impending disaster, whether cyclones, droughts, or floods, as well as tsunamis — to become disaster-resilient.

The research team has been able to draw on the expertise of Gordon Gow of the University of Alberta's Faculty of Extension as well as Peter Anderson from the School of Communication at Simon Fraser University. As disaster communication experts, both Gow and Anderson have worked extensively on emergency communications and public alerting for Canadian provincial and federal governments.

During the past year Gow and Anderson have helped field-test five technologies, in various combinations, in some 30 tsunami-affected villages. Some of these technologies are traditional — fixed and mobile phones, and the Internet. Others are on the cutting edge. The project is, in fact, the first field application of the Disaster Warning Response and Recovery system launched in January 2006 by Raytheon and WorldSpace corporations. A mobile phone-based Sri Lankan innovation was also tested.

While no one technology emerged the hands-down winner, "satellite radio holds great potential," says Gow, "but more work needs to be done to understand training requirements. "Ideally, you'd have backup — satellite radio, for example, and then a telephone line into the community."

In the Hazard Information Hub set up by Sarvodaya at its headquarters just south of Colombo, staff monitor information sources and communicate (in English, Sinhala, and Tamil) significant "events of interest" to local first responders, villagers who have been trained to receive and interpret the messages. These are not official public alerts, Gow points out. The project aims to complement, not compete with, the government's alerting function. However, if they can establish an efficient, expanded last-mile system, project leaders believe the government might consider adopting it.

Gow's expertise on Common Alerting Protocol (CAP), a new international content standard for alerts, adds a new dimension to the work in Sri Lanka. "The work we're doing with CAP in Sri Lanka is pioneering work for developing countries, so the lessons learned will have wide-ranging applications," he says. Gow and Anderson have also been involved in assessing British Columbia's tsunami warning system. "In rural and remote communities in Canada, the challenges are not unlike those in Sri Lanka," Gow says. In both countries, last-mile technology must be cost-effective and useful in other, everyday ways, "or it will fall by the wayside."

Gow published the preliminary findings of the Sri Lanka trials in the *Journal of Emergency Management* (March/April 2007). With the International Telecommunication Union, he is now working on an alerting manual for developing countries. "A lot of the experience from Sri Lanka is being incorporated into that handbook," he says.

Evaluating Last-Mile Hazard Information Dissemination (Sri Lanka)

Project duration: 2005–2007

IDRC allocation: \$507 200

Leveraging Canadian Resources for Research

OBJECTIVE: “IDRC will 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.”

Corporate Strategy and Program Framework 2005–2010 (CS, para. 68)

IDRC has always understood that, to be effective, development research must be collaborative. Wherever it can, therefore, IDRC teams up with other organizations to strengthen the impact of its efforts. By way of fostering research networks, donor partnerships, and other alliances, IDRC seeks to achieve “leverage,” that is, to enhance its own work for a better world by joining forces with like-minded groups.

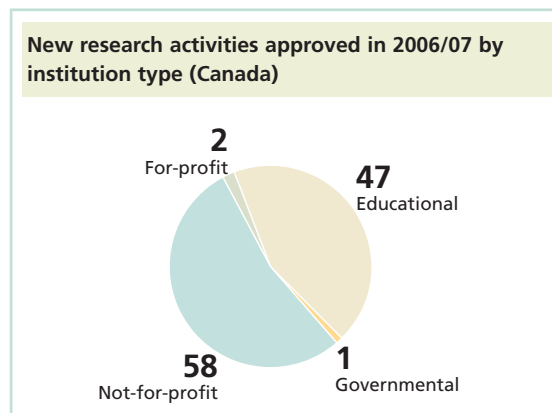
During 2006/07, IDRC shared activities with a variety of domestic organizations in the public and private sectors, on projects large and small, and on issues that span IDRC’s program areas and the world regions where it works.

One of the ways IDRC fosters domestic alliances is through the efforts of its Innovation, Policy and Science (IPS) program. Its task is to ensure that Canada’s research and science policy communities maintain international cooperation and development as important priorities for the country’s research efforts. Toward this end, IPS oversees the IDRC Research Partnerships Challenge Fund, a pool of \$11 million earmarked to strengthen research partnerships between developing-country scientists and Canadian researchers.

The most recent application of the Challenge Fund was in support of the Canadian Networks of Centres of Excellence (NCE) International Partnerships Initiative (see below). The NCE, which may be considered a “network of intellectual networks,” mobilizes thousands of talented young Canadian researchers and entrepreneurs working in universities, industry, government, and non-governmental organizations (NGOs) nationwide. One outcome expected of IDRC’s ambitious collaboration with the NCE program is that Canadian research networks that now engage primarily in a domestic mission will come to adopt a more international outlook.

In addition to research partnerships, IDRC enters into funding partnerships with other donors — private-sector foundations, multilateral organizations, Canadian and foreign government departments, academic institutions, and NGOs. The purpose is to raise the level of resources flowing to applied research in developing countries, carried out by developing-country scholars. Increasingly, this kind of collaboration links IDRC

with leading domestic institutions, for example, the Canadian Institutes of Health Research, the Canadian International Development Agency (CIDA), and Health Canada.



In 2006/07, IDRC worked with 27 donor partners, seven of them Canadian. CIDA remains IDRC's major partner in Canada.

Here follows a small sample of IDRC's Canadian partner projects.



Mobilizing against pandemics

Environment and Natural Resource Management program area

Projects duration: 2006–2009

IDRC allocation: \$2 154 010 for four projects

Objective: H5N1 Influenza A, a rapidly spreading bird virus, is wreaking havoc in poultry farms and village flocks in many parts of the world. It has even claimed human lives. There is deep concern that this virus could mutate and become easily transmissible among people, unleashing a global flu pandemic. Unfortunately, control of this virus demands levels of

international political and scientific collaboration that may exceed the means of the developing countries so far affected by the disease.

To help meet this challenge, IDRC has teamed up with

national research councils and health research institutes in five countries, the Canadian Institutes of Health Research (CIHR), and the Public Health Agency of Canada to launch, in April 2006, the Asian Partnership for Avian Influenza Research (APAIR).

APAIR brings together senior health and veterinary scientists from Cambodia, China, Indonesia, Thailand, and Vietnam, plus research council managers and international thinkers and donors working on highly pathogenic avian influenza (HPAI). APAIR's mission is to develop shared, multidisciplinary research on HPAI and more broadly on pandemic influenza prevention and control.

The approach is to draw on different scientific perspectives and decision-making processes to understand the connections among environmental change, livelihoods, and human health. Lessons learned from this type of bird flu research will help build capacity to respond to other emerging infectious diseases, in Asia and globally.

Results to date: The core achievement of this young network has been the rapid establishment of a strong institutional framework. A multinational steering committee has

been formed, research priorities selected, proposals solicited, a secretariat launched, researchers recruited and trained, and new partner organizations brought on board. In late 2006, IDRC funded the first three substantive research projects, studying issues related to migratory birds, backyard poultry producers, and economic impacts of both the disease and its control strategies.

The effort also aims to enhance Canada's preparedness. In a related measure, IDRC will sponsor, jointly with CIHR's Institute of Infection and Immunity and other Canadian partners, a research program on understanding the transmission of pandemic influenza and on innovative approaches to its prevention. IDRC's special contribution will be to expand this consortium's focus beyond the strictly Canadian, human, medical dimensions of influenza to include international researchers, to explore zoonotic influenza — particularly avian flu — and to consider both the transmission and prevention of influenza in a systemic context.

Looking ahead: Three additional research projects are planned: on understanding policies for implementing vaccination and antiviral drug programs, on the effectiveness of avian flu control measures, and on behavioural change to reduce risk in the population of China, Thailand, and Vietnam.

APAIR is a complex venture, and a key challenge will be ensuring that its various actors and institutions continue to work together in a coordinated manner. Not only are researchers expected to collaborate in unfamiliar ways — to think across disciplines and across borders — but language barriers, the busy schedules of researchers in high demand, and the costs of travel throw up serious practical obstacles to effective team building.

On the other hand, APAIR's effectiveness may benefit from the many team members who also happen to be senior government officials. Their research findings are likely to earn a fast track to the highest policy-making levels — and to early implementation.

Partnerships to address global challenges

Innovation, Policy and Science program area

Project duration: 2007–2009

IDRC allocation: \$777 000

Objective: Developing countries face profound difficulties in harnessing science, technology, and innovation to promote development and reduce poverty. To help these countries

“Fighting avian influenza is a high priority in the region as well as an issue around which regional cooperation and coordination is critical.”

Stephen McGurk, IDRC Regional Director for South Asia and China

make better use of research, IDRC has joined with the federal government's Networks of Centres of Excellence (NCE) program to support mutually beneficial partnerships between domestic networks and similar consortia abroad. IDRC's contribution to the NCE's International Partnership Initiative (IPI) will fund training and other knowledge-sharing activities by researchers from low- and middle-income countries (LMICs). This collaboration is backed by IDRC's Challenge Fund, whereby IDRC teams up with Canadian research councils and government agencies to create opportunities for scientists in Canada and in LMICs to join forces to tackle shared challenges.

Results to date: The IPI was launched early in 2007 with the selection of three proposals:

- The University of Toronto-based National Initiative for the Care of the Elderly (NICE) is a network of more than 40 researchers and practitioners united to address the expected shortage of nurses and social workers trained to care for Canada's aging population. Through IPI, NICE seeks to build an international network of such professionals interested in elder and end-of-life care, with emphasis on China, India, and South Africa. The benefit for Canada will be more appropriate health services for its increasingly multicultural population. Among the benefits for LMIC researchers will be better access to global research networks and increased learning opportunities.
- MITACS (Mathematics of Information Technology and Complex Systems) applies mathematical modeling to complex industrial and social problems. The network, based at Simon Fraser University in British Columbia, comprises more than 1 000 scientists, students, and institutions. Inspired by its development of successful

measures for containing SARS, MITACS, with partners in China, concentrates on mapping the spread and control of diseases such as avian flu, West Nile virus, and pandemic influenza.

- **AllerGen** — the Allergy, Genes, and Environment Network — mobilizes Canadian scientists to reduce the health and other costs of allergic diseases. It comprises more than 150 researchers and nearly 200 institutions, and is administered at McMaster University. Under IPI, AllerGen collaborates with Indian researchers to better understand the neonatal conditions and early life environment that affect immune development in children.

Looking ahead: The Challenge Fund hopes to identify other areas where researchers from Canada and from LMICs can advance science and practice in areas of mutual interest. Meanwhile the IPI collaboration will increase the Canadian government's and public's knowledge of IDRC and better acquaint IDRC program staff with the Canadian research community, especially with theme-based networks. Researchers will also benefit intellectually and professionally from their mutual contacts.

Rallying the diaspora

Special Initiatives Division

Project duration: 2005–2007

IDRC allocation: \$75 700

Objective: In many parts of Africa, the “brain drain” — the emigration of educated people — has led to a serious loss of skills. Such an exodus of human capital would hamper any nation's development, but the problem has reached alarming proportions in Ethiopia, whose diaspora is one of the largest in Africa. In recent years, for example, about half the Ethiopians who went abroad for training did not return after completing their studies.

One response to such debilitating out-migration has been for diasporas to engage in home-country development. During 2002–2004, IDRC supported a study by the Ottawa-based Association for Higher Education and Development (AHEAD) that exposed the scale of the brain drain and its cost to Ethiopia and Africa. The report, *Semantics Aside*, described mounting interest among expatriates to become more involved in development efforts back home. Building on that finding, AHEAD proposed to carry out follow-up research, this time to identify and review policies, programs, mechanisms, and initiatives that enable diaspora engagement.



IDRC: Denis Marchand



IDRC: Peter Bennett

Results to date: AHEAD's second report, *Enabling Diaspora Engagement in Africa: Resources, Mechanisms and Gaps*, was published early in 2007. Its case study highlights Ethiopia as a home country and Canada as a host country.

The research reviews the range of political and financial measures that the Ethiopian government has already taken to encourage the diaspora's participation in national growth efforts. These include the launch of specialized diaspora departments and offices and a revised role for diplomatic missions abroad, as well as the relaxation of rules governing dual citizenship, import duties, and foreign investment.

"Although AHEAD was started by Ethiopian-Canadians, the real change-makers are Ethiopians themselves. By providing students the benefits of modern education and scientific developments, we believe we can contribute to the efforts of Ethiopians to bring real and long-lasting difference." Temesghen Hailu, President, AHEAD

Among other suggestions, the study proposes improvements to existing measures, such as strategies and programs targeting specific segments of the expatriate

community and instruments to improve the use of remittances for productive investments.

The report also makes recommendations for Canada and other developed countries that host African diaspora communities, including the lifting of barriers to mobility faced by expatriates pursuing short- or long-term assignments in their home countries, and steps to simplify remittance transfers.

Looking ahead: The findings of these two IDRC-supported studies will enrich the continuing discourse on the engagement of Africa's diaspora in that continent's capacity building. The research informs expatriates in Canada who are interested in contributing their skills and knowledge — as well as remittances — to their country of origin, and to policy-makers, international program managers, and diaspora organizations.

Cultivating Kampala's edible landscape

Environment and Natural Resource Management program area

Project duration: 2004–2007

IDRC allocation: \$616 300

Objective: Increasingly, the world recognizes the importance of urban agriculture in combating hunger and poverty. To demonstrate the value of making urban agriculture a permanent feature in city planning and housing design, IDRC brought together the resources and expertise of McGill

University, the Urban Management Program of UN Habitat, and local architects and planners in cities on three continents. Their mission: to use a participatory research process to develop practical, low-cost housing and site design modules for fostering urban garden neighbourhoods.

Results to date: The Edible Landscapes project focuses on Rosario, Argentina, on Colombo, Sri Lanka, and on Kampala, Uganda.

In Kampala, the University of Makerere and urban technocrats have been helping some 150 poor farmers convert a vacant lot into a model community sustained by agriculture. The initiative has drawn generous official support: the municipal council has donated 13 hectares of land, developed policies encouraging urban agriculture, and provided funds for road construction — measures that will also help control flooding and house some homeless people. Another welcome by-product has been improved relations between community groups and the council.

Meanwhile the cooperative approach to research has enhanced individual and institutional capabilities in both Uganda and Canada. Low-cost housing prototypes have been designed with support from architecture students and researchers at Makerere in partnership with McGill students — a practicum that has also helped draw city farming into architecture's conceptual mainstream. In addition, the initiative has placed McGill's School of Architecture at the leading edge of Canadian institutions studying urban agriculture.

Looking ahead: The research was completed in early 2007. Although the project has enjoyed support from Kampala's authorities, the city's political atmosphere is volatile, and any resumption of the effort must await resolution of leadership issues. Meanwhile the lessons learned from the research are being widely disseminated — for example at the 2006 UN Habitat World Urban Forum in Vancouver, where the project was showcased to enthusiastic media coverage.



Jamati Nnakanguru

"I can now see the future bright for my family." Maxensia "Max" Takirambule, a seropositive widow with four children, and beneficiary of the Kampala city farming project.



Lator Hospital, Mauro Ferraiello

GREATER IMPACT THROUGH DONOR PARTNERSHIPS

IDRC collaborates with Canadian and international organizations that share its commitment to building local research capacity and bringing evidence to bear on policy in developing countries. Partnering contributes to IDRC's effectiveness as it widens the scope and increases the impact of the Centre's programming. By fostering partnerships and dialogue with other donors, IDRC also avoids duplication and identifies gaps in the global support for development research.

Since 2003, the Centre has chosen to focus on a limited number of like-minded donors. This strategy has played a part in the significant increase in IDRC's joint program development with funding partners. Allocations to projects managed by IDRC increased from \$14.8 million in 2005/06 to \$27.2 million in 2006/07.

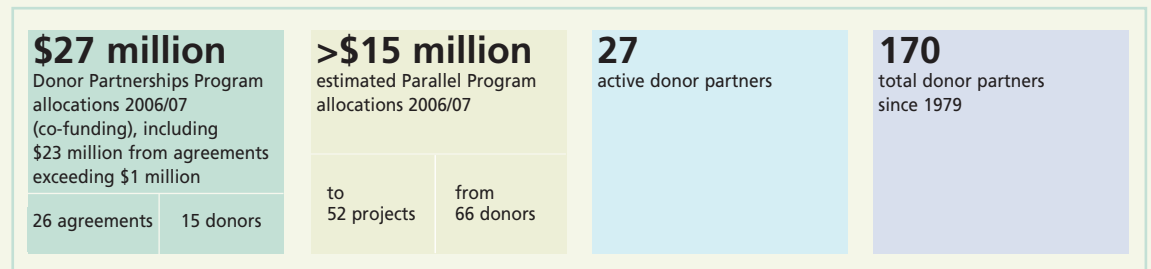
Some of the year's partnership highlights are

- continued joint programming with the Canadian International Development Agency, the Centre's largest partner, in particular in the areas of health, information technology, and environmental economics;
- strengthened collaboration with the Canadian Institutes of Health Research, the major contributor to the Teasdale–Corti Global Health Research Partnership program;
- the Centre's first grant from the Bill & Melinda Gates Foundation, on research to prevent Chagas disease, dengue, and malaria in Latin America and the Caribbean; and

- substantial co-funding in 2006/07 from the United Kingdom's Department for International Development, for the Climate Change Adaptation in Africa program.

Donors sometimes allocate additional resources directly to IDRC research recipients to carry out projects that are initiated or co-initiated by the Centre. This parallel funding further expands the resources available to Southern researchers.

Together with program staff and management, the Partnership and Business Development Division will continue to maintain close working relationships with current partners and to forge new collaborations.





Charting the research agenda

John Cockburn,
Université Laval

"... As enabled by the IDRC Act, the Centre will '... enlist the talents of natural and social scientists of Canada....' and will seek to improve the opportunities for Southern researchers to access the knowledge and perspective of Canadian researchers." Corporate Strategy and Program Framework 2005–2010, CS para 71

When the editors of a major international study on trade and poverty sought contributors for a chapter on West Africa, they turned to researchers they knew, through conferences and mutual acquaintances, in Québec City.

This is common practice. Academic research on economic issues affecting developing countries is overwhelmingly conducted in the North, where access to training, research funds, computers, literature, and networking opportunities is unparalleled. Scholars in the South, meanwhile, face obstacles on all of these levels in conducting and communicating their research to the scientific community and policy circles.

"This is unfortunate," says Université Laval economist John Cockburn, "as nothing can replace the lifelong, lived experience of their countries in piercing the longstanding mysteries of development and poverty." More input from well-trained and well-resourced developing-country researchers notably might have avoided many misguided development policies, with their dramatic consequences for the poor, he says.

Cockburn co-directs the IDRC-supported Poverty and Economic Policy (PEP) Network, which groups three subnetworks with a distinctive focus, but a common purpose. "Our dream is a world in which developing-country researchers play a leading role in charting the research agenda and advancing knowledge on the economics of poverty in developing countries," Cockburn says.

PEP's other co-director, Celia Reyes, runs PEP's community-based poverty monitoring system subnetwork out of Manila in the Philippines. The program, active in a dozen countries, involves communities in collecting data on indicators of poverty as perceived by the poor themselves. Several countries have used these surveys in preparing national plans and the Poverty Reduction Strategy Papers required by multi-lateral donors.

John Cockburn directs PEP's other two subnetworks, with the help of an office in Dakar run by researcher Ismaël Fofana. One network concentrates on micromasurement and analysis of poverty; the other studies how macro-

economic events affect poor households. To date, these two subnetworks have awarded a total of 68 research grants, worth roughly \$50 000 each and chosen through peer-reviewed competitions. PEP annual meetings regularly bring together more than 200 researchers, policy-makers, and resource persons from around the world. The June 2006 meeting took place in Addis Ababa, Ethiopia.

Feeding research results into the policy process is an integral part of PEP's mandate. In Senegal, researchers working to incorporate gender analysis into economic policy formulation held a seminar in November 2006 with local and international policy-makers to chart out the research agenda and establish the basis for an ongoing joint researcher/policy-maker process. In Uruguay, PEP researchers organized a conference in December with policy-makers on the impacts of membership in the Mercosur trade bloc: it ended with participants agreeing on the need for more such exchanges.

In addition to their research projects, developing-country researchers are rapidly taking over a large share of the management, administration, training, and scientific support activities of the PEP network. They are thus contributing to and benefiting from the growing reputation of the PEP network for research excellence and policy impact.

As for the editors who needed that chapter on West Africa, "we responded by informing them of the work we support by developing-country researchers on the poverty impacts of trade," Cockburn recalls. It was agreed that PEP researchers would contribute not one, but three chapters to the high-profile study, with the Québec researchers acting as co-authors. These chapters were so well received that they ended up being showcased in presentations to the World Trade Organization and other major intergovernmental groups.

Poverty and Economic Policy Research Network

Project duration: 2002–2007
IDRC allocation: \$9 993 135

Emerging Priorities

"...The Centre must continue to use the powers inherent in its Act to experiment and to show intellectual leadership. IDRC can also take the lead in following new lines of inquiry. ..." CS+PF 2005–2010 (CS, para 45)

Promoting democratic development

IDRC firmly believes that research can foster democratic development. As IDRC President Maureen O'Neil testified before the House of Commons Standing Committee on Foreign Affairs and International Development on October 2, 2006, it does so in four ways.

- First, research provides a foundation for open inquiry and debate. In West Africa, for instance, dissemination of results of research on inequitable access to health care paved the way for the reformulation of the payments exemption policy for the poor in regional hospitals in Burkina Faso and the establishment of clear indicators of eligibility for exemption in Côte d'Ivoire. Research is continuing in five countries to support health sector reform.
- Second, research expands the range of practical solutions to enduring problems and encourages innovation. For example, a project approved in early 2007 is linking four Latin American countries that have been involved in Haitian cooperation and peacekeeping operations, to probe what is needed to foster a durable peace and re-establish functional institutions in that country. By examining a broad range of areas, the project provides an opportunity to enhance institutional capacities for South–South collaboration, and could become a template for examining how so-called "failed states" can rebuild.
- Third, research helps hold governments to account by providing evidence to support political accountability. In Guatemala, IDRC supports a judicial observatory to monitor reforms in the criminal justice system. Research has led to a number of new regulations on policing and the administration of justice.
- Finally, research provides the basis for evidence-based policy-making. A notable example is work being carried out in Asia, Africa, and Latin America to identify causes and measure the extent of poverty. The data, collected in and by poor communities, has led to new, better targeted strategies and programs and has provided tools with which citizens can hold their governments to account.

The flip side of the coin is that donors' efforts to support democratic reform also need to be based on sound evidence. This is one of the main drivers behind the Democracy Council, chaired by the Deputy Minister of Foreign Affairs and the President of CIDA. IDRC is a founding member. The Council's purpose is to strengthen Canadian efforts at promoting democratic governance abroad.

Promoting democracy also includes setting an example. In June 2006, IDRC, along with the Department of Foreign Affairs and the Parliamentary Centre, brought 13 Afghan parliamentary officers to Ottawa to learn how Canada's Parliament functions. The Afghan team met with Prime Minister Stephen Harper and House of Commons Speaker Peter Milliken.

Sustaining research in conflict zones

Seeds not sown in Afghanistan illustrate the need for research in conflict zones. In 2002, the formal seed production system having long since collapsed, seed aid poured into the country. But recent IDRC-supported research reveals that few donated seeds were actually sown in Northern Afghanistan, the country's breadbasket. Farmers relied instead on the surprisingly resilient informal seed production and exchange system, which has survived the last decades of upheaval.

Working with the Afghan Ministry of Agriculture, researchers from the International Center for Agricultural Research in the Dry Areas generated a wealth of information on community seed management. Although in much need of strengthening, this informal system holds the greatest promise for food security in Afghanistan.

Even as official Canadian defence, diplomatic, and development efforts help to bring security and stability to countries in conflict, IDRC engages researchers to inform decisions on reconstruction, peacebuilding, and development.

In Afghanistan, where research capacity is very weak, IDRC is strengthening skills in participatory research in a broader effort, supported by the United Kingdom, to involve poor



IDRC: Yves Beaulieu



IDRC: Yves Beaulieu

Community seed management holds the greatest promise for food security in Afghanistan.



ICARDA

rural Afghans in developing alternatives to opium poppy farming. While conflict isolates researchers, IDRC support puts them in contact with peers in other countries. One project brings Kabul University into the new Himalayan

“I am happy that we have made a beginning to unite farmers of Afghanistan and experts using information. I would like this project to be replicated in every province of Afghanistan in a short time.”

Obaidulla Ramin, Minister of Agriculture, Afghanistan

University Consortium with Chinese, Indian, Nepalese, and Pakistani universities to build research capacity among Afghani faculty members and government officials. Another project

tests an information and communication technology model developed in India to deliver agricultural and marketing information to Afghani farmers.

Research can also make a critical difference in the deals struck during peace negotiations. Peace settlements reflect the many arrangements among warring parties for future power sharing, wealth distribution, and security. IDRC lent its expertise on gender and conflict to help the African Union Mediation commission integrate issues such as women’s political participation and access to education in the May 2006 Darfur Peace Agreement. Unfortunately, the agreement collapsed shortly after and violence escalated in Darfur and eastern Chad.

This unfortunate setback speaks of the risks involved in research in conflict zones. Violence can also bring research activity to a stop. Conflict in the Middle East last summer forced IDRC-supported researchers in Lebanon and West Bank and Gaza to suspend their work. The full range of research — on conflict resolution, good governance, shared natural resource management, and improved health — resumed within months, amidst rebuilding and recovery efforts.

IDRC remains committed to support Southern researchers’ efforts, often in the warring zones themselves, to understand conflict, provide evidence to resolve negotiating points, and inform postwar reconstruction and development.

Responding to climate change

On May 17, 2006, IDRC and the UK’s Department for International Development (DFID) launched a multimillion dollar research and capacity development program to help Africa’s most vulnerable cope with the impacts of climate change. DFID is investing £24 million and IDRC \$15 million

in the five-year Climate Change Adaptation in Africa program (CCAA). The program strengthens research on how African countries and communities can best deal with the expected effects of climate change.

In launching the partnership, UK Secretary of State for International Development, Hilary Benn, said "It will give the wider international community the best insight into how it can continue to support climate change adaptation across the continent." IDRC President Maureen O'Neil emphasized that the program will be led by Africans for Africans, building on expert capacity.

In February and March 2007, the first 10 research projects were approved from more than 200 concept notes received.

CCAA is part of a long-standing program of IDRC-supported research in environment and natural resource management that supports communities learning to adapt to uncertainty in the face of global changes. Since the early 1990s, the Centre has supported research in agricultural and forestry practices, watershed management, land and water conservation, measures to combat desertification and protect biodiversity. Some of IDRC's earliest climate change efforts laid important groundwork in understanding how this global phenomenon could affect developing countries.

Fostering private sector development

The private sector is an engine of economic growth, creating jobs, and finding innovative solutions to meet consumer needs. Yet, many factors limit the private sector's contribution to development. Research is vital to identify the policies and practices that create positive business environments and foster entrepreneurship in developing countries.

In 2006/07, an internal task force study underscored that private sector development cuts across research supported by IDRC's four program areas. It is at play when research partners gauge the impact of national regulation, foreign direct investment, and global economic integration on small enterprises in the South. The private sector is a key part of national science and technology and innovation systems. IDRC-supported research also tests the conditions under which information and communication technologies become private-sector enablers; the measures that allow small-scale rural producers to improve their livelihoods; and the mecha-

nisms that trigger innovation among slum-dwellers in the environmental service business.

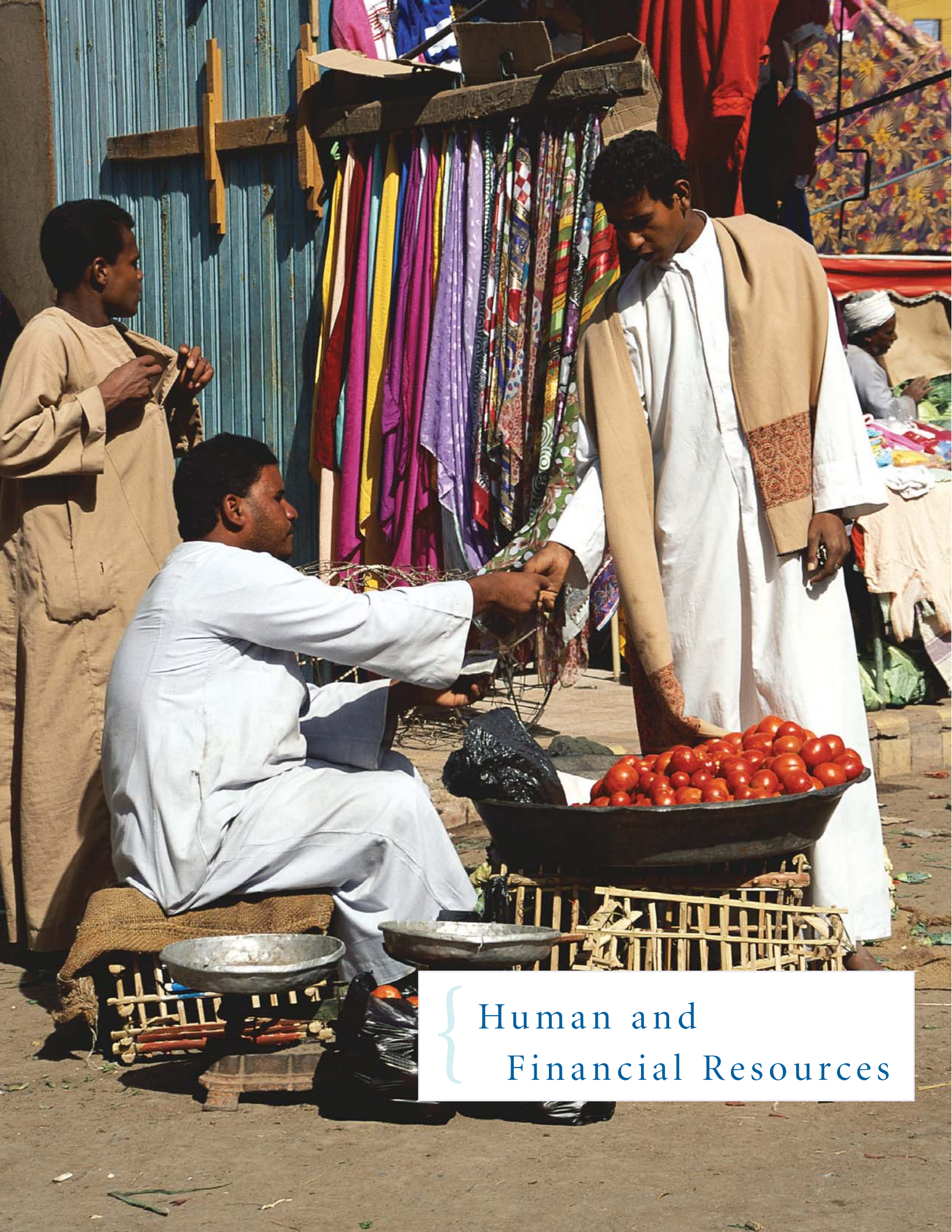
For IDRC, research on private sector development concerns not only individual entrepreneurs and companies of all sizes, but also cooperatives, Indigenous communities, and social enterprises — where entrepreneurial activity becomes a means of providing and sustaining community development services.

The Private Sector Development Task Force will continue to act as a catalyst for internal discussion and future support to research on this theme. Several flagship projects are already underway, notably the Investment Climate and Business Environment Research Fund. Managed by TrustAfrica, this project addresses the critical shortage of African research on the private sector. This year, the Fund's first competition awarded 30 small and medium-sized grants to researchers in African business schools and think tanks. In a separate competition, the Fund also awarded research grants to four teams of Canadian and African university researchers.

The Fund's research will not only help to find solutions to problems associated with private enterprise in Africa, but also support the emergence of a cadre of private sector development researchers in the continent.



IDRC: Stephanie Colvey



{ Human and
Financial Resources

Corporate Governance

The Board of Governors

IDRC's work is guided by a 21-member international Board of Governors, with the Chair 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. Up to 10 Governors are appointed from other countries. The international composition of its Board 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 IDRC's strategic direction;
- review and approve the Centre's financial objectives, budget, and financial statements;
- ensure IDRC has appropriate human resources management plans;
- assess and ensure systems are in place to 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 performance in fulfilling Board responsibilities;
- measure and monitor the performance of the President/Chief Executive Officer; and
- ensure that the Centre has an effective communications strategy.

Strategic direction

This year was the second year of operation under the Corporate Strategy and Program Framework (CS+PF) 2005–2010, and of its companion document, the Operational Framework. In the course of the year, Governors were called upon to review and approve a prospectus for one new program, Innovation, Technology and Society (see program architecture, p. 22).

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 corporate risk profile exercise carried out by the Risk Management and Internal Audit Unit assists them in this task.

The Board approved new terms of reference for its Finance and Audit Committee (FAC) in 2005/06. In tandem, the FAC approved an updated internal audit charter. The charter fully complies with the requirements of the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Code of Ethics*. These measures are consistent with Treasury Board guidelines for Crown corporations.

The new audit charter provides much needed flexibility in the way IDRC carries out its internal audit functions. In 2005/06, management decided to outsource the conduct of the Centre's internal audits to an external service provider, Interis Consulting Inc. of Ottawa. The Board and management continue to closely monitor the implementation of this new business model.

The Finance and Audit Committee fully supports this measure and has noted that the new audit charter clearly establishes the role and terms of reference for the provision of audit services that will ensure proper safeguards are in place.

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. Annually, the President and the two Vice-Presidents review senior staff to ensure continuing organizational fit and that future organizational needs will be met. 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.

The Centre recruited four senior positions this past year, as reflected in the composition of the Senior Management Committee (see page 67). Strategies are in place to facilitate recruitment efforts.



Governors visit IBASE, the Brazilian Institute for Social and Economic Analysis.



Members of the Board of Governors in Bolivia.



On the agenda: Fundación Tierra field visit to Collagua.

Information received by the Board

Annually, the Board of Governors receives a report on the status of IDRC programs and activities in relation to the overall Corporate Strategy and Program Framework. The program area Directors and the Regional Directors alternate in presenting these reports: Regional Directors presented reports in November 2006. 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 account of the past year's activities from the Evaluation Unit and the Communications Division. 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.

Every two months, the President sends Governors a detailed report on Centre activities. Governors are also able to communicate with each other and with the Centre via a special email list, and receive the Centre's monthly electronic bulletin, *IDRC Bulletin CRDI*.

Audit regime

The annual audit regime includes both internal and external audits. The Office of the Auditor General performs all external audits. The status of internal audits is reported to the Board twice a year.

Public policy objectives

The IDRC Act, which established the Centre in 1970, continues to define its mandate and objectives and is testimony to both the vision and foresight of the founders of IDRC. 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's annual report is the Centre's primary vehicle for communicating with the Canadian government. IDRC consults closely with the Canadian foreign policy family — the Department of Foreign Affairs and International Trade Canada, the Canadian International Development Agency, and the Privy Council Office, among others — as well as the Canadian scientific and research communities on key issues.

The Chair of the Board and the President meet formally 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 and staff 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. The Board annually discusses with the President its evaluation of her performance.

In managing the day-to-day activities of the Centre, the President is assisted by the Senior Management Committee (SMC), made up of the President, Vice-Presidents, Regional Directors, the Director of Policy and Planning, the Secretary and General Counsel, the Directors of program areas, the Director of Finance and Administration, the Director of Human Resources, and the Director of Communications and Government Relations. The committee meets regularly and prepares recommendations on most of the broad issues that come before the Board. Minutes of SMC meetings are prepared by the Office of the Secretary and General Counsel and are made available to all staff on the Centre's Intranet.

Board independence

The Board has established various structures and procedures that allow it to function independently of management. The roles of the Chair and the President, who is the CEO, are separate: the Chair manages the affairs of the Board; the President is responsible for the daily operations of the Centre. All Board members are appointed by the 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. 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 conflict of interest guidelines to maintain the highest standard of integrity for its members.

Executive Committee

Members of the Executive Committee meet before each Board meeting to review the agenda. The Chair and the President look to the Board as a whole for strategic direction and decision-making.

Members: Gordon S. Smith (Chair); Margaret Catley-Carlson (term ended September 23, 2006); Mary Coyle (term ended September 23, 2006; reappointed November 22, 2006); Denis Desautels; Ged Davis (term ended December 9, 2006; reappointed March 5, 2007); Norah Olembo (term ended December 9, 2006); Maureen O'Neil; Francisco Sagasti (term ended January 20, 2007; reappointed March 5, 2007); Rodger Schwass (term ended March 1, 2007).

Finance and Audit Committee

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

- financial oversight;
- 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 November 2006, after recommendation from Senior Management and the Finance and Audit Committee, the Board requested that the Office of the Auditor General conduct a Special Examination of IDRC in accordance with the requirements of Part X, section 138 of the *Financial Administration Act*. The report is due in March 2008.

Members: Denis Desautels (Chair); Margaret Catley-Carlson (term ended September 23, 2006); Mary Coyle (term ended September 23, 2006; reappointed November 22, 2006);

Maurice Foster (term ended September 23, 2006); Ahmed Galal; Octavio Gómez-Dantés (term ended March 8, 2007); Maureen O'Neil; Jean-Guy Paquet (term ended September 23, 2006); Andrés Rozental (appointed March 5, 2007).

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: Rodger Schwass (Chair – term ended March 1, 2007); Margaret Catley-Carlson (term ended September 23, 2006); Mary Coyle (Chair [since March 2007] – term ended September 23, 2006; reappointed November 22, 2006), W. Andy Knight (appointed March 5, 2007); Francine Matte (term ended October 28, 2006); Faith Mitchell; Maureen O'Neil; Linda Sheppard Whalen.

Nominating Committee

The Nominating Committee considers and recommends suitable candidates for appointment to the Board of Governors and monitors the composition and performance of the Board and its committees in terms of attendance, participation, and responsiveness.

Members: Gordon S. Smith (Chair); Margaret Catley-Carlson (term ended September 23, 2006); Mary Coyle (term ended September 23, 2006; reappointed November 22, 2006); Denis Desautels; Maureen O'Neil; Rodger Schwass (term ended March 1, 2007).

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, establishes objectives for the coming year, and discusses succession planning for senior managers.

In March 2007, the Board appointed a Search Committee for the recruitment of a new President to replace Maureen O'Neil who is retiring in April 2008.

Members: Gordon S. Smith (Chair); Mary Coyle; Ged Davis; Denis Desautels; Barbara McDougall; Francisco Sagasti.

Dialogue on Brazil



Governors visit projects in Peru.



In dialogue with IDRC partner Agua Sustentable.



Learning about the water rights project in Bolivia.

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 or 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.

Board members are appointed for a term of four years and may be appointed for a further term. In 2006/07, nine Governors were appointed or reappointed to the Board.

Education

New Board members receive extensive background material on the Centre, including a briefing manual, and participate in orientation sessions. All Board members are encouraged to make at least one trip 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 a field trip was organized to Bolivia, Brazil, and Peru in February 2007.

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 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, the Board, under the leadership and direction of the Chair, conducts a self-assessment exercise every two years. Board members carried out this exercise in 2005.

Committee membership and responsibilities are reviewed annually. In March 2007, the Board of Governors approved a new Board Charter outlining the roles of the Board, its committees, the Chair, and the President. Included in the

Charter are conflict of interest guidelines for Governors and the Board's Philosophy of Governance. The chapter on accountability and transparency identifies the many ways in which the Centre reviews its performance and accounts to its various stakeholders.

The IDRC Board of Governors, 2006/07

GORDON S. SMITH, CHAIR, VICTORIA, CANADA

Executive Director, Centre for Global Studies, University of Victoria; former Deputy Minister of Foreign Affairs

MARGARET CATLEY-CARLSON, VICE-CHAIR, LA PÊCHE, CANADA (term ended September 23, 2006)

Chair and member of a number of international boards working to improve management of issues related to fresh-water, environmental protection, and development finance; former President, Population Council of New York

MAUREEN O'NEIL, PRESIDENT, IDRC, OTTAWA, CANADA

Former President (interim), International Centre for Human Rights and Democratic Development; former President, The North-South Institute

LALLA BEN BARKA, DAKAR, SENEGAL

Regional Director, UNESCO Africa; former Deputy Regional Director, United Nations Economic Commission for Africa

CHEE YOKE LING, KUALA LUMPUR, MALAYSIA

(term ended May 26, 2006)

Legal Advisor to the Third World Network; former law lecturer, University of Malaya, and Executive Secretary of Sahabat Alam (Friends of the Earth) Malaysia

JOCELYN COULON, MONTRÉAL, CANADA

(appointed February 9, 2007)

Visiting Researcher, Centre d'études et de recherches internationales de l'Université de Montréal (CÉRIUM) and Director, CÉRIUM's Réseau francophone de recherche sur les opérations de paix; former Director, Pearson Peacekeeping Centre, Montréal campus

MARY COYLE, ACTING VICE-CHAIR, ANTIGONISH, CANADA

(since March 2007), (term ended September 23, 2006; reappointed November 22, 2006)

Vice President and Director, Coady International Institute, St Francis Xavier University; former Executive Director, Calmeadow, Toronto

ANGELA CROPPER, TRINIDAD AND TOBAGO, WEST INDIES

Co-founder and President, The Cropper Foundation; former Co-Chair, Assessment Panel, Millennium Ecosystem Assessment

GED DAVIS, SEVENOAKS, UNITED KINGDOM

(term ended December 9, 2006; reappointed March 5, 2007)

Deputy Chairman, EcoCities plc; former Managing Director, Centre for Strategic Insight, World Economic Forum

DENIS DESAUTELS, OTTAWA, CANADA

Executive-in-Residence, School of Management, University of Ottawa; former Auditor General of Canada

MAURICE FOSTER, OTTAWA, CANADA

(term ended September 23, 2006)

Member, Board of Directors, Foundation for the Study of Processes of Government in Canada; former Member of Parliament

AHMED GALAL, CAIRO, EGYPT

Managing Director, Economic Research Forum; former Executive Director and Director of Research, Egyptian Center for Economic Studies

OCTAVIO GÓMEZ-DANTÉS, MEXICO CITY, MEXICO

(term ended March 8, 2007)

Director, Performance Evaluation, Department of Health, Government of Mexico; former Director of Health Policy, Centre for Health Systems Research, National Institute of Public Health, Mexico

ROBERT GREENHILL, GATINEAU, CANADA

President, Canadian International Development Agency; former Visiting Senior Executive, IDRC, and former President and Chief Operating Officer, Bombardier International

AMINA J. IBRAHIM, ABUJA, NIGERIA

(appointed March 5, 2007)

Senior Special Assistant to the President of Nigeria on the Millennium Development Goals; former National Coordinator, Education for All (EFA), Federal Ministry of Education, Nigeria

W. ANDY KNIGHT, EDMONTON, CANADA

(appointed March 5, 2007)

Professor, International Relations, Department of Political Science and Coordinator/Advisor, Peace and Post-Conflict Studies Program, University of Alberta; past Vice-Chair of the Academic Council of the UN System and editor, *Global Governance Journal*

FRANCINE MATTE, MONTRÉAL, CANADA

(term ended October 28, 2006)

Consultant in commercial and competition law; former Senior Deputy Commissioner, Competition Bureau

BARBARA MCDUGALL, TORONTO, CANADA

(appointed March 5, 2007)

Advisor, international business development, corporate governance, and government relations, Aird & Berlis; former Secretary of State for External Affairs and Minister of Employment and Immigration

FAITH MITCHELL, WASHINGTON DC, UNITED STATES

Senior Program Officer, Institute of Medicine, National Academies; former Deputy Director for Special Projects, Division of Behavioral and Social Sciences and Education, National Research Council

NORAH OLEMBO, NAIROBI, KENYA

(term ended December 9, 2006)

Chair of the Board, Biotechnology Trust Africa; former Director, Kenya Industrial Property Office

JEAN-GUY PAQUET, QUÉBEC, CANADA

(term ended September 23, 2006)

Chair, National Optics Institute; former President and Chief Executive Officer, National Optics Institute

ANDRÉS ROZENTAL, MEXICO CITY, MEXICO

(appointed March 5, 2007)

President, Mexican Council on Foreign Relations; former Ambassador of Mexico to the United Kingdom, and Deputy Foreign Minister

FRANCISCO SAGASTI, LIMA, PERU

(term ended January 20, 2007; reappointed March 5, 2007)

President, FORO Nacional/Internacional; former Chief of Strategic Planning, World Bank

RODGER SCHWASS, TARA, CANADA

(term ended March 1, 2007)

Professor Emeritus and Senior Scholar, Faculty of Environmental Studies, York University; former Professor, Faculty of Environmental Studies, York University

LINDA SHEPPARD WHALEN, ST JOHN'S, CANADA

Editor, *The Newfoundland Quarterly* and President and Chief Executive Officer, Centre for Long-term Environmental Action in Newfoundland and Labrador

SHEKHAR SINGH, DELHI, INDIA

Convenor, National Campaign for People's Right to Information; former Director, Centre for Equity Studies

XUE LAN, BEIJING, THE PEOPLE'S REPUBLIC OF CHINA

(appointed November 22, 2007)

Executive Associate Dean, School of Public Policy and Management, and Executive Vice President, Development Research, Academy for the 21st Century, Tsinghua University; former Assistant Professor, Engineering Management and International Affairs, George Washington University

BOARD MEETING ATTENDANCE 2006/07

Lalla Ben Barka	2 out of 3 meetings	Francine Matte	1 out of 1 meeting
Margaret Catley-Carlson	1 out of 1 meeting	Barbara McDougall	1 out of 1 meeting
Chee Yoke Ling	0 out of 1 meeting	Faith Mitchell	3 out of 3 meetings
Angela Cropper	1 out of 3 meetings	Norah Olembo	2 out of 2 meetings
Jocelyn Coulon	0 out of 1 meeting	Maureen O'Neil	3 out of 3 meetings
Mary Coyle	2 out of 3 meetings	Jean-Guy Paquet	1 out of 1 meeting
Ged Davis	2 out of 3 meetings	Andrés Rozental	1 out of 1 meeting
Denis Desautels	3 out of 3 meetings	Francisco Sagasti	3 out of 3 meetings
Maurice Foster	1 out of 1 meeting	Rodger Schwass	2 out of 2 meetings
Ahmed Galal	3 out of 3 meetings	Linda Sheppard Whalen	3 out of 3 meetings
Octavio Gómez-Dantés	2 out of 2 meetings	Shekhar Singh	3 out of 3 meetings
Robert Greenhill	2 out of 3 meetings	Gordon S. Smith	3 out of 3 meetings
Amina J. Ibrahim	1 out of 1 meeting	Xue Lan	1 out of 1 meeting
W. Andy Knight	1 out of 1 meeting		

Senior Management Committee

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, and to the overall responsibility of the Board of Governors, as provided in the IDRC Act. SMC's functions are

- 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 and Program Framework, the Operational 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, 2006/07

MAUREEN O'NEIL, PRESIDENT (CHAIR)

Former President (interim), International Centre for Human Rights and Democratic Development, and former President, The North–South Institute

JOHANNE BERNIER, DIRECTOR, HUMAN RESOURCES DIVISION (until May 26, 2006)

Human resources specialist; former Director, Resourcing and Recruitment, Human Resources Development Canada

FEDERICO BURONE, REGIONAL DIRECTOR, LATIN AMERICA AND THE CARIBBEAN, URUGUAY

Economist; former Executive Director, Environmental Management Secretariat for Latin America and the Caribbean

MICHAEL CLARKE, DIRECTOR, INFORMATION AND COMMUNICATION TECHNOLOGIES FOR DEVELOPMENT PROGRAM AREA (since January 8, 2007)

Microbiologist; former Director, eCurriculum, Faculty of Medicine and Professor, Department of Biochemistry, Microbiology and Immunology, University of Ottawa

SYLVAIN DUFOUR, DIRECTOR, FINANCE AND ADMINISTRATION DIVISION

Civil Engineer and Certified Management Accountant; former Director, Grant Administration Division, IDRC

ROGER FINAN, REGIONAL DIRECTOR, SOUTH ASIA, INDIA (until May 12, 2006)

Certified Management Accountant; former Director, Internal Audit, IDRC

GILLES FORGET, REGIONAL DIRECTOR, WEST AND CENTRAL AFRICA, SENEGAL

Toxicologist; former Team Leader, Ecosystem Approaches to Human Health program, IDRC

CONSTANCE FREEMAN, REGIONAL DIRECTOR, EASTERN AND SOUTHERN AFRICA, KENYA

Economist; former Chairwoman, Economics Department, African Center for Strategic Studies

RICHARD FUCHS, DIRECTOR, INFORMATION AND COMMUNICATION TECHNOLOGIES FOR DEVELOPMENT PROGRAM AREA (until September 30, 2006); REGIONAL DIRECTOR, SOUTHEAST AND EAST ASIA, SINGAPORE (since October 1, 2006)

Sociologist; former President, Futureworks Inc., and former Commissioner, Newfoundland Economic Recovery Commission

SANDRA GUTTMANN, ACTING GENERAL COUNSEL (March–June 2006); ASSOCIATE GENERAL COUNSEL, IDRC Lawyer, former General Counsel, Securitas Canada Limited.

BRENT HERBERT-COPLEY, DIRECTOR, SOCIAL AND ECONOMIC POLICY PROGRAM AREA

Political scientist; former Coordinator, Research on Knowledge Systems, IDRC

RICHARD ISNOR, DIRECTOR, INNOVATION, POLICY AND SCIENCE PROGRAM AREA

Environmental specialist; former Director, Biotechnology Initiatives, National Research Council

JEAN LABEL, DIRECTOR, ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT PROGRAM AREA

Environmental health specialist; former Team Leader, Ecosystem Approaches to Human Health program, IDRC

STEPHEN MCGURK, REGIONAL DIRECTOR, SOUTHEAST AND EAST ASIA, SINGAPORE (until September 30, 2006)

REGIONAL DIRECTOR, SOUTH ASIA AND CHINA, INDIA (since June 19, 2006)

Development economist; former Program Officer, Economic Security Program, Ford Foundation

ROHINTON MEDHORA, VICE-PRESIDENT, PROGRAMS

Economist; former Director, Social and Economic Equity program area, and former Team Leader, Trade, Employment, and Competitiveness program, IDRC

LAUCLAN T. MUNRO, DIRECTOR, POLICY AND PLANNING GROUP; FOCAL POINT FOR INTERNAL AUDIT (since April 1, 2006)

Social sector economist; former Chief of Strategic Planning, UNICEF

ANNETTE NICHOLSON, GENERAL COUNSEL (since June 19, 2006); SECRETARY AND GENERAL COUNSEL (since March 30, 2007)

Lawyer; former General Counsel, Ottawa International Airport Authority

LINE NOREAU, DIRECTOR, HUMAN RESOURCES DIVISION (since May 23, 2006)

Human resources specialist; former Director, Learning and Development, Citizenship and Immigration Canada

EGAL RACHED, REGIONAL DIRECTOR, MIDDLE EAST AND NORTH AFRICA, EGYPT

Renewable resources and agriculture specialist; former Chief Scientist, Food Security, IDRC

CHANTAL SCHRYER, DIRECTOR, COMMUNICATIONS AND GOVERNMENT RELATIONS

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 Senior Financial Officer, Canadian Nuclear Safety Commission

Human Resources Management

Governance of human resources

Under the general direction of the Board of Governors, the President is accountable for the overall management of IDRC's human resources. In addressing human resources issues, IDRC's managers and staff work within a governance structure referred to as the "Advisory Model," a consultative decision-making mechanism through which human resources policies, programs, and services are delivered.

The model includes the Human Resources Management Committee, chaired by the Vice-President, Resources, as well as a subcommittee, the Advisory Committee on Regional Offices, which is chaired by a Regional Director. Both committees are composed of managers and Staff Association representatives who advise the President and the Senior Management Committee on human resources issues and initiatives that are of a more strategic nature. In 2006/07, IDRC adopted a series of human resources policies and established the foundations of the Human Resources Strategic Plan 2007–2010, which includes three main themes, to address future challenges.

The human resources management context

IDRC is widely recognized for its outstanding staff — scientists and researchers, as well as managers, analysts, and other professional staff — who work at its head office in Ottawa, as well as in six regional offices around the world. Because IDRC is a Crown corporation, its Ottawa-based employees are subject to the provisions of the *Canada Labour Code* and applicable federal *Labour Standards Regulations*. Employees working in IDRC's regional offices may be subject to certain aspects of Canadian employment law, as well as certain legislative provisions and local employment practices of the countries in which they work. The Director and staff of the Human Resources Division work in close collaboration with management, employees, and the Centre's Staff Association to develop human resources policies, guidelines, programs, and practices that contribute to attracting and retaining skilled workers. As well, the Centre's new Code of Conduct, approved by the Board in November 2006, articulates its values and the commitments of its managers and employees to act in a respectful and ethical manner.

Performance indicators are used to demonstrate good human resources management and to ensure institutional coherence. Among other things, Human Resources Division staff examine retirement projections by grade and program area, as well as the representation of designated groups and of each of Canada's two official language groups. It also analyzes data regarding the time required to fill positions, candidate per position ratios, relative rates of sick leave use, and the exercise of rights of recourse. These analyses enable IDRC to assess how effectively it is managing its workforce and its human resources processes, as well as its capacity to

address issues related to work climate and organizational culture.

Senior managers periodically receive communications, results of consultations, and reports on performance, the work climate, and trends in human resources management that set out the reasons for decisions taken. At the operational level, the Human Resources Division applies a variety of approaches to human resources management, which ensures both the efficient operation of the Centre and a high level of morale among its employees. This is in compliance with human resources strategic priorities. For example, the Centre has

- a salary structure that is “market-based” and competitive with other organizations engaged in comparable work;
- a pay process through which employees are recompensed on the basis of their performance;
- a merit-based staffing process for the recruitment and promotion of its employees;
- a performance assessment process that is completed for all employees on an annual basis;
- an extensive health and well-being program; and
- a process to evaluate learning and training needs that takes the fundamental needs of the Centre into account.

The Intranet and Web pages, as well as communiqués and various ad hoc messages, provide employees in the Ottawa and regional offices with information about the Centre’s human resources services, policies, and programs.

Linking human resources management and business planning

The Human Resources Division works to ensure that the activities of the Human Resources Strategic Plan correspond to the objectives of the Corporate Strategy and Program Framework 2005–2010, and thus contribute to achieving the Centre’s administrative and research objectives. Progress realized in 2006/07 in relation to a number of initiatives articulated in the Strategic Human Resources Plan, includes:

- In accordance with the conceptual framework for IDRC’s approach to learning approved by the Senior Management Committee, the Learning Framework

Working Group developed and launched tools that, among other things, can better delineate staff learning needs thanks to individual learning plans. Together with the Human Resources Division, the Working Group also coordinated this year’s discussion sessions on the Employment Philosophy. The sessions covered learning concepts and tools and ways to improve practices. Finally, work continued to improve the orientation program for new employees.

- IDRC continued to review the classification of positions for locally engaged employees working in its regional offices. Using a common classification standard for all regional positions, the review made it possible to specify and adjust the functions and pay scales in the offices involved.
- After Centre-wide discussions in 2005/06 on ethics and workplace values, IDRC adopted a Code of Conduct this year that meets the requirements of the *Public Servants Disclosure Protection Act*. The Centre also named a senior officer who will be responsible for receiving disclosures and complaints made under the Act, through an appropriate internal mechanism.
- A senior management competency profile was also adopted this year to promote assessment of members of that group.

Support for and promotion of Canadian government programs

Official languages

The Centre actively promotes the spirit and intent of the *Official Languages Act* both internally and externally. The Centre hires employees from 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. The Centre has also increased its efforts to reach out to English and French language minority communities in Canada.



IDRC: Greg Teckles



IDRC: Greg Teckles



IDRC: Greg Teckles

IDRC is widely recognized for its outstanding staff.

Employment equity

IDRC is, by its very nature, focused on “equity” in its broadest terms. The Centre is also true to its obligations under the *Employment Equity Act*. Noted for its representation of designated groups within its staff, IDRC achieved a slight increase, in 2006/07, in the representation of visible minorities.

IDRC staff: Full-time equivalents at 31 March 2007					
	2007/08	2006/07			2005/06
	Budget	Budget	Actual	Variance	Actual
Head office	281	272	264	8	243
Ottawa-hired regional employees	41.5	40	38	2	36
Locally engaged staff in regional offices	100.5	97	95	2	92
Subtotal	423	409	397	12	371
Externally funded project staff	47	53	49	4	55
Total	470	462	446	16	426

Financial Management Discussion and Analysis

Income statement discussion

Revenues

(\$000)	2007–2008	2006–2007			2005–2006	% change actual ^a
	Budget	Revised budget	Actual	Variance	Actual	
Total revenue	183 656	168 342	170 065	1 723	152 780	11.3%
Parliamentary appropriations	145 958	137 494	144 760	7 266	131 955	9.7%
Donor partnerships						
Funding for development research programs	32 346	24 874	18 618	(6 256)	16 010	16.3%
Recovery of administrative costs	3 230	2 569	1 908	(661)	1 572	21.4%
Investment income	1 670	2 194	2 210	16	1 406	57.2%
Other income	452	1 211	2 569	1 358	1 837	39.8%

^a % change actual in 2006–2007 over 2005–2006.

The Centre's funding is derived from five different sources: Parliamentary appropriations, donor partnerships, recovery of administrative costs, investment income, and other income.

The Centre receives different types of **Parliamentary appropriations**. The Parliamentary appropriation represents the Centre's share of Canada's Official Development Assistance (ODA) envelope. 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 \$7.3 million higher than budgeted. This increase is mainly due to two transfers: \$5.6 million for projects that strengthen and consolidate networks of researchers and practitioners with a view to influencing social and economic policy and to improving healthcare delivery, both of which are of interest to the Canadian International Development Agency (CIDA); and \$2.7 million for joint programming with the Canadian Institutes of Health Research (CIHR), within the Global Health Research Initiative. These increases are offset by lower revenues than budgeted of \$1.5 million for the Institute for Connectivity in the Americas (ICA), funded through a supplementary Parliamentary appropriation. The latter variance is related to diminished activities while restructuring ICA. The Centre's Parliamentary funding for fiscal year 2007–2008 is expected to increase by 6.2% compared to the 2006–2007 budget as a result of the Government of Canada's commitment to increase the International Assistance Envelope (IAE) and additional revenues for continued joint programming with CIHR.

Revenues from **donor partnerships** relate specifically either to funding targeted to specific research projects conducted or managed by the Centre on behalf of other organizations, within existing development research programs, or to contributions applied to entire development research programs. The total revenue for donor partnerships for the year was \$18.6 million, or \$6.3 million lower than budgeted. The difference is primarily due (about 50%) to the Climate Change Adaptation in Africa program co-funded with the UK Department for International Development (DFID). The delayed start-up of the program because of complexities in international recruitment and the sudden mid-year loss of a key staff member resulted in

the bulk of the research activities being approved in the last quarter of the fiscal year. As a result, a significant portion of the planned disbursements did not take place in 2006–2007. Finally, fewer agreements than expected were signed during the year, which accounts for the remainder of the difference.

The 2007–2008 budget shows an anticipated increase of 30% in revenues, mainly due to the continued implementation of new agreements from 2006–2007 and the signature of a number of new contracts with DFID, CIDA, the Swiss Agency for Development and Cooperation (SDC), and Microsoft.

The revenue from the **recovery of administrative costs** represents the amount that the Centre charges to administer external funds. The 2006–2007 revenue was slightly under budget (\$0.7 million). Since the recovery of administrative costs from donor partnership contracts is proportionate to donor partnership revenues recognized, the total variance in this area is proportional to the variance in the revenues recognized from donor partnerships. The budget for 2007–2008 is proportionately higher because of an expected increase in donor partnership revenues.

The Centre is authorized to invest available cash in money market instruments. For 2006–2007, the **investment income** amounted to \$2.2 million. Next year's budget shows a decrease, mainly due to a large cash outlay early in the fiscal year related to leasehold improvement costs for the new head office facilities and delays in the receipt of the Centre's increase in its Parliamentary appropriation, which is not expected until the end of the third quarter of 2007–2008.

Other income includes revenues associated with subleasing office space, conference and catering facilities, parking fees, and other miscellaneous items. Income from these sources was \$2.6 million. The increase of nearly \$1.4 million in revenue comes from the recovery of municipal "Property Tax Relief." The 2007–2008 revenues for other income are lower because the conference and catering facilities will not be operational during the move to the new head office.

Expenses

(\$000)	2007–2008	2006–2007		2005–2006	% change actual ^a	
	Budget	Revised budget	Actual	Variance		Actual
Total expenses	193 972	172 130	160 616	(11 514)	150 879	6.5%
Development research programs						
Funded by Parliamentary appropriations	98 300	87 999	82 677	(5 322)	79 229	4.4%
Funded by donor partnerships	32 346	24 874	18 618	(6 256)	16 010	16.3%
Development research support	35 388	33 087	32 604	(483)	30 709	6.2%
Administrative services	27 938	26 170	26 717	547	24 931	7.2%

^a % change actual in 2006–2007 over 2005–2006.

The Centre's expenses are segregated based on a three-tier cost structure. This structure distinguishes between development research programs, knowledge-intensive research program 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 administered by IDRC as part of its ongoing programs. For 2006–2007, the share of research program expenses funded by Parliamentary appropriations was \$82.7 million. The \$5.3 million variance between actual and budgeted expenses is attributable to slower spending for the Institute for Connectivity in the Americas of \$1.5 million (refer to the Revenues section for an explanation); to the strength of the Canadian dollar, which has increased purchasing power in most developing countries compared to the time when ongoing projects were approved; and to delayed project payments in the amount of \$3.8 million, given that the payment conditions included in agreements were not met at the end of the fiscal year.

The year-over-year increase in expenses for development research programs funded by Parliamentary appropriations is linked to increased Parliamentary appropriation revenues. As the Parliamentary appropriation increases, the Centre allocates more resources to development research programs.

The share of development research program expenses funded by donor partnerships totaled \$18.6 million, or \$6.3 million lower than budget. The Revenues section above provides an explanation for this variance. The increase in the 2007–2008 budget for development research programs funded by donor partnerships is attributable to the anticipated signature of a number of large program agreements.

Development research support represents the costs of knowledge-intensive activities in support of development research programs, including the cost of in-house technical support, program complements, and program management. Development research support expenses amounted to \$32.6 million, or \$0.4 million lower than budgeted. This minor variance (1.5%) is attributed to increased recovery of expenses from donors for specific project operations costs as well as savings in research information management activities due to the timing of expenses. Development research support expenses are expected to increase by 7% in 2007–2008 over the 2006–2007 budget. The increase is a result of salary and benefits adjustments, attribution of the ICA operational costs to the development research support expenses, and increases in travel costs.

Administrative services provides 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 \$26.7 million: variances of \$0.5 million when compared to budget are mainly due to salary adjustments and increased benefits (retirement/severance allowances) for locally hired staff, along with increased expenses for the Centre's new head office facilities. The 2007–2008 administrative services expenses are 6.8% higher than the 2006–2007 budget due to salary and benefit adjustments and expenditures associated with the Centre's new head office.

Balance sheet discussion

Assets

(\$000)	2006–2007	2005–2006	% change actual ^a
	Actual	Actual	
Total Assets	71 762	55 023	30.4%
Cash and cash equivalents	21 836	33 839	-35.5%
Investments	31 720	10 338	206.8%
Accounts receivables and prepaid expenses	12 087	5 471	120.9%
Long-term assets	6 119	5 375	13.8%

^a % change actual in 2006–2007 over 2005–2006.

The level of **cash and cash equivalents, as well as investments**, results from the Centre receiving funds in advance of actual spending. These funds are invested in money market instruments. Cash equivalents represent readily convertible investments with maturity of three months or less from the date of acquisition. IDRC has obligations to pay its staff, its operational costs in the pursuit of its mandate, and its grant recipients as per the contracts signed. The cash and cash equivalents, as well as investments, are to pay those obligations over the course of a fiscal year.

Cash, cash equivalents, and investments

(\$000)	2006–2007			2005–2006	% change actual ^a
	Cash and cash equivalents	Investments	Total	Actual	
Total	21 836	31 720	53 556	44 177	21.2%
Unrestricted	4 143	26 446	30 589	29 622	3.3%
Externally restricted	15 274	3 274	18 548	14 555	27.4%
Internally restricted	2 419	2 000	4 419	—	

^a % change actual in 2006–2007 over 2005–2006.

The Centre accounts for funds received for specific purposes as externally restricted. In addition, the Centre internally restricts a portion of its funds for large multi-year capital projects. All other funds are considered unrestricted and include the financial planning reserve.

The increase of \$4.0 million in the externally restricted portion is attributable to funds being received in advance of disbursements for donor partnerships activities.

The internally restricted cash, cash equivalents, and investments represent \$4.4 million as at 31 March 2007. This amount will be used in 2007–2008, largely to finance the cost of the move of the head office.

Accounts receivable and prepaid expenses totaled \$12.1 million: this represents an increase of \$6.6 million compared to the 31 March 2006 balance, which is mainly attributable to the outstanding accounts receivable for the \$5.6 million transfer (refer to the Revenues section for explanations).

Long-term assets are composed of capital assets. As at 31 March 2007, they totaled \$6.1 million, up \$0.7 million from last year. The increase is due to the leasehold improvement costs for the Centre's new head office facilities.

Liabilities

(\$000)	2006–2007	2005–2006	% change actual ^a
	Actual	Actual	
Total Liabilities	48 972	41 527	17.9%
Accounts payable and accrued liabilities	15 890	14 209	11.8%
Deferred revenue	21 315	16 286	30.9%
Deferred revenue — capital funding	6 119	5 375	13.8%
Other long-term liabilities	5 648	5 657	-0.2%

^a % change actual in 2006–2007 over 2005–2006.

Accounts payable and accrued liabilities are part of the regular operations of the Centre and represent such things as payments to suppliers, grants payable to recipients, and salaries and annual leave benefits owed to employees. At the end of March 2007, the accounts payable and accrued liabilities totaled \$15.9 million, up \$1.7 million from 31 March 2006. The increase is due to the change in payment terms adopted during the year.

Deferred revenue includes the unspent portion of funds received or receivable from donor partnership activities and the supplementary Parliamentary appropriation. The year-end closing balance was \$21.3 million, up \$5.0 million from 2006. The increase is attributable to the receipt of funds following the signature of large program partnership agreements with DFID and CIDA.

Deferred revenue — capital funding represent the portion of the Parliamentary appropriations used for the purchase of capital assets. The increase relates to the capital assets purchased in the current year.

Other long-term liabilities include a provision for employee future benefits and deferred rent charges on the current head office lease.

Equity

(\$000)	2007–2008	2006–2007			2005–2006	% change actual ^a
	Budget	Revised budget	Actual	Variance	Actual	
Total Equity	5 934	9 553	22 790	13 237	13 496	68.9%
Unrestricted	—	4 141	12 959	8 818	8 496	52.5%
Restricted	—	—	4 419	4 419	—	
Reserved	5 934	5 412	5 412	—	5 000	8.2%

^a % change actual in 2006–2007 over 2005–2006.

This year, Centre management has opted for an improved presentation of the Centre's equity position. The unrestricted equity at year-end was \$8.8 million higher than budgeted. The variance is attributable to higher revenues than budgeted (refer to the Revenues section for explanations) and lower than budgeted expenditures for development research programs funded by Parliamentary appropriations (refer to the Expenses section for explanations). Most of the higher revenue came in the last quarter of the year, which left insufficient time for the funds to be used responsibly within the fiscal year.

Two years ago, the Centre established a financial planning reserve in order to protect its financial position. The new equity presentation allows a proper depiction of this reserve. Having a reserve is important for a number of reasons: the funding modality and contractual arrangements with project recipients are evolving; the timing of program spending is not entirely controlled by the Centre as it depends to a large extent on the performance of recipients; small variances in project expenditure patterns have a significant impact on total expenditures; the funding received from the Canadian government (i.e., Parliamentary appropriations) is not fully predictable; and Centre management wishes to maintain a relatively steady level of program allocations over time.

In addition, this year, the Centre has restricted a portion of the equity, in the sum of \$4.4 million, for capital assets to be purchased in 2007–2008. This restricted equity represents the Centre's contractual obligation on the leasehold improvements required for its new head office.

Other key financial targets discussion

Outstanding commitments on development research programs

(\$000)	2006–2007	2005–2006	% change actual ^a
	Actual	Actual	
Total outstanding commitments	130 720	110 907	17.9%
Funded by Parliamentary appropriations	110 030	93 619	17.5%
Funded by donor partnerships	20 690	17 288	19.7%

^a % change actual in 2006–2007 over 2005–2006.

As at 31 March 2007, the Centre is committed to making payments of up to \$130.7 million on research projects and activities over the next five years. This commitment is subject first to funds being provided by Parliament and by donor partners and, second, to recipient compliance with the terms and conditions of their grant agreements. The higher level of project approvals during the fiscal year resulted in increased **outstanding commitments** of \$19.8 million over last year's \$110.9 million.

Of the total **outstanding commitments**, the Centre's Parliamentary appropriations are expected to cover \$110.0 million while the remaining \$20.7 million will come from funding obtained through donor partnerships.

Program allocations

(\$000)	2007–2008	2006–2007		2005–2006	% change actual ^a	
	Budget	Revised budget	Actual	Variance		Actual
Total program allocations	157 308	154 120	141 442	(12 678)	113 461	24.7%
Development research programs						
Funded by Parliamentary appropriation	112 000	112 500	112 832	332	97 249	16.0%
Funded by supplementary appropriation — ICA	889	3 378	1 426	(1 952)	1 415	0.8%
Funded by donor partnerships	44 419	38 242	27 184	(11 058)	14 797	83.7%

^a % change actual in 2006–2007 over 2005–2006.

Program allocations represent the funds approved for new projects within IDRC's development research programs. The majority (75%) of the \$141.4 million program allocations made in 2006–2007 were committed during the 2006–2007 fiscal year. Expenses therefore started for those committed projects in 2006–2007 and will continue over their individual lifespan. The increase in the Centre's Parliamentary appropriation resulted in a year-over-year increase in program allocations funded by Parliamentary appropriation. The **program allocations of donor partnership funds** were \$11.0 million lower than anticipated. This variance is mainly explained by the delays in approving research activities on the Climate Change Adaptation in Africa program (refer to the Revenues section for an explanation) as well as lower than anticipated signature of donor partnerships.

Outlook for the future

Fiscal Year 2007–2008

The income statement discussion contains detailed explanations of significant variances between the 2007–2008 and the 2006–2007 budgets. The paragraphs below summarize the key variances in revenues and expenses and outline the projected closing equity for 2007–2008.

The Centre's budget for fiscal year 2007–2008 features a 9.1% increase in revenues and a 12.7% increase in total expenses compared to the 2006–2007 budget. It has been confirmed that the Centre's Parliamentary appropriation for 2007–2008

will be increased by a net \$9.5 million dollars. This increase emanates from the Centre's participation in the process wherein various stakeholders compete for a share of the annual increase that the Government of Canada makes available for the International Assistance Envelope (IAE). The increase in donor partnerships activities also contributes significantly to the increase in revenues for 2007–2008. Much of the planned increase is based on the forecast of contracts signed as at 1 April 2007.

The 2007–2008 **development research programs expenditures** funded by Parliamentary appropriations are budgeted at \$98.3 million, an increase of \$10.3 million from the 2006–2007 revised budget. The growth in development research program expenditures funded by Parliamentary appropriations comes from having increased program allocations for several years in a row and reflects the Centre's commitment to increasing the available resources for programming activities.

The 2007–2008 expenditure budget for **development research support** and **administrative services** is set at \$63.3 million, up \$4.0 million from the 2006–2007 revised budget. The key factors contributing to the increase include: salary and benefits adjustments, attribution of the ICA operational costs to the development research support expenses, and increases in travel costs.

The closing equity for the 2007–2008 fiscal year is projected at \$5.9 million. This represents the financial planning reserve that allows the Centre to protect its financial position. As the Centre reviews its 2007–2008 budget, it may decide to restrict a portion of its equity in order to finance upcoming capital projects.

The Centre will move its head office facilities in October 2007. The completion of the new office premises will require significant financial resources, as would have been the case had the Centre opted to refit its existing premises under the terms of a new lease. The Centre's finances for 2007–2008 have been adjusted to reflect the expenditures associated with the relocation of head office.

The **development research program allocations** funded by Parliamentary appropriation have been established at \$112.0 million. The Program allocation level will be revised as a result of management's analysis of projected expenditure patterns within the project portfolio's outstanding commitments of \$110.0 million.

Fiscal year 2008–2009

The Centre will be an active participant in whatever process is in place to determine stakeholder share of the International Assistance Envelope. As such, the Centre hopes to secure a further increase of its Parliamentary appropriation. As well, the Centre will continue to explore new partnership possibilities. The additional funding generated from these two sources would allow IDRC to allocate more resources to its development research programs.

The development research support and administrative expenses will be adjusted for inflation and other factors deemed necessary for the operations of the Centre.

Five year historical review

(\$000)	Budget	Actual				
	2007–2008	2006–2007	2005–2006 ^{a,b}	2004–2005 ^a	2003–2004	2002–2003
Income statement						
Revenues						
Parliamentary appropriations	145 958	144 760	131 955	122 340	107 932	97 603
Donor partnerships						
Funding for development research programs	32 346	18 618	16 010	14 399	14 508	36 505
Recovery of administrative costs	3 230	1 908	1 572	1 380	1 162	1 218
Investment income	1 670	2 210	1 406	1 224	1 303	1 140
Other income	452	2 569	1 837	1 423	1 413	1 565
Expenses						
Development research programs						
Funded by Parliamentary appropriation	98 300	82 677	79 229	77 094	62 561	61 389
Funded by donor partnerships	32 346	18 618	16 010	14 399	14 508	36 505
Development research support	35 388	32 604	30 709	24 078	21 632	20 152
Administrative services	27 938	26 717	24 931	24 867	24 469	21 892
Net results from continuing operations	(10 316)	9 449	1 901	328	3 148	(1 907)
Net results from discontinued operations	—	(155)	(1 802)	1 957	—	—
Program allocations						
Development research programs						
Funded by Parliamentary appropriation	112 000	112 832	97 249	86 275	75 265	62 855
Funded by supplementary appropriation — ICA	889	1 426	1 415	7 038	4 389	1 916
Funded by donor partnerships	44 419	27 184	14 797	14 302	16 797	30 822

(\$000)	Actual				
	2006–2007	2005–2006	2004–2005	2003–2004	2002–2003
Balance sheet					
Assets					
Cash and cash equivalents	21 836	33 839	32 946	38 277	30 173
Investments	31 720	10 338	11 753	2 983	3 484
Accounts receivables and prepaid expenses	12 087	5 471	5 397	4 514	6 636
Long-term assets	6 119	5 375	7 296	5 805	8 914
Liabilities					
Accounts payable and accrued liabilities	15 092	12 842	13 044	9 575	9 822
Deferred revenue	21 315	16 286	18 099	18 788	16 729
Deferred revenue — capital assets	6 119	5 375	5 945	5 805	5 931
Long-term liabilities	6 446	7 024	6 907	6 301	5 778
Equity					
Unrestricted	12 959	8 496	13 397	11 112	7 964
Restricted and reserved	9 831	5 000	—	—	—
Outstanding commitments					
Funded by Parliamentary appropriations	110 030	93 619	84 864	72 446	64 532
Funded by donor partnerships	20 690	17 288	18 382	15 908	19 131

^a The actual figures for 2005–2006 and 2004–2005 are consolidated with the assets, liabilities and results of E-link Americas (refer to Note 15 of Financial Statements for more information).

^b Certain accounts were reclassified to conform to the financial presentation for this year.

{ 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 by-laws of the Centre. Throughout the current year, the Centre had an outsourced internal audit service whose functions included reviewing internal controls and their application on an ongoing basis. This service was complemented by an internal senior risk management specialist.

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
1 June 2007



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 balance sheet of the International Development Research Centre as at 31 March 2007 and the statements of operations, 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 financial statements present fairly, in all material respects, the financial position of the Centre as at 31 March 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Centre that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the applicable provisions of Part X of the *Financial Administration Act*, the *International Development Research Centre Act* and the by-laws of the Centre.

Richard Flageole, FCA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
1 June 2007

Balance Sheet

as at 31 March 2007
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Assets		
Current		
Cash and cash equivalents (Note 3)	21 836	33 839
Investments (Note 4)	31 720	10 338
Accounts receivable (Note 5)	10 439	3 503
Prepaid expenses	<u>1 648</u>	<u>1 968</u>
	65 643	49 648
Capital assets (Note 6)	<u>6 119</u>	<u>5 375</u>
	<u>71 762</u>	<u>55 023</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	15 890	14 209
Deferred revenue (Note 7)	<u>18 449</u>	<u>12 115</u>
	34 339	26 324
Deferred revenue (Note 7)	8 985	9 546
Employee future benefits (Note 8)	5 648	4 859
Deferred rent — head office	<u>—</u>	<u>798</u>
	48 972	41 527
Equity		
Unrestricted	12 959	8 496
Restricted and reserved	<u>9 831</u>	<u>5 000</u>
	22 790	13 496
	<u>71 762</u>	<u>55 023</u>
Commitments (Note 11)		
Contingencies (Note 12)		

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



Gordon S. Smith
Chairman
Board of Governors



Denis Desautels
Chairman
Finance and Audit Committee

Statement of Operations

for the year ended 31 March 2007
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Revenues		
Donor partnerships		
Funding for development research programs (Note 9)	18 618	16 010
Recovery of administrative costs (Note 9)	1 908	1 572
Investment income	2 210	1 406
Other income	<u>2 569</u>	<u>1 837</u>
	<u>25 305</u>	<u>20 825</u>
Expenses		
Development research programs		
Funded by Parliamentary appropriations	82 677	79 229
Funded by donor partnerships	<u>18 618</u>	<u>16 010</u>
	101 295	95 239
Development research support		
Technical support	18 473	17 793
Program complements	8 264	7 604
Program management	<u>5 867</u>	<u>5 312</u>
	32 604	30 709
Administrative services		
Administration	20 494	19 594
Regional office management	<u>6 223</u>	<u>5 337</u>
	26 717	24 931
Total Expenses (Schedule I)	<u>160 616</u>	<u>150 879</u>
Cost of operations before government funding	(135 311)	(130 054)
Parliamentary appropriation (Note 10)	140 388	126 388
Supplementary Parliamentary appropriation (Note 10)	1 888	3 212
Amortization of deferred funding — capital assets (Notes 6 & 7)	<u>2 484</u>	<u>2 355</u>
	144 760	131 955
Net results from continuing operations	9 449	1 901
Net results from discontinued operations (Note 15)	<u>(155)</u>	<u>(1 802)</u>
Net results of operations	<u>9 294</u>	<u>99</u>

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

Statement of Equity

for the year ended 31 March 2007

(in thousands of dollars)

	2007			Total	2006
	Unrestricted	Restricted	Reserved		
Equity, beginning of the year	8 496	—	5 000	13 496	13 397
Net results from operations	9 294			9 294	99
Transfers	(4 831)	4 419	412	—	—
Equity, end of the year	12 959	4 419	5 412	22 790	13 496

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

Statement of Cash Flows

for the year ended 31 March 2007
(in thousands of dollars)

	<u>2007</u>	<u>2006</u>
Operating activities		
Net results of operations	9 294	99
Items not affecting cash		
Amortization of capital assets	2 484	2 368
Amortization of deferred revenue — capital assets	(2 484)	(2 355)
(Gain) loss on disposal of capital assets	(13)	1 174
Employee future benefits	789	528
Deferred rent	(798)	(1 367)
Deferred revenue — long-term (Note 7)	<u>(1 305)</u>	<u>(257)</u>
	(1 327)	91
Change in non-cash operating items:		
Accounts receivable	(6 936)	607
Prepaid expenses	320	(681)
Accounts payable and accrued liabilities	1 681	795
Deferred revenue donor partnerships — current (Note 7)	<u>6 334</u>	<u>(1 556)</u>
	1 399	(835)
Cash flows from (used in) operating activities	<u>9 366</u>	<u>(645)</u>
Financing activities		
Parliamentary appropriation for capital expenditures	<u>3 228</u>	<u>1 785</u>
Cash flows from financing activities	3 228	1 785
Investing activities		
Purchase of investments	(101 180)	(57 539)
Maturity of investments	79 798	58 953
Acquisition of capital assets	(3 236)	(2 304)
Proceeds from the disposition of capital assets	<u>21</u>	<u>643</u>
Cash flows used in investing activities	(24 597)	(247)
(Decrease) increase in cash and cash equivalents	(12 003)	893
Cash and cash equivalents, beginning of the year	<u>33 839</u>	<u>32 946</u>
Cash and cash equivalents, end of the year	<u>21 836</u>	<u>33 839</u>

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

Notes to the Financial Statements

for the year ended 31 March 2007

(in thousands of dollars unless otherwise stated)

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 primarily through an annual appropriation received from the Parliament of Canada. In accordance with section 85(1) of the *Financial Administration Act*, the Centre is exempt from Divisions I to IV of Part X of the Act, except for sections 131 to 148 of Division III. The Centre is a registered charity and is exempt under section 149 of the *Income Tax Act* from the payment of income tax.

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.

The Centre held a controlling interest in E-Link Americas, a not-for-profit organization incorporated in 2004 under the *Canada Corporations Act*. On January 25, 2006 the Board of Directors for the E-Link Americas Corporation resolved that the organization should proceed with an orderly wind-down of the company. Accordingly, the results of operations and financial position for E-Link have been reported as discontinued operations for all periods presented.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

The significant accounting policies of the Centre are:

a. Revenue recognition

i) Parliamentary appropriations and deferred revenue — capital funding

Parliamentary appropriations are recorded as revenue in the year for which they are appropriated. The portion of the Parliamentary appropriation used for the purchase of capital assets is recorded as deferred revenue on the Balance Sheet, along with all other deferred revenues, and is amortized into income on the same basis and over the same period as the related assets.

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

ii) Donor partnerships

Funds received or receivable in respect of donor partnership agreements are recorded as deferred revenues.

These deferred revenues are recognized as revenues in the year in which the related expenses are incurred.

iii) Investment and other income

Investment income is recorded on an accrual basis and includes realized gains and losses on disposal of investments. All other revenues are recorded on the accrual basis of accounting.

b. 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. 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.

c. Capital assets and amortization

Capital assets are recorded at cost and amortized 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 to 10 years
Office furniture and equipment	5 years
Vehicles	3 to 7 years
Communications systems	5 years
Leasehold improvements	Remaining term of lease

d. Cash and equivalents

Cash and equivalents include balances with banks and short-term money market funds with maturities of 90 days or less from the balance sheet date.

e. Investments

Investments are recorded at the lower of cost or market value. Investments may be sold in response to changes in the Centre's liquidity requirements.

f. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary items are translated at rates in effect when the assets were acquired or obligations incurred. Revenue and expense items are translated at a weekly average rate of exchange. Exchange gains and losses are included in determining net results for the year. The Centre does not hedge against foreign currency fluctuations.

g. Employee future benefits

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.

iii) Severance benefits

Employees are entitled to severance benefits, as provided for under their conditions of employment. Management determines the accrued obligation for severance benefits using a method based on 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 of the expense.

i. Equity

The Centre's equity consists of the accumulation of revenues over expenditures from operations and includes unrestricted, restricted, and reserved amounts. A portion of the 2006–2007 Parliamentary appropriation was internally restricted by management to finance the cost of the move of the Centre's head office during 2007–2008. Variances in program spending can have a significant impact on the equity balance. One of the objectives of the Centre's equity policy is to ensure that a sufficient balance is available to absorb these program expenditure variances. Management earmarks a minimum of 4% and a maximum of 7% of the Parliamentary appropriation as a financial planning reserve. The value of the reserve is established each year during the budgeting process.

j. 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, as well as 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 where estimates are used. Actual results could differ from those estimated.

k. Future accounting changes

In January 2005, the Canadian Institute of Chartered Accountants (CICA) issued the following two accounting standards that will affect the Centre:

Section 3855 Financial Instruments – Recognition and measurement: This standard sets out criteria for the recognition, de-recognition, measurement and classification of financial instruments. The Centre will be required to categorize its financial assets as held for trading, held to maturity, available for sale, or as receivables. The related accounting treatment will be dependent on the classification.

- Financial assets classified as *held-for-trading* will be measured at fair value with gains and losses recognized in net results of operations.
- Financial assets classified as *held-to-maturity* and loans and receivables will be measured at amortized cost.
- Financial assets classified as *available-for-sale* will be measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Section 1530 Comprehensive Income: This standard required certain gains and losses that would otherwise be recorded as part of net results, to be presented in other comprehensive income until it is considered appropriate to be recognized in net results. The Centre may be required to present a new financial statement titled Comprehensive Income to record such amounts until they are realized.

These new standards, as applicable, will come into effect for the Centre's 2007–2008 fiscal year. They will be applied on a prospective basis.

3. Cash and cash equivalents

	<u>2007</u>	<u>2006</u>
Unrestricted	4 143	23 888
Externally restricted	15 274	9 951
Internally restricted	2 419	—
	<u>21 836</u>	<u>33 839</u>

The Centre invests in the short-term money market in instruments rated R-1 (low risk) or better by the Dominion Bond Rating Service. The investment portfolio contains no significant concentration of credit risk.

The average yield as at 31 March 2007 is 4.31% (2006: 3.72%) and the average term to maturity at the time of purchase is 80 days (2006: 86 days). The fair market value of these investments approximates the net book value.

Cash and cash equivalents are externally restricted for donor partnerships, supplementary appropriations, and endowments. A portion of the 2006–2007 Parliamentary appropriation was internally restricted by management to finance the cost of the move of the Centre's head office during 2007–2008.

4. Investments

	<u>2007</u>	<u>2006</u>
Unrestricted	26 446	5 734
Externally restricted	3 274	4 604
Internally restricted	2 000	—
	<u>31 720</u>	<u>10 338</u>

The Centre invests in the money market in instruments rated R-1 (low risk) or better by the Dominion Bond Rating Service. The investment portfolio contains no significant concentration of credit risk.

The average yield as at 31 March 2007 is 4.28% (2006: 3.80%) and the average term to maturity at the time of purchase is 146 days (2006: 111 days). The fair market value of the investment portfolio at year-end approximated the net book value.

Investments are restricted for donor partnerships, supplementary appropriations, and endowments. A portion of the 2006–2007 Parliamentary appropriation was internally restricted by management to finance the cost of the move of the Centre's head office during 2007–2008.

5. 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 (55%) of accounts receivable represents a Parliamentary appropriation from the federal government and 23% is due from the Canadian International Development Agency (CIDA) and do not present significant credit risks. Of the total accounts receivable balance, \$3 195 (2006: \$2 171) pertains to development research programs funded by donor partnerships.

6. Capital assets

	<u>2007</u>			<u>2006</u>
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	4 571	2 151	2 420	664
Software	7 804	6 403	1 401	1 691
Computer equipment	7 276	6 043	1 233	1 889
Office furniture and equipment	2 179	1 560	619	583
Vehicles	1 081	761	320	375
Communications systems	436	310	126	173
	<u>23 347</u>	<u>17 228</u>	<u>6 119</u>	<u>5 375</u>

Amortization expense for the year is \$2 484 (2006: \$2 368).

7. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor partnership activities, the portion of the Parliamentary appropriation used for the purchase of capital assets, and the unspent portion of the supplementary Parliamentary appropriation (see Note 10). Details of these balances are as follows:

a. Donor partnership funding for development research programs

	<u>2007</u>	<u>2006</u>
Current	16 149	9 332
Long-term	<u>1 477</u>	<u>1 377</u>
	<u>17 626</u>	<u>10 709</u>

Of the total deferred donor partnership funding, CIDA accounts for \$3 747 (2006: \$2 583) of which \$1 409 (2006: \$1 579) was received during the year and \$2 338 (2006: \$1 004) is receivable at year-end.

b. Parliamentary appropriation — capital funding

	<u>2007</u>	<u>2006</u>
Balance at beginning of year	5 375	5 945
Parliamentary appropriation for capital expenditures	3 228	1 785
Amortization	<u>(2 484)</u>	<u>(2 355)</u>
Balance at end of year	<u>6 119</u>	<u>5 375</u>

c. Supplementary Parliamentary appropriation — Institute for Connectivity in the Americas

	<u>2007</u>	<u>2006</u>
Current	2 300	2 783
Long-term	<u>1 389</u>	<u>2 794</u>
	<u>3 689</u>	<u>5 577</u>

8. Employee future benefits

a. 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:

	<u>2007</u>	<u>2006</u>
Centre contributions	3 543	3 025
Employee contributions	1 793	1 515

b. 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 \$233 (2006: \$248).

c. Severance Benefits

The Centre provides severance benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded 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:

	<u>2007</u>	<u>2006</u>
Accrued benefit obligation, beginning of year	5 140	4 553
Cost for the year	1 227	853
Benefits paid during the year	<u>(453)</u>	<u>(266)</u>
Accrued benefit obligation, end of year	<u>5 914</u>	<u>5 140</u>
Short-term portion	266	281
Long-term portion	<u>5 648</u>	<u>4 859</u>
	<u>5 914</u>	<u>5 140</u>

9. Donor partnerships

Donor partnership funding for development research programs relates specifically to research conducted or managed by the Centre on behalf of other organizations. This research is funded by CIDA, the United Kingdom's Department for International Development (DFID), several Government of Canada entities, and other donor agencies. A breakdown of the revenue and expense recognition for donor partnerships is provided below:

	<u>2007</u>	<u>2006</u>
CIDA	5 696	6 477
DFID	3 376	180
Government of Canada entities	3 070	3 304
Other donor agencies	<u>6 476</u>	<u>6 049</u>
	<u>18 618</u>	<u>16 010</u>

The Centre recovers administrative costs from the management of donor partnership funding. The total recovery for this year is \$1 908 (2006: \$1 572) of which \$542 (2006: \$607) was from CIDA.

10. Parliamentary appropriations

a. Parliamentary appropriation

	<u>2007</u>	<u>2006</u>
Parliamentary appropriation approved	143 616	128 173
Deferral for capital assets purchased in the current year (Note 7)	<u>(3 228)</u>	<u>(1 785)</u>
Parliamentary appropriation recognized in the statement of operations	<u>140 388</u>	<u>126 388</u>

b. Supplementary Parliamentary appropriation

In September 2001, the Centre received a supplementary Parliamentary appropriation of \$20 million for the Institute for Connectivity in the Americas. For the current fiscal year, the total revenue recognized from this source is \$1 888 (2006: \$3 212).

11. Commitments

a. Program

The Centre is committed to making payments up to \$130.7 million (2006: \$110.9 million) during the next five years subject to funds being provided by Parliament or donors and subject to compliance by recipients with the terms and conditions of grant agreements. Of this amount, \$110.0 million (2006: \$93.6 million) will be covered by funding from future Parliamentary appropriations and the balance of \$20.7 million (2006: \$17.3 million) by funding from donor partnerships. Payments under these contracts are expected to be made over the next five years.

b. Operating

The Centre has entered into various contractual commitments for leases of office premises as well as for leasehold improvements in Canada and abroad and for staff accommodation in various countries. The lease agreements expire at different dates up to 2022. Future payments related to these contractual commitments as at 31 March 2007 are as follows:

2007–2008	13 050
2008–2009	6 016
2009–2010	5 247
2010–2011	5 157
2011–2012	5 091
2012 to 2022	<u>64 845</u>
Total future payments	<u>99 406</u>

12. Contingencies

Various claims have been asserted or instituted against the Centre. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. 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 these claims. In management's opinion, the outcome of these actions is not likely to result in any material liabilities.

13. Related party transactions

In addition to the related party transactions disclosed in Notes 5, 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. The transactions are recorded at the actual amounts, determined to be as per market value.

14. Financial instruments

The Centre's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, and accrued liabilities, which are incurred in the normal course of business. It is management's opinion that the Centre is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The carrying amounts of cash, short-term investments, accounts receivable, accounts payable, and accrued liabilities approximate their fair value because of their short-term maturity.

15. Discontinued operations

As per the Board of Directors' resolution of 25 January 2006, a wind-down of E-Link Americas Corporation was undertaken. As at 31 March 2007, all capital assets were disposed of or written off, the corporation had been dissolved, and all remaining funds returned to the Centre's main bank account. The results of operations and financial position for E-Link have been reported as discontinued operations for all periods presented.

The following table presents selected financial information for E-Link Americas Corporation:

	<u>2007</u>	<u>2006</u>
Revenue	(139)	1 449
Expenses	(16)	(3 251)
Excess (deficiency) of revenue over expenses	<u>(155)</u>	<u>(1 802)</u>
Net assets, beginning of the year	155	1 957
Net assets, end of year	—	155

16. Comparative figures

Certain of the 2006 figures have been reclassified to conform to the financial statements presentation adopted in 2007.

Schedule of Expenses

for the year ended 31 March 2007
(in thousands of dollars)

Schedule I

	2007				2006
	Development Research Programs	Development Research Support	Administrative Services	Total	
Grants	79 245	—	—	79 245	75 555
Salaries and benefits	7 560	23 181	13 523	44 264	39 450
Travel and travel grants	4 845	3 878	951	9 674	9 006
Professional services	5 900	1 313	1 741	8 954	8 966
Accommodations	265	2 522	3 702	6 489	6 302
Amortization	—	55	2 429	2 484	2 356
Communication	375	806	823	2 004	1 786
Training and training grants	1 334	161	316	1 811	2 141
Furniture, equipment and maintenance	237	45	1 525	1 807	738
Meetings and conferences	1 252	147	182	1 581	2 036
Office supplies and expenses	36	59	855	950	1 026
Insurance	2	—	220	222	226
Books and periodicals	52	114	33	199	336
Miscellaneous	192	323	417	932	955
Total expenses on Statement of Operations	101 295	32 604	26 717	160 616	150 879

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