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International
Development
Research
Centre

IDRC

Annual Report
2005–2006

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.

This report is printed on FSC-certified recycled paper made with 100% postconsumer waste fibre. To reduce costs, very few copies have been printed. However, the complete report can be found on the IDRC Web site at www.idrc.ca/ar0506/.

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Message from the Chairman

Fears of an influenza pandemic made headlines this past year, fueled in large part by the emergence of the avian flu virus across Asia, Europe, and parts of Africa and the Middle East. For many developing countries, responding early and effectively to limit the virus' impact will be a daunting task.

In December 2005, staff in IDRC's Singapore office met with pandemic experts, scientists, and members of Asian research granting councils to assess what research skills need to be developed and what information and coordination gaps need to be bridged to control the spread of avian influenza and other emerging diseases. The result was the Asia Research Partnership on Pandemic Influenza, linking scientists, ministries of health, and research communities in Cambodia, Canada, China, Indonesia, Thailand, and Viet Nam.

This example speaks clearly to the value of a Canadian research organization that operates internationally and can assess and respond appropriately to global challenges. IDRC's 2005/06 Annual Report, which I have the pleasure of presenting, chronicles other examples of the Centre's approach to working with developing countries to build local expertise and strengthen their ability to contribute more substantively to solving global problems.

This flexibility to experiment with program choices and to respond to new opportunities is one of the guiding principles of the Centre's Corporate Strategy and Program Framework (CS+PF) 2005–2010, which came into effect this past year. Changes to IDRC's programing structure are based on extensive research and consultation with developing-country partners and others in the research and development field. The Board's role in the development — and now the implementation of the CS+PF — is to warrant programing excellence and ensure that it responds to the needs developing countries have expressed.

A world leader in evaluation

One of the tools on which the Board of Governors as well as Centre management and staff rely is evaluation. External reviews and mid-term and strategic evaluations provide objective assessments of the Centre's programing choices and guide its responses to global challenges. Evaluative thinking is critical to IDRC's programing and management practices.

In fact, the Centre is recognized as a world leader in evaluation, for both accountability and learning purposes. Evaluation tools and methods developed at IDRC are used by Canadian and international public, private, and not-for-profit organizations. IDRC's leadership in evaluation programing was confirmed in an external review of the Evaluation Unit this past year. The review did note, however, the need to tell a better performance story and to better communicate evaluation results. Governors were assured that these points would be addressed through the implementation of the Evaluation Unit's strategic plan, which was developed as a companion piece to the CS+PF and approved by the Board in June 2005.

Charting good governance

Over the course of its history, IDRC has developed and put in place governance and management systems that meet or exceed the highest standards expected of Crown corporations. Building on this tradition, the Board approved new terms of reference for its Finance and Audit Committee in 2005/06. In tandem, management updated the Centre's 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. Current market demand for experienced auditors has made it difficult to recruit and retain senior auditors. To maintain the quality of this service at its current high level, management moved proactively to outsource the Centre's audit functions. The Board and management will 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.

In October 2005, Governors reviewed a draft of a new Board Charter. The Charter clearly defines the roles and responsibilities of Governors and builds upon the 2004 Philosophy of Governance that outlined the principles guiding the Board's own operation. Governors will finalize the Board Charter in the coming year.

Every two years, Board members are asked to complete a self-assessment. This process allows Governors and management to fine-tune the functioning of the Board. Practices

initiated by the President and her staff to streamline presentations to the Board and improve information flow to Board members between meetings are examples from this past year's assessment of ways in which feedback from Governors is used.

Managing risk

I note with satisfaction the compliments paid to IDRC and its staff by the Office of the Auditor General (OAG) in their Annual Audit Report. The clean report delivered by the OAG does not, however, mean that improvements can't be made, particularly in risk management.

An integrated approach to risk management is especially important given the nature of IDRC's capacity-building and research mandate. Ensuring that risks are properly assessed and that measures are in place to mitigate them remains a key function of the Board of Governors. As part of the Operational Framework, IDRC is now developing an integrated risk management strategy. A Senior Risk Management Strategist will be recruited to lead this strategy.

Responding to global challenges requires solid relationships with Canadian policymakers and the international development and academic communities. In my duties as IDRC's Chairman, I am in regular contact with officials from various government departments and agencies on issues of importance to the Centre and to Canada. These include the management of the international assistance envelope, science and technology policy in developing countries, and perspectives on regional issues in the Middle East, China, and India, to name a few.

Board renewal

In these discussions, Governors' input has proven invaluable to me. I rely on the insights of Board members, eight of whom are developing-country nationals. IDRC places high value on the expertise of its Board. Succession planning to ensure the quality of future Board candidates falls to the Board's Nominating Committee. The year ahead will be a busy one for the Committee, as 11 Governors of the 21-member Board will reach the end of their term. I have also asked the Committee to begin the selection process for Board Chair, as my term ends in August 2007.

It gave me great pleasure to welcome four eminently qualified Board members this past year. I am sure that Angela Cropper, Denis Desautels, Ahmed Galal, and

Robert Greenhill will make many valuable contributions during their terms as Governors.

To help orient new Governors and provide ongoing opportunities for learning to all Board members, Centre staff organized two field visits this past year — one to Morocco and Egypt, the other to Mali and Benin in West Africa. Accompanied by the President and the Regional Director of the local IDRC office, nine Governors met with local researchers, policymakers, and members of civil society to discuss the work the Centre supports.

As we prepare our work plan for the coming year, these experiences will serve as a very real reminder of the conditions in which IDRC-funded researchers work and the challenges they face. It is my sincerest hope that they will also inspire new and innovative thinking on how the Centre can best help developing countries in their quest for lasting solutions to some very complex development problems.

Gordon S. Smith
Chairman

Message from the President

This year, 2005/06, marked the first year of programing under the Centre's Corporate Strategy and Program Framework (CS+PF) 2005–2010, a plan that reflects both continuity and change: continuity as we continue to carry out IDRC's mission and mandate; change to reflect the lessons learned under the CSPF 2000–2005 and to adapt our programing to the evolving international and domestic contexts.

Continuity is also assured by the ongoing impact of the work we have supported. One example stands out clearly: the Tanzania Essential Health Interventions Project (TEHIP), which officially came to a close early in 2006. On 8 November 2005, the Canadian International Development Agency (CIDA) announced that it would invest $7 million over three years to extend to all Tanzanians the benefits of health interventions designed and tested as part of this project.

This announcement capped 12 years of applied research and development. A unique collaboration between IDRC, CIDA, and the Tanzanian Ministry of Health, TEHIP allowed local health-planning teams in two large Tanzanian districts to target the main causes of death and illness and to improve the efficiency of on-the-ground healthcare delivery. The result: a more than 40% reduction in child mortality in the two districts. Adult mortality also dropped by close to 20%.

TEHIP is an excellent example of how IDRC's mission — research for development — works to improve the lives of people in developing countries.

Renewed focus on our core mandate

IDRC's focus on capacity building and sustained mentoring is one of its hallmarks that sets it apart from many other development agencies. Capacity building is also one of its objectives under the CS+PF 2005–2010. Time and again, during formal consultations organized by the Centre to develop the CS+PF and in our regular contacts with partners, it was apparent that the Centre is valued for its belief that scientific research capacity is an important building block for growth in developing countries.

These consultations also highlighted the value of linking research to policy formulation, one of the Centre's objectives under the CSPF 2000–2005. This objective remains in the new CS+PF, but with an added thrust: to better understand the environments within which researchers and policymakers function and to focus on policy implementation — the outcomes and processes beyond the end of IDRC support.

These components of building capacity through sound research and of linking that research to health policy and practice are at the core of a competitive grants program launched this past year, the Teasdale–Corti Global Health Research Partnership Program, named in honour of Lucille Teasdale and Piero Corti, the Canadian–Italian team of physicians who dedicated their lives to helping the people of Uganda. This innovative program, described on page 50, was developed by the founding partners of the Global Health Research Initiative — the Canadian Institutes of Health Research, IDRC, Health Canada, and CIDA — with input from the Canadian Health Services Research Foundation and Canadian and developing-country partners.

Leveraging Canadian resources

The Teasdale–Corti program also illustrates our third objective under the CS+PF 2005–2010, that of leveraging "additional Canadian resources for research for development by creating, reinforcing, funding, and participating in partnerships between Canadian institutions and institutions in the developing world." Those resources can be intellectual, or financial, or both.

The Innovation, Policy and Science (IPS) program area established this past year is one of the ways in which we will pursue this objective. The program was created to respond to the growing recognition of the need to build national innovation systems in developing countries and support the development of science, technology, and innovation policies to alleviate poverty.

While IPS is a new program area, it is not a new endeavour for IDRC. Rather, it is a new home and new direction for what has historically been a strong and internationally recognized IDRC effort in support of indigenous capacity building in science, technology, and innovation policy. IPS becomes the new focal point for strengthening Centre-wide efforts to engage the broader Canadian science and technology community to focus on international development challenges in partnership with Southern-based researchers and research organizations.

IDRC also enlists the talents of Canadian researchers through collaborative activities focused on solving pressing development problems. Canadian institutions were working with developing-country counterparts and with IDRC support in 2005/06. Through our Canadian Partnerships program, we seek to ensure that we remain active in the Canadian development and research communities by

facilitating and supporting their connections to the South, and enabling them to reflect international development issues in their work.

To increase the resources available to our developing-country partners, IDRC continues to work with donors — governments, foundations, and the private sector. For example, in November this year, I had the pleasure to help launch telecentre.org, a $21 million collaborative initiative that will strengthen the capacity of tens of thousands of community-based telecentres around the world. IDRC manages the initiative, supported by the Swiss Agency for Development and Cooperation and Microsoft Corporation.

Sharing IDRC's experience

Communicating the results of the research we support is essential if they are to influence policies, practices, and technologies. To give voice to our Southern partners, we continued this year to be present on the world stage by participating in such events as the World Summit on the Information Society in Tunisia, the Meeting of Health and Environment Ministers of the Americas in Argentina, and the World Water Forum in Mexico. For the first time ever, IDRC was granted observer status at the Sixth World Trade Organization Ministerial Conference in Hong Kong, in December.

These events also provided opportunities to both consult our partners and bring IDRC's perspective to development agendas. In addition, this past year, I had the opportunity to engage with some of our developing-country partners through field visits to Morocco, Egypt, Mali, and Benin, in the company of members of the Board of Governors. I also contributed to Canadian development policy though CIDA's Expert Panel on Partnership Programing, and the Democracy Council, among others. The Democracy Council is a whole-of-government initiative that includes Foreign Affairs Canada, CIDA, and six arms-length Crown agencies.

To both inform and consult with Canadians, we again this year hosted an extensive program of conferences, seminars, events, and consultations from Newfoundland to Victoria, and shared the results of the research we support through publications and a vast Web site. We also initiated a Speakers' Bureau.

Finally, I am delighted to announce that this year we launched a project to document IDRC's contributions to development theory and practice. IDRC's intellectual history is being written by professors Ron Harpelle and Bruce Muirhead of the Department of History at Lakehead University in Thunder Bay, Ontario. The document, to be published in 2008/09, will reflect and critically assess IDRC's role as a pioneer supporter of Southern-led applied research.

The IDRC history will also capture the vivid personalities and stories that have had an impact on science, technology, and subsequently on the lives of people in the developing world. Some of those people and stories are presented in this annual report.

Maureen O'Neil
President and Chief Executive Officer

Statistical Snapshot and Financial Highlights

STATISTICAL SNAPSHOT 2005/06

6
Regional offices

371
Staff
(full-time
equivalents)

Research program activity — Research projects

155
Research projects
approved in
2005/06

132
Research projects
completed

491
Total active
research projects

Research activities (includes research projects)

402
Total
research activities
approved

392
Total
research activities
completed

887
Total active
research activities

New research activities in 2005/06
(with total active in parentheses) by area under study and by program area[a]

Area under study	Program area						2005/06 allocation ($000)	
	Corporate	ENRM	ICT4D	IPS	SEP	Total	IDRC	Total[b]
Asia	19 (32)	12 (57)	16 (39)	0 (1)	12 (29)	59 (158)	10 801	11 142
Global	29 (62)	17 (36)	9 (9)	6 (16)	24 (63)	85 (186)	19 157	19 532
Latin America and the Caribbean	18 (28)	34 (69)	20 (42)	0 (0)	11 (30)	83 (169)	12 925	13 676
Middle East and North Africa	17 (24)	9 (19)	5 (8)	0 (0)	10 (25)	41 (76)	3 710	5 174
Multiregional	2 (3)	6 (10)	4 (11)	1 (2)	7 (11)	20 (37)	6 584	6 584
Sub-Saharan Africa	42 (57)	15 (62)	29 (77)	0 (3)	28 (62)	114 (261)	19 442	21 673
Total	127 (206)	93 (253)	83 (186)	7 (22)	92 (220)	402 (887)	72 619	77 781

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

[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, the President's Office, Explorations, Regional Activity Funds, and Forward Planning.

[b] Includes both IDRC and other donor contributions.

Key Financial Highlights

For the year ended 31 March 2006
(In thousands of dollars)

	2005/06		2004/05
	Actual	Revised budget	Actual[a]
Revenues			
Parliamentary appropriations	131 955	132 472	122 340
Donor partnerships[b]			
Funding for development research programs	16 010	13 389	14 399
Recovery of administrative costs	1 572	1 272	1 380
Investment and other income	3 243	2 783	2 647
	152 780	149 916	140 766
Expenses			
Development research programs	97 565	97 408	91 493
Development research support	26 245	25 925	24 078
Administrative services	27 069	27 233	24 867
	150 879	150 566	140 438
Net results from continuing operations	1 901	(650)	328
Net results from discontinued operations	(1 802)	(1 957)	1 957
Equity	13 496	10 790	13 397
Expenditure benchmarks	65/17/18	65/17/18	65/17/18
Program allocations			
Funded by Parliamentary appropriation	97 249	92 000	86 275
Funded by donor partnerships[b]	14 797	17 443	14 302
	112 046	109 443	100 577

Notes:
The Parliamentary appropriations represent 86% of total revenues.
The expenses for development research programs and development research support represent 82% of total expenses.
The actual expenditure benchmarks are on target.
For further information on these key financial highlights please refer to the Financial Management Discussion and Analysis.
[a] Certain of the 2004-05 figures have been reclassified to conform to the financial statements presentation adopted in 2005-06.
[b] Previously referred to as resource expansion.

Geographical distribution of program allocations

36.5% Multiregional and global activities

14.9%
Latin America
and the
Caribbean

33.0%
Africa
and the
Middle East

15.6%
Asia
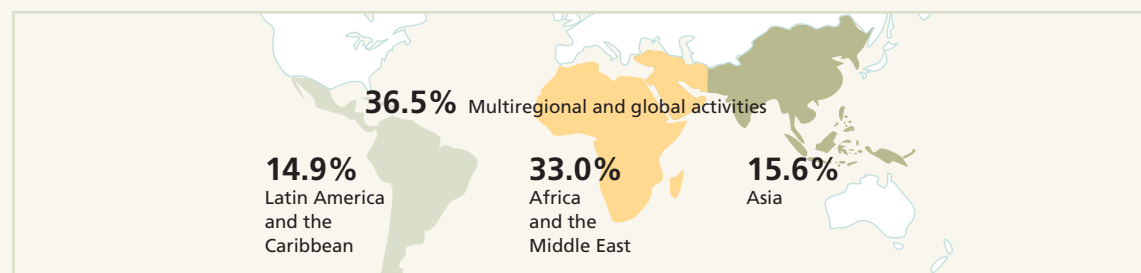
{ Corporate Profile

Corporate Profile

IDRC's mandate

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

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

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

Our mission and objectives — Empowerment through knowledge

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

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.

- 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 will assess 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 combine responsiveness in its programing with quality and focus. This includes the challenge of identifying projects and processes through which good research will have significant impact and will benefit economically and socially disadvantaged groups, and that will build capacity. Equally important is the need to strengthen national and regional research and advocacy networks to share learning from effective local development and build constituencies for change.

The Centre's CS+PF sets the framework within which IDRC will provide support over a five-year period — broad areas of research and the issues on which it will focus in each area. IDRC's Governors were closely involved in defining and guiding the content of the Corporate Strategy and Program Framework 2005–2010, based on extensive preparatory work and consultations undertaken by staff.

> *"IDRC will retain the principles of sustainable and equitable development and poverty reduction as the foundations for its programing."*
> CS+PF 2005–2010 (CS, para. 53)

IDRC currently supports applied research in four broad areas that represent an intersection of the priorities of the developing countries and IDRC's potential to make a contribution to sustainable and equitable development:

- **Environment and Natural Resource Management:** 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:** Launched in 2005, this program area is the focal point of IDRC's policy, partnership, and programing 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 and sustains linkages with Canadian institutions and organizations; manages the Centre's Training and Awards program; and administers special projects, such as the Middle East Good Governance Fund, initiated by the Canadian International Development Agency's (CIDA) Iraq Task Force and the

Scholarship Fund for Palestinian Refugee Women in Lebanon, initiated by Foreign Affairs Canada. This type of project is undertaken on an as-needed basis with 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 CS+PF guidelines. Reports of the progress of the Centre's programing are presented to the Board of Governors annually, at the fall meeting. In keeping with the Centre's geographical and thematic matrix structure, these are presented by region and by program area in alternate years.

> *"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)

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 actually delivers its support. Projects submitted for funding are reviewed against the objectives and priorities set out in program prospectuses. In 2005/06, the Board of Governors approved

IDRC: J. Kassay

prospectuses for 7 of the 10 programs. The remaining three had been approved in 2004/05.

In keeping with the commitment made in the Corporate Strategy and Program Framework 2005–2010, Centre programs are being brought closer together within their respective program area so that synergies in content and operation can be maximized and internal transaction costs minimized. The program architecture on page 24 reflects this greater program consolidation.

To maintain IDRC's financial flexibility, a part of its program budget — 13% in 2005/06 — is set aside to address new opportunities, deepen existing programing, or support work that crosscuts the ambit of individual programs. The design of a program response on coastal communities in light of the December 2004 tsunami in South and Southeast Asia, initiated in 2005/06, is one such opportunity.

Project funding

IDRC's principal approach 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 2005/06, 491 research projects were active; total research activities numbered 887.

To deepen knowledge on particular topics, IDRC frequently works in collaboration with other donors. For example, the Canadian International Development Agency, Danish International Development Agency, Department for International Development (UK), MacArthur Foundation, Netherlands Ministry of Foreign Affairs, Norsk Hydro, Norwegian Agency for Development Cooperation, and the World Bank have contributed to financing the Economy and Environment Program for Southeast Asia (EEPSEA), established in 1993 with IDRC funding to strengthen local capacity for the economic analysis of environmental problems so that researchers can provide sound advice to policymakers. In 2005, IDRC supported a study to assess if and how the EEPSEA could be replicated in the Middle East and North Africa. The Centre is also supporting a similar initiative, the South Asian Network for Development and Environmental Economics, that brings together researchers from Bangladesh, Bhutan, India, Nepal (where it is based), Pakistan, and Sri Lanka.

Most projects proposed to IDRC result from direct exchange 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 — and often lengthy — interaction between both parties. In addition to having scientific and technical merit and a potential development impact — in particular, impact on policy, programs, and practice — projects must fit with IDRC's priorities; contribute to building local capacity; and include both gender and ethical considerations. 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. Increasingly, IDRC supports researchers in the communication of research results.

Depending on the amount of funding required, the proposal is submitted to the program team or to senior management for approval. 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. Program teams strive to create a balanced portfolio of projects — some that are high-risk and labour intensive, and others that are medium- or low-risk.

A team of program staff appraises each project before approval. In collaboration with grant administration managers and controllers in each of IDRC's regional offices, they verify the legal identity and status of the proposing institution and assess the administrative risk, reviewing the institution's administrative and management capacity, in accordance with IDRC's financial control framework. In the case of large projects with new institutions,

> "At the corporate level, an integrated risk management strategy will build on core assets such as IDRC's field presence, highly skilled staff, and niche role in the Canadian foreign policy landscape, while strengthening systems to assess, monitor, support, and communicate those strengths."
> CS+PF 2005–2010 (CS, para. 47)

IDRC staff carry out institutional assessments of proponents on site. The findings help to determine the conditions to be applied to the grant.

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

Despite rigorous planning and assiduous monitoring, risk cannot always be averted. A case in point is E-Link Americas, an innovative initiative of the Institute for Connectivity in the Americas (ICA), launched in October 2004 as an independent not-for-profit corporation. Intended to provide Internet access to remote communities of Latin America and the Caribbean as a means of promoting social development, E-Link Americas received $3.2 million in core funding from ICA, which is supported by IDRC. Although it was developed through a stringent business planning process that included both World Bank and ICA sponsorship and involvement, E-Link Americas experienced a number of unforeseeable complications and delays. As anticipated additional funding from the World Bank did not materialize, ICA was unwilling to extend support and take further risks. On 25 January 2006, the Board of Directors of E-Link Americas resolved that the organization proceed with an orderly wind down.
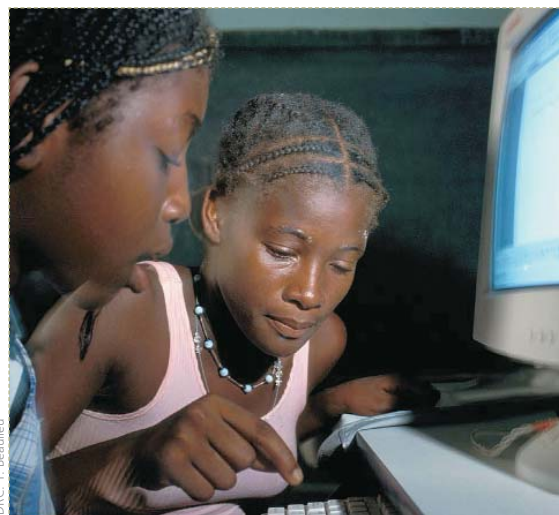
IDRC: Y Beaulieu

Program complements

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

- Partnerships and Business Development: IDRC enters into a variety of partnerships to build and maintain relationships and collaboration with other donors, international organizations, and Canadian agencies committed to the long-term development of Southern research capacities. The Partnerships 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 2005/06, donor contributions totaled $16.0 million.

- 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. The Board of Governors approved the *Evaluation Strategy 2005–2010* in June 2005. In 2005/06, external reviews of all programs were carried out, including of evaluation, and presented to Governors. These reviews help ensure the relevance and quality of IDRC's work. In addition, 23 evaluations and reviews were completed.

  Over the past year, the Centre also made significant progress in implementing its new project reporting system, which builds on dynamic oral interviews between colleagues. This process deepens the learning of individuals while capturing the rich store of knowledge generated during the life of a project. In 2005/06, more than 120 interviews were conducted. To share the knowledge drawn from the project completion reporting process, the Centre introduced an annual learning forum for all staff. The first was held in April 2005.

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

- Communications: IDRC employs a number of vehicles — publications, workshops, conferences, government/Parliamentary relations, public affairs, Web sites, 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 other global issues that affect them, as well as promoting a better understanding of IDRC-supported research and how their tax dollars are spent.

Regional presence

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

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

In addition to monitoring the risks of all aspects of IDRC's work and providing stewardship of the Centre's resources in the region, each Regional Director manages a Regional Activity Fund, enabling him or her to respond to priorities and opportunities in the region that are consistent with IDRC's mandate. In 2005/06, this fund amounted to $2.1 million, divided among the regions.

[
"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)

1. IDRC: Louise Guénette
2. IDRC: Jason Tayler
3. IDRC: Simon Carter
4. UHIN: Patrick Okello

{ Accountability and Governance

IDRC is accountable to the Parliament of Canada, reporting though the Minister of Foreign Affairs. A 21-member international Board of Governors has overall responsibility for the management of Centre affairs. As Chief Executive Officer and an *ex officio* member of the Board, the President manages the Centre's operations, with the support of the Senior Management Committee (see page 60).

IDRC's financial statements are audited annually by the Office of the Auditor General.

Financing

The Canadian Parliament provides IDRC with an annual appropriation. While this is its main source of revenue, the *IDRC Act* also allows the Centre to seek other sources of funding. In 2005/06, IDRC's Parliamentary appropriation was $132.0 million. Revenues from other sources totaled $20.8 million.

Social Responsibility

Ethics and equity

High ethical standards are a hallmark of IDRC's activities. Adherence to internationally recognized ethical standards is a condition of all IDRC grants and grant recipients must report on their compliance to 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.

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

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

IDRC employees again demonstrated their generosity by contributing $43 608 to the 2005/06 Government of Canada Workplace Charitable Campaign — 111.8% of the Centre's objective.

A values-based workplace

In 2002/03, IDRC adopted an Employment Philosophy to foster a work environment that is supportive and encourages creativity, innovation, competence, and teamwork, as well as fair and equitable management. This philosophy provides managers and employees with a source of common understandings, which are values-based. As such, it guides the ethical standards and behaviours of the Centre's staff and fosters a workplace that protects the health and safety of employees, that ensures consistency and openness in the treatment of employees, and that promotes a balance between their work and personal lives.

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 recent federal initiatives in relation to governance and ethical behaviour, in 2005/06 these discussions focused on ethics in the workplace to engage staff in the development of a code of ethics and conduct.

IDRC also has an official harassment and discrimination in the workplace policy, dedicated to implementing the principles of the Canadian *Human Rights Act*.

Environmental stewardship

IDRC's environmental commitments are evident most clearly in 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 environmental 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 and paper, water, and energy conservation are actively promoted.

Transparency

IDRC is subject to both the *Access to Information Act* and *the Privacy Act:* 10 requests for information were received and responded to under the *Access to Information Act* in 2005/06. None were received under the *Privacy Act*.

IDRC makes information on all research projects funded available on its Web site, as well as its annual reports. In October 2005, it launched a new version of its Development Research Information Service (IDRIS+) to facilitate searching its database of descriptive information on 35 years of IDRC-funded projects. IDRIS+ is freely accessible to everyone through its Web site.

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

In December, IDRC announced plans to create an Open Archive, the first among Canadian research-funding organizations. By creating an Open Archive, IDRC promotes transparency of the research it supports.

IDRC: D. Marchand

Supporting Canada's
Public Policy Objectives

The developing world faces enormous challenges. It also has much to contribute to solving global problems, many of which touch Canada.

Bringing developing-country knowledge and experience to discussions of Canadian development and foreign policy is a role IDRC is well placed to play. Our mission and work lie at the intersection of Canada's innovation and foreign policy agendas and our network of Canadian and international experts, scientists, and policymakers has been an asset to Canada in reaching out to the world.

"IDRC must be an active participant as Canadians review and expand their relationships with the world, and ensure that its experience and learning contribute to Canada's policies on international issues." CS+PF 2005–2010 (PF, para. 87)

The examples below demonstrate some of IDRC's contributions to those agendas in 2005/06.

Collaborating

- In collaboration with CIDA, IDRC participated in the International Economic Forum of the Americas in May 2005. The theme was "Connectivity and Entrepreneurship: Learning from Innovative Partnerships in Africa." This theme builds on IDRC's experience in this area. In collaboration with Industry Canada and CIDA, IDRC established two major Canadian-led initiatives to bridge the digital divide: the Institute for Connectivity in the Americas, emerging from the Summit of the Americas in 2001; and Connectivity Africa, resulting from the 2002 G8 Summit.

- In June 2005, IDRC participated in the Meeting of Health and Environment Ministers of the Americas (HEMA), in Mar del Plata, Argentina, where Jean Lebel, Director of IDRC's Environment and Natural Resource Management program area, addressed the Ministers on the Centre's approach to ecohealth. Prior to the meeting, and in collaboration with Argentina's Ministry of Health and Environment, IDRC organized a regional training workshop for policymakers, civil society organizations, and representatives from Environment Canada and Health Canada. IDRC announced two major grants at the meeting: the first, with the Canadian Institutes of Health Research, awards $1 million to a network of Latin American and Caribbean researchers to reduce exposure to toxic environmental poisons and improve human health; the second allocates $1 million to new research

to prevent and control vector-borne communicable diseases.

- Government officials, donors, and multilateral agencies involved in planning and/or supporting efforts around avian flu in Asia participated in CIDA-supported workshops organized in Beijing, Jakarta, and Hanoi by IDRC during September and October. IDRC has announced its support to the Asia Research Partnership on Pandemic Influenza, part of the Canada–Asia Emerging Infectious Disease project. The partnership brings together Asian research councils in Cambodia, China, Thailand, Indonesia, and Viet Nam, as well as the Canadian Institutes of Health Research and the Public Health Agency of Canada.

- The inaugural meeting of the Democracy Council, which reaffirms Canada's longstanding support for democracy promotion and human rights, was held in October 2005. IDRC, Foreign Affairs Canada, CIDA, and six other Canadian agencies are collaborating on this new initiative to promote democratic governance and human rights internationally. At the January 2006 meeting, Council members agreed in principle to pilot projects to analyze how Canada can improve its efforts at promoting democracy and human rights in specific countries or regions. IDRC has seconded a Senior Policy Analyst to Foreign Affairs to support the Council's work.

- At the request of Foreign Affairs Canada, two members of IDRC's Peace, Conflict and Development program traveled to Abuja, Nigeria in early December to consult with key stakeholders and participants in the Darfur peace talks. IDRC assisted in efforts to integrate women's participation and proposed a set of recommendations. Following this monitoring mission, IDRC approved a project to improve the capacity of women delegates to the peace talks and facilitate the integration of gender equality into the peace agreements. UNIFEM-Nairobi and the African Union Mediation Commission are cofunding the project.

Advising

- On 18 April, IDRC's President and Vice-President, Programs took part in a high-level discussion at the International Monetary Fund (IMF) to inform a renewed program of action for the Caribbean. The meeting was hosted by Kevin Lynch, then Canadian Executive Director

of the IMF and now Clerk of the Privy Council. Other Canadians attending included David Dodge, Governor of the Bank of Canada, Marcel Massé, Canadian Executive Director of the World Bank, and representatives of the Centre for International Governance Innovation. Discussion focused on Canada's role in reinvigorating growth and development in the Caribbean.

- IDRC was invited to advise the Office of the UN High Commissioner for Human Rights on the establishment of an integrated planning, monitoring, and evaluation system for the Office. Discussions in Geneva in April and May 2005 led to recommendations that are now being implemented. Donor support to the Office of the High Commissioner has increased in the wake of the plan's publication.

- In May, Venâncio Massingue, Mozambique's Minister of Science and Technology and long-time IDRC partner, and Rohinton Medhora, Vice-President, Programs at IDRC, appeared before the Senate Standing Committee on Foreign Affairs to talk about Mozambique's new science and technology policy and IDRC's work in Africa.

- IDRC, represented by its President, was invited to the World Economic Forum, 25–29 January 2006, in Davos, Switzerland. We participated in the session on "New Mindsets and Changing Attitudes," as well as two panels: "Purse Strings and Democracy" and "Foreign Direct Investment Goes Local," and several workshops. The Forum provides a platform for collaborative efforts to generate innovative solutions to global challenges. Maureen O'Neil's comments were reported in an article published in *The Financial Times* of 25 January 2006.

- IDRC supported the participation of three of its research partners from Bangladesh, Egypt, and Mexico at a roundtable sponsored by International Trade Canada on 2–3 March 2006. This is the third time that IDRC has provided a Southern perspective to this information and communication technologies event for a select group of senior government officials and international analysts.

- IDRC President Maureen O'Neil has accepted an invitation to join Export Development Canada's Corporate Social Responsibility Advisory Board.

Convening

- Industry Canada, on behalf of the Government of Canada, asked IDRC to coordinate the organization of the Canada Pavilion at the World Summit on the Information Society (WSIS) II, held in Tunisia in November. Shared by the Canadian e-policy Resource Centre, IDRC, Industry Canada, and Statistics Canada, the pavilion was part of the Summit's ICT4all Exhibition, a marketplace of exhibits, workshops, and demonstrations on the human dimensions of information communication technologies (ICTs).

IDRC at the Canada Pavilion at the World Summit on the Information Society (WSIS) II, held in Tunisia.

INFORMING CANADA AND THE WORLD

For IDRC, sharing the results of the research it supports is essential. It does so using various vehicles — a Web site, reports, books, workshops, meetings, government and Parliamentary relations, and public affairs activities, among others. An electronic newsletter, *IDRC Bulletin CRDI*, was launched in 2005/06. Participating in Canadian and international events, such as the World Summit on the Information Society and the World Water Forum, provides IDRC with additional opportunities to communicate its research results and form strategic partnerships.

The Centre strives to provide balanced information to allow interested publics in both North and South better understand international development issues, the importance of research, and IDRC's contribution to sustainable and equitable development. The media plays an important role in communicating the IDRC story: the Centre was featured in 270 reports in Canadian mainstream media in 2005/06. Global IDRC-related news reports totaled 386, for an estimated reach of 12.8 million people.

To maximize access to the results of IDRC-supported research, IDRC entrusts publishing the results of the research it supports to academic and commercial publishers around the world. The Centre maintains online rights, however. All new books are put full-text online on the Centre's Web site and on CD-ROM:

> *"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)

21 new volumes were added in 2005/06. Access is free of charge. IDRC has also signed distribution and marketing agreements with a number of providers of electronic books. Both the United Nations University and the World Conservation Union have cited IDRC's digital/print copublishing model as an exemplary approach to scholarly publishing. (www.idrc.ca/books)

CORPORATE COMMUNICATIONS: STATISTICAL SNAPSHOT 2005/06			
21 Books published and copublished	**9** Environment and Natural Resource Management	**6** Information and Communication Technologies for Development	**6** Social and Economic Policy
250 Books available free, full-text online	**11 445** Subscribers to *IDRC Bulletin CRDI*	**72 000 000** IDRC Web site **pages viewed** during 2005/06	**6 000 000** monthly average

- On 9 December, at the UN Climate Change Conference in Montréal, IDRC hosted a panel discussion with speakers from Canada's International Institute for Sustainable Development and The Energy and Resources Institute of India on research conducted in India and Canada on adaptive policy-making, that is, the design of public policies that can adapt to changing conditions as climate evolves over time.

- IDRC held a workshop at the Hong Kong Trade and Development Symposium on 17 December, at the margins of the Sixth Ministerial Conference of the World Trade Organization. During the session, "Rationalizing Regional Arrangements in the South: Before and After Hong Kong," IDRC-supported researchers argued that trade arrangements would likely continue on a regional and bilateral basis.

- In January 2006, IDRC hosted John Githongo, the former Kenyan Permanent Secretary for Governance and Ethics and founding member of Transparency International Kenya. One of Africa's most distinguished corruption fighters, Githongo spoke on the relationship between politics, democracy, and corruption in Africa and his experience in Kenya, and met with representatives of Foreign Affairs Canada and CIDA.

- Canadian policymakers attending the World Water Forum in Mexico in March learned about the outcomes of IDRC-supported research around the globe from both Centre staff and its research partners. IDRC's booth was the meeting place for many participants, including the Canadian delegation, which convened there every morning.

Engaging Canadians

To engage Canadians in discussions of international development issues and foster the sharing of knowledge, IDRC organizes and participates in a number of events and conferences. In 2005/06, these included:

- In June, the Centre funded a two-day colloquium on North–South research collaboration, as part of IDRC's strategic partnership with the Association of Universities and Colleges of Canada (AUCC) to internationalize Canadian research. The AUCC colloquium, in collaboration with the Canadian Association for the Study of International Development and the Canadian Coalition

for Global Health Research, brought together researchers from 16 countries, as well as from across Canada.

- In 2005/06, IDRC launched its Speakers' Bureau. Constance Freeman, Director of IDRC's Regional Office for Eastern and Southern Africa, toured Western Canada in June, speaking on the erosion of African dependency. In October, Richard Fuchs, Director of IDRC's Information and Communication Technologies for Development program area, spoke to various audiences in Atlantic Canada on how ICTs can transform societies.

- IDRC and the Canadian Policy Research Networks (CPRN) hosted a seminar to share the results of the IDRC-supported Brazilian Youth Dialogue project with government officials, policy researchers, academics, and voluntary sector leaders interested in democratic engagement and youth. The project was also presented at the Americas' Conference of the World Social Forum, held in Caracas, Venezuela, 24–29 January 2006. Inspired by the success of the Brazilian dialogues, CPRN held its first National Dialogue and Summit in Ottawa in November 2005, attended by 144 young Canadians from every region of the country. The results of these dialogues were shared at a March 2006 seminar attended by Canadian and Brazilian government officials, policy researchers, academics, and voluntary sector leaders.

John Githongo, former Kenyan Permanent Secretary for Governance and Ethics

IDRC: N. Robitaille

CPRN

PROMOTING CANADIAN INVOLVEMENT

The Canadian Partnerships program of the Special Initiatives Division is a key element of the Centre's program and partnership relationship with Canadians and their institutions. Responding to proposals from Canadian researchers and members of civil society, the program facilitates and supports their connections with the global South and enables them to reflect international development issues in their work. In 2005/06, the program accounted for $3.1 million of the Centre's total allocations of $113.5 million.

"The Centre will also engage a wide range of actors in civil society, both those directly concerned with international development and those global citizens concerned with the generation and dissemination of knowledge." CS+PF 2005–2010 (CS, para. 72)

The Canadian Partnerships Strategy 2005–2010 identifies five main types of activities: core partnerships with organizations such as the Association of Universities and Colleges of Canada (AUCC); institutional support to research institutions such as the Ottawa-based North–South Institute; endowments to universities to establish chairs or support lecture series; a small grants program for research and knowledge-related activities; and activities, such as exchanges, that connect Canadians and Southern partners.

Some examples:

■ The multiple impact of North–South research partnerships was the theme of a colloquium organized by AUCC in June 2005, with IDRC support. More than 100 participants from Canadian and Southern universities, research funding agencies, and federal government departments participated in discussions on the impact of collaborative research on policy, development challenges, research capacity building, and on individual researchers and research teams.

■ Students from 10 Canadian universities participated in the second annual "InSight: National Students' Conference in International Development Studies," which took place in London, Ontario, in June 2005 with support from IDRC and the Canadian Association for the Study of International Development. Centre support led to the launch of *Undercurrent, the Canadian Undergraduate Journal of Development Studies* (www.trentu.ca/insight). This was one of some 90 small research projects and knowledge-related activities supported throughout Canada in 2005/06.

■ In October 2005, the Canadian government established a Steering Committee and Advisory Group, chaired by Foreign Affairs Canada, to organize five roundtables across Canada to examine the issues raised in the report of the House of Commons Subcommittee on Human Rights and International Development to the Standing Committee on Foreign Affairs and International Trade. The report, *Mining in Developing Countries: Corporate Social Responsibility*, calls for legislation to regulate the activities of Canadian mining companies operating in developing countries. The 13-member Advisory Group includes academics and representatives of the mining industry and of various civil society organizations. Two of the members, Professor Bonnie Campbell of the Université du Québec à Montréal and Catherine Coumans of Mining Watch Canada, have worked on mining issues with Canadian Partnerships support since 2003.

Honours received

- IDRC Governor **Jean-Guy Paquet** was awarded the "**Ordre national du Québec,**" the province's most prestigious award, on 22 June 2005. The Canadian scientist, businessperson, and former rector of Université Laval received the title of "grand officer" in recognition of his contribution to the flourishing of the province.

- IDRC long-standing partner, **M.S. Swaminathan**, Chair of the M.S. Swaminathan Research Foundation, received the **Hiroshima Peace Award** on 6 August, in recognition of his "outstanding contribution to world peace based on his noble commitment to humanism." Credited with helping spark India's "green revolution" that saw the country avert famine, Swaminathan was awarded the Indian Science Congress Award in January 2006.

- Former IDRC recipient **Zoubida Charrouf** was awarded the prestigious **Trophée de la Solidarité** for improving the lives of women in the villages of Tamanar and Tidzi, Morocco. Charrouf established the country's first argan oil processing cooperatives in Morocco's poor arid southwest. The Trophée de la Solidarité is awarded annually by Morocco's King Mohammed VI.

- In September, the IDRC-supported **Development through Access to Network Resources (D.Net)** organization won the **Gender and ICT Awards 2005** for its Pallitathya Help-Line (Call Centre for the Poor and Underprivileged) project. IDRC is supporting D.Net's work in Bangladesh through its Pan Asia Networking program.

- The Government of China awarded the national **Friendship Award** to **Stephen Tyler** for his work while at IDRC supporting the Tarim Basin Water Management project. The award is given annually to a small number of foreign experts who have contributed to China's scientific advancement and economic development. Tyler led IDRC's Community-based Natural Resource Management program and is now with the University of Victoria.

- In October, Indian scientist and IDRC partner **Modadugu Gupta** was awarded the **2005 World Food Prize** for his work to improve nutrition through the expansion of aquaculture and fish farming in South and Southeast Asia. Gupta was honoured for his work over three decades at the WorldFish Center, a member of the Consultative Group on International Agricultural Research.

- In December, IDRC Governor **Angela Cropper** was awarded the **Zayed Prize for Environmental Action Leading to Positive Change in Society**. Cropper, cofounder and President of the Cropper Foundation in Trinidad and Tobago, shared the award with Emil Salim, the former Indonesian State Minister for Population and the Environment.

- **Dr Sombath Somphone** won the **2005 Ramon Magsaysay Award for Community Leadership**. Somphone, the founder of the Participatory Development Training Centre in Laos, has been a key participant in IDRC's Pan Asia Networking's Building Rural–Urban Digital Links project.

- In January 2006, IDRC Senior Program Specialist **Ronnie Vernooy** was made an **Honorable Environmental Officer of Mongolia** — the country's highest environmental award — in recognition of his efforts supporting community-based sustainable management in Mongolia. Three members of the research team also received special recognition for their work on IDRC's Sustainable Management of Common Natural Resources in Mongolia project, currently in its third phase.

- IDRC partner **Amanda Vincent**, Director of Project Seahorse at the University of British Columbia, was one of six winners of the 51st annual **Chevron Conservation Awards**. IDRC has supported Vincent's work since 2000 through the project, "Understanding and improving marine-protected areas" in the Philippines.
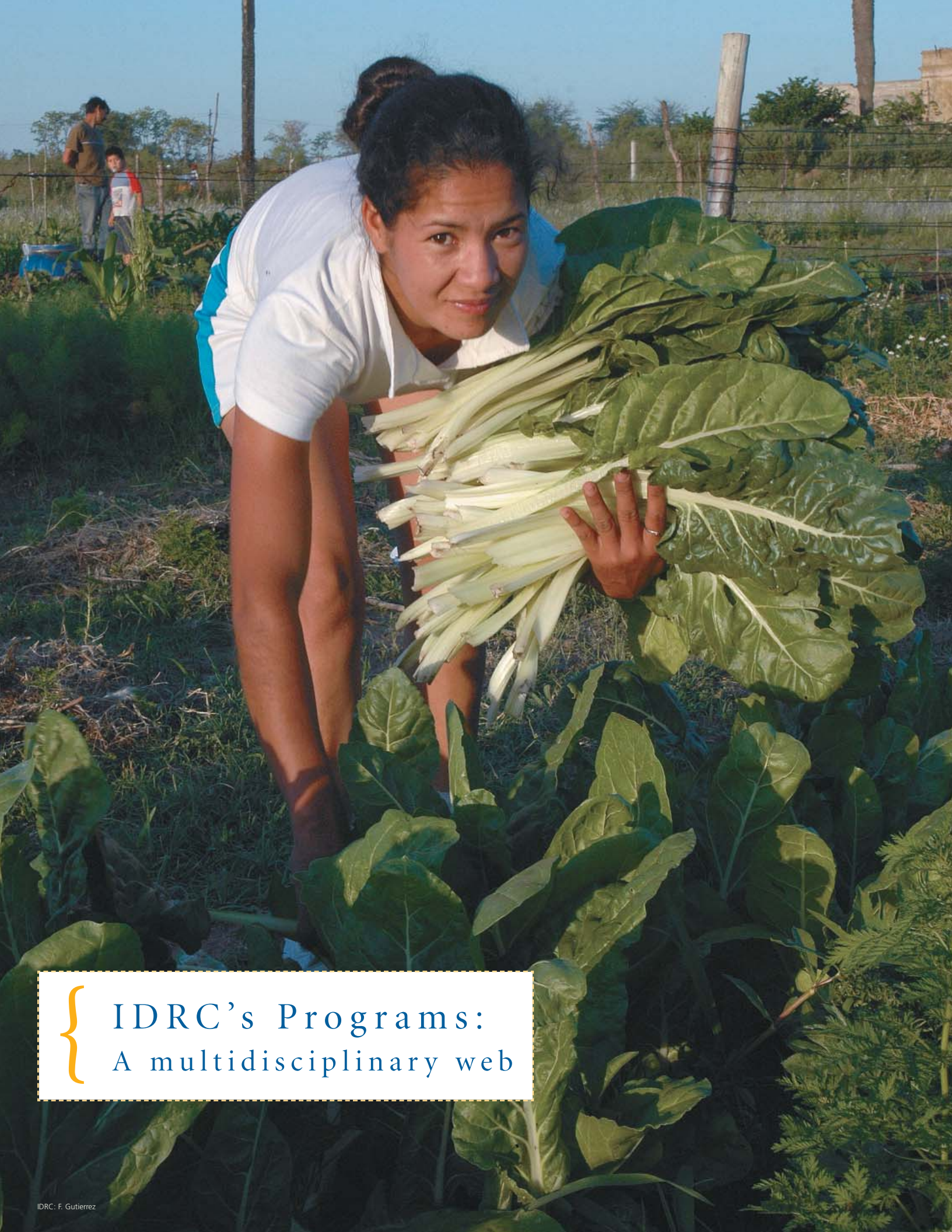
{ IDRC's Programs:
A multidisciplinary web

IDRC's Programs
A Multidisciplinary Web

In his most recent book, *Identity and Violence*, Nobel Prize-winning economist Amartya Sen stresses the importance of sound public policies in a range of seemingly unconnected areas — education and literacy, epidemiology, land reform, access to credit, legal institutions, and beyond — for the development process to work for the common good. "It is this class of interdependences," he writes, "that have to be understood and utilized to alter the inequalities and asymmetries that characterize the world economy."

While the Centre's programs are organized along four thematic areas, it is important to note the connections between them, for none of the pressing development issues of our day can be addressed through a single lens. The Centre'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. Rather, in working in developing countries, critical issues are addressed jointly, and we believe more effectively, precisely because of the recognition that successful outcomes require enduring investments in local capacities over a broad spectrum of institutions and disciplines.

The horizontal links across the Centre's programing form a strong, sometimes invisible, web that keeps the whole together. The Centre's support for work on the use of handheld devices in gathering and analyzing health data in Uganda is jointly managed by our ICT and our health systems specialists, and only works because that same bond is re-created in the field. Work on trade and agriculture, and on supply chains to supermarkets, is a joint effort of trade and agricultural systems experts. Expansion of the Centre's Economy and Environment Program for Southeast Asia to other regions of the world is being shepherded by staff and institutions that bridge this important divide. Similarly, nascent work on the New Economy, and the promotion of a "pro-poor, pro-growth" ICT sector in several developing countries, is being pursued as a collaboration between groups best placed to see the problem jointly rather than "theirs" alone.

Cross-program collaboration is facilitated by structure. Indeed, the purpose of organizing Centre programs within a so-called matrix structure is to balance the imperatives of multidisciplinarity with efficiency of intervention. While all Centre program staff are thematic and/or regional specialists, many belong to more than one program. So-called "flex funds," comprising about 13% of the program budget, facilitate cross-cutting initiatives, particularly during

IDRC: M. Valberg/Valberg Imaging

Rohinton Medhora, Vice-President, Programs

the gestation period. Finally, the organization of the programs themselves, along thematic rather than disciplinary lines, coupled with strong support for such work from the Board and from management, ensures that the issue-focus of the Centre's programing is never lost in a maze of technical elegance.

Another important cross-cut in the Centre'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 sometimes say, "Canada to the world, the world to Canada."

During a recent visit to the Centre, Professor Sen talked about the essential underpinnings of global democracy, itself not an unreasonable concept — informed and widespread public discussion among all manner of individuals and groups. In their own modest way, we intend for the Centre's programs, as described in this report by their directors, to contribute to this very same goal.

Rohinton Medhora
Vice-President, Programs

Programs (as of 31 March 2006)

[Program areas]			
Environment and Natural Resource Management	**Information and Communication Technologies for Development**	**Innovation, Policy and Science** *(approved March 2005)*	**Social and Economic Policy**
Ecosystem Approaches to Human Health *(approved November 2004)*	ICT4D Africa: Acacia/Connectivity Africa *(approved March 2006)*		Globalization, Growth and Poverty *(approved October 2005)*
Rural Poverty and Environment *(approved November 2004)*	ICT4D Americas: ■ Institute for Connectivity in the Americas *(approved March 2006)* ■ Pan Americas		Governance, Equity and Health *(approved March 2006)* ■ Research for International Tobacco Control (RITC)
Urban Poverty and Environment *(approved March 2005)* ■ Environmental Management Secretariat	ICT4D Asia: Pan Asia Networking *(approved March 2006)*		Peace, Conflict and Development *(approved November 2004)*
International Model Forest Network Secretariat	Bellanet International Secretariat		Women's Rights and Citizenship *(approved March 2006)*
			Economy and Environment Program for Southeast Asia

155 New research projects funded

491 Active research projects

395 Institutions supported in 2005/06

419 Institutions currently supported

[Corporate projects]			
Mining Policy Research Initiative	telecentre.org	New Technologies Research on Knowledge Systems	

[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

Evolving Approaches to Sustainable Development

"Sustainable development" is a widely used term that means different things to different people. *Our Common Future,* the 1987 report issued by the Brundtland Commission, defined it as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The concept speaks to the necessity of fulfilling human economic and social aspirations while preserving the environment on which those aspirations inevitably depend.

IDRC was the custodian of the Brundtland Commission's work and in the two decades since, the Centre has continued to experiment with new means of realizing the promise of sustainable development. One lesson that has become clear over time, says Jean Lebel, Director of the Centre's Environment and Natural Resource Management (ENRM) program area, is that defining sustainable development is an evolving process.

"We have plenty of examples of the common wisdom of sustainable development, what it is, and how to implement it, but there is no one recipe for achieving it," he explains. "A solution that fits a country in Africa might inform us about how to approach a problem in Latin America, but while the process might be similar, the solution could be quite different."

Controlling malaria, for example, requires "context-specific remedies, rather than a single silver bullet, because malaria is a disease that's linked to local social conditions and environments," says Lebel.

A multidisciplinary approach

Still, for the ENRM team, what is consistent across contexts is a clear sense of which methods are likely to produce results. For one, IDRC-supported research projects are multidisciplinary, meaning that they bring a broad range of expertise to bear on environmental and social challenges that invariably have multiple dimensions. As well, IDRC-supported research employs a multistakeholder approach, involving all concerned parties in the search for workable solutions.

There are abundant examples of the impressive — and often unexpected — results this process can produce. In Bolivia, for example, there had been 32 attempts to reform the national water law and to more equitably divide scarce water supplies among municipalities, industry, and the country's Indigenous communities and poor farmers. Bolivian researchers, supported by IDRC, initiated a new

IDRC: M. Valberg/Valberg Imaging

Jean Lebel, Director, Environment and Natural Resource Management

"The work of the ENRM program area is centred on the profound challenges brought about by the complex links between human well-being and the processes of globalization, development, and natural resource degradation." CS+PF 2005–2010 (PF, para. 36)

process involving sophisticated hydrological modeling and far-reaching social consultation — eventually arriving at a consensus that broke the political stalemate and led to the passage of the new water law for irrigation. Building on this success, researchers have developed and tested regulations to implement the law and are now addressing issues of water quality and transborder water management.

Similarly, in 2005, the Pan American Health Organization made special note of how a project supported by IDRC since the late 1990s allowed communities in Mexico to respond to a provision of the NAFTA environmental side accord calling for the elimination of DDT for malaria control. Researchers crafted a multipronged solution that combined alternative household-spraying techniques, the use of geographical information systems for focal control, and strong community participation to reduce mosquito-breeding sites. The result: because of the program's success in fighting malaria, DDT use was phased out *before* the new regulation took effect. Now, the Mexican process has become the model for a new antimalaria program across Central America.
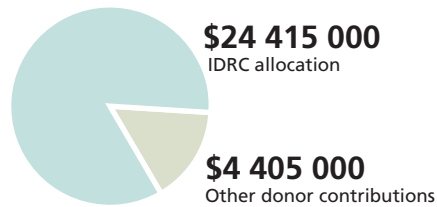
IDRC: L. Guénette

IDRC: Y. Beaulieu

ENRM PROGRAM AREA, 2005/06

$24 415 000
IDRC allocation

$4 405 000
Other donor contributions

93
Research
activities
approved
in 2005/06

253
Research
activities active
at year end

ENRM works primarily through three programs. *Ecosystem Approaches to Human Health (Ecohealth)* is concerned with the intersection of environmental degradation and ill-health — a pressing matter since poor environmental conditions are directly responsible for 21% of preventable illness such as diarrheal diseases and acute respiratory infection. *Urban Poverty and Environment* builds on the 20 years of experience IDRC has established in urban agriculture, as well as focusing on themes such as water and sanitation, solid waste management, and vulnerability to natural disasters. This initiative addresses issues exacerbated by the explosion in urban populations, which have grown from 33 to 47% of the world's population since 1972. *Rural Poverty and Environment,* meanwhile, explores questions related to the dependence of developing countries' rural poor on increasingly threatened environmental resources.

Community-level successes have shown that better management of the environment can lead to improvements in human health. These local successes beg the question of whether local advances can be "scaled up" for a more global impact. To this end, ENRM is launching a new endeavour: the Focus Cities Research Initiative will explore and advance best practices to reduce environmental burdens in poor urban areas. Other ongoing work — such as a Jordanian project to conserve water and boost household income by reusing so-called "greywater" — sparked widespread international interest.

Lebel acknowledges the challenges that lie ahead. "There is the potential for sustainable development fatigue," remarks Lebel. Still, the application of proven approaches to emerging global challenges — the role of environmental factors in the spread of avian flu and the impact of climate change on Africa are two such challenges ENRM is addressing — indicates that IDRC will remain a prominent voice in critical global environmental and social debates.

"The changes that have been made to ecosystems have contributed to substantial net gains in human wellbeing and economic development, but these gains have been achieved at growing costs in the form of the degradation of many ecosystem services, increased risks of nonlinear changes, and the exacerbation of poverty for some groups of people. These problems, unless addressed, will substantially diminish the benefits that future generations can obtain from ecosystems."
Millennium Ecosystem Assessment, 2005. Ecosystems and Human Wellbeing: Synthesis, p. 1.

From Access to Application

In rural Uganda, a new ally has been enlisted in the fight against disease — the Personal Digital Assistant, or PDA, an inexpensive handheld computer that allows for mobile communication between health workers in remote locations, regional health facilities, and the Ministry of Health in the capital, Kampala. This can facilitate more rapid diagnosis of patients, ensure timely shipment of drugs and supplies, and sometimes avert a major crisis.

Beyond such formidable practical benefits, these devices have had a noticeable effect on the spirit of frontline workers. "Some people have developed what they refer to as the 'PDA swagger'," explains Richard Fuchs, Director of IDRC's Information and Communication Technologies for Development (ICT4D) program area. "Rural health workers feel an increased self-esteem and a sense of belonging to their profession because they have this technology that connects them to their urban colleagues and to the world."

From around the globe, other IDRC-supported research yields a treasure-trove of stories recounting how innovative technologies are being adopted, "not just because they are technically cool," as Fuchs says, but because they serve a pressing social need. Throughout Africa, tuberculosis patients receive regular cell phone reminders to take their medicine — increasing the chances of success of a medical regime that demands strict adherence to schedules. In Senegal, farmers' incomes increased by $200 per month after cell phones gave them access to commodity prices in urban markets. In the Philippines, local government now uses mobile technologies to increase their accountability to citizens.

Extending benefits

These examples illustrate a shift in focus for IDRC's work in ICTs. In years past, a key concern has been overcoming the so-called "digital divide." In Latin America, access to ICTs has been split along urban/rural lines, while in Asia the wall was mostly between techno-savvy and less advanced countries. Africa, meanwhile, had largely been shut out of the digital revolution. In this context, IDRC supported research with the primary goal of extending the benefits of ICTs more broadly, partly so that marginalized communities would have a voice in the future evolution and social role of the ICT sector in their countries.

Now, the use of new communication technologies has taken off. In India, for example, there are 3 million new mobile phone subscribers each month. As that rising popularity pushes prices down, ICTs will almost assuredly become

Richard Fuchs, Director, Information and Communication Technologies for Development

affordable for greater numbers of people. The question — for developing-world researchers supported by IDRC — has become how this digital boom can be made to serve pressing social needs in areas such as health, education, governance, and poverty reduction.

The Uganda project is just one example of how the ICT4D program embodies the broader goals of the Centre. The project's success in improving health system efficiency is a clear developmental impact. But there are also economic spin-offs: when the manufacturers of the Ugandan systems' routers abandoned the country to concentrate on the European market, an African enterprise stepped in with its own cheaper, more durable version of the technology.

> "There are two pillars to the current CSPF in this area: Access and Information Economy. The consultations for the CS+PF 2005–2010 indicated that IDRC partners expect the Centre to continue its leadership in these areas, with a special focus on how developing countries can benefit from and contribute to the new Information Economy."
> CS+PF 2005–2010 (PF, para. 64)

The project has also encouraged exchanges between developing-world and Canadian institutions — an explicit goal of IDRC. Originally, the Ugandans learned from researchers at Memorial University in Newfoundland, a province with a significant track record in "telemedicine" due to its abundance of remote villages. But now, says Fuchs, "I think the Ugandans could teach us a thing or two." (In fact, the Ugandans have been sharing their knowledge with St. Lucia, in the Caribbean.)

ICT4D PROGRAM AREA, 2005/06

$21 404 000
IDRC allocation

$7 640 000
Other donor contributions

83
Research
activities
approved
in 2005/06

186
Research
activities active
at year end

ICT4D's resources have tripled in five years, when other agencies have been reducing their involvement. The shape of its future work may well influence the extent to which the proliferation of new technologies will make the world a better place. But, notes Fuchs, "how these technologies are deployed and adopted has to occur in a cultural context where people can find what their needs and solutions are."

"Within the development community, there is growing awareness that failure to include developing countries in the ICT revolution will have serious consequences for achievement of the [Millennium Development] Goals. Harnessing the strategic and innovative use of ICT in development policies may enable the world to meet the Goals. Without such technology, doing so by 2015 will be impossible." UN Millennium Project 2005. *Innovation: Applying Knowledge in Development.* Task Force on Science, Technology, and Innovation, p. 50.

Getting Back to Basics

The creation of the Innovation, Policy and Science (IPS) program area in 2005 "brings IDRC back to its roots, in some respects," explains Richard Isnor, IPS' Director, who moved to IDRC from the National Research Council of Canada. "Science and technology policy activities were one of the initial core investments made by the organization," he adds, noting that the *IDRC Act* of 1970 states "the objects of the Centre 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."

Today, there's a renewed recognition, as Isnor expresses it, that "explicit attention on science, technology — and particularly on innovative capacity — is central to the development process, that innovation is critical to enabling socioeconomic development."

In a segmented world, knowledge is unevenly distributed between regions and even within countries, contributing to a growing chasm between the privileged and the poor — between those with solid economic and social prospects and those without. Africa, a continent with 13% of the world's population but only 1.2% of the world's researchers, is clearly in need of enhanced innovative capacity to spark economic growth and enable Africans to deal with critical challenges in such areas as health and agriculture. More broadly, a recent task force of the United Nations' Millennium Project concluded that in order to achieve the Millennium Development Goals — the UN's benchmarks for advances in key areas such as health, education, gender equality, and environmental protection — "countries will need to … develop strategies to harness the explosion in new knowledge."

While the catalytic power of scientific and technological innovation is well established, the question of what ingredients or conditions can nurture a culture of innovation remains more of a mystery. A good balance between investments in primary education — where curiosity is first encouraged in young children — and in higher learning, where specialized knowledge is generated, has been cited as one factor. Governments' science and technology policies are also crucial. Technical factors such as the structure of national banking systems, the ability of developing-country research institutions to plug into global stocks of knowledge, and the collaborative abilities of government agencies can all contribute to the success or failure of innovative enterprises.

Richard Isnor, Director, Innovation, Policy and Science

A systems approach

Rather than concerning itself with promoting specific technologies — say, in energy or alternative technology — IPS is primarily focused on how those enabling conditions interact with one another within particular national contexts. "We want to look at it from a systems point of view," says Isnor. "What's needed in terms of training and learning about those technologies so that they will work? And what are the social factors driving the technology? Are there barriers to social acceptance of the technology? And who is invited to debate whether the technology is appropriate and whether the benefits will be distributed equitably?"

IPS' Challenge Fund will address a "systems approach" to science and research capacity development through partnerships. The Fund will create new strategic partnerships between developing-world specialists and Canadian institutions and funding agencies, both to leverage Canadian expertise for the benefit of the developing world and to give IDRC a more prominent voice in domestic science and technology policy discussions. One existing model for such partnerships is the Global Health Research Initiative, which has successfully brought the contributions of IDRC, CIDA, Health Canada, and the Canadian Institutes of Health Research

> *"We will … seek opportunities to promote, sustain, and expand linkages with Canadian research institutions involved in international development, and looking at global issues that have an impact on developing countries and Canada."*
> CS+PF 2005–2010 (PF, para. 87)
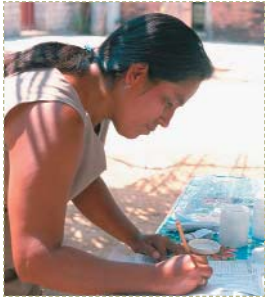
IPS PROGRAM AREA, 2005/06

$5 521 000	**7**	**22**
Research activities approved in 2005/06	Research activities approved in 2005/06	Research activities active at year end

together to act on pressing global health issues such as the containment and treatment of infectious diseases.

As well, the new IPS program, Innovation, Technology and Society, will help build research capacity to support policy-relevant research in developing countries — a longstanding IDRC concern. A specific focus within this program will be to increase social inclusion in science and technology policy-making through means such as multistakeholder consultations. Such broad-range involvement is widely viewed as key to the healthy functioning of innovation systems, and can offset an observed tendency for innovation to disproportionately benefit the socially advantaged in developing countries.

Although science policy and innovative systems are themes deeply interwoven with the work of other IDRC program areas, creating IPS will ensure that "what's everybody's concern doesn't by default become nobody's," says Isnor. "Since innovation is so central to the process of development, it deserves explicit attention."

"This unbalanced distribution of scientific activity generates serious problems not only for the scientific community in the developing countries, but for development itself. It accelerates the disparity between advanced and developing countries, creating social and economic difficulties at both national and international levels. The idea of two worlds of science is anathema to the scientific spirit. It will require the commitment of scientists and scientific institutions throughout the world to change that portrait to bring the benefits of science to all." Kofi Annan, "A Challenge to the World's Scientists," Editorial, *Science*, 7 March 2003, vol. 299, no. 5612, p. 1485.

New Policy Challenges on a Changing Economic Landscape

The current era of economic globalization has brought high expectations — but also some profound disappointments — to people in the developing world.

Rapid growth, particularly on the part of the robust Asian economies of India and China, contributed to a decline in extreme poverty (at least, as measured in income terms) from 28 to 19% of the world's population between 1990 and 2002. Despite such advances, the number of very poor people continues to rise in many countries of Latin America, Africa, and Asia. Measured in nonincome terms — for example, access to education, nutrition, and the prevalence of disease — the plight of the world's poor looks even bleaker, the growth of inequality more stark.

"There's a sense today that the forces of economic and social globalization alone aren't enough to lift people out of poverty or to resolve the key social challenges facing developing countries," says Brent Herbert-Copley, Director of IDRC's Social and Economic Policy (SEP) program area. "That points to an important role for a more active public policy in the developing world."

Yet sound public policy is not produced in a vacuum. Several elements are needed to nourish the policy-making process. Access to solid research is an essential element. A culture of consultation and public debate is also helpful. With these requirements in mind, SEP strives to support economic and social policy-making by pursuing three interlocking goals: helping build research capacity in developing countries; promoting linkages between researchers and policymakers; and stimulating "evidence-based" public debate and discussion.

Peru's Consortium for Economic and Social Research provides an example of how all three of those goals can be achieved. When IDRC (along with the Canadian International Development Agency) began supporting the Consortium more than 15 years ago, the aim was to strengthen Peru's research capacity and provide incentives for researchers to remain in the country during a period of political and economic crisis. In subsequent years, the Consortium has grown from five members to 35. It has reached out to weaker institutions beyond Lima, and has fostered links between the research and policy-making communities.

During the 2006 national election campaign, the Consortium played a key role in Peruvian political life by commissioning a series of research reviews on key issues, ranging from trade negotiations, to employment, to gender equality, health care, and education. That research not only

Brent Herbert-Copley, Director, Social and Economic Policy

IDRC: M. Valberg/Valberg Imaging

engaged policymakers and political candidates, but also informed a broader public dialogue through public seminars, broadcast media coverage, and publication in the leading Peruvian newsmagazine. Only an institution that had earned a reputation for reliable, nonpartisan research could achieve this degree of input into national debate.

While the Peru Consortium deals with a wide variety of issues, SEP works primarily through four programs that address specific policy challenges. The *Peace, Conflict and Development* initiative examines the roots of conflict and the transition to durable peace. *Globalization, Growth and Poverty* builds on IDRC's considerable experience with economic issues, such as trade policy and poverty analysis. *Women's Rights and Citizenship* is a new initiative focusing on gender equity, while *Governance, Equity and Health* (GEH) addresses the complex range of factors affecting health policy and access to services. The extent to which health issues are intertwined with a range of other policy questions is illustrated by current efforts to distribute antiretroviral drugs for AIDS patients in Africa. GEH is wrestling with the question of how this goal can be met in a way that strengthens overall health systems, rather than diminishing capacity to deliver other health services.

> *"[The Social and Economic Policy Program Area] focuses on enhancing the prospects for equitable development in its broadest sense, implying a simultaneous concern for economic growth, poverty reduction, political inclusion, and social justice."* CS+PF 2005 –2010 (PF, para. 72)

IDRC: L. Guénette
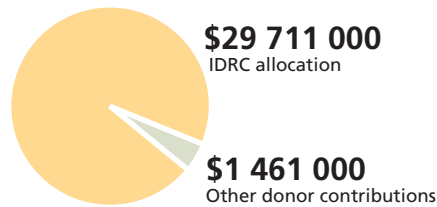
IDRC: C. Lombard

Challenges and opportunities

"One of the ongoing challenges is bringing research and policy-making communities closer together," says Herbert-Copley. "Often that involves taking both groups outside their comfort zones," building relationships and confidence. The increasing complexity of public policy issues creates real opportunities for bringing evidence to bear on policy decisions. Ultimately, research can stimulate public debate and enhance public accountability. "And that's really what's at the centre of the SEP program area."

Multi-agency collaborations are likely to assume a greater role in the future, offering new opportunities and challenges. Herbert-Copley notes that IDRC is well prepared for this new way of working given its prior experience with networks and consortia. For example, IDRC has been deeply engaged — with CIDA, the Canadian Institutes of Health Research, and Health Canada — in establishing the Global Health Research Initiative, which seeks to expand Canadian participation in global health research.

"We will be looking at ways in which we can work effectively with our Canadian and international partners," he says, "to build on that foundation of collaborative research."

"A major challenge of the 21st century will be to strengthen and reform the institutions, rules and customs by which nations and peoples manage the fundamentally political challenge of complementing the benefits of the global market with collective management of the problems, including persistent and unjust inequality that global markets alone will not resolve."
Nancy Birdsall, President, Center for Global Development, 2005 WIDER Annual Lecture, "The World Is Not Flat: Inequality and Injustice in Our Global Economy," 26 October 2005, Helsinki, Finland.

{ Meeting Our
Objectives

Research to Strengthen Capacity

OBJECTIVE: *"IDRC will strengthen and help to mobilize the local research capacity of developing countries, especially in the Program Areas of Environment and Natural Resource Management, Information and Communication Technologies for Development, and Social and Economic Policy."* CS+PF 2005–2010 (CS, para. 66)

"When I first started working on an IDRC project, they built my capacity in participatory action research. I applied this new approach to the project. Now I am training others at the university [. . .] I work with young, inexperienced researchers, farmers, and extension workers to build their capacity [. . .] Now the farmers are working with local authorities to develop policies."

This comment, by a researcher participating in an IDRC-supported project on community-based upland resource management in Viet Nam, was recorded during an ongoing strategic evaluation launched in 2004 to better understand how IDRC supports capacity building. He well describes IDRC's approach to building capacity, founded on the conviction that a strong scientific research capacity is an essential building block for growth in developing countries. Strengthening that capacity has been a key Centre objective since its creation and is a feature that distinguishes IDRC from other large donors. It continues to be so under the CS+PF 2005–2010.
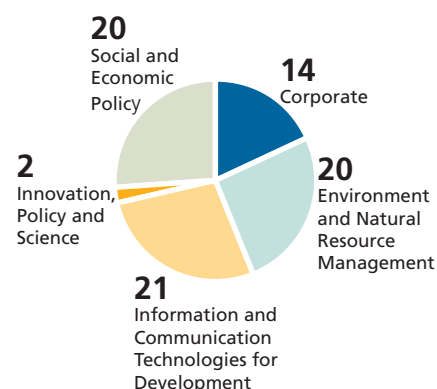
Strengthening local research capacity underlies most everything IDRC does. For example, the second phase of the capacity-building evaluation, carried out in 2005/06, showed that although building capacity was the stated objective of 26% of the projects studied, it was a central concern of more than 75% of them, evenly spread among our program areas. The evaluation also confirmed that capacity-building efforts at IDRC were guided by its core values of local ownership, flexibility, and respect for diversity.

The results? Trained researchers, new training materials, the dissemination of research through papers and conferences, and the development of databases. The study also revealed longer-term changes in the skill sets and the behaviour of individuals and organizations.

Two approaches that will affect the way IDRC builds capacity — of its partners and its own — are being implemented under the CS+PF 2005–2010. The first is an emphasis on "complete capacity building," reflecting the need to concentrate not just on research skills, but also on ancillary capabilities such as communication and dissemination, even

CAPACITY BUILDING: Statistical snapshot 2005/06	**55** New research projects with explicit capacity-building objectives	**189** Projects with capacity-building objectives active at year-end
77 Research activities supported in 2005/06 with explicit capacity-building objectives	**258** Research activities with capacity-building objectives active at year end	**207** Number of recipient institutions at year end

Breakdown of research activities with capacity-building objectives approved in 2005/06, by program area

- **20** Social and Economic Policy
- **14** Corporate
- **2** Innovation, Policy and Science
- **20** Environment and Natural Resource Management
- **21** Information and Communication Technologies for Development

fundraising to ensure sustainability. The second is the continuation of IDRC's Annual Learning Forums that promote individual learning of staff and provide an opportunity for staff to share experiences. Building capacity in the coming years will also have a stronger focus on capacity building in research for policy, and associated with it, support for a wider space for critical thinking. That thrust is reflected in the projects described on the following pages.

IDRC · J. Kassay

An African ICT Policy Research Network

Information and Communication Technologies for Development program area
Project duration: 2003–2005
IDRC allocation: $1 300 330

Objective: Narrowing the digital divide between Africa and developed countries requires more than a commitment of financial and other resources: it also requires sound policies. But African policymakers generally lack even basic information and analysis on ICT use, need, and priorities on which to base policies. This project sought to create a means of bringing African researchers and institutions together to develop a rigorous, relevant ICT policy research base.

Results to date: Completed this year, this project established an African ICT policy research network — Research ICT Africa (RIA) — in 10 African countries, coordinated by the LINK Centre, University of Witwatersrand, South Africa. The network has coordinated and focused policy research in Africa and with leading international networks and has developed a Web site that allows researchers to share research materials and results. (www.researchictafrica.net)

Awareness of policy issues and options has been fostered by disseminating research results through the Web site, publications, seminars, workshops, and conferences. African researchers have been brought into the international ICT policy research community through such venues as the 2005 World Summit on the Information Society. And by establishing the first African ICT policy Master's and PhD programs, the Link Centre has trained African researchers who will further expand the range and scope of the network's expertise.

> *"Over the last couple of years, RIA has been increasing the research capacity of African institutions while contributing to the body of local knowledge required for formulating effective policies and regulations throughout Africa. There is still a long way to go before the vacuum that existed before we started RIA is filled, and we will take our work further in the next phase of the project."* Alison Gillwald, Director, Research ICT Africa

Network members have taken part in the research undertaken by ORBICOM, the international information and communication network created in 1994 by UNESCO and the Université du Québec à Montréal. The project also recently published a comprehensive comparative analysis and assess-

IDRC: A.K. Brodeur

ment of ICT access and usage in member countries. The research undertaken by the network helped to inform the policy change recently implemented in Uganda whereby the industrial, scientific, and medical band was deregulated for wireless Internet access.

Looking ahead: IDRC is funding a second phase that will seek to expand the network of researchers and bring in more universities, especially from francophone West Africa.

Toward tobacco control policies in Lebanon

Social and Economic Policy program area (Research for International Tobacco Control – RITC)
Project duration: Phase 1: 2002–2005
IDRC allocation: $207 814   Related project: $31 000

Objective: The tobacco epidemic is spreading throughout the Middle East, aided by weak tobacco control policies and aggressive advertising by tobacco companies. The region is facing both a rise in cigarette use and a resurging popularity in *argileh* (water pipe) use, particularly among women and youth. This project sought to investigate the health implications of *argileh* use, about which little is known, to inform future tobacco control policy and prevention initiatives.

Results to date: This project combined a study of the health implications of tobacco use with a review of the policy, social, and economic environment precipitating the increased use of *argileh* and cigarettes. The research showed that, contrary to popular belief, *argileh* smoke contains large quantities of the same chemicals that make cigarette smoke harmful. Researchers developed an experimental smoking machine and protocol for investigating the elements of *argileh* smoke.

IDRC: D. De Savigny
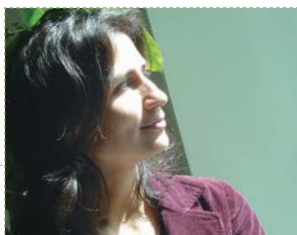
Sarah Everts, recipient,
IDRC Award for International
Development Journalism

TRAINING A NEW GENERATION

The Centre Training and Awards Program (CTAP) is the focal point of formal and nonformal training within IDRC, and combines policy, management, and service functions for IDRC-funded training awards for new, mid-career, and senior researchers. By supporting academic study and providing opportunities for hands-on experience, IDRC helps countries of the South develop a critical mass of trained and experienced researchers to promote sustainable and equitable development. At the same time, a new generation of Canadians has the opportunity to participate actively in international development and to consider careers in this field.

"… at a time when I was anxious to get out in the world, I was fortunate to win the Gemini Fellowship, which was funded at the time by the International Development Research Centre […] I will spare you my clippings and photo albums, but let me tell you this — that government-funded fellowship transformed me as a journalist. That trip to Africa became the first of many that I would make in the years that followed."

Journalist Allan Thompson, now with Carleton University's School of Journalism, speaking to the Standing Senate Committee on Transport and Communications, 1 December 2004

In early 2005, IDRC unveiled the first Evaluation Research Awards competition, in honour of Terry Smutylo, the founding Director of the Centre's Evaluation Unit. The competition was open to citizens and permanent residents of Canada and developing countries, studying either in Canadian universities or in recognized universities in developing countries. Two candidates, a Canadian doctoral student in medical anthropology at the University of Toronto, and a Master's student from Ethiopia studying planning at the University of British Columbia, were selected and will carry out research in the Volta Basin and in Namibia, respectively.

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INDIVIDUALS RECOMMENDED FOR AN AWARD IN 2005/06 :

37 IDRC Doctoral Research Awards	**6** IDRC Awards for International Development Journalism	**11** Internship Awards
3 Sabbatical Awards	**10** Ecosystem Approaches to Human Health Awards	**2** IDRC Evaluation Research Awards
1 John G. Bene Fellowship in Community Forestry: Trees and People	**4** Professional Development Awards	**1** Carleton University, Clyde Sanger, and IDRC Scholarship
1 Postdoctoral Award	**1** Individual Award	**1** Visiting Scholar in Feminist Perspectives on Globalization

Research capacity was built among a multidisciplinary group of faculty, students, research assistants, and field workers involved in the project. Numerous graduate students prepared their Master's theses based on this research. The core research team created a new multidisciplinary Tobacco Prevention and Control Research Group at the American University of Beirut. The team has also collaborated with institutes in Syria and Egypt.

The World Health Organization this year issued a Scientific Advisory Note on Water Pipe Smoking, based on a paper co-authored by one of the team's lead researchers. The project results have also been disseminated through journal articles, presentations at regional and international scientific meetings, and through the media, including an article in Canada's *Globe and Mail* newspaper in December 2005 and a television news item broadcast on CTV.

While these results are impressive, the researchers continue to face an uphill battle in influencing policy, due to a combination of powerful vested interests in Lebanon, limited political will, the research team's lack of experience in policy-making, and little support from civil society.

Looking ahead: A second phase of the project is planned for approval in 2006/07. Additional funds raised from non-Canadian donors will help expand the work.

Building local language computing capacity
Information and Communication Technologies for Development program area
Project duration: 2003–2007
IDRC allocation: $1 769 062

Objective: A strong impediment to the uptake of information and communication technologies (ICTs) in many developing countries is that most software is written to accommodate the Roman alphabet. This is an acute problem in Asia where the vast majority of people read and write in scripts that do not use this alphabet. To solve this problem, this project is working to build capacity for local language computing in seven Asian countries, raise levels of technology for Asian languages, and advance policy for local language content creation. This would overcome a barrier to ICT use by the rural poor, particularly women who have less access to education than men.

Results to date: The project, led by the National University of Computer and Emerging Sciences in Pakistan, has established and trained seven country teams of researchers, ICT practitioners, linguists, and policymakers from government,

universities, and the private sector. They are developing such tools as character sets, fonts, spelling and grammar checkers, and speech recognition systems for nine languages, each of which poses unique challenges. For example, NepaLinux 1.0, launched in December 2005, is equipped with a spell-checker for some 22 000 widely used Nepali words.

Extensive training was required to get the teams started and sustain their progress. In 2005/06, two workshops were held: the first to introduce the Afghanistan team — the latest to join the project — with the essentials of local language computing and localization technology development; the second to present advanced concepts of Asian localization and language processing. Training materials and other resources are available on the project Web site. (www.panl10n.net)

In addition, the *PAN Localization Project Survey of Language Computing in Asia 2005* was published. Many products have been and are being developed in tandem in multiple countries and on distinct timelines.

Looking ahead: IDRC is supporting a similar localization effort in Africa. The resulting cross-fertilization of ideas could lead to a larger network of problem-solvers, communicators, and policymakers working on the issue of local language computing. A second-phase project (2007–2009) is also being developed for Asia, focusing on Open Source software development and mobile computing.
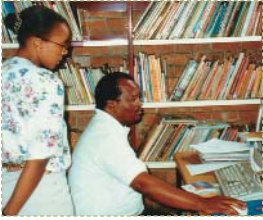
> *"Unless these large non-English speaking populations have the ability to generate and access content in their native languages, they will not be able to use ICTs for their development effectively."*
> Dr Sarmad Hussain, Project Leader

SHARING RESOURCES

For IDRC, providing access to information is a key means of supporting partners. One way in which IDRC provides that support is through its Research Information Management Services Division (RIMSD). RIMS offers access to the latest technical literature and archives and disseminates the results of IDRC-supported research.

The Centre's three publicly accessible online databases, IDRIS+, BIBLIO, and IMAGES, provide researchers and the general public access to IDRC's project information, research outputs, and photo library, respectively. IDRIS+ was launched in this past year, after a successful redesign and rebuild of a 20-year old "institution." Response to the new IDRIS has been uniformly positive and enthusiastic.

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

Throughout its 35-year history, IDRC has believed that to bring about positive change in people's lives, knowledge should be shared. Research results and documents generated by IDRC-supported projects, recipients, and staff represent a tangible intellectual output of the Centre's mandate.

In December 2005, IDRC announced plans to create an Open Archive, the first among Canadian research funding organizations. The Open Archive will provide full access over the Internet to IDRC's rich research archive and will provide IDRC-funded researchers with a much-needed outlet to publish and showcase their work. In addition to increasing the transparency of the Centre's results-based research, it will enable IDRC to participate in the global movement to remove economic, social, and geographic barriers to the sharing of knowledge.

Since the announcement, IDRC staff have developed a demonstration model of the Open Archive. Development is continuing in 2006/07.

Archives: *1 670 items were added in 2005/06.*

BIBLIO: Catalogue of final research reports from IDRC-funded projects. Many reports and documents are now available in full text. *In 2005/06, 40 822 searches were conducted by researchers external to IDRC.*

IDRIS+: Comprehensive and descriptive information on all IDRC research projects. *In 2005/06, 31 500 searches were carried out by external researchers.*

IMAGES: Digital photo library of thousands of images related to IDRC projects. *External researchers conducted 21 795 searches in 2005/06.*

Research databases: IDRC staff and partners have access to some 40 000 journals, of which 13 571 are full text. As of 31 March 2006, 1 282 partners were registered for database access. *Some 60 000 searches were conducted over the year by IDRC staff and partners.*

Preventing environmental disasters in Latin America

Environment and Natural Resource Management program area
Project duration: 2005–2007
IDRC allocation: $255 980 to 5 projects

Objective: Frequent earthquakes, cyclones, landslides, and floods are an unfortunate fact of life in Latin America and the Caribbean. The region is also vulnerable to less spectacular but equally destructive threats such as erosion and desertification. Often ill-equipped to cope with these disasters, municipal governments throughout the region are seeking means to assess environmental risk and elaborate prevention strategies.

This series of research support projects seeks to train Latin American municipal officials and technicians in the use of the Integrated System for Environmental Management (known by its Spanish acronym SIGA) and to make it widely available.

Results to date: In 2003, IDRC, through the Environmental Management Secretariat (EMS), supported the development of the integrated environmental management system, a geographical information systems (GIS) tool for mapping threats, vulnerability, and areas of risks. Developed by the Uruguayan Faculty of Science and the Municipality of Montevideo, it has been integrated into the municipal disaster prevention plans of 40 cities in Latin America and the Caribbean.

In 2005/06, IDRC funded three sub-regional training courses on SIGA for more than 100 municipal technicians who are,

in turn, training others. The courses led to the creation of the Latin American Municipal Network for Disaster Prevention by course participants. Manuals in print and electronic formats were published: both versions are available on the EMS Web site. A DVD synthesizing the SIGA system is also available. (www.idrc.ca/ems)

Work began this past year on the establishment of a regional information centre to increase awareness, promote international and national policies to prevent and reduce disasters, and further promote the implementation of tools such as SIGA.

Looking ahead: The University of Quilmes in Argentina will launch a distance training course for municipal technicians in July 2006. Subsequently, an international workshop will be held in October 2006 to validate and disseminate the integrated disaster risk reduction strategies and promote their fuller integration into urban planning. IDRC is also exploring the possibility of implementing SIGA in other regions.

Peer-to-peer support for science journalism in the developing world

Innovation, Policy and Science program area
Project duration: 2006–2009
IDRC allocation: $800 000

Objective: In recent years, science has played an increasingly central role in society. Science journalists have a critical role to play in informing communities and policymakers about the import of these developments and in doing so, strengthen democracy and promote human development. Science journalism, however, is a relatively new branch of journalism, particularly in developing countries. This project aims to build the capacity of developing-world science journalists to report and analyze local scientific and technological developments and help ensure that S&T contributes to the well-being of their societies.

Results to date: Through the World Federation of Science Journalists (WFSJ), the project will harness the goodwill, expertise, and experience of seasoned science journalists from all over the world who will mentor some 60 of their colleagues in the Middle East and Africa. The mentoring will extend for up to two years. "Our objective is to support journalists who want to report on science, but lack the peer support and training more common in wealthier nations," said Diran Onifade, science journalist with the Nigerian Television Authority, at the launch of the project in February
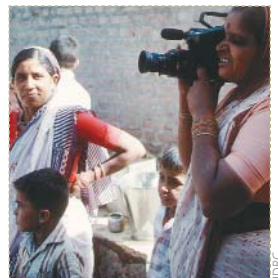
2006. "This will certainly help bridge the capacity challenge we face as science journalists on the African continent." (www.wfsj.org)

Exposing these journalists to new techniques of science reporting will enable them to better report the work of local scientists so that they can influence decision-makers for the benefit of their communities. The project will also twin young and well-established associations of science journalists.

This project builds on the success of the 4th World Conference of Science Journalists, held in Montréal in October 2004, of which IDRC was a key partner. IDRC has a long history of supporting the advancement of science journalism in the Third World.

Looking ahead: The 15 mentors selected will be trained in July 2006. Each will then be twinned with up to four African and Middle Eastern journalists, who will also attend scientific meetings and participate in exchange programs and other training opportunities. The program may later be extended to science journalists in Asia and Latin America.

Lara Fairall, South Africa

Redrawing the AIDS Battle Lines

IDRC: C. Lombard

The faces in Pelonomi Hospital's waiting room — mostly women, some with small children in their arms — are resigned, even grim. A few crutches and wheelchairs dot the perimeter of the room, but most of those patiently waiting show no outward sign of illness.

Pelonomi, located in the capital city of Bloemfontein, is among a handful of health facilities accredited to assess and treat HIV/AIDS patients in South Africa's Free State. The dozens here today are HIV-positive patients being assessed for follow-up with antiretroviral drugs.

Antiretroviral therapies (ART) have come to South Africa only after years of legal battles and subsequent disagreements between AIDS activists and government. Even now that ART is officially available, not all the roadblocks have disappeared. Administering these drugs requires that patients scrupulously adhere to their medication schedules and demands intense support from health professionals.

This has put considerable strain on South Africa's public health infrastructure. Topping the system's long list of obstacles is a lack of resources and scarcity of health professionals (doctors, pharmacists, nurses) trained to diagnose and treat AIDS. Many AIDS patients also live in remote communities.

While there are no easy answers for overcoming these challenges, a promising experiment is underway in Free State province. A system called PALSA Plus (PALSA is short for Practical Approach to Lung Health and HIV & AIDS in

IDRC: C. Lombard

South Africa) uses simple yet comprehensive guidelines and tests to help train primary care nurses to diagnose both AIDS and tuberculosis (TB). Many health professionals in South Africa believe that shifting more responsibility for AIDS diagnosis and treatment to nurses is key to making ART more accessible.

Dr Lara Fairall, a former clinician now with the Knowledge Translation Unit of the University of Cape Town Lung Institute, worked with a group of specialists to develop PALSA Plus, an undertaking supported by IDRC, in addition to other aspects of the ART roll-out in Free State province.

"Nurse-initiated ART has enormous potential as an accelerator," says Dr Fairall, who left clinical practice for research in 2001, largely out of frustration that not enough was being done for AIDS patients. "The first step is to demonstrate that nurses can provide the services. We think they could play a very important role in treatment."

In fact, the training so far shows a positive impact, with outreach to all primary care nurses — not just AIDS-specific nurses — making for better, more integrated AIDS care in clinics. Random trials have also shown dramatic improvements in diagnosis: TB detection among patients seen by PALSA-trained nurses went up 68%, while the numbers of their TB patients undergoing voluntary testing for HIV increased by 110%.

Conversely, Dr Fairall notes that being involved in a successful strategy like ART has improved many nurses' work experience and buoyed their dedication. "The fact that ART cures patient symptoms is very profound," she says. "For many nurses, they see a literal Lazurus effect on patients who otherwise would have died."

Public Sector Antiretroviral Treatment (South Africa)
Phase I: 2004   IDRC allocation: $273 420
Phase II: 2004–2006   IDRC allocation: $1 129 750

IDRC: E. Emdon

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."*
CS+PF 2005–2010 (CS, para. 67)

IDRC: M. Hibler

"Our country cannot afford the luxury of having legal norms that are repealed or abolished days or months after being approved." Engineer Juan Carlos Alurralde spoke for many Bolivians when he expressed his frustration at his government's inability to regulate the country's precious water resources. Thirty-two failed attempts to draft a new water law ended in a "Water War" that made international headlines in 2000. Bolivia's experience, however, is not unique. A spotty legislative track record has led to public dissatisfaction and cynicism in many countries. While the reasons for policy failure may vary from a lack of resources — financial, human, institutional — to more serious instances of corruption, it is clear that policies alone will not bring about needed changes.

Our research partners echoed this message during the development of IDRC's Corporate Strategy and Program Framework 2005–2010. They urged the Centre to focus on policy implementation as well as policy formulation.

As a starting point, IDRC is broadening its understanding of the environment in which laws and policies are created and applied. An extensive study on research to policy linkages carried out by the Centre's Evaluation Unit notes the critical importance of context and relationships. In Bolivia, for example, IDRC-supported researchers, like Alurralde, built on their relationships with both sides in the long simmering conflict to help broker "a made in Bolivia solution." The new water law has popular support and a water ministry created in 2005 will oversee and coordinate water issues. The research team is now working to translate the law into enforceable regulations and practical benefits for Bolivia's Indigenous peoples and smallholder farmers.

What this and other cases in the strategic evaluation highlight are the myriad factors that must be accounted for if research is to shape policy outcomes. Some of these factors are beyond the Centre's and its research partners' ability to control. Others, such as building the capacities of researchers and decision-makers to use research in the decision-making process, fit well within IDRC's current mandate and programing practices (see box, Networks: Helping to Shape Policy, page 45).

POLICY INFLUENCE: Statistical snapshot 2005/06	**40** New research projects with explicit policy-influence objectives	**161** Projects with policy-influence objectives active at year end
164 Research activities with policy-influence objectives active at year end	**172** Number of recipient institutions at year end	

Breakdown of research activities with policy-influence objectives approved in 2005/06, by program area

- **4** Corporate
- **3** Environment and Natural Resource Management
- **8** Information and Communication Technologies for Development
- **2** Innovation, Policy and Science
- **23** Social and Economic Policy
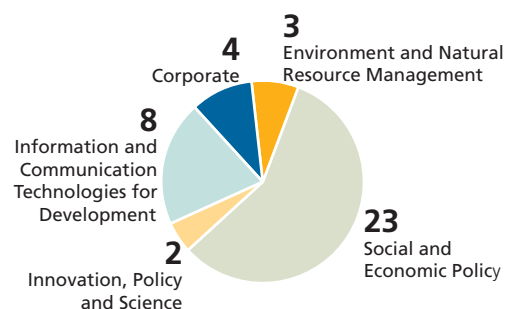
An emphasis on policy implementation, however, implies a focus on outcomes and processes beyond the end of most Centre-supported projects. How IDRC supports implementation efforts will vary according to needs and circumstances, but will be the result of a combination of measures built into projects — as was the case in the Bolivian water project — and Centre-wide initiatives through the work of the Evaluation Unit and Communications Division, among

others. Broader and deeper policy relevance will not come at the price of scientific excellence, however. As the following examples indicate, excellence remains the hallmark of Centre-supported research.

Regulating land tenure in Guatemala
Social and Economic Policy program area
Project duration: 2001–2004   IDRC allocation: $270 100
Related project: 2004–2006   IDRC allocation: $216 320

Objective: Guatemalans fought a bitter 36-year civil war over land rights that pitted the country's large Indigenous and Ladino population against a powerful ruling elite. The Peace Accords, which ended the conflict in 1996, put in place a series of measures for dealing with land tenure and use. In support of the Peace Accord process, this project sought to formulate a law to regulate land tenure and use in Guatemala.

Results to date: The cornerstone of the measures proposed under the Peace Accord process was a land registry law, a draft of which was sent to the Congress for discussion in July 2001. This law is one component in a package of four important pieces of draft legislation for dealing with land reform that IDRC has supported. After four long years of debate and three different administrations, Guatemala's Land Registry Law was approved in mid-2005. The new law is the first step to removing some of the serious obstacles that have hobbled equitable land reform in Guatemala.

However, Guatemala's constitution places responsibility for municipal "*ejidos*" or communal lands exclusively with municipal authorities and outside the scope of the 1996 Peace Accord. Weak administrative and judicial institutions have allowed private interests to exploit these critical community resources. These incursions have become a source of ongoing conflict. A joint proposal by two of IDRC's Guatemalan partners builds on the previous land tenure project to help resolve land tenure and use issues associated with the *ejidos*. The project, launched in 2004 deals with

a serious weakness in the earlier project — the lack of attention paid to gender issues. Poor Indigenous women, for example, cannot gain title to land following marriage breakdowns.

Looking ahead: The second project is scheduled to end

in mid-2006. Four pilot municipalities are developing and testing similar community-based participatory measures for dealing with municipal land tenure and use. If successful, the process will be replicated in other municipalities.

Health impacts of flower production in Ecuador
Environment and Natural Resource Management program area
Project duration: 2002–2006   IDRC allocation: $496 200

Objective: In only 10 years, Ecuador's Granobles River Basin has become one of the world's largest producers of greenhouse-grown cut flowers. To meet the aesthetic standards of international markets, these high-tech, capital intensive operations rely on a range of pesticides, fungicides, and herbicides. To protect human health and community well-being, the Quito-based Centro de Estudios y Asesoria en Salud (CEAS) launched a study in 2002 to measure the impact of the cut flower industry on the population. The goal is to develop community-based harm-reduction and ecosystem management strategies.

Results to date: In 2005/06, the CEAS research team catalogued the use of some 112 commercial brands of agrochemicals containing 32 different chemical groups and 49 active ingredients.

Beyond the serious effects on farm workers' health from the unsafe use of toxic agrochemicals, the research team also noted negative environmental and human health impacts across the Basin, as well as tremendous social, cultural, and economic changes caused by the introduction of large-scale agroindustry into a region of small Indigenous farms and mid-sized dairy operations.

The research team brought together Indigenous and Mestizo (mixed ancestry) populations with academics, community organizations, governments, and environmental

management groups to develop community-based tools for monitoring human and environmental health in the Basin. The work of the researchers and their community partners has caught the attention of Ecuadorian officials and the international community alike.

At the national level, project results played a decisive role in the development and implementation of a National Agrarian Research System to support research on rural population health and social security.

Internationally, the tools developed over the course of the project have gained the support of the European Flower Label Program. A checklist of labour, social, gender, and ecological protection standards developed by researchers and their community partners will underpin an International Code of Conduct for Cut Flower Production. A full certification process is now underway on approximately 15% of Ecuador's flower farms.

Looking ahead: Researchers are promoting a participatory community-based environmental and human health surveillance system. They have also started to develop a legal reform and advocacy program to promote the adoption of sustainable standards for cut flower production within Ecuador. Globally, they will contribute to campaigns to promote a sustainable floriculture industry.

JuriBurkina: Free online access to legal information
Information and Communication Technologies for Development program area
Project duration: 2004–2006
IDRC allocation: none
Other donor contributions: $84 180

Objective: An open, transparent judiciary plays a fundamental role in the development of just and equitable societies. In some parts of the world, however, access to information about national laws and their application is limited because of inadequate systems and funding. This project sought to provide full access to public legal information, such as legislation and case law, to law practitioners and citizens in Burkina Faso.

Results to date: Researchers from the Université de Montréal joined forces with the Government of Burkina Faso and the national Law Society to develop a low-cost, online, legal database. Together, they customized an Open Source software developed by the Justice System

Technologies Laboratory (LexUM) at the Université de Montréal to meet the needs of Burkina Faso's legal community and its government.

Known as JuriBurkina, the legal repository is operated and maintained by a local team of legal experts and software engineers, ensuring the project's sustainability. Launched in 2005, users can now access JuriBurkina through a Web site incorporating a search engine, and on regularly issued CD-ROMs. (www.juriburkina.bf) For those without access to computers, the Law Society offers a free access point in Ouagadougou, the country's capital.

By providing citizens and the legal community free access to the judgements of the country's courts, JuriBurkina is seen as an important tool for strengthening the rule of law and promoting social and economic development. It has also made Burkina Faso a model when it comes to the dissemination of jurisprudence.

> *"By making legal information available online, JuriBurkina is a tool for social and economic development. Not only will it save time and money, it will also help strengthen the rule of law in Burkina Faso by making all legal decisions freely accessible."* Maître Barthélemy Kere, Barrister of the Order of Lawyers of Burkina Faso

Looking ahead: Both JuriBurkina and the Université de Montréal's software application comply with Open Source standards. This means other software developers are free to use, modify, and redistribute it in their own applications. IDRC is supporting a second phase of this project looking to replicate JuriBurkina's success in other parts of West Africa and Madagascar through a West African legal information network.

Managing communal natural resources in Mongolia
Environment and Natural Resource Management program area
Project duration:
Previous phases: 2000–2004   IDRC allocation: $334 260
Phase III: 2004–2007   IDRC allocation: $366 400

Objective: Livestock production is the backbone of the Mongolian economy, providing a livelihood to some 172 000 herding families and generating 19% of the country's gross domestic product. For much of Mongolia's long

NETWORKS: HELPING TO SHAPE POLICY

In 2005, IDRC completed the most comprehensive survey it has ever undertaken of the knowledge networks it supports: 110 coordinators from 80 networks supported over the past 10 years participated. The survey showed that networks were effective tools for influencing policies. Among the characteristics of particularly effective networks — those that say they have had "great influence" on policies and laws — are a focus on economic policy, a single geographic interest, a large number of individual and institutional members, a closed membership structure, and an active communications system.

> *"One of the Centre's important comparative advantages in this respect is in the creation of South–South and North–South–South networks that, at their best, are both inclusive and efficient. If achieved, then the multiple goals of capacity building, links to policy, and scientific excellence are more likely to be met."*
> CS+PF 2005–2010 (CF, para. 14)
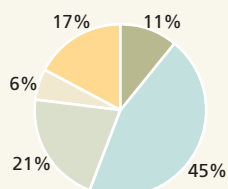
Expanding the capacities of researchers to carry out policy-relevant research
n = 100
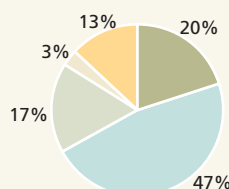
Broadening the knowledge available to policymakers and broadening their perspectives
n = 102
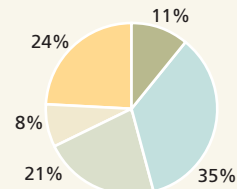
Affecting policies, laws, regulations, programs, and/or legislation
n = 100

■ Great influence ■ Moderate influence ■ Little influence ■ No influence ■ Not sure/refused

IDRC: R. Vernooy

history, grassland pastures were managed communally by herders whose wide-ranging migrations followed the seasons. During the 20th century, a shift first to Soviet-style central planning and then to market-oriented economic management have wreaked havoc on the grasslands. Few remnants of the customary system for managing pastureland remain and the government has retained exclusive control over all natural resources. With little state capacity to monitor and manage pastureland, they have been rapidly deteriorating. This project seeks to develop new ways for improving the livelihood opportunities of Mongolian herder communities through more efficient, sustainable, and equitable use of pastures and other natural resources.

Results to date: In 2000, IDRC and the Government of Mongolia launched a project to develop community-based institutions for pasture management that would be jointly managed by the local population and the government. Over three phases of funding, the project team and herder communities have established community organizations to represent herders in their dealings with government officials, and developed and put in place comanagement contracts that transfer resource use rights and resource protection responsibilities to the communities. They have also piloted income-generating schemes for animal-based products such as felt, wool and cashmere, furs, and leather.

Substantive contributions have also been made to new laws including the national Land Law and Water Law. In 2005, the Environment Protection Act was amended to include community-based natural resource management procedures. A task group, created to develop these procedures, is led by Hijaba Ykhanbai, the IDRC project leader.

Looking ahead: Herder groups are very interested in and encouraged by direct improvements to their well-being through income-generating options and improved diet. The project team continues to receive requests to establish more herder groups. Initiatives to expand community control over the local resource base and to broaden livelihood options will continue.

Juan Carlos Alurralde, Bolivia

Championing Water Rights

Water researcher Juan Carlos Alurralde (more often known by his nickname of Oso Andino — Andean bear) seems to have a gift for appearing in the right place at the right time. "Usually I find myself in places and moments that I feel are 'perfect' to contribute," he says.

That is certainly true of his return to Bolivia in late 1999 after spending a little over a year in Pakistan designing a crop-based irrigation operations model for large canals. The water resources engineer arrived home just in time to be called upon to organize and moderate a series of debates on the contentious issue of water management, which was again raising its head in Bolivia. "We saw that we were heading for a revolt. We tried to deter it … but everything was already unleashed," he recalls.

Bolivia entered a period of crisis, known as the Water War, following the government's enactment of new laws that offered private companies incentives to take over public water utilities.

The spark of rebellion that began the war in earnest occurred in 2000. A subsidiary of the Bechtel Corporation — which had bought the water concession in the thirsty city of Cochabamba — announced a rate hike. Residents protested loudly and often violently. Several Bolivians died in protests that spread, paralyzing the country, destabilizing the government, and finally forcing Bechtel's withdrawal from the country's water market.

Beyond the privatization issue, the Water War highlighted simmering discontent over Bolivia's longstanding water laws, which did not ensure equitable access to water for Bolivia's majority Indigenous population. Thirty-two previous attempts to reform those laws had failed.

Finally replacing those laws was the opportunity lurking within this crisis.

With financial assistance from IDRC, Oso Andino and others from the Comision para la Gestion Integral del Agua en Bolivia (CGIAB — Comprehensive Water Management Commission of Bolivia), a network of civil society, research groups, and nongovernmental organizations, began to research a new water law. CGIAB's first step was to use a water simulation model developed in Denmark to test the efficiency of competing proposals for water distribution. Alongside this, the commission initiated a series of broad-based public consultations.

The consultation process gained traction partly because Oso — who was perceived as neutral because of his recent return to Bolivia — was able to provide a bridge between the government and social organizations opposed to its water policy.

The ultimate result was a social consensus in favour of a new water law that finally guarantees Indigenous and farming communities' rights to water for irrigation. In addition, the process put in place by the CGIAB led to the creation of the country's first Water Ministry, which is committed to continuing to use scientific expertise and public consultation to fashion its water allocation policy.

"Now the executive branch has a social agenda on water built on a sound technical basis and built on firm and forceful social arguments, says Oso Andino. "That makes it possible to establish a new history about water in our country."

Regulation of Rights in the Water Law

Phase I 2002–2005	IDRC allocation: $270 700
Phase II 2005–2008	IDRC allocation: $446 130

IDRC: G. Graf
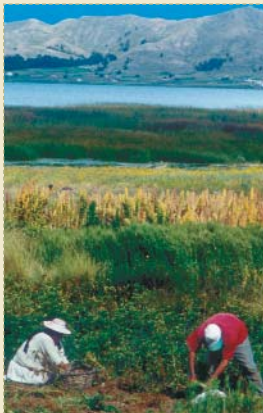
IDRC: M. Hibler

IDRC: N. MacMillan

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."* CS+PF 2005–2010 (CS, para. 68)

IDRC has always understood that development research is a collaborative venture. It therefore fosters partnerships that promote open and equitable participation and help bridge research insight and practical application. Its support of networks is one way in which it accomplishes this goal. Another is to convene divergent stakeholders to discuss research and innovation.

The launch of the Innovation, Policy and Science program area (IPS) in 2005/06 will give impetus to this convening activity. IPS encourages the involvement of all concerned stakeholders in Canada and around the world to bring forward the perspective of low- and middle-income countries, as well as marginalized groups, in addressing the social, environmental, and economic impacts of new science, technology, and innovation policies.

"Designers and planners tend to create city landscapes for beauty, not utility. What we learn from these three test sites will enrich cityscapes of the future, both North and South." Vikram Bhatt, Director, Minimum Cost Housing Group, McGill University and Coordinator, McGill University–UN-Habitat project on urban agriculture

IPS also serves as a platform within IDRC to ensure that Canadian research and science policy communities maintain international cooperation and development as important priorities for Canada's research efforts. This program area oversees strategic directions for the new IDRC Challenge Fund, which was created to provide a financial incentive to strengthen research partnerships between developing-country scientists and Canadian researchers. In 2005/06, the Challenge Fund was used to support the launch of a major new partnership initiative, the Teasdale–Corti Global Health Research Partnership, described on page 50, which involves the Canadian Institutes of Health Research (CIHR), CIDA, Health Canada, and IDRC.

In addition to research partnerships, IDRC also enters into funding partnerships with other donors — foundations, multilateral organizations, Canadian and foreign government departments, academic institutions, and nongovernmental organizations. The purpose is to increase the level of resources flowing to applied research in developing countries, carried out by developing-country scholars. In 2005/06,

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SUPPORT TO CANADIAN INSTITUTIONS: Statistical snapshot 2005/06

22 New research projects

86 Research projects active at year end

144 New research activities

274 Research activities active at year end

$9.4 million IDRC's contribution to activities funded in 2005/06

138 Total Canadian institutions currently involved

$33.1 million Total IDRC funding to Canadian institutions for active research

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New research activities approved in 2005/06 by institution type (Canada)

- **11** Governmental
- **74** Not-for-profit
- **1** For-profit
- **58** Universities
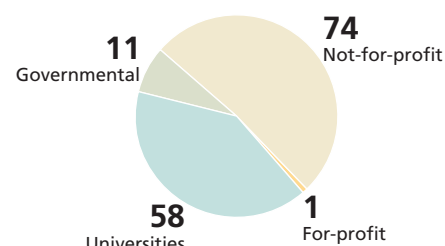
IDRC worked with 31 donor partners, seven of them Canadian. CIDA remains IDRC's major partner in Canada.

Helping our research partners increase their resources for development research and reduce their dependency on donor funding — to forge their own funding partnerships — also gained prominence with the launch of the capacity

building in resource mobilization (CBRM) project by the Partnership and Business Development Division, described below. This speaks to change within IDRC as this is the first large project dedicated solely to capacity building since the 1980s. In this sense, CBRM ultimately aims to safeguard the investments of time and money made by those involved at the project level by strengthening the host organization.

Strengthening organizational capacity and financial sustainability
Partnership and Business Development Division
Project duration: 2004–2009
IDRC allocation $1 792 550 for two projects

Objective: Research institutions in developing countries frequently lack the funds needed to undertake or expand activities and must compete for scarce resources from international donor agencies, something they are often ill-prepared to do. Dependence on international funding is also proving insufficient and undermines financial sustainability. Addressing this issue requires focus, not only on fundraising, but also on strategic planning and communications. This project provides IDRC partners with training and advisory services in "resource mobilization," thus contributing to the sustainability of development research.

Results to date: In May 2004, IDRC's Partnership and Business Development Division (PBDD) added a complementary role to its main function of fostering financial and strategic partnerships between IDRC and the international donor community. PBDD now engages directly with IDRC research partners to strengthen their own capacity to mobilize resources. The goal is to help organizations involved in research for development to establish and maintain their own research agendas.

Over the past two years, 13 capacity-building workshops with follow-up support have been delivered to more than 100 research partners in West Africa, East Africa, Asia, and Latin America. One-on-one support has also been provided to seven organizations. Scoping studies on potential donors have also been elaborated in Asia and West Africa. Ground-work has also been carried out to explore an appropriate launch of the project in the Middle East and North Africa.

Looking ahead: Given the project's focus on organizational-level issues, a better understanding is expected of the process of organizational learning and change. The needs of IDRC's developing-world partners are leading to an exploration of integration of training in resource mobilization

with financial administration, policy influence, communications, monitoring, and evaluation, among others.

> *"After the CBRM training, several new programs and projects were designed and 10 were actually funded. ANSAB [Asia Network for Sustainable Agriculture and Bioresources] has been further strengthening fundraising capacity and local resource mobilization skills for its cutting-edge programs on enterprise-oriented biodiversity conservation and sustainable community economic development. As a result, the organization has been able to attract a number of donors... ."*
>
> Bhishma P. Subedi, Executive Director, ANSAB, Kathmandu, Nepal

Empowering women in rural India
Environment and Natural Resource Management program area
Project duration: 2000–2005
IDRC allocation: $425 000
Other donor contributions: $2 825 347

Objective: Compared with men, women in India have fewer educational and employment opportunities, suffer lower nutrition and health status, and have fewer land and property rights. Their maternal mortality rates are also among the highest in the world. The Swayamsiddha project was a five-year initiative coordinated by the BAIF Research Foundation and funded by IDRC and the Canadian International Development Agency. Focused on women's health and empowerment, it was implemented by nine partner organizations in six Indian states.

Results to date: IDRC has worked with BAIF since 1987 on technology development, innovative management practices, and improved systems for the delivery of extension services. Building on this work, the Swayamsiddha project (*swayam*=self, *siddha*=one who has proven capability or is empowered) was launched in

IDRC: J. Taylor

2000 to improve the health of rural women and empower them to address their own needs. It did so by initiating gender-responsive collective actions through microcredit groups and institutionalizing change processes in BAIF and the partner organizations involved in the project.

The project worked directly with more than 6 000 women and girls in 91 villages to help them articulate their needs and identify ways of meeting them, whether they were access to health, education, and food security; freedom from violence; or the means to earn a livelihood. Working in collaboration with more than 600 community-based groups, a number of measures to improve women's lives were initiated, including drudgery-reducing technologies, micro-credit programs, and health education.

More important, the project increased women's knowledge, built their confidence and enhanced their ability to use this knowledge. As a booklet and CD — *Women's Empowerment: Research and Programing* — published in 2005 notes, "The Swayamsiddha approach enabled women to make decisions about important issues in their lives — whether economic, social, cultural, or political — and to then carry out those decisions."

As part of the project, teams built robust and innovative field-based monitoring and evaluation systems and developed applied research activities to capture changes in the communities, themselves, and their organizations. By the project's end, all partners were engaged in needs-based and participatory planning, monitoring, evaluation, and research activities, and had expanded their capacity in gender programing.

Looking ahead: The project was completed in 2005/06.

Teasdale–Corti Global Health Research Partnership program
Social and Economic Policy program area
Project duration: 2005–2010
IDRC allocation: $6 700 000
Other donor contributions: $6 000 000

Objective: The health gap between high- and low-income countries is widening for a number of reasons, including the deterioration of physical and social environments, inadequate health and social services systems, and insufficient training and continuing education opportunities. Granting policies and conventional approaches to training and research can exacerbate these challenges. The Teasdale–

Corti Global Health Research Partnership program aims to contribute to improving health and strengthening health systems in low- and middle-income countries by supporting innovative approaches for integrating health knowledge generation and synthesis through research, health research capacity development, and the use of evidence-based research for health policy and practice.

Results to date: In 2005, the Global Health Research Initiative (GHRI) launched the Teasdale–Corti Global Health Research Partnership program that will support a suite of activities and funding competitions over a first phase of five years, with initial investments of $12.7 million provided by IDRC and the Canadian Institutes of Health Research. Activities will include grant competitions, training awards, brokering and networking activities, seed funding to link research to health policy and health practice activities, evaluation, and synthesis of research results.

The program is named in honour of physicians Lucille Teasdale and Piero Corti who dedicated their lives to the health and well-being of the people of Uganda. Together they established a nursing school, which trained hundreds of Ugandan health care professionals.

In October 2005, the first GHRI Teasdale–Corti Team Grants call for letters of intent was issued: 259 submissions were received from teams composed of Canadian and developing-country researchers and research users: 30 will be selected in early 2006/07 for development into full-scale proposals.

Looking ahead: In December 2006, the first 8 to 10 winners will be selected and the program will launch a competitive training and career awards program for researchers early in their career, mid-career professionals, and research users

involved in collaborative research activities. The secretariat will continue to seek new partners and has developed a strategy for rapid expansion, as well as extension to a 10-year program should additional new resources become available.

Poverty and Economic Policy Research Network

Social and Economic Policy program area
Project duration: 2002–2007
IDRC allocation: $9 993 135

Objective: While economic growth has helped to reduce poverty around the world, the gains have been uneven and progress has varied between countries and regions, as well as within countries. The Poverty and Economic Policy (PEP) Research Network brings together and provides technical and financial support to developing-country researchers to produce policy relevant and methodologically rigorous research on the causes of and remedies to poverty in developing countries.

Results to date: IDRC-supported work initiated in the early 1990s led to the development of the Micro Impacts of Macroeconomic and Adjustment Policies (MIMAP) program focused on helping developing countries design policies and programs that meet economic stabilization and structural adjustment targets while alleviating poverty and reducing vulnerability. In 2002, much of this work was devolved to the PEP network, a global research and capacity-building network.

PEP is composed of three closely linked subnetworks focused on poverty monitoring, measurement, and analysis; modeling and policy impact analysis; and community-based monitoring systems. Research projects are conducted on an annual cycle by small teams chosen by a competitive process. In June 2005, 150 researchers from 40 countries of Africa, Asia, and Latin America attended the Fourth General Meeting of the PEP network in Sri Lanka: 15 new research grants were awarded following this meeting, bringing the total to 48.

Canadian collaboration has been an important dimension to the growth and success of PEP. Since 1997, for example, Université Laval's Centre de recherches en économie et finances appliquées has provided technical support and training, as has the University of Western Ontario's Department of Economics.

> *"Our contact with PEP has brought a lot of change in the way we work. What we know about PEP is that they are thorough and efficient. We are trying to emulate these virtues and hoping that we too can demonstrate this type of commitment."*
>
> Abayomi Oyekale, researcher, Nigeria

As part of the Centre's long-term strategy to devolve PEP's three component networks to Southern partners, it is managed jointly by the Philippine's Angelo King Institute for Economic and Business Studies and the Centre interuniversitaire sur le risque, les politiques économiques et l'emploi (CIRPÉE) at Université Laval.

Looking ahead: Efforts to devolve PEP network activities continue. In 2005, two Southern-based deputy network leaders were designated, one from Senegal to supervise research activities on multidimensional poverty analysis, and the other from Tunisia to lead activities on poverty measurement and the impacts of public spending.

IDRC: Y. Beaulieu

IDRC: A. Aït Lhaj

MOBILIZING RESOURCES: A PRIORITY

Fostering collaboration is everyone's business at IDRC, from program staff who weave webs of researchers and networks on particular issues to the dedicated Partnership and Business Development Division that leads the forging of donor partnerships, in particular. In fact, partnerships represent as much an opportunity to mobilize scarce research funds for Southern researchers as to more clearly understand development research from local and global policy perspectives.

The priority IDRC places on working with other donors reflects the reality that the Centre is a relatively small, specialized donor and thus needs to collaborate with others to extend the reach of its programing and bring particular activities to scale. The approach to resource mobilization is now firmly focused on the development of strategic partnerships with a limited number of priority donor partners. In 2005/06, these donors came from eight Organisation for Economic Co-operation and Development (OECD) countries, including Canada.

Funding partnerships at IDRC take three main forms:

- Cofunding, where one or more donor partners fund all or part of a project that is managed by IDRC (see Note 9 to the financial statements, page 83).

- Parallel funding, where resources allocated to a project that is initiated or co-initiated by IDRC go directly to the research recipient institution or network. Because these contributions are not tracked systematically by IDRC, the figure provided is a conservative estimate.

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

| **31** | **167** | **$14.8** | **>$35** |
| Ongoing donor partnerships 2005/06 | Total donor partners since 1979 | **million** Other donor contributions to IDRC 2005/06 | **million** Estimated donor contributions to IDRC recipients 2005/06 |

M.S. Swaminathan, India

IDRC: N. Lessard

Envisioning a Wired Nation

At the age of 80, Professor M.S. Swaminathan has every reason to settle quietly into retirement and spend his days reflecting on past glories.

A close advisor to Prime Minister Indira Gandhi in the 1960s, Professor Swaminathan was a key architect of the "Green Revolution" that drastically increased India's food supply — leading to a rise in wheat production, for instance, from 12 million tonnes annually to the current 70 million tonnes. In the early 1990s, he introduced the concept of "bio-villages" that combines new methods of increasing the income of the rural poor, particularly women, with fresh ideas about safeguarding the environment.

But today Professor Swaminathan has his eye on the challenges of the future, not on the accomplishments of the past. He is spearheading a campaign known as Mission 2007 — Every Village a Knowledge Centre — to bring the benefits of modern information and communication technologies (ICTs) to some 600 000 Indian villages by August 2007, the 60th anniversary of India's independence.

Extending the impact of ICTs across India builds on advances made in rural Pondicherry where, with initial funding from IDRC, the M.S. Swaminathan Research Foundation (MSSRF), has given 12 000 people in seven locations access to crucial economic and environmental information. This small IDRC-supported project helped spawn the mass movement that will bring the benefits of ICTs to rural villages across India. The Government of India committed CA$28 million to Mission 2007 in its March 2005 national budget.

IDRC: N. Lessard

MSSRF has developed a "hub and spokes" distribution model where Web-based data is downloaded in a community with an Internet connection and subsequently relayed through a local voice/data network to community Village Knowledge Centres (VKCs) in six nearby villages. At ground level, the information is distributed to individuals through more conventional means such as loudspeaker systems and newspapers.

Professor Swaminathan is confident that the Pondicherry project can be replicated nation-wide, now that the idea has

IDRC: N. Lessard

support from government, the high-tech industry, and other players.

"We started with a small project and now it has become a mass movement," he says. "Government organizations, big companies, a whole series of nongovernmental organizations and academic institutions came together to achieve the same goal: Mission 2007."

The point of this collaboration is to help poor villagers live better lives. Professor Swaminathan says knowledge, in many spheres, has been a key missing link preventing India's village poor from translating their skills, resources, and determination into better living conditions.

"If I am a good farmer and I produce a lot of potatoes and onions, but I don't know the correct price, I will be exploited in the market," he explains. "So knowledge empowerment in terms of markets, and in health about the pandemics of HIV/AIDS or tuberculosis, is essential. Now people in our villages have more knowledge."

VKCs are also based on the principle of "social inclusion," says Professor Swaminathan. "Anything that does not have a principle of social inclusion will again represent a win for some and a loss for others. We want to design a project that is win–win for everybody."

Impact of Information Technology in Rural Areas (India)

Phase I 1997–2001	IDRC allocation: $214 120
Phase II 2001–2005	IDRC allocation: $200 000
Other donor contributions: $90 900	

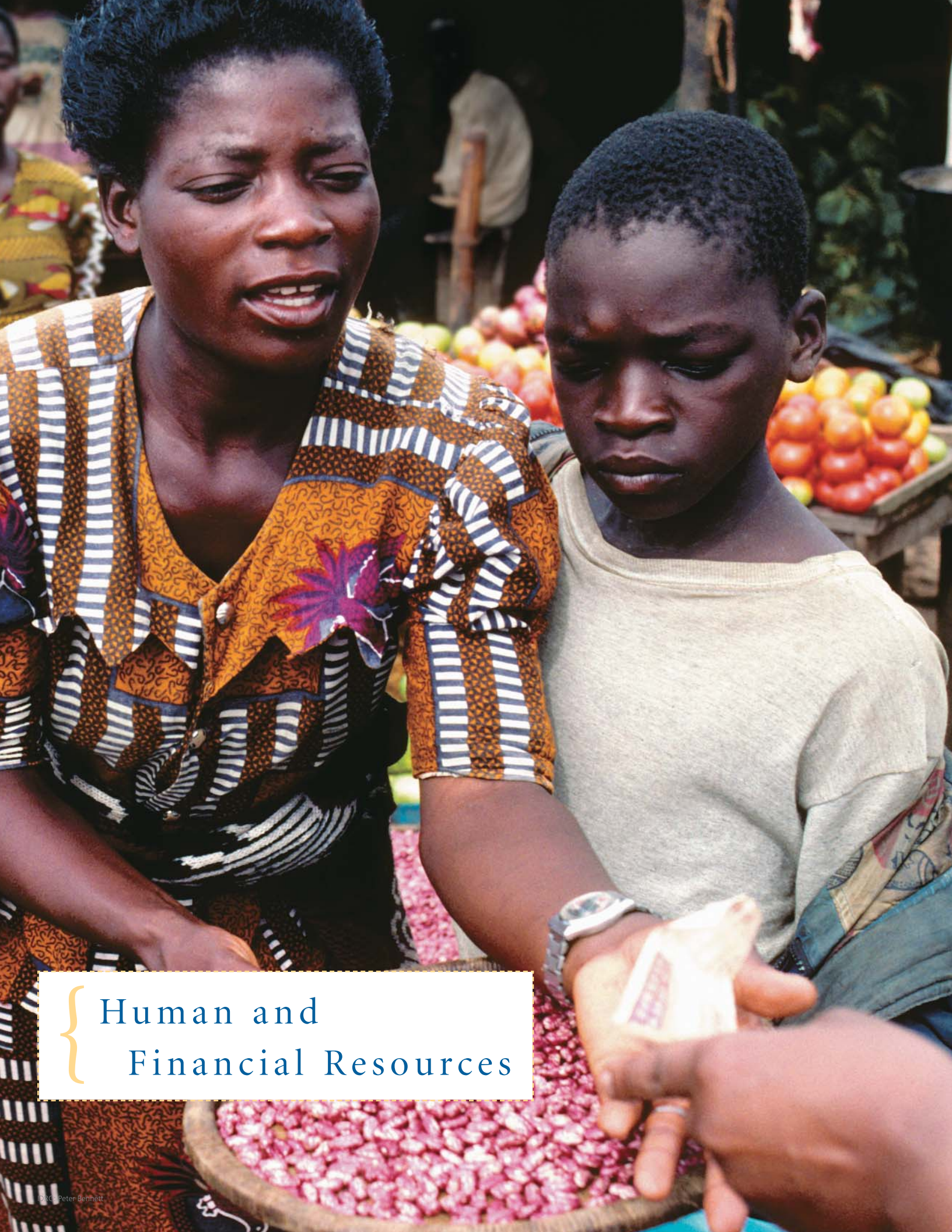### Impact of ICTs on Poverty Alleviation in Rural Pondicherry (India)

Project duration: 2004–2007   IDRC allocation: $621 240

{ Human and
Financial Resources

{ Corporate
Governance

The Board of Governors

The Centre's work is guided by a 21-member international Board of Governors, with the Chairman of the Board reporting to Parliament through the Minister of Foreign Affairs. The *IDRC Act* stipulates that a majority of members, including the Chair and Vice-Chair, must be Canadian. By tradition, 10 governors come from other countries, eight from developing and two from donor 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 the Centre's strategic program directions;

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

- Review human resources management plans;

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

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

- Monitor corporate performance against strategic and business plans;

- Assess its own responsibilities in fulfilling Board responsibilities; and

- Develop indicators to measure and monitor the performance of the President/Chief Executive Officer.

Strategic direction

This year was Year 1 of the new Corporate Strategy and Program Framework (CS+PF) 2005–2010 (approved by the Board in November 2004), and of its companion piece, the Operational Framework. In the course of the year, and resulting from the new CS+PF, Governors were called upon to review and approve new prospectuses for a number of existing and new programs (see program architecture, page 24). Prospectuses outline the objectives and main lines of research of a program, for example Urban Poverty and

Environment, for a five-year period, accompanied by an indicative budget. Governors approve the budget yearly through the annual Program of Work and Budget process. The Board also approved a new program area, Innovation, Policy and Science.

Risk management

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

The Board approved new terms of reference for its Finance and Audit Committee in 2005/06. In tandem, management updated the Centre's 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. Current market demand for experienced auditors has made it difficult to recruit and retain senior auditors. To maintain the quality of this service at its current high level, management moved proactively to outsource the Centre's audit functions. Governors approved a budget of $253 000 for internal audit purposes for 2006/07. The Board and management will 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 her 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 will recruit a certain number of senior positions prior to 2008 and mechanisms are in place to develop strategies to facilitate these efforts.

Information received by the Board
Annually, at the fall meeting of the Board of Governors, the Board receives a report on the status of IDRC programs and activities in relation to the overall Corporate Strategy. The Directors of program areas and the Regional Directors alternate in presenting these reports. In March, the planned Program of Work and Budget for the coming year is presented to the Board for review and approval.

At its meeting in June, the Board receives an 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*. Work on a dedicated Intranet site for Board members is underway.

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

Public policy objectives
The *IDRC Act,* which established the Centre in 1970, continues to define its mandate and objectives 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 serves as its primary vehicle for communicating with the Canadian government. IDRC consults closely with the Canadian foreign policy family — the Department of Foreign Affairs, the Canadian International Development Agency, International Trade, Industry Canada, among others — and the Canadian scientific and research communities on key issues.

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

Working with Management

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

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

In managing the day-to-day activities of the Centre, the President is assisted by a Senior Management Committee (SMC), made up of the President, Vice-Presidents, Regional Directors, the Director of the Policy and Planning Group, the General Counsel, the Directors of program areas, the Director of Finance and Administration, the Director of Human Resources, and the Director of Communications. 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 Corporate Secretary and are made available to all staff and Governors 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 Chairman and the President, who is the CEO, are separate: the Chairman manages the affairs of the Board; the President is responsible for the daily operations of

the Centre. All Board members are appointed by Governor in Council.

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

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

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

Members: Gordon S. Smith (Chair), Margaret Catley-Carlson, Denis Desautels (effective March 2006), Ged Davis, Tom McKay (term ended December 2005), Norah Olembo, Maureen O'Neil, Rodger Schwass.

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

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

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

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

- Ensuring that the internal audit function is operating effectively.

In June 2005, new Terms of Reference for the Finance and Audit Committee were approved by the Board of Governors. The new Committee charter reflects and responds to the

guidelines issued by Treasury Board for the operation of such committees in Crown corporations. In March 2006, the Committee also reviewed and recommended a new charter for the internal audit function to the Board for approval.

Members: Tom McKay (Chair — until term ended December 2005), Denis Desautels (Chair — effective March 2006), Margaret Catley-Carlson, Mary Coyle (Acting Chair — December 2005 to March 2006), Maurice Foster, Octavio Gómez-Dantés, Maureen O'Neil, Jean-Guy Paquet.

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), Margaret Catley-Carlson, Francine Matte, Tom McKay (term ended December 2005), 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, Denis Desautels (effective March 2006), Tom McKay (term ended December 2005), Maureen O'Neil, Rodger Schwass.

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

The Board also evaluates the President's performance against objectives on an annual basis, establishes objectives for the coming year, and discusses succession planning for senior managers.

President Maureen O'Neil plants an argan tree during a visit to the Arganier project in Aghadir, Morocco with IDRC Board members.

Board members visit a toxicology centre in Cairo.

Board members meet Youssef Boutros Ghali, Egypt's Minister of Finance, to discuss the SMEPoL project. The Canadian Ambassador to Egypt, Philip MacKinnon (left), is also in attendance.

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 second term. In 2005/06, four Governors were appointed 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, two field trips were organized: one to Morocco and Egypt, in November 2005 and the other to Mali and Benin, in February 2006.

Compensation

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

- Per diem for Governors: $390–$420
- Annual retainer for Committee Chairs: $4 600–$5 400
- Annual retainer for the Chair: $9 200–$10 800

Responsibility for corporate governance

The objective of good governance is to promote a strong and viable institution that effectively fulfills its legislative mandate. The Board of Governors is responsible for the overall approach to governance issues in the Centre. Looking to its own governance practices and performance, 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. Work on the development of a Board Charter was undertaken. In March 2006, the Board also received reports from management on the development of a Code of Conduct for IDRC employees and approved a new charter for the internal audit function.

The IDRC Board of Governors, 2005/06

GORDON S. SMITH, CHAIRMAN, VICTORIA, CANADA
Executive Director, Centre for Global Studies, University of Victoria; former Deputy Minister of Foreign Affairs

MARGARET CATLEY-CARLSON, VICE-CHAIRWOMAN, LA PÊCHE, CANADA
Chair and member of a number of international Boards working to improve management of issues related to freshwater, environmental protection, and development finance; former President, Population Council of New York

MAUREEN O'NEIL, PRESIDENT, OTTAWA, CANADA
Former President, 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
Legal advisor to the Third World Network; former law lecturer, University of Malaya and Executive Secretary of Sahabat Alam (Friends of the Earth) Malaysia

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

ANGELA CROPPER, TRINIDAD AND TOBAGO
(appointed 23 June 2005)
Co-founder and President, The Cropper Foundation; former Co-Chair, Assessment Panel, Millennium Ecosystem Assessment

GED DAVIS, GENEVA, SWITZERLAND
Managing Director, Centre for Strategic Insight, World Economic Forum; former Vice-President, Global Business Environment and Head of Royal Dutch/Shell's energy scenarios team

DENIS DESAUTELS, Ottawa, Canada
(appointed 2 January 2006)
Executive-in-Residence, School of Management, University of Ottawa; former Auditor General of Canada

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

AHMED GALAL, Cairo, Egypt
(appointed 9 September 2005)
Executive Director and Director of Research, Egyptian Centre for Economic Studies; former Economic Advisor, Private Sector Development Department, World Bank

OCTAVIO GÓMEZ-DANTÉS, Mexico City, Mexico
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
(ex officio member) (appointed 29 September 2005)
President, Canadian International Development Agency; former Visiting Senior Executive, IDRC; and former President and Chief Operating Officer, Bombardier International

FRANCINE MATTE, Montréal, Canada
Consultant in commercial and competition law; former Senior Deputy Commissioner, Competition Bureau

TOM MCKAY, Victoria, Canada
(term ended 15 December 2005)
Certified Management Accountant and consultant; former Chief Administrative Officer, City of Kitchener

FAITH MITCHELL, Washington DC, United States
Senior Program Officer, Institute of Medicine, National Academies; former Deputy Director, Division of Behavioral and Social Sciences and Education, National Research Council/National Academy of Sciences

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

JEAN-GUY PAQUET, Sainte-Foy, Canada
Chair, National Optics Institute; former President and Chief Executive Officer, National Optics Institute

FRANCISCO SAGASTI, Lima, Peru
President, FORO Nacional/Internacional; former Chief of Strategic Planning, World Bank

RODGER SCHWASS, Tara, Canada
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

PAUL THIBAULT, Gatineau, Canada
(retired 20 May 2005)
Former President, Canadian International Development Agency
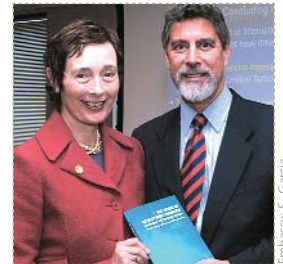
IDRC President Maureen O'Neil and Governor Francisco Sagasti, at an event to launch Sagasti's book, *The Future of Development Financing: Challenges and Strategic Choices.*

Members of the Board of Governors visit projects in Mali.

BOARD MEETING ATTENDANCE 2005/06

Lalla Ben Barka	1 out of 3 meetings	Francine Matte	3 out of 3 meetings
Margaret Catley-Carlson	3 out of 3 meetings	Tom McKay *(term ended 15 December 2005)*	1 out of 1 meeting
Chee Yoke Ling	1 out of 3 meetings	Faith Mitchell	2 out of 3 meetings
Angela Cropper *(appointed 23 June 2005)*	1 out of 2 meetings	Norah Olembo	2 out of 3 meetings
Mary Coyle	3 out of 3 meetings	Maureen O'Neil	3 out of 3 meetings
Ged Davis	2 out of 3 meetings	Jean-Guy Paquet	2 out of 3 meetings
Denis Desautels *(appointed 2 January 2006)*	1 out of 1 meeting	Francisco Sagasti	3 out of 3 meetings
		Rodger Schwass	3 out of 3 meetings
Maurice Foster	3 out of 3 meetings	Linda Sheppard Whalen	3 out of 3 meetings
Ahmed Galal *(appointed 9 September 2005)*	2 out of 2 meetings	Shekhar Singh	3 out of 3 meetings
Octavio Gómez-Dantés	3 out of 3 meetings	Gordon S. Smith	3 out of 3 meetings
Robert Greenhill *(ex officio)* *(appointed 29 September 2005)*	2 out of 2 meetings	Paul Thibault *(ex officio)* *(retired 20 May 2005)*	

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, 2005/06

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

JOHANNE BERNIER, DIRECTOR, HUMAN RESOURCES DIVISION
Human resources specialist; former Director, Resourcing and Recruitment, Human Resources Development Canada

FEDERICO BURONE, DIRECTOR, REGIONAL OFFICE FOR LATIN AMERICA AND THE CARIBBEAN
Economist; former Executive Director, Environmental Management Secretariat for Latin America and the Caribbean, Uruguay

JORGE DA SILVA, DIRECTOR, FINANCE AND ADMINISTRATION DIVISION *(until September 2005)*
Certified Management Accountant; former Director, Audit Services, IDRC

SYLVAIN DUFOUR, DIRECTOR, FINANCE AND ADMINISTRATION DIVISION *(appointed October 2005)*
Civil Engineer and Certified Management Accountant; former Director, Grant Administration Division, IDRC

ROGER FINAN, REGIONAL DIRECTOR, REGIONAL OFFICE FOR SOUTH ASIA
Certified Management Accountant; former Director, Internal Audit, IDRC

GILLES FORGET, REGIONAL DIRECTOR, REGIONAL OFFICE FOR WEST AND CENTRAL AFRICA
Toxicologist; former Team Leader, Ecosystem Approaches to Human Health program, IDRC

CONSTANCE FREEMAN, REGIONAL DIRECTOR, REGIONAL OFFICE FOR EAST AND SOUTHERN AFRICA
Economist; former Chairwoman, Economics Department, African Center for Strategic Studies

RICHARD FUCHS, DIRECTOR, INFORMATION AND COMMUNICATION TECHNOLOGIES FOR DEVELOPMENT PROGRAM AREA
Sociologist; former President of Futureworks Inc., and former Commissioner, Newfoundland Economic Recovery Commission

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 *(appointed July 2005)*
Environmental specialist; former Director, Biotechnology Initiatives, National Research Council

JEAN LEBEL, 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, REGIONAL OFFICE FOR SOUTHEAST AND EAST ASIA
Development economist; former Program Officer, Economic Security Program, Ford Foundation

ROHINTON MEDHORA, VICE-PRESIDENT, PROGRAM AND PARTNERSHIP BRANCH
Economist; former Director, Social and Economic Equity program area, former Team Leader, Trade, Employment, and Competitiveness program, IDRC

LAUCHLAN T. MUNRO, DIRECTOR, POLICY AND PLANNING GROUP
Social sector economist; former Chief of Strategic Planning, UNICEF

EGLAL RACHED, REGIONAL DIRECTOR, REGIONAL OFFICE FOR THE MIDDLE EAST AND NORTH AFRICA
Renewable resources and agriculture specialist; and former Chief Scientist, Food Security, IDRC

ROBERT ROBERTSON, GENERAL COUNSEL
(until February 2006)
Barrister and solicitor of the Ontario Bar; past President, Amnesty International (Canada)

CHANTAL SCHRYER, DIRECTOR, COMMUNICATIONS DIVISION
Former Chief, Public Affairs and Government Relations, IDRC; former Manager, Shareholder and Government Relations, Atomic Energy of Canada Limited

DENYS VERMETTE, VICE-PRESIDENT, RESOURCES AND CHIEF FINANCIAL OFFICER
Former Vice-President, Corporate Services and Director, Human Resources, 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 sub-committee, 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, the Senior Management Committee, and the Board of Governors on human resources issues and initiatives that are of a more strategic nature. As well, IDRC has a full complement of policies on human resources management that are continuously updated and improved. These are easily available for consultation by staff.

The human resources management context

IDRC is widely recognized for its outstanding staff — scientists and academics, as well as researchers, managers, analysts, and other professional staff — who work at 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, programs, and practices that contribute to attracting and retaining skilled workers. As well, the Centre's employment philosophy articulates its values and the commitments of its managers and employees to act in a respectful and ethical manner. A variety of performance

indicators developed last year are now being implemented to ensure a sharp focus on service and stewardship, and that corporate cohesiveness is maintained. To further these goals, IDRC monitors such issues as:

- The number of departing senior-level employees, to facilitate the development of transition and replacement strategies;

- The alignment of employee competencies and knowledge with job requirements, to ensure that employee talents are maximized, and, where shortfalls exist, to address deficiencies;

- The amount of time it takes, on average, to recruit employees at both Head Office and within regional offices, to ensure that positions are filled within reasonable time frames and that employees are in place to support the Centre's work;

- The Centre's commitments in relation to the provisions of the Employment Equity Act in the hiring and promotion of target group members; for the current reporting year, the Centre has maintained or increased the equitable participation of target groups;

- The equitable representation of members of each of Canada's Official Languages communities, to ensure the Centre's compliance with the provisions of the Official Languages Act;

- The use of sick leave provisions to determine whether or not there are trends toward extended periods of absence, and to enable the Centre to react appropriately and devise strategies for encouraging employees to return to work; and

- The use of redress mechanisms (i.e., grievance policies) to identify trends and address issues that could reduce the morale of Centre employees.

Periodic reports to senior management will discuss performance and present the rationale for decisions made about the management of human resources.

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. For example, the Centre has:

- "Principle-based" policies and practices in such areas as the management of unsatisfactory performance, discipline, and terminations;

- A salary structure that is "market-based" and competitive with other organizations engaged in similar work;

- A pay process through which employees are recompensed on the basis of their performance;

IDRC: N. Robitaille

- A disability management process, which is focused on a humane approach to assisting employees in their return to work within reasonable time frames;

- A merit-based staffing process for the recruitment and promotion of employees; and

- A performance assessment process that is completed for all employees on an annual basis.

Additionally, an Integrated Payroll and Human Resources Management System is used to manage staff compensation and to record workforce data. The Centre's Intranet and divisional Web sites inform employees about services, policies, and programs. In addition, the Human Resources Communiqués and the *HR Voice*, a newsletter, enhance information-sharing with staff in Ottawa and the regions.

Linking human resources management and business planning

The Human Resources Division has developed a Strategic Human Resources Plan to complement and support the objectives of the CS+PF 2005–2010 and to meet human resources challenges in support of the Centre's business and research objectives.

Progress realized in 2005/06 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 last year, a Learning Framework Working Group has been working with the Human Resources Division to develop an IDRC learning philosophy and guiding principles, to implement learning needs assessment tools, and to review the current orientation program for new employees.

- To continue to attract and retain talented and resourceful managers and employees, IDRC must offer a fair and competitive compensation package. To validate its position against the market, in 2005/06, IDRC conducted a comprehensive salary survey to complement the review of benefits and terms and conditions of employment that was completed in 2004/05. The results of the salary survey were discussed with the Board of Governors in March 2006 and led to adjustments to the salary scales and salary administration methodology.

- As part of the ongoing discussions of its Employment Philosophy, IDRC focused attention this year on "ethics in the workplace," a topic relevant to recent federal initiatives concerning governance and ethical behaviour and to Canadian legislation on the disclosure of wrongdoings. While it is recognized that IDRC's mission is clearly connected to ethical principles and that a number of policies are in place to support ethical behaviour and professional conduct, the discussions highlighted the need for additional work to comply with the requirements of the new *Public Servants Disclosure Protection Act*. Work has begun on an IDRC Code of Conduct, to identify a "senior officer" to oversee ethics at IDRC, and to develop an internal disclosure process.

- Policy development and implementation also continued to ensure clear statements of direction and accountability on a number of human resources management issues. During 2005/06, managers and employees at Head Office and in regional offices received training on the management of unsatisfactory performance, discipline, and termination of employment. The Centre also revised its policy on housing allowances for employees posted abroad to ensure a fair and consistent treatment across all regions. On the basis of an assessment of its approach to disability management, as well as consideration of best practices in the field of disability management, a comprehensive process was initiated to deal with disability situations more effectively.

Finally, it is important to note that the Head Office Payroll function of the Human Resources Division was recently audited to ensure that payroll payments, which represent IDRC's largest expense category after grant payments, were accurate, appropriately authorized, and complied with legislative requirements. Over the period audited — some 20 months of payroll transactions — no errors were found in the processing of payroll, a credit to the professionalism of staff. Recommendations from the audit helped realign roles and responsibilities within the compensation and payroll unit to ensure adequate separation of duties and better control of access to the payroll system.

Support for and promotion of Canadian government programs

Official languages
The Centre actively promotes the spirit and intent of Canada's *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.

Employment equity
IDRC is, by its very nature, focused on "equity" in its broadest terms. The Centre is also true to its obligations under Canada's *Employment Equity Act*. The Centre continues to maintain a solid representation of visible minorities and women and to pursue its outreach efforts to reduce the very small gaps it experiences in the representation of Aboriginal peoples and persons with disabilities.

IDRC staff: Full-time equivalents at 31 March 2006					
	2006/07	2005/06			2004/05
	Budget	Budget	Actual	Variance	Actual
Head office	272	252	243	9	232
Ottawa-hired regional employees	40	38	36	2	36
Locally engaged staff in regional offices	96	93	92	1	86
Total	408	383	371	12	354

Financial Management Discussion and Analysis

Income statement discussion

IDRC held a controlling interest in E-Link Americas, a not-for-profit organization incorporated in 2004 under the *Canada Corporations Act.* In January 2006, the Board of Directors of E-Link Americas resolved that the organization would discontinue its operations. The 2005–2006 results have been reported as discontinued operations. The remaining assets are recorded at their net recoverable value.

Revenues

($000)	2006–2007 Budget	2005–2006 Revised budget	2005–2006 Actual	2005–2006 Variance	2004–2005 Actual[a]	2004–2005 % change actual
Total revenue	168 382	149 916	152 780	2 864	140 766	8.5%
Parliamentary appropriations	137 534	132 472	131 955	(517)	122 340	7.9%
Donor partnerships[b] Funding for development research programs	24 874	13 389	16 010	2 621	14 399	11.2%
Recovery of administrative costs	2 569	1 272	1 572	300	1 380	13.9%
Investment income	2 194	1 309	1 406	97	1 224	14.9%
Other income	1 211	1 474	1 837	363	1 423	29.1%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.
b Previously referred to as resource expansion.

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 are recognized when the related project expenses are incurred. This year's total revenues from Parliamentary appropriations were $0.5 million lower than budgeted. This shortfall is mainly due to lower revenues recognized for the Institute for Connectivity in the Americas (ICA) supplementary Parliamentary appropriation from prior deferrals (see Notes 2-B-ii and 6, pages 79, 82 in the Financial Statements). This situation reflects management's decision to earmark additional contributions for the operation of E-Link Americas, in anticipation of further donor partnership funding for E-Link Americas, which did not materialize in a timely manner. As a result of the Government of Canada's commitment to increase the international assistance envelope, the Centre's Parliamentary funding for fiscal year 2005–2006 and 2006–2007 increased, compared to 2004–2005.

Revenues from **donor partnerships** relate specifically to either funding targeted to specific research 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 of the Centre. The total revenue for donor partnerships for the year was $16.0 million, or $2.6 million higher than budget due to quicker than budgeted spending on new funding agreements signed during the year. Next year's budget shows an anticipated increase in revenues, mainly due to the signing of a number of new

contracts, including a significant contract with the UK Department for International Development (to address climate change adaptation in Africa).

The revenue from the **recovery of administrative costs** represents the amount that the Centre charges to manage donor funding. This year's revenue is slightly over budget ($0.3 million), which relates directly to the increase in donor funding for development research programs, discussed above. The budget for 2006–2007 is also proportionately higher due to the expected increase in donor partnership revenues.

The Centre is authorized to invest available cash into money market instruments. For 2005–2006, the **investment income** amounted to $1.4 million, slightly above budget due to an increase in the average value of the portfolio, as well as in interest rates. For the next fiscal year, it is anticipated that the Centre's average investment portfolio and interest rate will be higher, generating additional revenues. The Centre benchmarks its investments on the 90-day Treasury Bill rate.

Other income includes revenues associated with subleasing of office space, conference and catering facilities, parking fees, and other miscellaneous items. Income from these sources was $1.8 million, slightly over budget due to increased subleasing of office space, to increased rental of conference facilities, and to unplanned revenues from miscellaneous sources.

Expenses

($000)	2006–2007 Budget	2005–2006 Revised budget	Actual	Variance	2004–2005 Actual[a]	% change actual
Total expenses	**172 269**	**150 566**	**150 879**	**(313)**	**140 438**	**7.4%**
Development research programs Funded by Parliamentary appropriations	88 096	84 019	81 555	2 464	77 094	5.8%
Funded by donor partnerships	24 874	13 389	16 010	(2 621)	14 399	11.2%
Development research support	32 798	25 925	26 245	(320)	24 078	9.0%
Administrative services	26 501	27 233	27 069	164	24 867	8.9%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 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 2005–2006, the share of research program expenses funded by Parliamentary appropriations was $81.6 million. The $2.5 million variance between actual and budgeted expenses is attributable to slower spending for the ICA and for several projects that did not meet all the payment conditions included in project agreements. 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 totals $16.0 million, or $2.6 million higher than budget. The revenue section above explains this variance.

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 $26.2 million, or $0.3 million higher than budgeted. This variance is primarily due to increased salary and benefits accruals, as well as additional expenses for communication activities related to raising IDRC's profile and disseminating knowledge about the results of the work it supports. The $6.9 million increase in the budget for development research support expenses for 2006–2007 over 2005–2006 is mainly attributed to the reclassification of secretariats' operations (from development research programs) and of the headquarters' grant administration function (from administrative services).

Administrative services provide a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and corporate responsibilities, including the management costs of six regional offices. These expenditures amounted to $27.1 million, with variances of $0.2 million when compared to the budget coming from the unallocated reserve for contingencies. The administrative services budget for 2006–2007 is slightly lower than it was in 2005–2006.

Balance sheet discussion

Assets

($000)	2005–2006 Actual	2004–2005 Actual[a]	% change actual
Total Assets	**55 023**	**57 392**	**-4.1%**
Cash and short-term investments			
Unrestricted	29 622	29 083	1.9%
Restricted	14 555	15 616	-6.8%
Accounts receivables and prepaid expenses	5 471	5 397	1.4%
Long-term assets	5 375	7 296	-26.3%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.

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

The level of unrestricted **cash and short-term investments** results from the Centre receiving funds in advance of actual spending. These funds are invested in short-term money market instruments. 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 or agreed to during negotiations. The unrestricted cash and short-term investments will be used to pay those obligations. Some of the unrestricted cash and short-term investments relate to the short-term and long-term liabilities of the Centre.

As at 31 March 2006, the restricted cash and short-term investments totaled $14.6 million, down $1.1 million from the previous year. The decrease in the deferred revenues for the Institute for Connectivity in the Americas explains this variance.

Accounts receivable and prepaid expenses totaled $5.5 million, slightly higher from the 31 March 2005 balance.

Long-term assets are composed of capital assets. As at 31 March 2006, they totaled $5.4 million, down $1.9 million from the previous year. The closure of E-link Americas, which at 31 March 2006 had disposed of all its assets, mainly explains the reduction from the previous year's capital assets.

Liabilities

($000)	2005–2006 Actual	2004–2005 Actual[a]	% change actual
Total Liabilities	**41 527**	**43 995**	**-5.6%**
Accounts payable and accrued liabilities	12 842	13 044	-1.5%
Deferred revenue	16 286	18 099	-10.0%
Other long-term liabilities	12 399	12 852	-3.5%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.

Accounts payable and accrued liabilities are part of the regular operations of the Centre and represent such things as payments to suppliers and grants payable to recipients, as well as salaries and annual leave benefits owed to employees. At the end of March 2006, accounts payable and accrued liabilities totaled $12.8 million, down $0.2 million from March 2005, a result of the decrease in the E-Link Americas' accounts payable and accrued liabilities.

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 $16.3 million, down $1.8 million from 2005. The reduction is due to decreased deferred revenues for the Institute for Connectivity in the Americas.

Other long-term liabilities include a provision for employee future benefits, deferred rent charges on the head office lease, and deferred funding for capital assets purchased. At $12.4 million, the long-term liabilities are $0.5 million lower than the previous year, with the variance being mainly the result of a decrease in deferred funding for capital assets.

Equity

($000)	2005–2006 Revised budget	Actual	Variance	2004–2005 Actual	% change actual
Equity	**10 790**	**13 496**	**2 706**	**13 397**	**0.7%**

The equity as at 31 March 2006 was $13.5 million, up $0.1 million from 31 March 2005. The variance is due to the net results of operations for the 2005–2006 fiscal year ($1.9 million excess revenue over expenses) from which is subtracted the $1.8 million deficit which is the net result from discontinued operations of E-Link Americas. The year-end equity was $2.7 million higher than budgeted. Higher revenues and lower than budgeted expenses for the development research programs funded by Parliamentary appropriations explain this variance.

Other key financial targets discussion

Outstanding commitments on research projects

($000)	2005–2006 Actual	2004–2005 Actual[a]	% change actual
Total outstanding commitments	**110 907**	**103 246**	**7.4%**
Funded by Parliamentary appropriations	93 619	84 864	10.3%
Funded by donor partnerships	17 288	18 382	-6.0%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.

As at 31 March 2006, the Centre was committed to making payments on research projects of up to $110.9 million. 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 total **outstanding commitments** increased by $7.7 million over the previous year's $103.2 million, which relates directly to the higher level of program allocations during 2005–2006.

Of the total **outstanding commitments**, $93.6 million is expected to be covered by the Centre's Parliamentary appropriation and $17.3 million by funding obtained from donor partnerships.

Program allocations

($000)	2006–2007 Budget	2005–2006 Revised budget	2005–2006 Actual	2005–2006 Variance	2004–2005 Actual[a]	2004–2005 % change actual
Total program allocations	**145 015**	**113 593**	**113 461**	**132**	**107 615**	**5.4%**
Development research programs						
Funded by Parliamentary appropriation	102 000	92 000	97 249	5 249	86 275	12.7%
Funded by supplementary appropriation – ICA	3 635	4 150	1 415	(2 735)	7 038	-79.9%
Funded by donor partnerships	39 380	17 443	14 797	2 646	14 302	3.5%

[a] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.

Program allocations represent the funds approved for new projects within IDRC's development research programs. The majority (85%) of the $113.5 million program allocations made in 2005–2006 were committed during the 2005–2006 fiscal year. Expenses therefore started for those committed projects in 2005–2006 and will continue over their individual life span. The increase in the Centre's **Parliamentary appropriation** resulted in a year-over-year increase in the program allocations

funded by Parliamentary appropriation. The **program allocations funded by donor partnerships** were $2.6 million higher than anticipated. This variance is mainly explained by the number of contracts signed, which was higher, with a higher value, than originally expected. The 2006–2007 budget shows a significant increase in program allocations funded by donor partnerships. This increase is attributable to the signing of a number of new contracts, including a major one with the UK Department for International Development.

Outlook for the future

Fiscal Year 2006–2007

The Centre's budget for fiscal year 2006–2007 includes a 12% increase in revenues and a 14% increase in total expenses compared to the 2005–2006 revised budget. The increases are mainly due to a higher Parliamentary appropriation and to a new major contract for donor funding to address climate change adaptation. It has been confirmed that the Centre's Parliamentary appropriation for 2006–2007 is expected to increase as a result of the Centre's participation in the Competition of Ideas process wherein various stakeholders compete for a share of the annual increase the Government of Canada makes available for international assistance.

The 2006–2007 **development research programs expenditures** funded by Parliamentary appropriations are budgeted at $88.1 million, an increase of $4.1 million over the 2005–2006 budget. The growth in development research program expenditures funded by Parliamentary appropriations reflects the Centre's commitment to increase the available resources for program activities.

The 2006–2007 expenditure budget for **research support and administrative services** is set at $59.3 million, up $6.1 million from the 2005–2006 revised budget. Key factors contributing to the increase include: the reclassification of secretariat operations and of the headquarters' grant administration function, adjustments to salaries and benefits, incremental costs of additional full-time equivalents, and miscellaneous increases such as an advertising campaign, staff relocations, and inflationary pressures.

The **development research program allocations** funded by Parliamentary appropriation have been established at $102.0 million. This represents an increase from the $97.2 million approved last year, and is a result of the increase in the Centre's funding for fiscal year 2006–2007.

The Centre continues to devote efforts to strengthen IDRC's ability to forecast expenditures and equity. In 2006–2007, the Centre has again established quarterly expenditure targets for development research programs expenses funded by Parliamentary appropriation; these targets will be diligently monitored. The Centre will continue to monitor the development of research support and administrative services expenses to ensure the optimal use of available resources. During the year, funds are re-allocated in order to redirect them to priority areas.

During 2006–2007, the Centre will also initiate a review of its project forecasting model. The goal of this initiative is to fully understand and better assess all variables affecting the development research programs expenses, especially those funded by Parliamentary appropriation.

Fiscal year 2007–2008

The Centre is awaiting confirmation of a potential increase in its Parliamentary appropriation for 2007–2008. This would allow the Centre to increase its development research programs related to strengthening Canadian global health research partnerships; preparing developing countries for preventing and responding to pandemics; building the Internet backbone for African universities and research; supporting research to promote democracy, rule of law, and human rights; and strengthening Canada's innovation and research support for development. The research support and administrative services expenses will be adjusted for inflation and other factors deemed necessary for the operations of the Centre.

Five year historical review

($000)	Budget 2006–2007	Actual 2005–2006[a]	2004–2005[a,b]	2003–2004	2002–2003	2001–2002
Income statement						
Revenues						
Parliamentary appropriations	137 534	131 955	122 340	107 932	97 603	97 164
Donor partnerships[c]						
Funding for development research programs	24 874	16 010	14 399	14 508	36 505	47 515
Recovery of administrative costs	2 569	1 572	1 380	1 162	1 218	1 615
Investment income	2 194	1 406	1 224	1 303	1 140	779
Other income	1 211	1 837	1 423	1 413	1 565	1 202
Expenses						
Development research programs						
Funded by Parliamentary appropriations	88 096	81 555	77 094	62 561	61 389	50 997
Funded by donor partnerships[c]	24 874	16 010	14 399	14 508	36 505	47 515
Development research support	32 798	26 245	24 078	21 632	20 152	18 830
Administrative services	26 501	27 069	24 867	24 469	21 892	21 218
Net results from continuing operations	(3 887)	1 901	328	3 148	(1 907)	9 715
Net results from discontinued operations	–	(1 802)	1 957	–	–	–
Program allocations						
Development research programs						
Funded by Parliamentary appropriation	102 000	97 249	86 275	75 265	62 855	54 957
Funded by supplementary appropriation – ICA	3 635	1 415	7 038	4 389	1 916	1 120
Funded by donor partnerships[c]	39 380	14 797[a]	14 302	16 797	30 822	65 938

($000)	Actual 2005–2006	2004–2005	2003–2004	2002–2003	2001–2002
Balance sheet					
Assets					
Cash and short-term investments					
Unrestricted	29 622	29 083	24 319	17 261	16 413
Restricted	14 555	15 616	16 941	13 413	31 104
Accounts receivables and prepaid expenses	5 471	5 397	4 516	6 636	4 600
Long-term assets	5 375	7 296	5 805	8 914	8 482
Liabilities					
Accounts payable and accrued liabilities	12 842	13 044	9 575	9 822	7 166
Deferred revenue	12 115	13 671	18 788	16 729	32 779
Long-term liabilities	16 570	17 280	12 106	11 709	10 783
Equity	13 496	13 397	11 112	7 964	9 871
Outstanding commitments					
Funded by Parliamentary appropriations	93 619	84 864	72 446	64 532	59 171
Funded by donor partnerships[c]	17 288	18 382	15 908	19 131	56 652

Notes:

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

[b] Certain of the 2004–2005 figures have been reclassified to conform to the financial statements presentation adopted in 2005–2006.

[c] Previously referred to as resource expansion.

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. The Centre has an internal audit department whose functions include reviewing internal controls and their application on an ongoing basis.
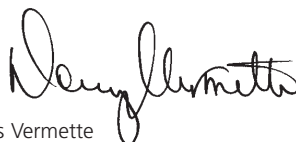
The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board benefits from the assistance of its Finance and Audit Committee in overseeing and discharging its financial management responsibility, which includes the review and approval of the financial statements. The Committee, which is made up of Governors, meets with management, the internal auditors, and the external auditors on a regular basis.

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

Maureen O'Neil
President

Denys Vermette
Vice-President, Resources and CFO

Ottawa, Canada
2 June 2006

AUDITOR'S REPORT

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

I have audited the consolidated balance sheet of the International Development Research Centre as at 31 March 2006 and the consolidated statements of operations and equity and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Centre as at 31 March 2006 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 consolidated 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
2 June 2006

Consolidated Balance Sheet

as at 31 March 2006
(in thousands of dollars)

	2006	2005
Assets		
Current		
Cash and short-term investments (Note 3)		
Unrestricted	29 622	29 083
Restricted	14 555	15 616
Accounts receivable (Note 4)	3 503	4 110
Prepaid expenses	1 968	1 287
	49 648	50 096
Capital assets (Note 5)	5 375	7 296
	55 023	**57 392**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	12 842	13 044
Deferred revenue (Note 6)	12 115	13 671
	24 957	26 715
Deferred revenue — long-term (Note 6)	4 171	4 428
Deferred funding — capital assets (Note 7)	5 375	5 945
Employee future benefits (Note 8)	4 859	4 331
Deferred rent — head office	2 165	2 576
	41 527	43 995
Equity	13 496	13 397
	55 023	**57 392**

Commitments (Note 11)
Contingencies (Note 12)

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

Gordon S. Smith
Chairman
Board of Governors

Denis Desautels
Chairman
Finance and Audit Committee

Consolidated Statement of Operations and Equity

for the year ended 31 March 2006
(in thousands of dollars)

	2006	2005
Revenues		
Donor partnerships		
Funding for development research programs (Note 9)	16 010	14 399
Recovery of administrative costs (Note 9)	1 572	1 380
Investment income	1 406	1 224
Other income	1 837	1 423
	20 825	18 426
Expenses		
Development research programs		
Funded by parliamentary appropriations	81 555	77 094
Funded by donor partnerships	16 010	14 399
	97 565	91 493
Development research support		
Technical support	15 467	14 396
Program complements	5 466	5 188
Program management	5 312	4 494
	26 245	24 078
Administrative services		
Administration	21 732	20 071
Regional office management	5 337	4 796
	27 069	24 867
Total Expenses (Schedule I)	**150 879**	**140 438**
Cost of operations before government funding	(130 054)	(122 012)
Parliamentary appropriation (Note 10)	126 388	113 987
Supplementary Parliamentary appropriation (Note 10)	3 212	6 388
Amortization of deferred funding — capital assets (Note 7)	2 355	1 965
	131 955	122 340
Net results from continuing operations	1 901	328
Net results from discontinued operations (Note 15)	(1 802)	1 957
Equity at beginning of the year	13 397	11 112
Equity at end of the year	**13 496**	**13 397**

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

Consolidated Statement of Cash Flows

for the year ended 31 March 2006
(in thousands of dollars)

	2006	2005
Cash flows from operating activities		
Net results of operations	99	2 285
Items not affecting cash		
Amortization of capital assets	2 368	1 965
Loss (gain) on disposal of capital assets	1 174	(19)
Change in provision for employee future benefits	587	332
(Decrease) increase in deferred rent	(411)	273
	3 718	2 551
Net change in working capital other than cash and short-term investments	(1 851)	4 951
Net cash flows from operating activities	**1 966**	**9 787**
Cash flows from financing activities		
Decrease in deferred revenue — long-term	(257)	(3 052)
Capital funding	1 785	2 105
Amortization of deferred funding — capital assets	(2 355)	(1 965)
Net cash flows used in financing activities	**(827)**	**(2 912)**
Cash flows from investing activities		
Additions to capital assets	(1 661)	(3 436)
Decrease in restricted cash	1 061	1 325
Net cash flows used in investing activities	**(600)**	**(2 111)**
Net increase in cash	**539**	**4 764**
Unrestricted cash and short-term investments, beginning of the year	29 083	24 319
Unrestricted cash and short-term investments, end of the year	**29 622**	**29 083**

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

Consolidated Schedule of Expenses

for the year ended 31 March 2006
(in thousands of dollars)

Schedule I

	2006				2005
	Development Research Programs	Development Research Support	Administrative Services	Total	
Grants	75 555	—	—	75 555	68 971
Salaries and benefits	6 463	18 195	14 792	39 450	37 487
Travel	4 631	3 450	925	9 006	8 005
Professional services	6 281	1 018	1 667	8 966	8 579
Accommodations	289	2 171	3 842	6 302	6 055
Amortization	—	46	2 310	2 356	1 965
Training	1 649	129	363	2 141	2 132
Meetings and conferences	1 760	119	157	2 036	1 819
Communication	459	540	787	1 786	1 772
Office supplies and expenses	58	23	945	1 026	1 025
Furniture equipment and maintenance	99	46	593	738	1 230
Books and periodicals	31	266	39	336	293
Insurance	2	—	224	226	265
Miscellaneous	288	242	425	955	840
Total expenses on Consolidated Statement of Operations and Equity	**97 565**	**26 245**	**27 069**	**150 879**	**140 438**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2006
(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. 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 holds a controlling interest in E-Link Americas, a not-for-profit organization incorporated in 2004 under the *Canada Corporations Act.* Its mandate is to help unserved and underserved communities in Latin America and the Caribbean to use the Internet to develop tools for social and economic development.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the Centre are:

A) Consolidation

The statements include the accounts of the Centre and the assets, liabilities, and results of operations of E-Link Americas.

B) Revenue recognition

i) Parliamentary appropriations and deferred 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 capital funding on the Consolidated Balance Sheet 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.

C) Grant Payments

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

D) Capital assets and amortization

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. The estimated useful life of each capital asset class is as follows:

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

E) Investments

Short-term investments are recorded at the lower of cost 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. Revenue and expense items are translated at a weekly average rate of exchange. Exchange gains and losses are included in operations for the current year under other income. The Centre does not hedge against foreign currency fluctuations.

G) Employee future benefits

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

H) Deferred Rent

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

I) Measurement uncertainty

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

3. Cash and short-term investments

	2006	2005
Cash	5 485	3 469
Short-term investments		
Commercial corporations	20 812	12 919
Canadian chartered banks	17 880	28 311
	44 177	44 699

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

The average yield of the portfolio as at 31 March 2006 is 3.75% (2005: 2.56%) and the average term to maturity is 88 days (2005: 84 days). The fair market value of the investment portfolio as at year end approximates the net book value.

The Centre has various bank accounts, some of which have a line of credit associated with them. As at 31 March 2006, all balances in these line of credit accounts were nil. (2005: nil)

Of the total cash and short-term investments, $14 555 (2005: $15 616) is restricted for specific research activities as follows:

	2006	2005
Donor partnership funding for development research programs	8 537	6 357
Institute for Connectivity in the Americas	5 577	8 788
Endowment funds	441	463
Other	—	8
	14 555	15 616

4. Accounts receivable and payable

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair value because of their short maturity. A large portion (29%) of accounts receivable is due from the Canadian International Development Agency (CIDA) and does not present a significant credit risk. Of the total accounts receivable, $2 171 (2005: $2 946) is on account of development research programs funded by donor partnerships.

5. Capital assets

		2006		2005
		Accumulated	Net book	Net book
	Cost	amortization	value	value
Computer equipment	8 544	6 655	1 889	2 241
Software	7 345	5 654	1 691	1 994
Leasehold improvements	2 731	2 067	664	606
Office furniture and equipment	1 984	1 401	583	573
Vehicles	944	569	375	374
Communications systems	436	263	173	1 508
	21 984	16 609	5 375	7 296

Amortization expense for the year is $2 368 (2005: $1 965).

6. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor partnership activities, the unspent portion of the supplementary parliamentary appropriation (see Note 10) and other monies received in advance at 31 March, 2006. Details of these balances are as follows:

	2006	2005
Short-term		
Donor partnership funding for development research programs	9 332	9 303
Supplementary parliamentary appropriation		
Institute for Connectivity in the Americas (ICA)	2 783	4 360
Other	—	8
	12 115	13 671
Long-term		
Supplementary parliamentary appropriation		
Institute for Connectivity in the Americas (ICA)	4 171	4 428

Of the total deferred donor partnership funding, CIDA accounts for $2 583 (2005: $2 839) of which $1 579 (2005: $1 479) was received during the year and $1 004 (2005: $1 360) is receivable at year end.

7. Deferred funding – capital assets

	2006	2005
Balance at beginning of year	5 945	5 805
Funding for capital assets purchased	1 785	2 105
Amortization	(2 355)	(1 965)
Balance at end of year	5 375	5 945

8. Employee future benefits

i) Pension benefits – Head Office

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

	2006	2005
Centre's contributions	3 025	2 846
Employees' contributions	1 515	1 427

ii) Pension benefits – Regional Offices

The Centre and eligible regional employees contribute to various defined contribution pension plans as specified in the Plan Agreements. The Centre's contributions to these plans for the year were $248 (2005: $248).

iii) 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:

	2006	2005
Accrued benefit obligation, beginning of year	4 553	4 221
Cost for the year	853	713
Benefits paid during the year	(266)	(381)
Accrued benefit obligation, end of year	5 140	4 553
Short-term portion	281	222
Long-term portion	4 859	4 331
	5 140	4 553

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, other donor agencies, and several Government of Canada entities. A breakdown of the revenue and expense recognition for donor partnerships is provided below:

	2006	2005
CIDA	6 477	5 497
Other donor agencies	6 229	5 693
Government of Canada entities	3 304	3 209
	16 010	14 399

The Centre recovers administrative costs from the management of donor partnership funding. The total recovery for this year was $1 572 (2005: $1 380) of which $607 (2005: $519) was from CIDA.

10. Parliamentary appropriations

	2006	2005
i) Parliamentary appropriation		
Parliamentary appropriation approved	128 173	116 092
Deferral for capital assets purchased (Note 7)	(1 785)	(2 105)
Parliamentary appropriation recognized in the statement of operations and equity	126 388	113 987

ii) Supplementary parliamentary appropriation

In September 2001, the Centre received a supplementary parliament appropriation of $20 million for the Institute for Connectivity in the Americas. For the current fiscal year, the total revenue recognized from this source was $3 212 (2005: $6 388).

11. Commitments

i) Program related

The Centre is committed to make payments of up to $110.9 million (2005: $103.2 million) during the next four years, subject to funds being provided by Parliament or donors and subject to compliance by recipients with the terms and conditions of project agreements. Of this amount, the Centre is responsible for $93.6 million (2005: $84.9 million) and the balance of $17.3 million (2005: $18.3 million) is covered by funding from donor partnerships.

ii) Operating leases

The Centre has entered into various lease arrangements for office premises and equipment in Canada and abroad and for staff accommodation in various countries. Those lease agreements expire at different dates up to 2022. Future payments related to operating leases as of March 31, 2006 are as follows:

2006–2007	7 495
2007–2008	6 857
2008–2009	5 374
2009–2010	5 015
2010–2011	5 059
2011–2022	68 933
Total future payments	98 733

12. Contingencies

A claim of approximately $0.5 million (plus interest) relating to a leased property remains outstanding at the end of the year. Based on the advice of legal counsel, management is of the opinion that it is not possible to determine the amount of the liability, if any, that may result from settlement of this claim.

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

13. Related party transactions

In addition to those related party transactions disclosed in Notes 4, 6, and 9 to these consolidated 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.

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

On 25 January 2006 the Board of Directors of the E-Link Americas Corporation resolved that the organization should proceed with an orderly wind down. Accordingly, the results of operations and financial position for E-Links America have been reported as discontinued operations for all periods presented. As of 31 March 2006 all capital assets were disposed of or written off. The remaining assets are recorded at their net recoverable value.

The following tables present selected financial information for E-Links Americas Corporation.
(in thousands of dollars)

	2006	2005
Revenue	1 449	2 275
Expenses	(3 251)	(318)
Excess (deficiency) of revenue over expenses	(1 802)	1 957
Net assets, beginning of the year	1 957	—
Net assets, end of year	155	1 957

16. Comparative figures

Certain of the 2005 figures have been reclassified to conform to the financial statements presentation adopted in 2006.

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