



IDRC  CRDI

International  
Development  
Research  
Centre

IDRC

Annual Report  
**2007–2008**

Canada

Canada's International Development Research Centre (IDRC) is one of the world's leading institutions in the generation and application of new knowledge to meet the challenges of international development. For nearly 40 years, IDRC has worked in close collaboration with researchers from the developing world to build healthier, more equitable, and more prosperous societies.

© International Development Research Centre 2008

Library and Archives Canada Cataloguing in Publication:  
International Development Research Centre (Canada)  
IDRC Annual Report 2007–2008

Annual  
1970/71–

Text in English and in French.

Title on added t.p. : Rapport annuel CRDI 2007–2008

ISSN 0704-7584

ISBN 978-1-55250-425-3

1. Technical assistance, Canadian — Periodicals.

2. Economic development — Canada — Periodicals.

I. Title.

HC60

338.91'71'01754

C75-743379E

Cover photos are all IDRC's unless otherwise stated.

1st row: Brenda Lee Wilson, Jason Taylor, Djibril Sy, Peter Bennett

2nd row: Jason Taylor, Peter Bennett, Ariadne Van Zandbergen/Lonely Planet Images, IDRC

3rd row: Peter Bennett, A. Van Zandbergen/Lonely Planet Images, Peter Bennett, Yves Beaulieu

Bottom row: Jerry Galea/Lonely Planet Images, Peter Bennett, Yves Beaulieu

Photo page 4: Michelle Valberg/Valberg Imaging

Design: Cathy Egan and Karen Kershaw, IDRC

2007/08-AN-425-122

This report is printed on FSC-certified recycled paper. To reduce costs, very few copies have been printed. However, the complete report can be found on the IDRC website at [www.idrc.ca/ar0708/](http://www.idrc.ca/ar0708/)

TRI-CO: PLEASE  
INSERT FSC LOGO  
HERE

# Contents

2	Message from the Chairman
4	Message from the President
6	Highlights 2007–2008
<b>11</b>	<b>OVERVIEW</b>
<b>12</b>	<b>IDRC'S PROGRAMS: INNOVATIVE, RESPONSIVE, INTEGRATED</b>
13	Local research, lasting solutions
15	Adapting to environmental change
17	Exploring new frontiers of knowledge
19	Mobilizing knowledge for progress
21	Informing public debate
<b>23</b>	<b>MEETING OUR OBJECTIVES</b>
24	Research to strengthen capacity: Skilled researchers, strong institutions
32	Research to influence policy: Informed decisions, effective change
38	Forging partnerships with Canadians: Increased collaboration, innovative solutions
<b>45</b>	<b>RESPONSIBLE MANAGEMENT AND LEADERSHIP</b>
46	Collaborative governance
46	A commitment to accountability
48	Effective administration
48	Sound performance management
50	Human resources management: Supporting excellence
52	An ethical organization
<b>53</b>	<b>CORPORATE GOVERNANCE</b>
<b>60</b>	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
76	Financial Statements
<b>94</b>	<b>HOW TO REACH US</b>

# { Message from the Chairman



As Secretary of State for External Affairs for Canada in the early 1990s I came to know well the work of the International Development Research Centre. The world was changing rapidly: the Soviet Union had collapsed and the Cold War was coming to a close. Western governments were beginning to take a fresh look at many international issues, including matters related to development. IDRC was at the forefront of considering what new challenges lay ahead in the developing world. It was an optimistic time, but many countries, confronted with new realities, were operating their development programs in a policy vacuum. I remember taking great pride, as a Canadian, in the work being done by IDRC, and in its reputation in the international community.

I was very proud, therefore, to be invited to join the IDRC Board of Governors last year, and to be appointed Chairman on December 3, 2007. IDRC continues to enjoy an exceptional reputation within Canadian government circles and in the broader world. Our task as Governors is to ensure that the high standards that have been the hallmark of the organization continue into the future.

The *International Development Research Centre Act*, which launched this organization in 1970, directs IDRC “to initiate, encourage, support and conduct research into the problems of the developing regions of the world.” The ultimate goal of this research is to find new knowledge to improve the lives of ordinary people everywhere.

Such an ambitious objective demands patience, persistence, and discipline. IDRC therefore embraces the long-term view, and carries out its work on the basis of rigorous intellectual effort and careful planning. This planning includes continuous monitoring and scrupulous evaluation of all its activities. In addition, IDRC draws on its expertise as a research organization and advances its purpose by way of management strategies that have been demonstrated to be effective.

A key instrument guiding these efforts is IDRC’s *Corporate Strategy and Program Framework* — essentially the organization’s five-year plan. This document, which is developed by management in close consultation with the Board of Governors, sets out IDRC’s thematic focus for the period. The 2005–2010 *Strategy*, approved by the Board after exhaustive discussion and study, directs IDRC to utilize its resources to strengthen local research capacity in developing countries, to support research that influences public policy, and to foster partnerships among research institutions in Canada and the developing world. This report describes in some detail the organization’s activities.

IDRC, now roughly mid-way through this agenda, is constantly testing and evaluating its progress toward meeting these challenges. To date, external appraisals agree not only that the organization is achieving its objectives, but that it is performing extremely well.

For example, a 2007 report from Britain’s Overseas Development Institute to that country’s Department for International Development consistently applauds IDRC’s performance — in particular with regard to capacity building — and recommends IDRC’s approach as a model for other research donors.

In 2007–2008, IDRC undertook a Strategic Review as mandated by the Treasury Board; 16 other federal departments and agencies also underwent Strategic Reviews. The external reviewers commended IDRC’s adaptive management style, and rated its performance overall as “exemplary.” Indeed, senior IDRC staff were invited later to brief officials of other federal agencies that will undergo a similar review process in 2008–2009.

And in March, the Office of the Auditor General of Canada submitted the results of its “Special Examination” of IDRC. According to the report, IDRC has a sound corporate planning process that provides clear direction for its programs

and the activities supporting them. Echoing a long series of complimentary assessments from the federal auditors, the report found “no significant deficiencies” in IDRC’s systems and practices.

IDRC’s Board and its senior management are determined to maintain this high performance level.

IDRC is fortunate to benefit from a particularly active Board. Its members — all experts in their fields — are well-informed and vigorously involved. They are not afraid to challenge assumptions and to hold out high expectations for the organization’s performance

During this year, for instance, Governors have contributed to the reviews by the Treasury Board and the Auditor General. Some were engaged in the search committee established to identify and recommend to the Board IDRC’s new President, or participated in field visits to IDRC projects in Mozambique and South Africa. And the Board has already undertaken the preliminary thinking that ultimately will lead to a new strategic plan for the period 2010–2015, building on the achievements of the current Plan.

The Board is sensitive to the fact that IDRC is not immune to widespread public demand for higher standards of corporate governance, and will continue to ensure that its members are well versed in contemporary requirements. It is worth noting that IDRC’s Board members are highly qualified to perform their duties, and that the Government of Canada continues to be helpful in ensuring that the Board is a talented team, fully capable of fulfilling its responsibilities.

In 2007–2008 two new members were welcomed as Governors. They are Pratap Mehta, President of India’s Centre for Policy Research, and Claude-Yves Charron, Secretary General of Orbicom, the Network of UNESCO Chairs in Communications. Sadly, the Board said farewell to Shekar Singh at the expiration of his term as Governor.

I also want to express the appreciation of all Governors, management, and staff to Gordon Smith for his 10 years of service as Chairman of the Board. His guidance and wisdom are much missed.

During the year we learned that our President, Maureen O’Neil, will be leaving IDRC at the end of June 2008 after 11 years of exceptional leadership and service. A search committee of the Board was established and several fine candidates were interviewed at length. The Board is very pleased that David Malone, currently Canada’s High Commissioner to India, accepted our offer to become IDRC’s next President and Chief Executive Officer, effective July 1, 2008. In the meantime, I’m sure I speak on behalf of all Governors and staff members in expressing heartfelt thanks to Maureen and wishing her well in her next career.

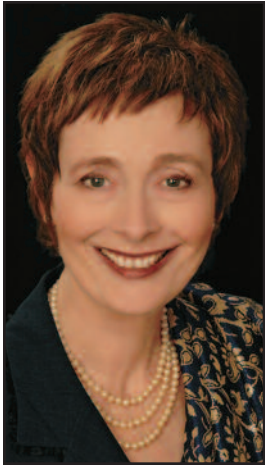
IDRC is fortunate that when internal leadership changes, it has not only a dedicated and engaged Board of Governors but a highly capable management team to ensure a smooth transition. Together we look forward to an exciting and positive year.



**The Honourable Barbara McDougall**  
Chairman



# Message from the President



When I became President of IDRC in April 1997, the Centre was just emerging from a time of extraordinary difficulty. The grant from Parliament had fallen by 24% since 1991; staff levels were down by 37%. Downsizing can throw an organization off course, but IDRC was fortunate in those years to have then-President Keith Bezanson's steady hand at the helm.

My predecessor seized the opportunity presented by the crisis to oversee useful changes. The Centre had been organized along the lines of university faculties, divided into subject areas such as agriculture and social sciences. Keith introduced an idea that continues to serve us well: multi-disciplinary programs built around development problems.

By the time I joined IDRC, Canada was beginning to reinvest in development, and it was possible once again to expand the Centre's programming. In the past decade, IDRC has revived areas of work that were decimated during the downturn, and created space for new themes. We have also rethought and reinvigorated the organizational web that weaves themes and regions together. I think we have found a good balance between them.

Well-functioning regional offices and strong leadership from IDRC's regional directors have proved to be essential parts of our operation. And located at the heart of it all are talented program staff — bright, creative people, based either in Ottawa or one of our six regional offices, who identify the excellent partners with whom we work.

## Program advances

In the past decade, IDRC's support for health research has gone from a few important but small projects to a flourishing suite of programs. Health systems research is being brought together in its own program space, but health is also mainstreamed throughout the Centre. For example, health information networks in Uganda and Mozambique that are using low-cost technology to achieve Millennium Development Goals are two of the many pioneering initiatives supported by IDRC's Information and Communication Technologies for Development program area.

Gender is another area in which we have made important strides. A gender perspective informs all our work. But IDRC now also has a dedicated program, Women's Rights and Citizenship that supports research that investigates why gains in gender equity in development have fallen short of expectations and commitments and proposes concrete steps for redress.

Our activities in the field of environment and natural resource management have grown from several small, respected programs to a much broader effort that embeds science in a participatory approach. For example, the Climate Change Adaptation in Africa program, a large-scale collaboration with the United Kingdom's Department for International Development (DFID), is helping vulnerable communities cope with the impacts of climate change. In addition, innovative work at the intersection of environment and health has put IDRC at the forefront of support for ecohealth research.

With the launch of the Innovation, Policy and Science program in 2005, IDRC took earlier work related to science, technology, and innovation policy in new directions. In February 2008, the federal Budget mentioned the creation of a \$50-million Development Innovation Fund, to be "implemented by strategic partners in the research community working with the International Development Research Centre." This exciting new initiative is designed to support the best minds in the world as they search for breakthroughs in areas such as global health.

## New partnerships

Our Research Partnerships Challenge Fund, which is helping to create new research networks to tackle international development challenges, has significantly expanded IDRC's engagement with the Canadian research community. For example, two Canadian-international research programs co-launched by IDRC this year stem from new partnerships with the Canada Research Chairs program and the Social Sciences and Humanities Research Council.

Many advances in our work can be attributed to a crucial shift in our approach to partnerships. For some time, we have recognized that the fundamental point of teaming up with other donors is not to keep IDRC afloat financially, but

to increase the pool of resources available to researchers in the developing world. Guided by this clear purpose, we have forged alliances in recent years with several major donors, including DFID, the William and Flora Hewlett Foundation, and the Bill & Melinda Gates Foundation. These large partnerships reinforce the value, and extend the reach, of IDRC's work. They make Canadian tax dollars go further.

IDRC is a Crown corporation, funded largely by the Canadian government. In addition to practising sound financial management, IDRC has a responsibility to feed back into the system the experience it gains and lessons it learns from its work. One way we do this is through building strong, collaborative relationships with colleagues in other federal departments and ministries. I have placed a high priority on ensuring that the rest of Canada's foreign-policy family understands what we do, and the relationship of our work to theirs. We have committed more resources in recent years to communications, and our increasing success in getting our message out to parliamentarians and other Canadians has shown this to be a wise investment.

### The IDRC team

Of course, the real work of the Centre takes place in the wider world. The opportunities I have had to meet researchers we support, and visit communities benefiting from their work, have been highlights of my 11 years at IDRC. Some of these visits have been in the company of our Governors. Rather than moving the Board meetings around the world, we began organizing Governors' trips to the regions. At least once a year, several Board members travel to meet IDRC research partners and see first-hand the impact of the work we support.

IDRC could never have achieved as much without our international Board, which is a major strength of the organization. The Board serves as a continual reaffirmation of the wisdom of the drafters of the *IDRC Act*, which stipulates that 10 of 21 governors may come from countries other than Canada. This mandate has truly stood the test of time. The conversation that has gone on for almost 40 years between Canadian and international Governors has helped to keep IDRC's programming grounded in the realities and needs of the developing world.

I want to pay special tribute to Gordon Smith, who served as Chairman of the IDRC Board from June 1997 to August 2007. I count IDRC and myself as extremely fortunate to have benefited for a decade from Gordon's wise counsel and passion for development. Under his leadership, the Board did exactly what it was meant to do: set strategic direction and act as a steward of the organization. During his tenure, the Board's guidance and input were invaluable as we developed, and rolled out, two of the five-year strategic plans that act as IDRC's compass.

As I leave, I find it heartening that two external management reviews have recently provided the government and the Canadian public with reassurance that IDRC is well run — and for that, I thank the Board and staff.

Current Board Chairman Barbara McDougall and incoming President David Malone make an exceptional team. They have worked together in the past, when Barbara was Secretary of State for External Affairs in the early 1990s. Both have made outstanding contributions to public life — David, most recently, as Canada's High Commissioner to India. I am confident that they will serve IDRC with distinction. I also know that they will be ably supported by the Centre's hugely professional, competent, and dedicated staff.

In the end, results on the ground are what matter, and I invite you now to read about some of the highlights of 2007–2008. I leave this remarkable organization with a great deal of sadness, but also a sense of satisfaction at the many achievements that IDRC staff and partners can be justly proud of, as they continue working together to build a better world.



**Maureen O'Neil**

President and Chief Executive Officer

# { Highlights 2007–2008

- The Honourable Barbara McDougall, former Secretary of State for External Affairs, was named the new Chairman of IDRC. She replaces Gordon Smith, who served as Chairman from 1997 to 2007.
- A Special Examination carried out by the Office of the Auditor General at IDRC's request did not find "any significant deficiencies in the systems and practices examined." The report notes that these systems have contributed to the Centre's success in several areas, notably research project funding management and human resources.
- IDRC was one of 17 agencies that participated in the Government's Strategic Review exercise in 2007–2008. The exercise's external advisors and Treasury Board Secretariat officials praised IDRC's response to the mandate issued by Treasury Board, noting that it was a reflection of the Centre's regular annual planning and evaluative processes.
- A study by the UK's Overseas Development Institute for the Department for International Development singled out IDRC as the "only [research] donor universally highly regarded" in terms of clarity of mandate, visibility, quality of processes, and support for innovation.
- IDRC launched two Canadian–international research programs in partnership with the Canada Research Chairs program and the Social Sciences and Humanities Research Council. Both aim to promote collaboration between leading researchers at Canadian universities and their counterparts in developing countries.
- In her last full year as President of IDRC, Maureen O'Neil was part of the delegation that accompanied Her Excellency, the Right Honourable Michaëlle Jean, Governor General of Canada, on a state visit to Brazil.
- IDRC hosted five events in Ottawa as part of its Speaker Series. This year's lineup addressed the theme of democratic development and included former diplomat Rory Stewart speaking on his experiences in Afghanistan, the former President of Chile, Ricardo Lagos, and Kenyan anti-corruption fighter, John Githongo. Maureen O'Neil also convened a full-day "Meeting of Democrats" that formed part of IDRC's ongoing efforts to promote debate on democracy building.
- In partnership with the William and Flora Hewlett Foundation, IDRC has embarked on a major program, the ThinkTank Initiative. The aim is to strengthen non-profit, non-governmental research organizations working on social and economic policy issues in the developing regions of the world.



**Meeting of Democrats,**  
December 3, 2007.  
First row, left to right: Saad Eddin Ibrahim, Chair of the Cairo-based Ibn Khaldun Center for Social Development; Maureen O'Neil, IDRC President; Ricardo Lagos, former President of Chile; Theary Seng, Executive Director of the Center for Social Development in Phnom Penh. Second row: Thomas Carothers, Vice-President for Studies–International Politics and Governance, Carnegie Endowment for International Peace; Aziz Hakimi, Executive Director of Afghanistan's Killid Media Group; Janice Stein, Director of the Munk Centre for International Studies at the University of Toronto; Alan Hirsch, Deputy Director-General in the South African Presidency.



- Sabbatical awards and visiting fellowships were this year awarded to Howard Alper, now Chair of the Government of Canada's new Science, Technology and Innovation Council; John Stone, Vice Chairman of the Bureau of the Intergovernmental Panel on Climate Change and part of the team awarded the Nobel Peace Prize in 2007; and John Githongo, former Permanent Secretary for Governance and Ethics in Kenya.
- The efforts of IDRC staff members to international development continue to be recognized internationally. This year, Gilles Forget, director of IDRC's Regional Office for West and Central Africa, was named an Officer of the Order of Merit by the President of Senegal in recognition of his contributions to the country's advancement. Senior Program Specialist Maria Ng, based in Singapore, was awarded a medal by the Government of the Kingdom of Cambodia in recognition of her efforts to develop the Khmer script for computers.
- IDRC published and co-published 18 books, including the latest addition to the in\_focus collection, *Competition and Development: The Power of Competitive Markets*, which distills important lessons on how to enact and implement policies that foster fair competition in the marketplace.
- In April 2007, the Centre launched the IDRC Digital Library to provide online access to its comprehensive collection of research results and documents: more than 34 000 research documents resulting from nearly 40 years of activity are available online. IDRC is the first Canadian federal agency to provide an open access institutional repository.
- The Centre began to offset the carbon footprint resulting from staff travel by purchasing 5 700 tonnes of CO<sub>2</sub> credits.
- In early 2008, the move of Bellanet International from IDRC to Sulá Batsú, based in Costa Rica, was initiated. This devolution continues a tradition within IDRC of initiating, incubating, and promoting new approaches to development that reach a degree of maturity and are then handed off to Southern research partners where they can respond more directly to the needs and realities of the developing world.
- Five employees celebrated 30 years of employment with IDRC. An additional four were recognized for their 25 years of service.



Recognizing 30 years of service. Left to right: Louise Brouzes, Pureza Rada, IDRC President Maureen O'Neil, Kim Daley.



Recognizing 25 years of service. Left to right: Sylvie Cormier, Blanche Giroux, IDRC President Maureen O'Neil, Chantall Fortin, Brenda Lalonde.

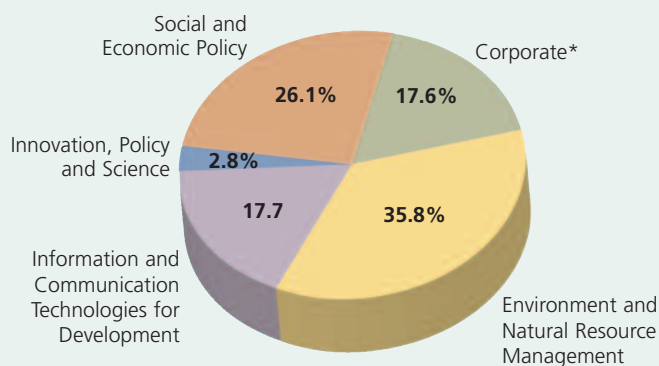
# { A Global Presence

STATISTICAL SNAPSHOT 2007/08	Research projects	Research activities*
<b>6</b> Regional Offices	<b>198</b> Research projects approved in 2007/08	<b>491</b> Total research activities approved during 2007/08
<b>455</b> Staff (full-time equivalents)	<b>128</b> Research projects completed	<b>409</b> Total research activities completed
	<b>592</b> Total active research projects	<b>1 022</b> Total research activities active at year end

\* Includes research projects; research support activities such as funding for workshops, conferences, and dissemination activities related to projects; awards program; and other activities.

Latin America and the Caribbean		
IDRC program allocations (\$000)	Donor allocations (\$000)	Total active research activities
<b>26 222</b> (17.9% of total allocations)	<b>3 464</b> (9.4%)	<b>151</b>

Program distribution of total allocations



\* Corporate activities include those of the international secretariats, the Special Initiatives Division, Partnerships and Business Development Division, Evaluation Unit, President's Office, Regional Activity Funds, and forward planning.

Middle East and North Africa		
IDRC program allocations (\$000)	Donor allocations (\$000)	Total active research activities
<b>10 739</b>	<b>1 708</b>	<b>85</b>
(7.3% of total allocations)	(4.6%)	

Asia		
IDRC program allocations (\$000)	Donor allocations (\$000)	Total active research activities
<b>22 903</b>	<b>2 301</b>	<b>210</b>
(15.6% of total allocations)	(6.2%)	

Sub-Saharan Africa		
IDRC program allocations (\$000)	Donor allocations (\$000)	Total active research activities
<b>29 187</b>	<b>19 085</b>	<b>286</b>
(19.9% of total allocations)	(51.5%)	

Multiregional and global activities		
IDRC program allocations (\$000)	Donor allocations (\$000)	Total active research activities
<b>57 625</b>	<b>10 483</b>	<b>290</b>
(39.3% of total allocations)	(28.3%)	

## Key Financial Highlights

For the year ended 31 March 2008  
(In thousands of dollars)

	2007–2008		2006–2007 Actual
	Actual	Revised budget	
<b>Revenues</b>			
Parliamentary appropriations	149 742	145 415	144 760
Donor partnerships			
Funding for development research programs	26 091	29 873	18 618
Recovery of administrative costs	2 729	2 983	1 908
Investment and other income	3 531	3 439	4 779
	182 093	181 710	170 065
<b>Expenses</b>			
Development research programs	126 258	131 994	101 295
Development research support	35 811	35 735	32 604
Administrative services	27 801	28 113	26 717
	189 870	195 842	160 616
<b>Net results from continuing operations</b>	(7 777)	(14 132)	9 449
<b>Net results from discontinued operations</b>	—	—	(155)
<b>Equity</b>			
Retained earnings	15 010	8 268	22 790
Accumulated other comprehensive income	8	—	—
<b>Expenditure benchmarks</b>	66/19/15	67/18/15	63/20/17
<b>Program allocations</b>			
Funded by Parliamentary appropriations	146 676 <sup>a</sup>	121 389 <sup>a</sup>	114 258 <sup>a</sup>
Funded by donor partnerships	37 041	37 500	27 184
	183 717	158 889	141 442

### Notes:

<sup>a</sup> Program allocations include total allocations for program areas and corporate activities as well as the allocation for the Institute for Connectivity in the Americas.

- The Parliamentary appropriations represent 82% of total revenues.
- The expenses for development research programs and development research support represent 85% of total expenses.
- The expenditure benchmarks differ from the revised budget because of the under-expenditure in development research program expenses.

For further information on these key financial highlights, please refer to Management's Discussion and Analysis on page 60.

# Overview

The International Development Research Centre is a Crown corporation reporting to Parliament through the Minister of Foreign Affairs. Its mandate, as stated in the *International Development Research Centre Act, 1970*, 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.” Sustainable and equitable development and poverty reduction are the foundations of its programming.

IDRC fulfills its mandate by funding applied research carried out by researchers from developing countries on the problems they identify as most crucial to their communities. It also provides advice and training to those researchers, fosters alliances, and creates opportunities among scientific, academic, and development communities in Canada and developing countries to share results and experiences.

Since its creation in 1970, IDRC has allocated more than \$2.3 billion in support of some 12 000 projects involving 137 countries. In 2007–2008, it allocated \$146.7 million to 491 research activities.

## A respected member of Canada's foreign policy family

IDRC contributes to Canada's reputation as an important participant in the international community. The Centre supports Canada's foreign policy goals, including the focus on Afghanistan, the Americas, and on emerging and growing markets. Its current strategic plan (2005–2010) also aligns closely with other national objectives such as greater support for freedom and security, democracy, the rule of law, human rights, and environmental stewardship.

IDRC also supports Canada's science and technology (S&T) policy goals. The four key areas identified in the government's May 2007 S&T strategy — natural resources, the environment, health, and information technology — are at the heart of IDRC programming.

IDRC works collaboratively with a number of federal government departments and leading development agencies in the international arena. It also collaborates with and engages

with Members of Parliament and policymakers in a variety of ways. In 2007–2008, for example:

- IDRC continued its longstanding practice of maintaining contacts with parliamentarians through meetings with ministers and their key staff. President Maureen O'Neil also met with opposition parties' foreign affairs and international development critics to ensure that they were briefed on IDRC's work.
- IDRC arranged for several members of the House of Commons Standing Committee on International Trade who were traveling to Southeast Asia in June 2007 to meet IDRC research partners from the Vietnam Economic Research Network in Hanoi. IDRC and the Canadian International Development Agency (CIDA) have supported research in Vietnam since 1993 to build a cadre of trained economists.
- Also in June, Maureen O'Neil accompanied Her Excellency the Right Honourable Michaëlle Jean, Governor General of Canada, on a state visit to Brazil. The delegation learned first-hand about IDRC-supported research to help Brazil's government guide its youth toward more active citizenship.

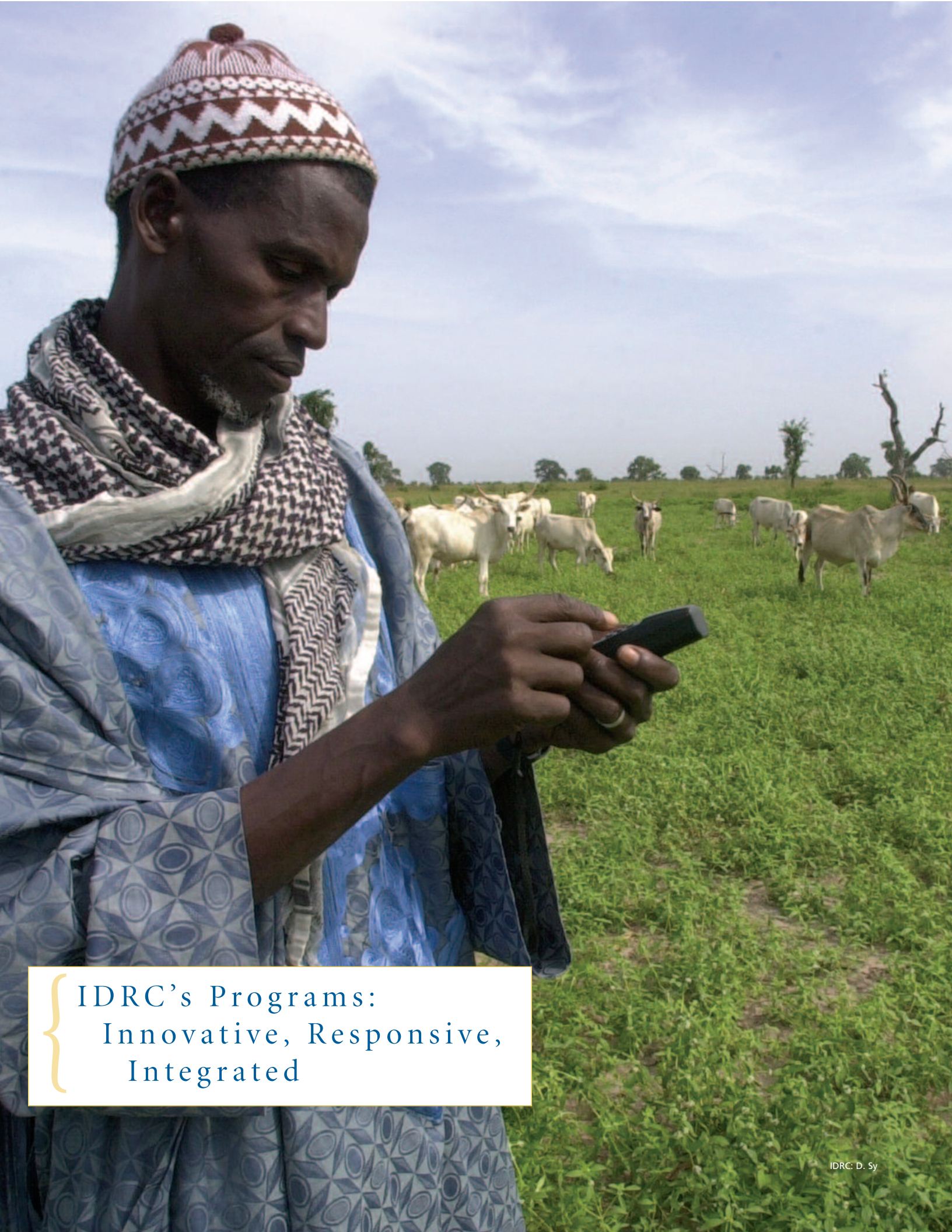
In addition, as part of its Special Initiatives Division, IDRC manages the Expert Advisory and Services Fund for the Middle East Peace Process. The program has been funded by the Canadian International Development Agency and IDRC since 1992, in collaboration with the Department of Foreign Affairs and International Trade (DFAIT). IDRC also manages the Middle East Good Governance Fund, initiated by CIDA's Iraq Task Force in 2000. In addition, IDRC continues to manage the Scholarship Fund for Palestinian Refugee Women in Lebanon, a DFAIT initiative mainly funded by CIDA and other donors since 2000. Over the past seven years, the fund has enabled 221 women to pursue university studies: to date, 104 have graduated.



In June 2007, IDRC President Maureen O'Neil accompanied Her Excellency the Right Honourable Michaëlle Jean, Governor General of Canada, on a state visit to Brazil.

**IDRC's mission remains “Empowerment through Knowledge” — to promote interaction, and foster a spirit of cooperation and mutual learning within and among social groups, nations, and societies through the creation and adaptation of the knowledge that the people of developing countries judge to be of greatest relevance to their prosperity, security, and equity.**





IDRC's Programs:  
Innovative, Responsive,  
Integrated



## Local research, lasting solutions

In a globalized world, where problems are very inter-connected — and therefore so must be the solutions — it is important that IDRC's programming reflects these linkages. Critical issues are addressed jointly, and we believe more effectively, precisely by making enduring investments in local capacities over a broad spectrum of institutions and disciplines, connected with similar efforts in Canada and elsewhere in the world.

This is reflected in the reports that follow from the directors of IDRC's four program areas — Environment and Natural Resource Management; Information and Communication Technologies for Development; Innovation, Policy and Science; and Social and Economic Policy. Striking is the variety of topics on which they and their colleagues work, and yet fundamentally how much there is in common, whether in Africa, Asia, Latin America, or the Middle East. Two related aspects, in particular, stand out. The first is the time frame required to build capacities to tackle problems. The second is the institutional environment within which research for policy occurs.

### From individuals to organizations

While the Centre directs its grants toward individuals or, more commonly, teams of individuals working on specific research problems, strengthening organizational capacities is an important dimension of the Centre's work. At its most basic, this might simply be covering administrative costs and other activities, such as mentoring and monitoring that are part of every research project. IDRC believes that this type of support, over the long term, itself strengthens organizations.

Strengthening organizations' capacities can also be done much more explicitly, as IDRC has done — and continues to do. In many cases, its involvement has resulted in the evolution and growth of discrete research efforts into well-established institutions. The African Economic Research Consortium, for example, started as an IDRC-supported project in 1984 to establish a macroeconomic analysis program in sub-Saharan Africa. Its early success and the strong demand for its services led to an expanded multi-donor program in 1988. Now a public not-for-profit organization devoted to policy research and training, AERC is the pre-eminent network on economics in the region. Some institutions that are now part of the Consultative Group on International Agricultural Research also count IDRC as among their founding supporters over three decades ago. Numerous national think tanks and NGOs in developing countries also fall in this category.



Rohinton Medhora, Vice-President, Programs

Routine project management can also help boost capacity in such areas as budgeting, monitoring, and reporting. In addition, the Centre increasingly works to provide access to commercial electronic databases, develop tools for evaluation and learning, and offer training in areas like resource mobilization, financial management, and communications. Providing this set of complementary activities contributes to the Centre's comparative advantage. IDRC sometimes refers to its multi-pronged approach as "complete capacity building." The ThinkTank Initiative mentioned later in this report is a large, long-term program that IDRC developed this past year with the William and Flora Hewlett Foundation (and, we hope, other sponsors over time.)

As the program area directors reported to the Board of Governors in June 2007, five main lessons can be drawn from IDRC's extensive experiences with organizational development:

**The need for both persistence and flexibility:** Sticking by partners is essential but is not always sufficient for successful organizational strengthening. Equal measures of flexibility are needed in project design, in picking the right partners, and in tailoring and adapting support to circumstances. The need to strengthen organizations must also be recognized from the outset. In Afghanistan, for example, more than two decades of conflict have devastated the country's research community. In early 2008 IDRC funded a project to rebuild Afghan research institutions through a combination of graduate, professional, and management training for researchers, officials, and development practitioners. This support aims to strengthen the country's educational sector, starting with the University of Kabul, and the research

capability of a few ministries, notably agriculture and health. Similarly, IDRC is helping to strengthen the capacity of institutions in Argentina, Brazil, Chile, and Mexico to carry out research on Haiti's reconstruction efforts. In both cases, it is clear that the weak institutional environment constrains the ability of an actor like IDRC to strengthen individual and organizational capacity. Persistence and flexibility will be required in large and equal measures.

**The importance of exploration and of filling institutional gaps:** The Centre has a long history of “investing ahead of the curve” — for example, in forestry management and agricultural systems research three decades ago, economic policy and environmental economics a decade and a half ago, and information and communication technologies more recently. In doing so, the Centre's support has strengthened existing organizations and led to the creation of new organizations that filled major gaps — the World Agroforestry Centre, the Economic and Social Research Consortium in Peru, and the Micronutrient Initiative, to name just a few. This approach can also help mainstream innovative fields of research. The Focus Cities Research Initiative is a case in point: it consolidates decades of IDRC support to urban agriculture and other topics into an integrated, multidisciplinary, global program.

**The need to build leadership and sound governance:** Building the capacity of research leaders and planning for succession is a core determinant of long-term success. In fact, sound leadership and effective organizational governance are necessary for self-assessment, for effective communications, and to align research efforts with actual needs. But how to effectively make the transition from the charismatic founding head to the next generation of leadership? How to retain systems and processes that are lean and agile as an organization grows and matures? Achieving these transitions is as much art as science. IDRC is examining how it can best help its partner organizations develop and retain effective leaders — and nurture their successors.

**The value of the “Team IDRC” approach:** Time and again, IDRC recipients have praised the Centre for its active and sustained mentoring. Over the years this has expanded from a focus on the research content and methodology to include evaluation, means to inform policy, project management, and many other areas. These are of increasing importance as IDRC makes larger investments (for example, in some network projects), emphasizes the need for recipients to better communicate their research results to inform policy, and encourages recipient organizations to diversify their funding as a means of becoming sustainable. Clearly, this type of organizational strengthening requires a broad set of skills within the Centre, from subject specialists to financial systems coaches, to communications trainers. IDRC's experience shows that collaboration among staff in all sectors of the organization, in Ottawa and in the regional offices, contributes to building the capacity of partners. IDRC also enlists the help of experts in Canada and around the world as mentors.

**Donor partnerships are crucial to ensuring sustainability:** Adequate funding is required to carry out research. IDRC's contributions, although vital, are relatively small. The balancing point to building capacity is sustainability and the survival of organizations and institutions after IDRC's support ends. IDRC has been working toward this end partly by catalyzing other sources of funding, domestic and foreign, through donor partnerships. It also helps build the capacity of organizations to diversify their funding sources. Since 2005, for example, it has offered a number of workshops on resource mobilization and works directly with partners on developing funding strategies.

Equally important, IDRC collaborates with Canadian universities, research organizations, grants councils, and development agencies. The Centre does this directly through several programs, and by enlisting the professional skills of scores of specialists in program and project design, support, and delivery. These partnerships bring, as we sometimes say, “Canada to the world, the world to Canada.” In a globalized world, seeing problem solving as a series of supportive partnerships goes to the heart of IDRC's mission.

**Rohinton Medhora**  
Vice-President, Programs

## Adapting to environmental change

Over the past few decades, much of the world has awakened to the fact that a healthy society and economy are not possible when poverty and environmental degradation are widespread. Achieving the first while reducing the second — sustainable development — is at the heart of IDRC's Environment and Natural Resource Management (ENRM) program area.

As ENRM Director Jean Lebel points out, however, priorities and approaches have evolved over the years. Today, “two major issues illustrate the challenges of implementing sustainable development principles and practices: climate change and pandemic diseases.” IDRC is supporting research in both areas, in collaboration with other donors who, says Lebel, “come to us because we have a track record of excellence, of being able to support research directly in the field and of adapting to that reality, and because of the expertise of our staff.”

For example, IDRC has supported research to buffer the effects of climate variability for many years, funding research in agricultural and forestry practices, watershed management, and measures to combat desertification, among other topics. Building on that experience, in 2006 the Centre joined forces with the United Kingdom's Department for International Development to launch the Climate Change Adaptation in Africa (CCAA) program.

Lebel stresses that CCAA responds in various ways to needs expressed by local researchers: it provides grants to carry out participatory action research, funds advanced studies of some researchers, and helps disseminate the knowledge gained. In late 2007, for instance, it supported a new project to explore how the livelihoods of vulnerable people in Africa can be improved by sharing climate adaptation knowledge between researchers, policymakers, civil society organizations, and vulnerable groups themselves.

A similar process is at work in the Asian Partnership on Avian Influenza Research (APAIR), notes Lebel, where “teams of people from different disciplines, different countries, are working together for the first time to tackle a common problem.” A collaborative endeavour between IDRC and national research agencies and ministries in five Asian countries, APAIR seeks to better understand how future disease outbreaks are likely to spread, and how they could be contained — to build capacity to deal with these outbreaks. In addition, IDRC is collaborating with the Global Health Research Initiative on a program to stimulate regional research collaboration on avian influenza. Sharing experience and advancing knowledge are also the goals of the



Jean Lebel, Director, Environment and Natural Resource Management

IDRC: M. Valberg/Valberg Imaging

Canadian Community of Practice in Ecosystem Approaches to Health launched this year by the University of Guelph, the University of British Columbia, and the Université du Québec à Montréal, with IDRC support.

This work, and other research supported by ENRM, aims to build capacity of researchers and of institutions, something that, Lebel stresses, takes time and persistence and seldom happens by funding a single project. An excellent case in point is the Latin American Center for Rural Development (RIMISP, by its Spanish acronym), which this year received IDRC institutional core support of \$10 million for the next six years. From a network on farming systems research in 1986, it has evolved into a major NGO providing intellectual leadership and policy advice on key rural development issues in Latin America. IDRC has supported RIMISP activities — mainly subsequent rounds of a small grants competition — since 1997.

The kind of policy influence enjoyed by RIMISP — for instance, it has helped the Government of Argentina revise its rural development strategy — is one of IDRC's core objectives under the *Corporate Strategy and Program Framework 2005–2010* and an explicit goal of many IDRC-supported projects. For example, through the Focus Cities Research Initiative, researchers are working with a range of municipal actors, including policymakers, on crucial urban environmental problems. “One of the interesting aspects of this work,” says Lebel, “is that it provides a monitoring and learning framework through which the teams can share their experiences and achieve comparable results, regardless of geography.”

## Environment and Natural Resource Management Program Area

Program	Geographic focus	Research activities approved			Research activities active at March 31, 2008	IDRC allocations (\$000) (% of total IDRC allocations)			Other donor contributions (\$000)		
		2007/08	2006/07	2005/06		2007/08	2006/07	2005/06	2007/08	2006/07	2005/06
Climate Change Adaptation in Africa	Africa	20	15	0	34	4 903 3.34%	3 123 2.73%	0	13 746	8 888	0
Ecosystem Approaches to Human Health	Global	23	21	36	57	15 743 10.73%	8 288 7.25%	6 666 6.76%	1 302	1 019	208
Environmental Economics	Global	2	1	0	3	1 441 0.98%	755 0.66%	0	0	0	0
Rural Poverty and Environment	Global	30	34	29	79	24 086 16.42%	7 554 6.61%	12 673 12.84%	944	696	3 897
Urban Poverty and Environment	Global	13	16	26	43	6 415 4.37%	6 040 5.29%	5 075 5.14%	128	248	0
<b>*TOTAL</b>		<b>88</b>	<b>87</b>	<b>91</b>	<b>216</b>	<b>52 588 35.84%</b>	<b>25 760 22.54%</b>	<b>24 414 24.74%</b>	<b>16 120</b>	<b>10 851</b>	<b>4 105</b>

**\*Note:** The total number of activities for the program area may be less than the sum of the number of activities indicated for each programming unit because some activities may have been funded by more than one unit.

The Focus Cities program consolidates decades of IDRC-supported research on urban agriculture, water and sanitation provision, solid waste management, and health concerns. A similar consolidation took place this year with the initiation of the Environmental Economics program that brings together five separate regional projects, the best known being the Economy and Environment Program for Southeast Asia (EEPSEA). The program is wrestling with problems as varied as the economic impacts of out-of-control forest fires in Indonesia and the costs of Thailand's efforts to adapt to environmental change. IDRC has supported research on environmental economics in Asia since 1993.

Funding, although critical, is far from the only type of support IDRC provides to these researchers. "Through

grants, we provide the basics for them to do the work, but we also provide mentoring and expertise," says Lebel. That "value-added" aspect is common to all IDRC programming, observes Lebel. More than just a donor, IDRC offers researchers the expertise of its staff and of Canadian and other experts on research methodology, networking, and partnership issues, and on ways of connecting with policy-makers or communicating research results.

"It's a dynamic environment," says Lebel, "and our challenge is to create a research program that will help researchers and institutions deal with conditions that are certain to change over time — some of which we have yet to recognize."



## Exploring new frontiers of knowledge

It's a truism that in the computer age change occurs at ever-increasing speeds. In the blink of an eye, technologies evolve and concepts shift — and once-familiar landscapes suddenly become difficult to recognize.

So it is in the field of Information and Communication Technologies for Development (ICT4D). A few short years ago, recalls Michael Clarke, Director of IDRC's ICT4D program area, the overwhelming concern was with access to new technologies.

But conditions are different now. An international boom in mobile telephony, for example, has led to 52% of the world's population — roughly 3.3 billion of the world's 6.6 billion people — being able to use mobile phones. The communications revolution is simultaneously posing new questions and opening up new frontiers.

"Having access to the technology is not enough," says Clarke. "It seems to us the biggest future determinants will be whether people have free and open access to the information that flows through these new networks, as well as the ability to create information."

The concept of openness is central to IDRC programming in the ICT field, whether it be in education, in government, in business, or in health services. For example, the Centre supports the Pan African ICTs and Pedagogy Research Network, an initiative that began with educators in Senegal, expanded across West Africa, and is now a force in 10 countries across the continent. The network promotes e-learning and develops new curriculum materials that teachers — even in remote areas — can access electronically. In this way, the network provides a powerful illustration of how to build capacity, identified in the Centre's *Corporate Strategy and Program Framework 2005–2010* as one of IDRC's key objectives.

ICTs can also promote good government and transparency, says Clarke, by enabling citizens to monitor and evaluate their government. That goal is at the heart of the Network of E-Government Leaders in Latin America and the Caribbean, jointly supported by IDRC and the Organization of American States. With an overall focus on governments' relationships with the public, the network is geared partly to encouraging greater accountability by allowing citizens to communicate with politicians and officials electronically. The network is also fostering transparency through means such as posting government documents on the Internet.

Small business also benefits from open communications. A long history of work by IDRC and its partners in Africa, for



Michael Clarke, Director, Information and Communication Technologies for Development

instance, shows that electronic access to information such as the prices offered for crops by different distributors inevitably improves small farmers' position in the marketplace and leads to increased income. But Clarke believes the impact of information on business doesn't have to end there. For example, IDRC-supported researchers are investigating how openly available patents can become a powerful economic stimulus in developing countries.

This type of research clearly aims to influence policies and practices. And some of the policies targeted are those that regulate access to communications infrastructure itself. Building on its long experience of supporting research on this issue, IDRC convened teams of researchers from Africa, Asia, and Latin America in Montevideo this year to discuss what actions telecom and ICT regulators could take to promote access to infrastructure at local, national, and regional levels. This dialogue fed into the November Internet Governance Forum in Rio de Janeiro. "What's important," says Clarke, "is that three previously independent networks looking at the issue regionally are now linked globally."

Collaboration is key, says Clarke, not only for individual collaborations between researchers but also between networks.

IDRC also collaborates extensively with other donor agencies. For instance, the Centre and the Bill & Melinda Gates Foundation are developing a new methodology for studying the social and economic impacts of public access to information networks. Another partnership combines the resources and expertise of IDRC, the Swiss Agency for Development and Cooperation, and Microsoft in support of telecentre.org. Telecentres are community-based agencies

## Information and Communication Technologies for Development Program Area

Program	Geographic focus	Research activities approved			Research activities active at March 31, 2008	IDRC allocations (\$000) (% of total IDRC allocations)			Other donor contributions (\$000)		
		2007/08	2006/07	2005/06		2007/08	2006/07	2005/06	2007/08	2006/07	2005/06
Acacia/ Connectivity Africa	Africa	47	32	18	90	12 925 8.81%	8 698 7.61%	8 527 8.64%	6 981	1 569	3 193
Connectivity and Equity in the Americas	Latin America and the Caribbean	24	20	18	48	4 265 2.91%	5 520 4.83%	5 450 5.52%	2 561	0	43
Pan Asia Networking	Asia	15	10	20	39	6 399 4.36%	5 543 4.85%	6 450 6.54%	2 129	0	2 450
telecentre.org	Global	15	26	16	43	2 348 1.6%	870 0.76%	976 0.99%	6 233	3 547	1 954
<b>*TOTAL</b>		<b>101</b>	<b>88</b>	<b>72</b>	<b>220</b>	<b>25 937 17.68%</b>	<b>20 631 18.05%</b>	<b>21 403 21.69%</b>	<b>17 904</b>	<b>5 116</b>	<b>7 640</b>

**\*Note:** The total number of activities for the program area may be less than the sum of the number of activities indicated for each programming unit because some activities may have been funded by more than one unit.

that allow people in remote or poor communities to get online; telecentre.org is the vehicle through which they develop best practices and share experiences. The network this year launched the Telecentre Academy, a professional development and training program.

The important thing that IDRC brings to these partnerships, says Clarke, is the value-added of its research expertise.

The collaborative spirit also compels IDRC to promote link-ages between ground-level researchers, most recently by

providing major support for the 2007 Global Knowledge 3 conference in Kuala Lumpur. Explains Clarke: "Working together is a starting point for us. All our efforts go into building networks, to make sure people are connected."

"I firmly believe that an informed citizen is an empowered citizen," says Clarke. "ICTs tend to create a level playing field where everyone can play."

## Mobilizing knowledge for progress

Innovation is vital for any country's development. Developing countries, however, face many hurdles in their efforts to innovate, to acquire and effectively use technology to reduce poverty, and to undertake original scientific research. Chief among these constraints are weak policy-making structures and lack of credible information on which to base policies.

IDRC's long history of supporting research to address these constraints entered a new chapter with the launch of the Innovation, Policy and Science (IPS) program area in 2005. It supports research on innovation systems in developing countries through its Innovation, Technology and Society program, and partnering with Canadian institutions through its Challenge Fund.

The Challenge Fund marks a new thrust at IDRC: "partnering with other Canadian research funding organizations to create joint initiatives that can bring Canadian and developing-country researchers together in collaborative programs that are of mutual benefit and can foster interactive learning and research," says IPS' first director, Richard Isnor.

"The approach we are using is unique," says Isnor, "in that we are challenging other Canadian funding organizations to partner with us and to continue their role of supporting Canadian research, while at the same time we can support researchers in low- and middle-income countries."

Initial response to this twinning approach has been encouraging. For example, IDRC received more than 105 letters of intent in response to its call for proposals under the International Community–University Research Alliances project launched in mid-2007 in collaboration with the Social Sciences and Humanities Research Council. A similar large number of applications have been received for the peer-reviewed International Research Chairs Initiative, a collaboration between IDRC and the Canada Research Chairs program, also launched in 2007.

"Twinning and equity in research partnerships bring dual benefits," says Isnor, and can have a real impact in the Canadian community. Building those relationships with Canadian research donors is a very explicit direction of IDRC's current five-year strategy, he adds, and can have a real impact in both the Canadian and international research communities.

New directions are also being taken in research to strengthen and expand science, technology, and innovation policy-related programming at IDRC. During the past three years, says Isnor, IDRC has broken into new areas such as



Richard Isnor, Director, Innovation, Policy and Science

work on science and technology indicators. Explains Isnor: "All countries rely on information about what they are doing in science and technology — how much they invest in research, how many qualified people they have, the nature of their innovative activities. All knowledge societies need this kind of information, but developing countries have a difficult time gathering it." IDRC is therefore supporting research into ways to enhance developing countries' ability to gather and use that information for their development.

Through the Innovation, Technology and Society program, work is also focused on helping developing countries make use of available instruments and policy options to ensure that intellectual property rights regimes promote innovation and access to knowledge. Nine projects, selected from numerous proposals received in response to a competitive call, are now underway.

And, says Isnor, IDRC has launched a lot of new work on the role of universities and developing-country innovation systems. He points to the role IDRC staff play in fostering this research. "The value added of our excellent staff, networking some of these researchers together, and helping enhance the quality of their proposals can really make a difference for the long-term quality of those projects."

Some of the research supported has had strong policy influence, says Isnor, particularly through work on specific S&T policy reviews. A good example is work supported in Mozambique that led to the development of a new science, technology, and innovation strategy. "In that case we worked directly with the science and technology minister, who was himself very involved in the work. There, our input

## Innovation, Policy and Science Program Area

Program	Geographic focus	Research activities approved			Research activities active at March 31, 2008	IDRC allocations (\$000) (% of total IDRC allocations)			Other donor contributions (\$000)		
		2007/08	2006/07	2005/06		2007/08	2006/07	2005/06	2007/08	2006/07	2005/06
Innovation, Technology and Science	Global	21	12	10	40	3 712 2.53%	2 717 2.38%	5 460 5.53%	0	0	0
Research Partnerships Challenge Fund	Global	4	2	0	6	375 0.26%	876 0.77%	0	0	0	0
New Technologies	Global	0	0	1	1	0	0	45 0.05%	0	0	0
Research on Knowledge Systems	Global	0	0	0	0	0	0	16 0.02%	0	0	0
<b>*TOTAL</b>		<b>25</b>	<b>14</b>	<b>11</b>	<b>47</b>	<b>4 087 2.79%</b>	<b>3 593 3.15%</b>	<b>5 521 5.6%</b>	<b>0</b>	<b>0</b>	<b>0</b>

**\*Note:** The total number of activities for the program area may be less than the sum of the number of activities indicated for each programming unit because some activities may have been funded by more than one unit.

into policy was very direct.” Before his Cabinet appointment, the minister had been a researcher, supported by IDRC.

Policies have also been influenced in more implicit ways. Isnor points to projects on biotechnology policy and biosafety research that are having an impact on national policy development processes.

In other cases, IDRC has nourished the research-to-policy process by encouraging the flow of information at multiple levels and by stimulating public dialogue. Some of this work has been broad-based, for example, by bringing together science journalists in professional development seminars. “It’s through people being better informed about science and technology that they can engage in the policy process that had previously been closed to them,” says Isnor.

Other work, such as gauging the views of small farmers in India or Latin America on subjects like biotechnology or genetically modified crops, or facilitating the development of national biotechnology safety standards, has also had interesting outcomes. In Brazil, for example, IDRC-supported researchers produced an illustrated children’s book on the introduction of biotechnology in agriculture. “Sometimes,” comments Isnor, “we overlook that something like that can have a more substantial impact than an academic paper that a few specialists will read.”

## Informing public debate

How one tackles the challenges of the future partly depends on where one has been in the past. This is true of the Social and Economic Policy (SEP) program area where new initiatives are building on long-term research to create and share knowledge. At this stage in the *Corporate Strategy and Planning Framework 2005–2010*, “we are looking to synthesize the results of the work we have been supporting and scale it up,” says SEP Director Brent Herbert-Copley.

New partnerships and fresh approaches are evident in SEP’s current projects. For example, the ThinkTank Initiative — funded jointly by IDRC and the William and Flora Hewlett Foundation — aims to strengthen non-profit, non-governmental research organizations working on public policy issues. This program, launched in early 2008, is a visible expression of IDRC’s commitment to strengthen research capacity, he says.

“One of the lessons that IDRC takes is that perseverance really does pay off, that support to research and research capacity building is a long-term endeavour,” says Herbert-Copley. He points to the African Economic Research Consortium, which IDRC was instrumental in starting 20 years ago. It has “gone from being a fledgling organization to one that’s seen as the pre-eminent source of support for research on economic policy in Africa.”

SEP’s long-term outlook is also reflected in the way its current work extends the gains made by previous projects. A community-based poverty monitoring system tested in one province of the Philippines in the late 1990s, for example, has now been endorsed by the national government as a tool to improve local poverty reduction programs. The system builds capacity at the community level to identify needs and feeds that information into local policy-making. Fifteen countries of Africa and Asia are now testing the system: Zambia joined the network in 2007. In 2007, IDRC also introduced a gender-sensitive budgeting component to the research.

Similarly, new directions are being taken to IDRC’s long support of research on tobacco control. Building on three rounds of a small grants research competition in support of the ratification, implementation, and enforcement of the Framework Convention on Tobacco Control, a new project was launched in 2007 to involve a younger generation of researchers. Another step forward was also taken this year through a partnership with the Bill & Melinda Gates Foundation to work on tobacco control issues in Africa where “there is an opportunity with the right policy frame-



Brent Herbert-Copley, Director, Social and Economic Policy

works and the right research to avoid some of the burden of tobacco-related illness and death experienced in other regions.”

The dual goals of building capacity and influencing policies are also at the heart of the Global Health Research Initiative. “This four-agency partnership [between IDRC, the Canadian International Development Agency, Health Canada, and the Canadian Institutes for Health Research] has been teaching us about the benefits of working together and also, quite frankly, revealing the obstacles that have to be overcome,” explains Herbert-Copley. “The big payoff is that there’s a larger pool of resources for global health research and an opportunity to develop Canadian leadership in this field.”

Other long-term research is also feeding directly into policy-making. Herbert-Copley points to work on competition policy carried out collaboratively by competition authorities and independent researchers. That research has helped spur changes in the Uzbekistan government’s handling of remittances, for example, and to an opening of the Egyptian cement market, to name just two impacts. IDRC published a book summarizing this work — *Competition and Development: The Power of Competitive Markets* — in early 2008.

Links between research and policy aren’t always simple or direct, of course. “Increasingly,” says Herbert-Copley, “we see nurturing public debate as the overall function of SEP.” For example, research into sex-selection practices — which has led to male births outnumbering female — has sparked widespread public and media debate in India. This is “a very



## Social and Economic Policy Program Area

Program	Geographic focus	Research activities approved			Research activities active at March 31, 2008	IDRC allocations (\$000) (% of total IDRC allocations)			Other donor contributions (\$000)		
		2007/08	2006/07	2005/06		2007/08	2006/07	2005/06	2007/08	2006/07	2005/06
Governance, Equity and Health/ Research for International Tobacco Control	Global	39	25	36	92	8 951 6.10%	24 307 21.27%	10 467 10.61%	966	6 643	1 138
Globalization, Growth and Poverty	Global	21	32	40	80	17 400 11.86%	9 397 8.22%	11 474 11.63%	104	0	113
Peace, Conflict and Development	Global	20	22	21	54	6 201 4.23%	4 868 4.26%	5 693 5.77%	0	0	208
Women's Rights and Citizenship	Global	16	16	9	42	5 751 3.92%	4 260 3.73%	2 079 2.11%	0	0	0
*TOTAL		96	95	106	268	38 303 26.11%	42 832 37.48%	29 713 30.12%	1 070	6 643	1 459

**\*Note:** The total number of activities for the program area may be less than the sum of the number of activities indicated for each programming unit because some activities may have been funded by more than one unit.

emotive issue but one where careful research can help people understand the very complicated factors that are leading to these trends.” The result is a richer debate about possible solutions.

“We haven’t by any means solved the development problem and we’re continually confronted by new challenges,” he says. “But because we have the privilege of working with individuals who are tremendously talented and deeply committed to the development of their societies, IDRC staff feel a sense of promise.”



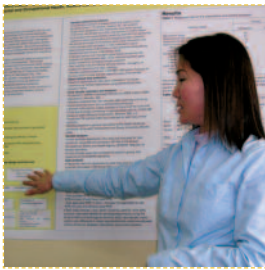
{ Meeting Our  
Objectives



## Skilled researchers, strong institutions

**OBJECTIVE:** “IDRC will strengthen and help to mobilize the local research capacity of developing countries ... .”

Corporate Strategy and Program Framework 2005–2010 (CS, para. 66)



Mongolian researcher Lkhasuren Oyuntogos shares findings from an occupational health project in Ulaanbaatar.

Improving the capacity of its research partners is one of IDRC's core objectives. The *IDRC Act* directs the Centre “to assist the developing regions to build up the research capabilities, the innovative skills, and the institutions required to solve their problems.” Although IDRC uses specific measures such as training, mentoring, awards programs, and evaluations to achieve this goal, every aspect of its work serves to build capacity — a dimension that sets IDRC apart from most other development agencies.

In 2004, IDRC launched an extensive study of how well it had succeeded in improving the skills of the researchers it supported and how it had done so. Results to date confirm the value of staff working closely with research partners, and show that this support improves or expands the research capacities of those researchers — and, in a ripple effect, the skills of those with whom they work.

The evaluation has identified a number of good practices that contribute to increasing capacity. They include:

- IDRC's sustained mentoring and prolonged engagement with researchers and institutions;
- the ability to respond quickly to changing needs, often under difficult circumstances;
- bringing individuals and organizations together into networks, and encouraging face-to-face meetings among staff and researchers; and
- a strong local presence through IDRC's six regional offices, which enhances staff knowledge and ensures that research agendas are locally driven.

The evaluation's fourth phase, completed in 2007–2008, examined how IDRC's support enhanced the performance of six of its long-time partner organizations, and identified the multiple roles that IDRC has played — often simultaneously — as strategic ally, advisor, catalyst for change, and collaborator.

In its role as advisor, for instance, IDRC has long counseled Uganda's Makerere University in such areas as proposal writing and research methodology. As a collaborator, the Centre worked closely with Cambodia's Ministry of Environment to

**CAPACITY BUILDING: Statistical snapshot 2007/08**

**57**  
new research projects with explicit capacity-building objectives

**227**  
projects with explicit capacity-building objectives active at year-end

**66**  
new research activities with explicit capacity-building objectives

**268**  
research activities with explicit capacity-building objectives active at year-end

**230**  
recipient institutions involved

boost the skills of the many people and organizations carrying out research to inform public policy. And as catalyst, IDRC funding spurred the establishment of Peru's Economic and Social Research Consortium, and supported its evolution from an economics-only research body into a key research and policy network.

IDRC's corporate strategy notes that increasing research capacity must be part of a larger framework to strengthen such institutional skills as managing funds, establishing partnerships, communicating, and networking. Here are examples of the many ways that IDRC did so in 2007–2008:

- With the William and Flora Hewlett Foundation, IDRC launched the ThinkTank Initiative that will support independent research organizations by providing them with training and technical assistance. The goal is to help them improve research quality, expand policy linkages, and address other key aspects of organizational development.
- IDRC renewed funding for the Gender Research in Africa into ICTs for Empowerment (GRACE) project that is enhancing the capacity of African organizations to carry out research on how the use of information and communication technologies (ICTs) can improve women's lives. Results of the first 14 studies on the barriers that prevent African women from using ICTs, carried out in 12 countries, are scheduled to be published next year.

- IDRC supports the efforts of the India-based Association for Stimulating Know-how to create a South Asian community of experts in evaluation techniques. The project, which is providing peer review of work and mentoring, aims to make evaluation a more useful tool for planners, development researchers, and communities in the region.
- IDRC's competitive grants projects identify and encourage new research partners. The IDRC-supported Economy and Environment Program for Southeast Asia, for example, has supported almost 600 individuals since 1993. This year it funded research on topics such as forest management in Indonesia, bio-energy in Sri Lanka, and upland agriculture in Vietnam.

Because boosting the capacity of its own staff contributes to building that of the researchers with whom they work, IDRC encourages a culture of evaluation and sharing. One of the ways it does this is through an all-staff Annual Learning Forum (ALF) during which colleagues can share fresh ideas about how to improve IDRC's performance. The theme of the 2007 ALF was "strengthening organizational capacity."

In 2006 IDRC also launched an employee awareness campaign, "Making a World of Difference," that demonstrates how the research IDRC supports — and how Centre employees — improve peoples' lives. (See page 30.) Tools to train staff and research partners in various communications activities were also developed: some 200 were trained this past year in such areas as writing policy briefs and working with the media.

How can IDRC be sure that its approach to capacity building works?

One indicator that skills are being effectively developed is the launch to independence of programs that IDRC has nurtured to maturity. The Bellanet International Secretariat, for example, was established in 1995 to foster networking and innovation in the area of ICTs for development.

Over the years this virtual network evolved until most of its core activities were being conducted in developing countries. In early 2008 IDRC announced that Bellanet will be based at the Costa Rica cooperative Sulá Batsú, from where it will continue its valuable work.

*"IDRC's governance structure and consistency in purpose have allowed the Centre to make a unique contribution to building research capacity in developing countries. Donor agencies, private sector, civil society and governments can learn from and engage IDRC in building an evidence-based approach to development." Canada (2007) DAC Peer Review: Main Findings and Recommendations, OECD, 2007*

Other markers of success are external examinations that affirm the results of IDRC's efforts. One study in particular, carried out in 2007 by the United Kingdom's Overseas Development Institute (ODI) for the Department for International Development, singles out IDRC's performance in capacity building and endorses its approach as a model for other donor organizations. ODI found that "IDRC was the only [research] donor universally highly regarded" in terms of the clarity of its mandate, its visibility and the quality of its processes, and its support for innovation, among other criteria.

The use of IDRC materials in classrooms is yet another measure of success. This year, for instance, the in\_focus collection on urban agriculture, *Growing Better Cities*, fed into a new distance-education course offered by Ryerson University in Toronto. According to instructor Joe Nasr, "apart from the quality of the material, one advantage was that it's all readily available on the Web."

## Learning to adapt to climate change

**IDRC allocation:**  
\$389 650  
(for the Nigeria  
project)

**Project duration:**  
2007–2009

In northern Nigeria, small-scale farmers — including many women — endure increasingly uncertain rainfall, longer dry seasons, and other signs of climate change. They desperately need information to help them adapt to a worsening situation. But how to communicate this knowledge to large numbers of people who are isolated, poor, and of limited literacy? Print and television are impractical. But what about radio?

In May 2007 IDRC launched a two-year research project to investigate whether a radio drama series about climate change adaptation could transmit the knowledge the farmers need. Twenty-six episodes are being produced locally, in local languages, and will be broadcast over a period of six months. Focus groups convened before, during, and after the broadcasts will evaluate whether the medium does indeed convey the message.

This project is just one of many being supported by the Climate Change Adaptation in Africa (CCAA) program, funded jointly by IDRC and the UK's Department for International Development. This ambitious research and capacity development initiative seeks to learn from the historical experience of many Africans in coping with climate change, and to apply these lessons to other contexts on the continent.

In the Nigeria project, this approach is already bearing fruit. The early focus groups gathered information about what farmers now do to adapt. For

example, if scant rains are expected, farmers may decide to plant seeds that mature early and that produce better in dry conditions. This information will find its way into the series' scripts.

CCAA supports many similar learning-by-doing projects to engage Africans directly in boosting their own ability to adapt. This approach seeks to involve key stakeholders, especially policy-makers and local communities. Teams of researchers from many disciplines aim to build on existing local knowledge about practical measures such as crop selection or soil and water conservation methods adapted to a range of weather extremes.

CCAA also supported a number of workshops in 2007–2008 to improve the research skills of participating researchers. These covered topics such as how to assess climate risk, how to monitor and evaluate progress, how men and women experience climate change differently, and how to bring research results to the attention of policymakers. Further, as part of a longer-term strategy to enhance scientific skills, CCAA approved funding for the African Climate Change Fellowships program that will widen the base of African expertise on adaptation. Launched in November 2007, this program is led by START (the global change SysTem for Analysis, Research and Training), in collaboration with the University of Dar es Salaam and the African Academy of Sciences.



Learning from one another:  
African farmers share techniques  
on how to adapt to uncertain  
climate.



## Regional collaboration to build peace in Haiti

IDRC allocation:  
\$594 836

Project duration:  
2007–2009

During recent decades, a number of countries in the Americas suffered prolonged internal conflict or outright civil war. After the battles ended, these countries struggled to entrench peace and restore institutions.

Haiti is one of these countries. Its people have endured long periods of internal strife and social breakdown, a cycle of misery that culminated in the rebellion of 2004. Haiti's subsequent efforts to rebuild have been supported by other countries in the hemisphere, including Canada, but notably also by some Latin American neighbours with their own experiences of conflict and recovery.

Because of Haiti's acute needs, its reconstruction has posed special challenges — including for those neighbours that wish to help. These countries enjoy only a short history of peacekeeping and of international cooperation, and as they begin to assist Haiti, they need to establish a domestic foundation for embarking upon this kind of development program. Starting in 2007, therefore, IDRC has funded a key research effort linking specialists in Argentina, Brazil, Chile, and Mexico.

Initially, IDRC's support focuses on building capacity within the academic communities of these four countries. The project seeks to track the reconstruction effort in Haiti and identify ways of making the intervening nations' part in it more effective, as well as to help them learn from their

own efforts as the work proceeds. In particular, it aims to stimulate public awareness within these nations about international cooperation in peace-building and reconstruction and its implications for society as a whole.

The researchers' long-term mission is to probe what is needed to foster a durable peace and to re-establish functional institutions in Haiti. Already, each contributing country has launched studies addressing specific issues: Argentina looks at investment and food security; Mexico analyzes local development, partnerships, and the role of remittances; Brazil concentrates on human rights, culture, and participatory decision-making; and Chile explores the role of civil society organizations in building democracy.

Along the way, IDRC acts also as convener or networking catalyst in that the project promotes enduring cooperation among the research institutions involved, and between Latin American and Canadian research centres.

## Toward stronger policy institutes

**IDRC contribution:**  
**\$10 000 000**  
**(for initial five years)**

**Project duration:**  
**2008–2017**

In the past, politicians, backed perhaps by a few astute mandarins, could steer government purely on the basis of personal principle, ideological tilt, and the occasional nod toward private interests. Today, however, running a large economy without the continuing help of outside technical advice is unimaginable. Development efforts are more likely to succeed if they are guided by the findings of credible, independent research conducted by local actors. Furthermore, support for independent research “think tanks” can help strengthen democracy by informing public debate.

In poor countries, however, such bodies are often poorly funded, fragile, and marginalized. To address this problem, IDRC has joined with the William and Flora Hewlett Foundation to launch the ThinkTank Initiative, a program to strengthen policy research institutes in developing regions. The program aims to address a chronic weakness in support for such institutions, namely, that international donors tend to support — and often at the same time to design and control — one-off projects, while failing to invest in the long-term health of these institutions. Activities get underway in

2008 in Africa, a region with an urgent need for policy research expertise. Later the program will focus on institutes in South Asia and Latin America. The Initiative will provide core funding to allow these institutes to do long-term planning, to establish their own priorities, and to invest in creating strong research agendas. Overall, 30 to 40 think tanks will receive funding.

IDRC will manage the initiative with the help of an International Advisory Group, which includes many eminent experts. It will also support capacity-building activities in three broad areas: research methods and skills; communications and outreach; and general organizational development such as leadership and governance, financial and human resource management, and strategic planning.



Sridharan Sethuratnam  
(far right) of Guelph,  
Ontario, at work in Tamil  
Nadu, India.



*"The intellectual space and time I had over the past year was a once-in-a-lifetime experience for me."* Sridharan Sethuratnam, intern with IDRC's Rural Poverty and Environment program

## A KICKSTART FOR DEVELOPMENT EXPERIENCE

### INDIVIDUALS RECOMMENDED FOR AWARDS IN 2007/08:

<b>1</b> Ecohealth Graduate Training Award for East and Southern Africa	<b>11</b> ECOPOLIS Graduate Research and Design Awards	<b>1</b> Ecosystem Approaches to Human Health Graduate Award
<b>3</b> IDRC Awards for International Development Journalism	<b>2</b> IDRC Canadian Window on International Development Awards	<b>35</b> IDRC Doctoral Research Awards
<b>18</b> IDRC Internship Awards	<b>1</b> IDRC Research for International Tobacco Control (RITC) Award	<b>2</b> IDRC Sabbatical Awards
<b>2</b> Professional Development Awards	<b>1</b> Visiting Scholar in Feminist Perspectives on Globalization	<b>77</b> TOTAL

IDRC has long encouraged the professional development of individual researchers by offering research and training awards to new and mid-career scientists in Canada and in developing countries.

During 2007–2008, IDRC conferred over 70 graduate awards in disciplines relating to IDRC's program areas. Through study, field research, or practice, these awardees gain international experience and exposure to development challenges.

As well, by way of sabbatical awards and visiting fellowships, IDRC supports senior researchers who bring new insights to IDRC and to other Canadian institutions. During the year, IDRC hosted

- Howard Alper, former Vice President, Research, University of Ottawa. In 2000, he was awarded the first Gerhard Herzberg Canada Gold Medal for Science and Engineering, Canada's highest research honour. He is now Chair of the Government of Canada's new Science, Technology and Innovation Council;
- John Stone, Adjunct Research Professor at Carleton University and Vice Chairman of the Bureau of the Intergovernmental Panel on Climate Change (IPCC). He was part of the IPCC team awarded the Nobel Peace Prize in 2007; and
- John Githongo, former Permanent Secretary for Governance and Ethics in Kenya, now Vice President, Policy and Advocacy with World Vision.

This kind of assistance continues to grow. IDRC's current five-year corporate strategy called for an increase in support for graduate students in developing countries. Early steps in this direction have included the expansion of existing awards programs to make them available to students from developing countries who are studying in Canada. Another key measure is the launch in 2007–2008 of the Awards Program for Southern Junior Researchers.

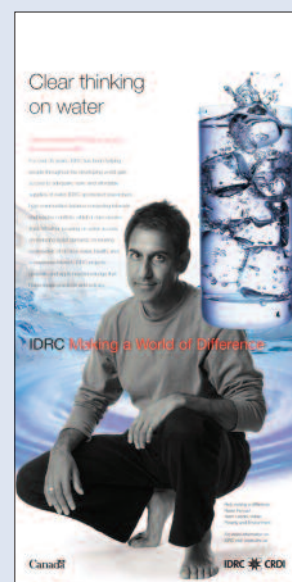
Funds from this initiative help boost the capacity of graduate students at universities in sub-Saharan Africa, with an emphasis on thesis topics such as economics, peace and security, and health systems. Full-study support at the PhD level, and in some cases at the master's level, is also provided in a few instances. In selecting recipients, the program considers — in addition to the quality of the researcher — gender, and regional and linguistic balance. It favours applicants from regions that have been under-represented in the awards program and from post-conflict regions.

IDRC aims to expand this program to Latin America and the Caribbean in 2008.

## MAKING A WORLD OF DIFFERENCE

*"For me, IDRC is about fresh ideas, working at the frontiers and trying new things. And always with a really strong commitment to the true interests of people in the South, not just to institutional interests. You see that right through the entire organization, in all of IDRC's people."*

Merle Faminow, Program Leader,  
Environment and Natural Resource Management



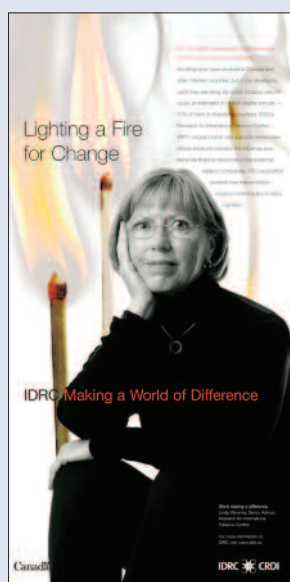
For decades, IDRC-supported research has improved the lives of people in the developing regions of the world. And behind every success story there are staff members who have worked directly with the researchers, and others who have supported them. This research and these people are making a world of difference.

But the nature and breadth of IDRC's work make it difficult for employees to have an overall vision of how all activities contribute to achieving the Centre's mandate and combine to create an organization of which they — and all Canadians — can be proud. To do so, IDRC launched an internal employee awareness program, Making a World of Difference, in 2006.

This program has been bringing some of the IDRC success stories, and profiles of IDRC employees who make them happen, to Centre staff. The goal: reinforce the collegial spirit that is part of the Centre's corporate culture and inform staff about the impact of the work IDRC supports. Ultimately, the aim is to give staff the information they need to be even more effective ambassadors for IDRC. An evaluation carried out this past year confirmed the project's effectiveness and popularity.

*"I'm always so busy on my own work; it's hard to keep track of what other areas are doing. What I like about the Making a World of Difference site is that in just a few minutes I can learn about some of the amazing work IDRC people are doing."*

Diane Ryerson, Senior Assistant, Executive Office



The five issues published by March 31, 2008, described how

- IDRC-supported researchers around the world are helping turn urban wastelands into sources of food and incomes while cleaning up health and environmental problems posed by contaminated water and poor sanitation;
- in Bolivia, a research team helped craft a new, equitable, water law that put an end to decades of conflict over water rights;
- research on South Africa's rollout of antiretroviral treatments improved the health system while ensuring that all HIV/AIDS infected patients were treated;

- researchers around the globe have helped farmers make the transition from growing tobacco to growing food and have provided the evidence needed to help governments counter the influence of multinational tobacco companies;
- researchers in Asia are making information technologies accessible and relevant to the poor by adapting software to local languages.

Last year, the series went public on IDRC's website ([www.idrc.ca/making\\_a\\_difference](http://www.idrc.ca/making_a_difference)). Two additional issues are planned for 2008–2009.

## Informed decisions, effective change

**OBJECTIVE:** “IDRC will foster and support the production, dissemination, and application of research results that lead to changed practices, technologies, policies, and laws that promote sustainable and equitable development and poverty reduction.”

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



Moroccan researchers and community members discuss how best to plan for the impacts of a new dam.

Research is providing South Africa's already strained public health system with the tools it needs to address the HIV/AIDS crisis. With IDRC support starting in 2002, the University of Cape Town Lung Institute tested a program in Free State province to train nurses to take on more responsibility in the diagnosis and treatment of tuberculosis and HIV/AIDS. A separate IDRC-supported initiative is supplying the nurses and other staff with an information, communications, and data-management system.

The program has proven successful in carefully monitoring patient reactions to antiretroviral treatment. Indeed an international study published in early 2008 concluded that the Free State rollout was saving as many lives as similar programs in high-income countries.

The program has now expanded throughout the Free State's primary care facilities and to Western Cape. South Africa's National Department of Health is developing plans to roll out the program nationally. And in February 2008, the Lung Institute began to build a parallel program in Malawi with Toronto-based Dignitas International.

This progression from trial to provincial, national, and international implementation may seem natural, but each step represents a hard-fought success that required careful planning, diligence, and strong engagement from the researchers. Research-to-policy influence also requires long-term support.

IDRC has looked closely at the interface between research, policy, and practice. A study of policy influence carried out from 2001 to 2007 looked at how governments in developing countries formulate policies and how IDRC-supported researchers influenced government decision-making. The 23 case studies covering projects in all regions conclude that researchers' strategies should reflect the government's level of receptivity. The windows of opportunity for policy influence open only slightly and occasionally and researchers need to be poised to take full advantage of them.

IDRC regularly transmits its learning on policy influence to its research partners. Research-to-policy discussions are typical

**POLICY INFLUENCE:**  
**Statistical snapshot 2007/08**

**43**  
new research projects with explicit policy-influence objectives

**180**  
projects with explicit policy-influence objectives active at year-end

**43**  
new research activities with explicit policy-influence objectives

**183**  
research activities with explicit policy-influence active at year-end

**205**  
recipient institutions involved

among staff and partners, especially in the project development stage. Together they consider how to consult with policymakers, involve them in research activities, and inform them of results. Guidelines for grant competitions factor in policy influence and in some cases, such as the Focus Cities Research Initiative, strongly encourage the inclusion of government representatives in research teams.

The study also concluded that communication is essential to exerting influence. In recent years IDRC has increased support for researchers to improve their communication skills. During 2007–2008, for example, IDRC's Communications Division developed a set of tools to improve communications planning, the writing of policy briefs, media relations, and other skills among staff and the researchers it supports.

IDRC's support for networks also contributes to policy influence. Many networks include government representatives and serve as a forum for research-to-policy interaction. The IDRC-supported Regional East African Community Health policy initiative, for example, brings together health authorities and researchers in Kenya, Tanzania, and Uganda to determine the best means of bringing relevant research to the attention of policymakers. The goal is to improve people's health and health equity in East Africa.

Several other IDRC projects directly address the need for researchers and policymakers to understand each other. For



example, Research Matters, a joint initiative with the Swiss Agency for Development and Cooperation, bridges the gap between policymakers, practitioners, and IDRC-supported researchers studying effective public healthcare service delivery. Since 2003, Research Matters has awarded 80 grants to projects that promote new ways of connecting researchers and research-users, consolidate existing knowledge on health issues, and widely disseminate evidence-based research.

IDRC has also learned that policy influence takes time and demands patience. The Centre has struck lasting relationships that see researchers through to the policy-influence stage. The Latin American Center for Rural Development (RIMISP) based in Chile is one example. IDRC has supported RIMISP for more than 20 years in its efforts to develop and implement practical ways to reduce poverty and inequality in rural areas throughout Latin America. RIMISP has also used IDRC funding to develop research tools that evaluate how government policies affect these populations. And in 2007, IDRC support enabled RIMISP to contribute to the World Bank's *Development Report 2008: Agriculture for Development*. Those contributions resulted in significant changes to the report's key messages and in the inclusion of new sections, such as one on the importance of policy in advancing an "agriculture for development" agenda. IDRC provided RIMISP with core funding in 2007 to further its work on informing Latin American policymakers.

IDRC's in\_focus collection is another means by which the Centre seeks to inform policy. This suite of information products presents research findings on pressing issues. This year's in\_focus, *Competition and Development: The Power of Competitive Markets*, distills important lessons and recommendations on how to enact and implement the policies that foster fair competition in the marketplace.

Policy influence is rarely direct. It is often difficult to attribute a policy change to specific research results. Still, even when influence seems partial and diffused, IDRC has found that the interaction between researchers and policymakers, in and of itself, improves the decision-making process. When policymakers listen to researchers, they open the door to new ideas, broaden their consultation process, and begin to weigh evidence. These practices are the building blocks for sound policy development and good governance.

*"Honourable senators, this does not mean that the IDRC's findings are limited to the developing world; they can also be applied here in Canada. Growing Better Cities benefits all levels of government and interested groups in our country by maximizing the potential use of so-called urban agriculture to transform Canadian cities into environmentally friendly places to live."* Hon. Donald H. Oliver speaking about the in\_focus book, *Growing Better Cities: Urban Agriculture for Sustainable Development*, published by IDRC in 2006. *Debates of the Senate (Hansard)*, May 8, 2007



For more than 20 years IDRC has supported the Latin American Center for Rural Development (RIMISP) in its efforts to reduce poverty and inform policy in the region.

R. Lord

## A focus on better life in the city

**IDRC allocation:**  
**\$1 200 000 per team**

**Duration: 2005–2012**

Unsafe drinking water, contaminated rivers and streams, and inadequate waste disposal and sanitation services — these are some of the environmental burdens that weigh on the urban poor in developing countries. Eight city teams in different parts of the world are identifying innovative ways to ease this load. The teams are part of the Focus Cities Research Initiative, an IDRC program that involves city-dwellers and municipal governments in practical research to create healthy living environments.

IDRC chose the eight teams through a competitive process in which it assessed, among other aspects, each proposal's potential to influence the city's future development plans. The teams also needed to demonstrate commitment from local authorities for the proposed research.

The Indonesian team, for example, includes representatives from the city of North Jakarta's Urban Planning Office and the Provincial Planning Board of Jakarta. Led by Mercy Corps, a NGO, this team has completed a diagnosis of the problems in Kelurahan Penjaringan, one of Jakarta's largest slums. The researchers are now identifying the

services that people there can provide to improve living conditions and generate income.

In one of the team's pilot projects, households and food stalls in the target neighbourhood are taking their organic waste to a community station that produces and sells compost. In another innovative effort, the team is developing hand pumps to collect sewerage sludge. These and other projects are helping to rid the area of a significant source of contamination and disease. Government participation in the team will help to ensure the city's support for such activities and, once they are successful, their introduction in other Jakarta neighbourhoods.

The other Focus City teams are in Lima, Peru; Cochabamba, Bolivia; Moreno, Argentina; Ariana-Soukra, Tunisia; Dakar, Senegal; Kampala, Uganda; and Colombo, Sri Lanka. Each of them is composed of at least one government representative who will learn directly from the research and from the exchange of information between the Focus City teams.



The Focus City Research Initiative aims to improve life in the city, here in Jakarta.

IDRC: P. Bennett

## Innovation among emerging giants

IDRC allocation:  
\$470 000

Duration: 2007–2009

Brazil, Russia, India, China, and South Africa — often referred to as the BRICS — stand out among emerging economies. Their large surface areas, populations, and economies set them apart, as does their strong potential for continued economic growth. Also important, they have put innovation at the centre of their development strategies. However, little is known about their national innovation systems and how those systems affect their economies.

With IDRC support, the Global Research Network for Learning, Innovation and Competence Building Systems (Globelics) launched research in September 2007 to better understand this relationship in the five countries. It is examining the links between education, science and technology, for example, in each country's legal and political framework, and investment and financial systems, among other factors. Globelics is also analyzing how various players interact in the BRICS' national innovation systems and is comparing the effectiveness of each nation's innovation strategy.

Redesist, a Brazilian innovation systems research network and Globelics member, coordinates the initiative, which is also supported by the Brazilian Innovation Agency. Each country team is involving policymakers in national workshops. Findings will be shared with key actors in the BRICS and other countries.

Because of their large, mainly poor populations, rapid development in the BRICS could make a significant dent in world poverty. The comparative study will help identify possible paths to achieving each country's socio-economic development potential. And, it will generate policy implications of use to both BRICS and other developing countries.



Under study: South Africa's innovation systems.

### Tools to heal the wounds of war

IDRC allocation:  
\$1 500 000

Duration: 2007–2011

In December 2007, the International Center for Transitional Justice (ICTJ) received IDRC support to advance its research agenda on transitional justice measures — prosecutions, truth-telling, reconciliation, reparations, and institutional reform. Transitional justice represents a new direction in justice and human rights advocacy: helping societies to heal from past abuses by accounting for and addressing past crimes after a period of repressive rule or armed conflict. It is increasingly considered to be a key aspect of establishing a lasting peace and building effective and just states.

Rooted in the South African experience, ICTJ was established in 2001 to assist countries pursuing accountability for past mass atrocity or human rights abuse. It provides policymakers and civil society actors with needs assessments, policy advice, training, and strategic research in transitional justice. Past IDRC support enabled ICTJ to produce several landmark studies and helped to establish it as a highly regarded source of policy-relevant research. *The Handbook on Reparations* (Oxford, 2006), for example, laid the foundation for future research in the field and helped to design reparations programs in Morocco and Peru, among other countries.

IDRC support approved in early 2008 is enabling ICTJ to carry out a three-year program of research on questions related to transitional justice and peacebuilding. For example, ICTJ will generate evidence on how transitional justice measures operate and build trust and how they fare in societies where intolerance and hatred dominate relations between social groups. It will explore whether transitional justice measures could incorporate traditional practices and assess their relevance for future peacebuilding and justice-seeking efforts in Israel and West Bank and Gaza.

Results, to be disseminated through research papers, expert meetings with policymakers, and publications, will help determine if and how transitional justice can build citizens' trust in one another and in state institutions, thereby laying the foundation for peace and rule of law, and the conditions needed for it to do so. IDRC staff and ICTJ's Research Unit will hold yearly meetings to discuss progress and further define dissemination and policy-influence strategies.

## Online clinics fight HIV/AIDS

IDRC allocation:  
\$650 000

Duration: 2004–2009

In 2004, the South African government decided to administer antiretroviral drugs to all HIV patients who had developed AIDS. However, with too few doctors and nurses and irregular contact with isolated rural clinics, health authorities lacked means to implement this policy.

The treatment's rollout requires careful supervision. Health authorities need to monitor patient histories, which the health system does not routinely collect, to ensure adequate care and to understand the effects of the drugs. If not carefully regulated, the rollout could result in limited effectiveness, and even produce a drug-resistant HIV strain.

IDRC-supported research provides health authorities with an information technology system that can help them offer universal access to antiretroviral drugs. Thanks to this system, staff in clinics in Free State Province can now input patient data into an easy-to-use program, using hand-held or personal computers. These electronic medical records are sent daily to a central data warehouse where patients are monitored for resistance to antiretroviral drugs. The program also gives clinicians up-to-date messages, prompts, and

reminders for patient care, and manages drug inventories.

The Medical Research Council of South Africa partnered with the University of Cape Town's Lung Institute to develop this system. It complements the Lung Institute's program in Free State and Western Cape to train nurses and develop guidelines for monitoring adults with tuberculosis, HIV, and sexually transmitted and respiratory diseases.

The data collection system provides policymakers with important information. It shows, for example, that the antiretroviral drugs are working: there is a 75% reduction in mortality among patients receiving treatment. Not only can health authorities detect individual cases of drug resistance, they can also follow trends in the evolution of the HIV virus. The Lung Institute is feeding the data to the International Epidemiologic Databases to Evaluate AIDS, an initiative that pools data from various parts of the world for research purposes.



Monitoring patient histories is crucial to HIV/AIDS treatment in South Africa.

IDRC: C. Lombard



## Increased collaboration, innovative solutions

**OBJECTIVE:** “IDRC will leverage additional Canadian resources for research for development by creating, reinforcing, funding, and participating in partnerships between Canadian institutions and institutions in the developing world.”

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



Engaging Canadian researchers to work with Southern counterparts benefits both parties.

As a relatively small funding organization, IDRC can increase its impact on research in developing countries by collaborating with other research funders. Partnerships are not an end in themselves, but an important means to fulfilling our mission. The Centre pursues partnerships among equals, where more can be achieved together than either party could accomplish alone.

The Centre has put considerable effort into studying successful partnership models and experimenting with new ones. The Research Partnerships Challenge Fund, created in 2005, has given impetus to these efforts. The fund has engaged Canadian agencies to support mutually beneficial international collaborations, with each side remaining true to its mandate and core constituency. The Canadian research funding agencies support researchers in Canada, while IDRC’s financial contribution is earmarked for the developing-country partners.

The Challenge Fund has helped IDRC forge a number of innovative partnerships with Canadian granting councils that are dramatically increasing opportunities for Canadian and Southern scholars to work together and learn from each other. Building alliances with these funding organizations enables IDRC to advance the following pillars of the *IDRC Act* through novel means: to enlist the talents of natural and social scientists in Canada and other countries; and foster cooperation in research on development problems between the developed and developing regions for their mutual benefit.

One such partnership launched this year is engaging university teams from Canada and developing countries in comparing and collaborating on research, while working with people in communities that will directly benefit from the research. For almost a decade, the Social Sciences and Humanities Research Council (SSHRC) has run a competitive research program that sees academics and citizens groups pooling their strengths to tackle problems affecting communities in Canada. Now, with the International Community–University Research Alliance, IDRC and SSHRC are combining their own expertise and resources to replicate this successful

<b>SUPPORT TO CANADIAN INSTITUTIONS: Statistical snapshot 2007/08</b>	<b>30</b> new research projects	<b>94</b> research projects active at year-end
<b>47</b> new research activities	<b>159</b> research activities at year-end	<b>129</b> Canadian institutions currently involved
<b>\$12.9 million</b> IDRC’s contribution to activities funded in 2007/08	<b>\$61.8 million</b> total IDRC funding to Canadian institutions for active research	

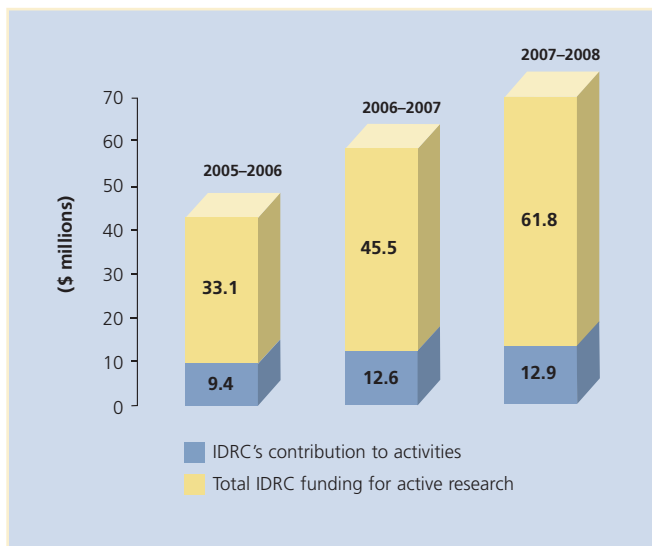
model in an international setting. Initiatives supported under the program will link Canadian and developing-country researchers with each other and with communities.

IDRC is expanding the international reach of another established Canadian program, the Canada Research Chairs. The International Research Chairs Initiative, unveiled this year, will create opportunities for collaboration between leading researchers at Canadian universities and their counterparts in developing countries. Up to five IDRC Research Chair positions will be created, and awarded to scholars at universities in low- and middle-income countries. Each IDRC Research Chair will define a five-year program of research, in conjunction with one of the Canada Research Chair holders, with the teams addressing topics of importance both to Canada and the developing world.

*"These partnerships are essential to building and maintaining research excellence in Canada and around the world. Through this international collaboration, Canada Research Chairs will further strengthen Canada's connection to the global supply of talent and ideas."*

Chad Gaffield, President, Social Sciences and Humanities Research Council and Head, Canada Research Chairs steering committee, December 3, 2007.

## Support to Canadian institutions



Over the years, many Canadian academics have participated in projects funded by IDRC's Canadian Partnerships Program, which awarded more than 110 grants this year. In addition to university-based researchers, grants also go to professional associations, community-oriented private enterprises, and youth and community groups reaching out to Southern counterparts. This year, for example, the program has supported a "youth asset atlas" project spearheaded by the Vancouver-based Environmental Youth Alliance, working with Brazilian and Canadian partners. The project is designed to engage youth in a dialogue on their role as assets and leaders in helping to build a healthy and inclusive Brazilian society.

FUNDING FROM CANADIAN PARTNERSHIPS	2005-2006	2006-2007	2007-2008
	19 new agreements \$10.3 million	10 new agreements \$8.8 million	3 new agreements \$4.8 million

## JOINING FORCES WITH OTHER DONORS

Forging partnerships is at the heart of how IDRC works, and the strategy is pursued throughout the organization. IDRC as a whole views partnerships as an important means of harmonizing efforts with other donors and avoiding duplication. Partnerships increase the pool of resources available to Southern researchers and amplify the impact of the research IDRC supports.

Multi-million dollars partnerships have increased substantially in recent years. Among these are major new collaborations with the William and Flora Hewlett and the Bill & Melinda Gates foundations. IDRC continues to work closely with the UK Department for International Development. The Canadian International Development Agency remains IDRC's major partner in Canada.

### Funding partnerships

	2007–2008	2006–2007	2005–2006
Donor Partnerships Program allocations (co-funding)	\$37.0 million	\$27.2 million	\$14.8 million
Number of agreements	39	39	68
Number of donors	23	21	37
Parallel Program Allocations (estimated)	More than \$17 million	More than \$15 million	More than \$35 million
Number of projects	45	52	53
Number of donors	54	66	64
Active donor partnerships	42	27	31
Total donor partners since 1979	174	170	167

## A “deep dive” into the Asian Internet

IDRC allocation:  
\$709 362

Duration: 2007–2009

Asia contains some of the world’s least and most Internet-connected countries, with national access rates ranging from less than 1% of citizens to more than 70%. As technology spreads, so too do opportunities. However, the impacts are not all positive: opportunities also grow for governments and organizations to monitor citizens and control access to knowledge.

IDRC is funding a major two-year initiative that seeks to establish a network of researchers in South and Southeast Asia in the field of digital censorship and surveillance. Launched in late 2007, OpenNet Initiative-Asia (ONI-Asia) involves 16 partner groups working in 13 countries on research, policy advocacy, and networking. The goal is to build a community of experts to monitor Internet censorship that will be sustained beyond the project itself.

The initiative draws on the expertise of several Canadian researchers who have been at the heart of the OpenNet Initiative, a partnership among experts at the University of Toronto, Harvard University, the University of Cambridge, and the University of Oxford. The ONI team has worked together since 2002 to unearth, analyze, and publicize Internet censorship practices world-wide. Prior to ONI-Asia, IDRC funded a poster and an online, interactive Global Internet Filtering Map, which synthesized ONI findings.

ONI has contacts around the world, testing the Internet for signs of censorship in about 60 countries. ONI-Asia presents a rare opportunity to do a “deep dive” in one region. The aim is to gain a deeper understanding of what is going on by having credible experts inside the countries guiding the research and authoring their own reports. ONI-Asia partners are focusing their research questions on what they think is most important for their respective countries, and also of most interest to their own organizations. Some topics are country-specific. Others are regional in scope, such as a focus on gender aspects of Internet censorship.

Some research focuses on state surveillance of citizens’ Web surfing, blogging, and emailing, while one five-country project looks at the monitoring of mobile phone communications. This is an area of growing concern, given that cellphones are the main communication tool in many developing countries, and the point of entry for many to the Internet itself.



Toronto-based OpenNet Initiative tracks digital censorship around the world.

OpenNet Initiative

## Communities and universities unite

IDRC allocation:  
\$3.3 million

Duration: 2007–2013



IDRC: M. Batal  
In Lebanon, a researcher works with a women's organization to improve food processing techniques.

Community organizations represent major sources of energy, innovation, and front-line expertise. For their part, university researchers offer knowledge and skills that can illuminate problems and offer new approaches to solving them. IDRC and the Social Sciences and Humanities Research Council have launched a program to harness the best of both worlds.

The new International Community–University Research Alliance (i-CURA) promotes collaboration between academic researchers and community groups in Canada and the developing world. The teams will join forces to address problems identified as common concerns by communities in Canada and in one or more developing countries.

Community organizations will be directly involved in the research and reap its benefits: research results will remain in the community, along with a legacy of learning and training to enhance local organizations' research and problem-solving capacities. The program also offers developing-country researchers an opportunity to investigate challenges that are similar to those faced domestically in other jurisdictions.

Ideas being developed for possible i-CURA collaborations include:

- investigating climate change impacts and strengthening adaptation measures in coastal communities in the Caribbean

and on Canada's Atlantic, Pacific, and Arctic coasts;

- examining different models and effective means for NGOs to advocate for and bolster food security in urban environments in Canada and Latin America; and
- exploring how protected areas influence livelihoods in adjacent communities in West and East Africa and in Canada as they seek ways to address poverty and environmental challenges.

Nine teams have received development grants of up to \$30 000 to develop full proposals. These will be assessed by an international adjudication committee, which will recommend three alliances for funding of up to \$2 million over five years.



## Fostering a culture of research

IDRC allocation:  
\$12 892 000

Duration: 2005–2013

Health problems know no borders. Modest investments in research on the health problems of developing countries and on global health priorities can go a long way toward achieving better health outcomes and more effective policies. In that spirit, IDRC is part of a unique partnership that aims to address the health priorities of developing countries while contributing to the health and well-being of citizens of all countries, including Canada.

Established in 2001, the Global Health Research Initiative (GHRI) combines the strengths and resources of four federal agencies: IDRC, the Canadian Institutes of Health Research, Health Canada, and CIDA. This alliance is building bridges between countries and across disciplines as it fosters research partnerships that are boosting Canada's contribution to solving pressing global health challenges.

GHRI's flagship initiative, the Teasdale-Corti Health Research Partnership Program, supports research teams working in about 40 countries. The first 14 joint Canadian and developing-country teams funded under the program have begun exploring a wide range of themes, from broad questions of policy to emerging and sometimes overlooked public-health issues. They met for the first time in November 2007, gathering at the Centre to compare notes on their projects, which include:

- A multi-country project, co-directed by researchers at McGill University, seeks to reduce the mental-health burden of civilian populations exposed to protracted political violence or episodic natural disasters through improved mental-health policies and services in participating countries.
- Scientists from Brock University and the National Autonomous University of Honduras are helping the latter institution's microbiology department become a more effective player in Honduras' fight against infectious diseases. A new graduate program will train specialists and enhance the department's research capacity.
- Researchers from the University of Calgary and Sri Lanka's Ministry of Estate Infrastructure and Livestock Development are examining how diseases move from livestock to humans, to better understand how diseases spread — and pandemics could be averted.

This program also offers Global Health Leadership Awards, which provide career development support to emerging health research and policy leaders in developing countries.

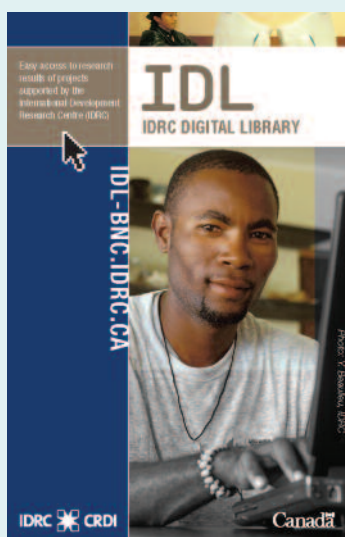


The Global Health Research Initiative fosters partnerships to solve pressing health problems.

IDRC: G. Toomey

## SHARING KNOWLEDGE AROUND THE GLOBE

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



Knowledge production, knowledge sharing, and knowledge use are essential if the global community is to build better, more equitable societies. IDRC contributes to the sharing of knowledge by providing access to research literature and by offering research support services to IDRC-funded recipients.

The Centre provides Internet access to the research results of the work it supports through an open access institutional repository, the IDRC Digital Library (IDL). The IDL disseminates a collection of more than 34 000 research documents resulting from almost 40 years of activity. Digital full-text documents are accessible for 30% of the collection.

The Digital Library not only enhances IDRC's public accountability and transparency, but also contributes to the public debate on development issues. IDRC is the only Canadian funding organization that disseminates its research results in this way.

IDRC also provides knowledge support to its research partners through 13 research databases. These provide access to citations from more than 40 000 scholarly journals: 10 000 include links to digital full-text documents. A free document delivery service is available: in 2007–2008, more than 1 000 articles were delivered to IDRC partners. A Web-based bibliographic management tool, RefWorks, also enables recipients to manage and share the results of their literature reviews.

The broader research community can learn about IDRC research funding activity through IDRIS+, the IDRC research project database, available on the Centre's website. The website also offers a wealth of information about IDRC and its activities, including all its publications, which are available free, full-text, online.



ம.சா.சுவாமிநாதன் ஆராய்ச்சி நிறுவனம்  
M.S.SWAMINATHAN RESEARCH FOUNDATION IDRC \* CRDI  
**கிராம அறிவு மையம்**  
**VILLAGE KNOWLEDGE CENTRE**  
Supported by  
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC)  
EMBALAM — ஏம்பலம்

ம.சா.சுவாமிநாதன் ஆராய்ச்சி நிறுவனம்  
**கிராம அறிவு மையம்** IDRC \* CRDI  
Supported by  
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC)  
**WELCOME**  
29-10-05  
சனி  
★ ஜாக்கெட் பார்க்கலாம்.  
★ 29-10-05 நியாயவிலைக் கடைகளில் இன்று 21% நனியார்  
சர்க்கார் ரெலா ரேஷன் தார்க்குக்கும் தியானங்கி  
இலவசமாக அடிநம்புகிறது. குடியிலிருக்கும்  
★ வந்திற் 17-11-05 தேதி வரை அனைத்து  
பெறுவதற்கான விண்ணப்பம் பள்ளிகளில் பெற்றுக்கொள்ளலாம்.  
ஏம்பலம்

Responsible  
Management and  
Leadership



# { Responsible Management and Leadership

## Collaborative governance

A 21-member international Board of Governors oversees the Centre's affairs and works in partnership with management to set IDRC's strategic directions, and to ensure that its objectives are achieved. The Board approved IDRC's *Corporate Strategy and Program Framework 2005–2010* in November 2004. The Chairman of IDRC's Board of Governors reports to the Parliament of Canada through the Minister of Foreign Affairs.

As Chief Executive Officer and an *ex officio* member of the Board, the President manages and directs the work and staff of the Centre, with the support of the Senior Management Committee (SMC) (see page 59). The Board has established four standing committees to allow for greater operational efficiency.

The Board met five times in Ottawa in 2007–2008: it held its regular meetings in June and October 2007 and in March 2008; two special meetings took place this past year — one to select a replacement for outgoing President Maureen O'Neil, the other to approve the Centre's Strategic Review submission to Treasury Board.

## A commitment to accountability

IDRC is committed to the principle of accountability and has many mechanisms in place to help it operate in a highly transparent manner. In fact, IDRC meets or exceeds the standards set by Treasury Board Secretariat for transparency and accountability in corporate governance. For each of the 38 years of IDRC's existence, the Office of the Auditor General (OAG) has issued an unqualified opinion on IDRC's financial statements.

Highlights of IDRC's accountability mechanisms in 2007–2008 include:

- The Board of Governors' Finance and Audit Committee, which normally meets four times a year, provides financial oversight to the Centre's operations.

- IDRC's financial statements are audited annually by the Office of the Auditor General.
- Special Examinations by the Office of the Auditor General are required every five years. The last, carried out in 2007–2008 by the OAG at IDRC's request, did not find "any significant deficiencies in the systems and practices examined." The report notes that in several areas, notably research project funding management and human resources, these systems have contributed to IDRC's success. The report is available on IDRC's website.
- IDRC presented its annual report to Parliament through the Minister of Foreign Affairs in July 2007. The report is available on IDRC's website.
- IDRC is subject to both the *Access to Information Act* and the *Privacy Act*: three requests for information were received and responded to under the *Access to Information Act* in 2007–2008; none were received under the *Privacy Act*.
- In keeping with the federal government policy on mandatory publication of travel and hospitality expenses for senior officials, IDRC posts these figures on its website.
- IDRC submitted annual reports on the operation of the *Canadian Multiculturalism Act*, the *Official Languages Act*, and the *Employment Equity Act*.
- IDRC's Senior Officer submitted his annual report on the *Public Servants Disclosure Protection Act* to the Public Sector Integrity Commissioner.
- IDRC is required under the *Financial Administration Act* to conduct internal audits of its records, controls, systems, and practices to ensure that resources are managed economically and efficiently and that operations are carried out effectively. In 2007–2008, IDRC conducted four internal audits.
- Results of IDRC's program and project evaluations are available on its website.



## Reporting to Canadians

IDRC is committed to demonstrating to Canadians the importance and benefits of the research it supports. In the past year, IDRC reached millions of Canadians through a variety of activities.

- IDRC hosted five events in Ottawa as part of its Speaker Series, launched in 2006 to provide a platform for leading thinkers and development practitioners to address important development issues. Invited speakers were M.S. Swaminathan, father of India's green revolution; author and former diplomat Rory Stewart (Afghanistan); former President of Chile Ricardo Lagos; Kenyan anti-corruption fighter John Githongo; and journalists from the developing world who have struggled against apartheid, tyranny, censorship, and corruption. Local and national media covered the speeches and roundtables.
- At the request of the Canadian International Development Agency and the Department of Foreign Affairs and International Trade, IDRC organized two public events on Afghanistan: the first to share the experiences of Canadians working in Afghanistan, the second to enable six Afghan women parliamentarians to talk about the challenges they face.



IDRC: J. Bourgeault-Tassé

Afghan parliamentarians Sabrina Saqib, Fauzia Kofi, Nasima Neyazi, Fariba Ahmadi, and Safura Elkhani.

- IDRC collaborated with CIDA in organizing a forum on "Democracy in the Americas: Are Canadians and Latin Americans on the same wavelength?" to explore views on the critical juncture of democracy in Latin America.
- IDRC worked with other development organizations to organize a number of public events. These included the Aga Khan Foundation Canada, Engineers Without Borders, The North-South Institute, and the Canadian Council for International Co-operation, among many others.
- The Centre continued to reach out to the Canadian research and academic communities by participating in events such as the Conférence de Montréal, the Congress of the Humanities and Social Sciences, the Latin American Studies Association and the Middle East Studies Association annual meetings, and International Development Week.
- IDRC published 10 issues of its electronic newsletter, *IDRC Bulletin CRDI*, distributed to close to 13 000 subscribers and posted on its website.
- IDRC published 18 books in collaboration with leading academic and commercial publishers around the world. These publications are also available full-text from a number of e-book distributors, and free of charge from the IDRC website, ensuring global access to the results of IDRC-funded research. More than 260 volumes are now online.
- The Centre makes available all research project results through the IDRC Digital Library, which was launched in April 2007 to provide online access to a collection of 34 000 documents on close to 40 years of IDRC-supported research. IDRC is the first Canadian federal agency to provide an open access institutional repository.
- IDRC's website received more than 2.6 million unique visitors who viewed more than 113 million pages, an increase of 5% over the previous year.
- Media coverage of IDRC increased by 78% this past year, with 974 news reports, including many stories broadcast nationally through CBC Radio One, CBC television, and the Cable Public Affairs Channel (CPAC).



IDRC: Teckles Photography Inc.

The IDRC Speaker Series welcomed Professor M.S. Swaminathan, father of India's green revolution.



IDRC: M. Brunelli

Ricardo Lagos, former President of Chile, spoke to a capacity crowd in Ottawa in December 2007.

## Effective administration

Stewardship under the President, as well as two vice-presidents — responsible for Programs and Resources, respectively — ensures IDRC's programming and financial management excellence and accountability.

IDRC endeavours to conduct its operations according to sound management practices and principles of transparency, accountability, efficiency, and obtaining results. To further increase efficiency, this past year management reviewed some key grant administration business processes, as well as systems in place to manage growing donor partnerships. Improvements were made to guidelines and tools to perform risk assessments of recipient institutions. Automation of internal grant payment requests has reduced workload and improved accuracy. IDRC also tracks in real time its project allocations, commitments, and expenditures.

In addition, because of the importance of its information systems for maintaining contact with employees and recipients around the world, IDRC updated its Policy on Information Technology Security, in place since 2005. The Centre provided staff with directives on safe computing overseas. Consultations were launched in early 2008 to assess the effectiveness of IDRC's Global Support Strategy intended to allow staff to work effectively regardless of where they are located or traveling.

IDRC's management style has been recognized as "exemplary" by the external advisors engaged for Treasury Board's Strategic Review of IDRC, completed in 2007–2008. IDRC has been steadily reducing the proportion of its resources spent on administration — see Management's Discussion and Analysis on page 60.

## Sound performance management

IDRC's performance management system includes strategic planning, integrated risk management, internal audit, and evaluation. Performance indicators have been established for the Centre's five resource management sectors — finance and administration, grant administration, human resources, information technology, and information management. Annual performance reports have been produced for each sector during the last three years. As noted in the OAG's 2008 Special Examination, "Since 2006, managers

have used periodic reports on these indicators to make decisions and administer programs."

The Special Examination concluded:

*Overall we found that IDRC has a good structure and processes in place to measure its performance. The Centre has developed an elaborate set of mechanisms over the years to gather and assess the result of its activities. We also noted that IDRC is continually seeking ways to improve the measurement of its programs' outcomes and impacts.*

The Special Examination Report provided direction for IDRC to improve its external reporting to better show to stakeholders and Parliament the extent to which the Centre is meeting its objectives, managing its resources efficiently, and managing its key risks. IDRC is committed to improving its external reporting and has already acted to do so.

## Strategic planning

IDRC's *Corporate Strategy and Program Framework 2005–2010* (CS+PF) is the Centre's strategic plan. It describes how the Centre interprets the *IDRC Act* and how it intends to implement the Act within that period.

The CS+PF is based on a careful assessment of the international and domestic contexts for the Centre's work. This assessment began in 2003 with the commissioning of 11 background papers on critical development issues by independent experts in Canada and in the developing world, extensive consultations with experts in developing countries as well as with IDRC's partners in the Canadian foreign policy and research communities, and discussions with project partners and other donors. External reviews and evaluations of Centre programs fed into the planning, followed by consultations with staff and Board members.

In June 2007 the Board of Governors reviewed the strategic planning process for the *Corporate Strategy and Program Framework 2010–2015*. The process will begin in 2008.

## Informed risk management and internal audit

### Informed risk management

The Centre operates in an environment full of uncertainties — financial, geographic, political, environmental, and scientific. Through close to 40 years of support to researchers and institutions in the developing regions of the world, IDRC has developed a strong, adaptive risk management approach that allows it to capitalize on opportunities, enhance predictability, and protect corporate assets. Essential elements of risk management include IDRC's regional offices being knowledgeable about on-the-ground realities, its professional staff who assess the environments in which projects will be carried out, and the sharing of strategic intelligence with other donors and organizations in Canada and elsewhere.

IDRC is committed to implementing a continuous, proactive, and systematic approach to risk management that is effected by the Board, management, and staff. In 2007–2008 senior management approved an integrated Risk Management Policy and a Corporate Risk Profile, outlining the key risks that have been prioritized and addressed by management. The Special Examination recommended further improvements in the area of risk management: IDRC is committed to implementing these improvements in 2008–2009.

Business continuity plans continue to be reviewed so that IDRC can operate under difficult conditions while ensuring staff safety. The value of these plans was well demonstrated this past year: despite unrest in Nairobi, Kenya, the operation of IDRC's regional office for Eastern and Southern Africa was only minimally disrupted.

### Internal audit

Internal audit provides independent assurance and advice on the effectiveness and efficiency of IDRC's risk management, control, and governance processes. It undertakes this work by objectively examining specific areas of Centre operations approved in the annual Internal Audit Plan of Work. These assessments are evidence-based and examine the extent to which IDRC's systems and practices operate effectively to achieve objectives; Centre resources are managed efficiently; and assets are appropriately controlled and safeguarded.

Internal audit has always been a part of IDRC. In March 2006, IDRC's Board of Governors approved a new Internal Audit Charter that allowed the Centre the flexibility to outsource all or part of its internal audit function. As a result, in 2006–2007 IDRC implemented a partially outsourced internal audit model: an external firm was engaged to conduct its internal audits.

The model has evolved in the two years since it was implemented and, at the end of 2007–2008, IDRC management, with the support of the Board's Finance and Audit Committee, designated an internal director-level position as the Centre's Chief Audit Executive.

*"In executing its work, the Centre will exercise probity and proper stewardship of the public resources that have been entrusted to it. Recognizing that an element of risk is inherent in all research work, the Centre will manage risk in a responsible, informed manner that balances the demands of probity and innovation."*

CS+PF 2005–2010

Each year, the Senior Management Committee reviews the Internal Audit Plan of Work, which is approved by the Finance and Audit Committee. In 2007–2008, this plan included four internal audits: Translation Services, Controls over Revenue Processes, Travel Health and Safety, and a Management Audit of the Regional Office for South Asia. Additionally, a quality assessment of six internal audits — conducted under both the old and new internal audit models — was conducted and presented to the Finance and Audit Committee.

## A culture of evaluation

IDRC recognizes the essential role that evaluation plays in the effective management of research projects and in producing relevant results. Its overall approach to evaluation prioritizes equally the use of rigorous methods in evaluation, and the use and adoption of evaluation findings. Its approach includes a focus on results, reflection, questioning, and using evidence to test assumptions. Evaluations are undertaken at the

- project level. Seven project evaluation reports were received in 2007–2008;
- program level through evaluations and external reviews. Six such evaluation reports were received this past year.
- corporate level through strategic evaluations. Three strategic evaluations are underway.

IDRC evaluation results are available on its public website.

## Human resources management: Supporting excellence

IDRC's highly qualified and diverse workforce is key to its success.

Through a Centre-wide consultation process and with the cooperation of the Staff Association, a new Strategic Human Resources Plan was developed in 2007–2008. Fully aligned with the *Corporate Strategy and Program Framework 2005–2010*, the plan identifies three key human resources themes that the Centre is committed to advance over the next three years: investing in its people; enhancing the Centre's capacity to manage human resources; and attracting and retaining talent.

The Centre made progress in a number of plan areas this past year:

- New Learning and Professional Development Policy and Guidelines were developed.
- The staff orientation program was enhanced.
- A comprehensive wellness program was implemented to address a variety of health and lifestyle issues.

- Additional tools were designed to reach out to potential candidates for Centre positions.
- Approaches to the classification and compensation of locally engaged staff were improved.

Given the challenges associated with having a workforce that travels extensively in some of the more difficult regions of the world, the health and safety of staff are of particular importance. IDRC has a travel health unit, as well as a Security and Emergency Planning Team and a Travel Advisory Group that monitor potential and ongoing concerns, such as the violence in Kenya this past year. Up-to-date travel advice is provided on the Intranet and a 24-hour emergency telephone number is available to all staff.

IDRC's competitive salary and benefits package is adjusted annually to maintain it at a viable market position and comprehensive reviews are undertaken every three years: the next such review for Ottawa-hired staff will take place in 2008–2009. Employee satisfaction is gauged through regular consultation with the Staff Association and annual meetings with staff as part of the *Code of Conduct* discussions. An all-staff survey will be carried out in 2008–2009.

**IDRC staff: Full-time equivalents at 31 March 2008**

	2008/09	2007/08			2006/07
	Budget	Revised Budget	Actual	Variance	Actual
Head office	289.5	278	268	10	264
Ottawa-hired regional employees	42.5	43	43	0	38
Locally engaged staff in regional offices	103	102	99	3	95
<b>Subtotal</b>	<b>435</b>	<b>423</b>	<b>410</b>	<b>13</b>	<b>397</b>
Externally funded project staff	50	47	45	2	49
<b>Total</b>	<b>485</b>	<b>470</b>	<b>455</b>	<b>15</b>	<b>446</b>

## Recognizing staff excellence

IDRC prides itself on the calibre of its staff. That excellence is also recognized in the countries where IDRC works through a number of distinctions and awards. In 2007–2008, they included the following.

- In January 2008, Maria Ng, Senior Program Specialist, ICT4D based in Singapore, was awarded Cambodia's Medal of Monisaraphon for "distinguished services rendered to culture, education, and religion" by the Government of the Kingdom of Cambodia. She was recognized for her efforts to develop the Khmer script for computers through a project focused on developing local language standards and technology in Asia.
- Senior program specialist Ronnie Vernooy, ENRM, based in Ottawa, was awarded an Honorary Eco-Asia Environmental Institute professor title by the Eco-Asia Institute of Mongolia on September 15, 2007.
- Gilles Forget, director of IDRC's Regional Office for West and Central Africa was named an Officer of the Order of Merit by the President of Senegal, Abdoulaye Wade. The award recognizes individuals and institutions, both Senegalese and foreign, who have contributed to the country's advancement.



Maria Ng being conferred the Medal of Monisaraphon by the Cambodian Ambassador to Singapore, Her Excellency Mrs Sin Serey.



IDRC's Annual Learning Forum provides opportunities for all staff to learn and share experiences.



## An ethical organization

IDRC strives to adhere to the highest ethical standards in all its activities. For example, all IDRC grants require adherence to internationally recognized ethical standards: grant recipients must report on their compliance with standards to protect the dignity and privacy of individuals, participants' health, and their living conditions.

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.

## Ethics in the workplace

IDRC's *Code of Conduct* — adopted in 2006–2007 — fosters a work environment that is supportive and encourages creativity, innovation, competence, and teamwork, as well as fair and equitable management. The *Code of Conduct* incorporates IDRC's earlier *Employment Philosophy*. As part of their annual performance appraisal, employees report on their achievements in promoting and adhering to the *Code of Conduct*.

The *Code of Conduct* meets the requirements of the *Public Servants Disclosure Protection Act*, which came into effect on April 15, 2007. IDRC's policy on harassment and discrimination in the workplace implements the principles of the *Canadian Human Rights Act*.

## Environmental stewardship

IDRC aims to be a green organization. Its environmental commitments are manifest most clearly through the activities of its Environment and Natural Resource Management program area, which supports grassroots 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 all potential projects, regardless of program area.

IDRC's environmental actions in 2007–2008 included the following:

- The Centre offset the carbon footprint resulting from staff travel by purchasing 5 700 tonnes of CO<sub>2</sub> credits, at a cost of US\$18 525.
- IDRC's new head office in Ottawa is certified under the Building Owners and Managers Association's Go Green program, a national environmental recognition and certification program for commercial buildings.
- A recycling program is in place at the Ottawa head office where paper, water, and energy conservation are promoted.
- All IDRC regional offices promote energy, water, and resource conservation.
- All papers used for IDRC publications are recycled or come from responsibly managed forests and they are recyclable. All inks and coatings are vegetable-based products.
- IDRC promotes the use of public transit: in its Ottawa office, the Centre participates in OC Transpo's ECOpass program. A secure bicycle storage area is also available to staff who cycle to work.

### Good corporate citizenship

IDRC employees again demonstrated their generosity by contributing \$48 783 to the 2007–2008 Government of Canada Workplace Charitable Campaign — 116% of the Centre's objective.

Two IDRC Dragon Boat teams raced in the 2007 Ottawa Dragon Boat Festival, raising almost \$1 700 for local charities.





# { Corporate Governance



# { Corporate Governance

IDRC's work is guided by a 21-member international Board of Governors; the Chairman of the Board reports to Parliament through the Minister of Foreign Affairs. The *IDRC Act* stipulates that a majority of members, including the Chair and Vice-Chair, must be Canadian. Up to 10 Governors are appointed from other countries. The composition of its Board helps to ensure that the Centre's programs and operations effectively respond to the needs of the developing world, adhere to governance practices, and uphold the public interest in its undertakings.

## Board stewardship

IDRC's Board's commitment to openness, transparency, and accountability is evident in all its practices. Its key roles and responsibilities are to

- establish IDRC's strategic direction;
- review and approve the Centre's budget and financial statements;
- assess and ensure systems are in place to manage risks associated with the Centre's business;
- ensure the integrity of the corporation's internal control and management information systems;
- monitor corporate performance against strategic and business plans;
- assess its own performance in fulfilling Board responsibilities;
- measure and monitor the performance of the President/Chief Executive Officer; and
- ensure that the Centre has an effective communications strategy.

## Strategic direction

This year marked the third year of operations under the *Corporate Strategy and Program Framework (CS+PF) 2005–2010*, and of its companion document, the *Operational Framework*.

In the summer of 2007, at the request of Treasury Board, the Centre, with 16 other federal organizations — including all those receiving funds from the International Assistance Envelope (IAE) — undertook a Strategic Review of its programs and spending. To that effect, a special meeting of the Board was convened in August 2007 to discuss and

approve IDRC's plans for reallocations, pursuant to the Strategic Review.

In October 2007, Governors approved the creation of the ThinkTank Initiative, a new joint venture funded by IDRC and the William and Flora Hewlett Foundation, designed to provide financial and technical support to increase the effectiveness of independent policy research organizations in Africa, Asia, and Latin America.

The Government of Canada, in its February 2008 federal Budget, announced the creation of a Development Innovation Fund amounting to \$50 million over a two-year period, to be implemented by strategic partners in the research community working with IDRC.

## Oversight and assurance

IDRC's Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities. The committee works closely with the Chief Financial Officer, the Chief Audit Executive, and the Office of the Auditor General. Its responsibilities include ensuring that the principal risks of the Centre's business have been identified, that they are properly managed, and that assets are well protected. An annual corporate risk profile exercise carried out by Risk Management and Internal Audit assists them in this task.

In March 2008, Governors approved a revised and updated General Financial Resolution, as well as minor adjustments to the Investment and Equity Policies.

## Effective reporting

Annually, the Board of Governors receives a report on the status of IDRC programs and activities in relation to the overall Corporate Strategy and Program Framework. 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. Also in June, the regional and program directors present their perspectives on programming, alternating each year.

At each Board meeting, the Board's committee chairs report on their meetings and the matters discussed.

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

### **Audit regime**

The annual audit regime includes both internal and external audits. The Office of the Auditor General performs all external audits, including the annual attest audit of the Centre's financial statement and Special Examinations every five years. Internal audits are reported to the Finance and Audit Committee at its regular meetings. The status of internal audits in relation to the Internal Audit Plan of Work is reported to the Board twice a year.

### **Public policy objectives**

The *IDRC Act* defines the Centre's mandate and is testimony to both the vision and foresight of the founders of IDRC. The Board ensures that the Centre adheres to the *IDRC Act* and its mandate to initiate, encourage, support, and conduct research into the problems of the developing world.

### **Communications**

IDRC's annual report is the Centre's primary vehicle for communicating with Parliament, the Canadian government, and Canadians. IDRC consults closely with the Canadian foreign policy family — the Department of Foreign Affairs and International Trade, the Canadian International Development Agency, and the Privy Council Office, among others — as well as the Canadian scientific and research communities on key issues.

IDRC also presents research results to Canadians through its website, corporate publications, and activities and events across Canada.

## **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 highest level of organizational performance.

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

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

### **Succession planning**

IDRC's approach to succession planning focuses, in part, on developing staff of high potential to ensure that the next generation of leaders is in place to support the Centre's commitment to excellence. Annually, the President and the two Vice-Presidents review senior staff to ensure continuing organizational fit and that future organizational needs will be met. The President briefs the Board on the demographic picture and the succession planning activities and strategies to be undertaken, either through the further development of promising internal candidates or external recruitment.

### **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 the Governor in Council.

The Board normally meets three times a year. (In 2007–2008, the Board convened two additional meetings.) 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 Search Committee established by the Board in March 2007 is an *ad hoc* committee; it completed its work in December 2007.

The Board has conflict of interest guidelines to maintain the highest standard of integrity for its members.

#### **Executive Committee**

**Members:** Gordon S. Smith (Chairman — term ended August 14, 2007); The Honourable Barbara McDougall (Chairman — appointed December 3, 2007); Mary Coyle; Denis Desautels; Ged Davis; Faith Mitchell; Maureen O’Neil; Francisco Sagasti.

#### **Finance and Audit Committee**

**Members:** Denis Desautels (Chair); Mary Coyle; Ahmed Galal; Andrés Rozental.

#### **Human Resources Committee**

**Members:** Faith Mitchell (Chair); Amina Ibrahim; W. Andy Knight; Maureen O’Neil; Linda Sheppard Whalen.

#### **Nominating Committee**

**Members:** Gordon S. Smith (Chairman — term ended August 14, 2007); The Honourable Barbara McDougall (Chairman — appointed December 3, 2007); Mary Coyle; Denis Desautels; Faith Mitchell; Maureen O’Neil.

#### **Search Committee**

In March 2007, the Board appointed a Search Committee for the recruitment of a new President to replace Maureen O’Neil whose term ends at the end of June 2008. In June 2007, the Board approved the retainer of an executive search consultant to assist the Search Committee in performing its global search for a new President. In December 2007, the Search Committee presented its preferred candidate to Governors at a special Board meeting. The approved candidate was recommended to the Minister of Foreign Affairs for appointment by the Governor in Council.

**Members:** Mary Coyle; Ged Davis; Denis Desautels; The Honourable Barbara McDougall; Francisco Sagasti.

## **Functioning of the Board**

### **Renewal of the Board**

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

Board members are appointed for a term of four years and may be appointed for a further term. In 2007–2008, two Governors were appointed to the Board and the new Chairman of the Board was appointed for a five-year mandate.

### **Education**

New Board members participate in an orientation program and receive extensive background material on the Centre and its operations. All Board members are encouraged to make at least one trip during their term to visit IDRC projects, to consult with partners, and see first-hand how IDRC works and the impact of the research it supports. This year, a field trip was organized to South Africa and Mozambique in November 2007.

### **Compensation**

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

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

### **Responsibility for corporate governance**

The 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 Chairman, conducts a self-assessment exercise every two years. In March 2007, the Board approved the development of an annual and expanded self-assessment exercise.

Committee membership and responsibilities are reviewed annually.



In March 2007, the Board approved the plan of a Special Examination by the Office of the Auditor General of Canada. The audit team looked at IDRC's systems and practices and presented their report to the Board in March 2008. In June 2007, the Board of Governors also approved the revised Terms of Reference of its Human Resources and Finance and Audit Committees. In December 2007, the Board held a special meeting to approve the selection of its candidate for President to recommend to the Minister of Foreign Affairs for appointment by the Governor in Council. The Board's nominee, Dr David Malone, was appointed in February 2008 to take office on July 1, 2008.

## The IDRC Board of Governors, 2007–2008

**GORDON S. SMITH, CHAIRMAN, VICTORIA, CANADA**  
(term ended August 14, 2007)

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

**The HONOURABLE BARBARA McDOUGALL, CHAIRMAN, TORONTO, CANADA**  
(appointed December 3, 2007)

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

**MARY COYLE, VICE-CHAIR, ANTIGONISH, CANADA**

**ACTING CHAIRMAN** – August 15 to December 2, 2007;  
Vice President and Director, Coady International Institute, St Francis Xavier University; former Executive Director, Calmeadow, Toronto

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

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

**LALLA BEN BARKA, ADDIS ABABA, ETHIOPIA**

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

**CLAUDE-YVES CHARRON, MONTRÉAL, CANADA**

(appointed February 28, 2008)  
Vice-President, Université du Québec à Montréal; Secretary General, ORBICOM (Network of UNESCO Chairs in Communications); High-level Senior Advisor, UN Global Alliance for Information and Communication Technologies and Development

**JOCELYN COULON, MONTRÉAL, CANADA**

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

**ANGELA CROPPER, TRINIDAD AND TOBAGO**

Assistant Secretary-General and Deputy Executive Director, United Nations Environment Programme; Co-founder and former President, The Cropper Foundation

**GED DAVIS, SEVENOAKS, UNITED KINGDOM**

Co-President, Global Energy Assessment, International Institute for Applied Systems Analysis (IIASA); former Deputy Chairman, EcoCities plc

**DENIS DESAUTELS, OTTAWA, CANADA**

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

**AHMED GALAL, CAIRO, EGYPT**

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

**ROBERT GREENHILL, GATINEAU, CANADA**

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

**AMINA J. IBRAHIM, ABUJA, NIGERIA**

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

**W. ANDY KNIGHT, EDMONTON, CANADA**

Executive Director, Global Centre for the Responsibility to Protect; Professor, International Relations, Department of Political Science and Coordinator/Advisor, Peace and Post-Conflict Studies Program, University of Alberta

**PRATAP MEHTA, NEW DELHI, INDIA**

(appointed August 1, 2007)  
President, Centre for Policy Research; former Professor of Government, Harvard University

**FAITH MITCHELL, WASHINGTON DC, UNITED STATES**

Vice-president for Program and Strategy, Grantmakers in Health; former Senior Program Officer, Institute of Medicine, National Academies

**ANDRÉS ROZENTAL, MEXICO CITY, MEXICO**

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

**FRANCISCO SAGASTI, LIMA, PERU**

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

**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; former co-chair of  
the Canadian Environmental Network

**SHEKHAR SINGH, DELHI, INDIA**

(term ended May 27, 2007)  
Convenor, National Campaign for People's Right to  
Information; former Director, Centre for Equity Studies

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

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

**BOARD MEETING ATTENDANCE MARCH 31, 2007–MARCH 31, 2008**

Lalla Ben Barka	1 out of 5 meetings	The Honourable Barbara McDougall	4 out of 5 meetings
Angela Cropper	2 out of 5 meetings	Pratap Mehta	2 out of 3 meetings
Claude-Yves Charron	1 out of 1 meeting (appointed February 28, 2008)	(appointed August 1, 2007)	
Jocelyn Coulon	4 out of 5 meetings (leave of absence for 1 meeting)	Faith Mitchell	5 out of 5 meetings
Mary Coyle	5 out of 5 meetings	Maureen O'Neil	5 out of 5 meetings
Ged Davis	4 out of 5 meetings	Andrés Rozental	4 out of 5 meetings
Denis Desautels	5 out of 5 meetings	Francisco Sagasti	5 out of 5 meetings
Ahmed Galal	5 out of 5 meetings	Shekhar Singh	—
Robert Greenhill	2 out of 5 meetings	(term ended May 27, 2007)	
Amina J. Ibrahim	4 out of 5 meetings	Linda Sheppard Whalen	5 out of 5 meetings
W. Andy Knight	4 out of 5 meetings	Gordon S. Smith	3 out of 3 meetings
		(term ended August 14, 2007)	
		Xue Lan	3 out of 5 meetings

## Senior Management Committee

IDRC's Senior Management Committee 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*. Its functions are

- 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 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.

## Members, 2007–2008

**MAUREEN O'NEIL**, PRESIDENT (CHAIR)

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

**MICHAEL CLARKE**, DIRECTOR, INFORMATION AND COMMUNICATION TECHNOLOGIES FOR DEVELOPMENT

**SYLVAIN DUFOUR**, DIRECTOR, FINANCE AND ADMINISTRATION DIVISION

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

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

**RICHARD FUCHS**, REGIONAL DIRECTOR, SOUTHEAST AND EAST ASIA

**BRENT HERBERT-COPLEY**, DIRECTOR, SOCIAL AND ECONOMIC POLICY

**RICHARD ISNOR**, DIRECTOR, INNOVATION, POLICY AND SCIENCE

**JEAN LABEL**, DIRECTOR, ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT

**STEPHEN MCGURK**, REGIONAL DIRECTOR, SOUTH ASIA AND CHINA

**ROHINTON MEDHORA**, VICE-PRESIDENT, PROGRAMS AND PARTNERSHIPS

**LAUCHLAN T. MUNRO**, DIRECTOR, POLICY AND PLANNING GROUP; FOCAL POINT FOR INTERNAL AUDIT

**ANNETTE NICHOLSON**, SECRETARY AND GENERAL COUNSEL

**LINE NOREAU**, DIRECTOR, HUMAN RESOURCES DIVISION

**EGLAL RACHED**, REGIONAL DIRECTOR, MIDDLE EAST AND NORTH AFRICA

**CHANTAL SCHRYER**, DIRECTOR, COMMUNICATIONS AND PARLIAMENTARY AFFAIRS

**DENYS VERMETTE**, VICE-PRESIDENT, RESOURCES AND CHIEF FINANCIAL OFFICER





# Management's Discussion and Analysis

## Statement of operations discussion

### Revenues

(\$000)	2008–2009	2007–2008			2006–2007	% change actual <sup>a</sup>
	Budget	Revised budget	Actual	Variance	Actual	
<b>Total revenues</b>	<b>200 740</b>	<b>181 710</b>	<b>182 093</b>	<b>383</b>	<b>170 065</b>	<b>7.1%</b>
Parliamentary appropriations	163 337	145 415	149 742	4 327	144 760	3.4%
Donor partnerships						
Funding for development research programs	31 685	29 873	26 091	(3 782)	18 618	40.1%
Recovery of administrative costs	3 168	2 983	2 729	(254)	1 908	43.0%
Investment income	1 550	2 173	2 377	204	2 210	7.6%
Other income	1 000	1 266	1 154	(112)	2 569	-55.1%
<sup>a</sup> % change actual in 2007–2008 over 2006–2007.						

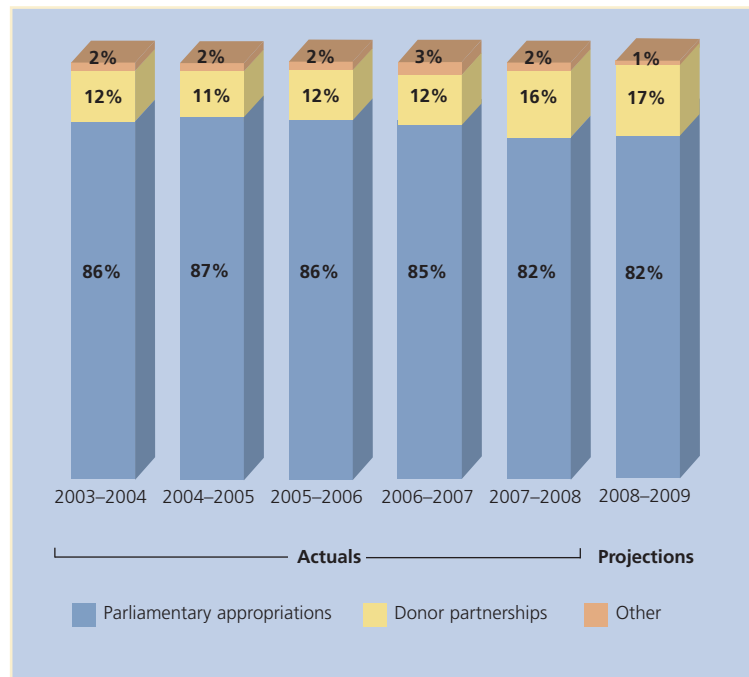
For the purpose of this discussion, **Parliamentary appropriations** will be included with revenues even though they are not classified as revenues on the Statement of Operations. The Centre's funding is derived from five different sources: Parliamentary appropriations, donor partnerships, recovery of administrative costs, investment income, and other income.

The Centre receives different types of Parliamentary appropriations. The Parliamentary appropriations represent the Centre's share of Canada's Official Development Assistance (ODA) envelope. This year's total Parliamentary appropriations income was \$4.3 million higher than budgeted given a \$4.8 million transfer received late in the year. This transfer will allow the Centre to conduct health and environmental research in Latin America in the areas of dengue fever prevention and the dynamic between poverty and the environment. From time to time, the Centre receives additional one-time Parliamentary appropriations for specific projects or programs (see Note 11 in the Notes to the Financial Statements, page 90). These funds are recorded as deferred revenue and recognized when the related expenses are incurred. The revenues recognized in that manner during this year relate to an appropriation voted in September 2001 for the Institute for Connectivity in the Americas (ICA). The ICA revenues are lower than budgeted by \$0.5 million because ICA's activities were reduced to allow for program restructuring.

The Centre's Parliamentary funding for fiscal year 2008–2009 is expected to increase by 9.1% compared to the 2007–2008 actuals. This results from the Centre's participation in the process wherein various stakeholders compete for a share of the Government of Canada's annual increase of the International Assistance Envelope (IAE) and as a result of reduced deferral for capital assets purchased.



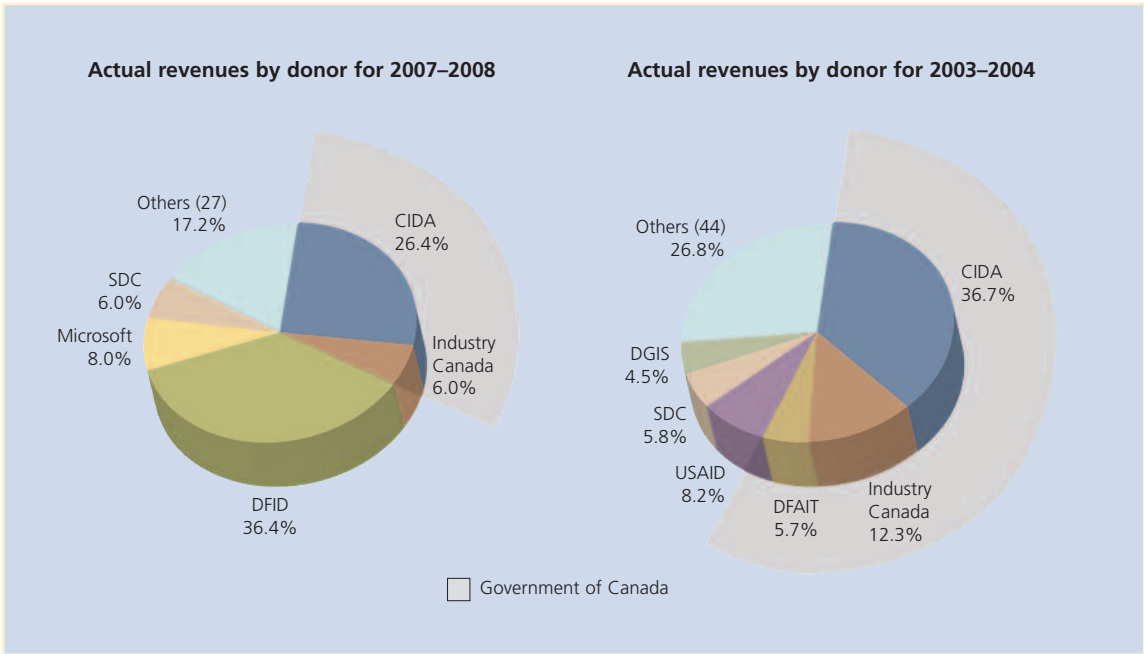
**Figure 1. Relative shares of income (actual and projected)  
2003–2004 to 2008–2009**



Over the years, the Centre's Parliamentary appropriations represented approximately 85% of total revenues. Notwithstanding the increases in Parliamentary appropriations, because of recent growth in donor partnership activities, the share of IDRC's Parliamentary appropriations proportion to total revenues has been reduced to just over 80% (see Figure 1).

Revenues from **donor partnerships** relate specifically either to funding targeted to specific research projects conducted or managed by the Centre on behalf of other organizations, within existing development research programs, or to contributions applied to entire development research programs. The total revenue for donor partnerships for the year was \$26.1 million, or \$3.8 million lower than budgeted. The difference is primarily due to the delayed start-up of the ThinkTank Initiative, as staffing took longer than initially envisaged given the specific expertise required. Finally, fewer agreements than expected were signed during the year, which accounts for the remainder of the difference.

Figure 2. Revenues from donor partnerships



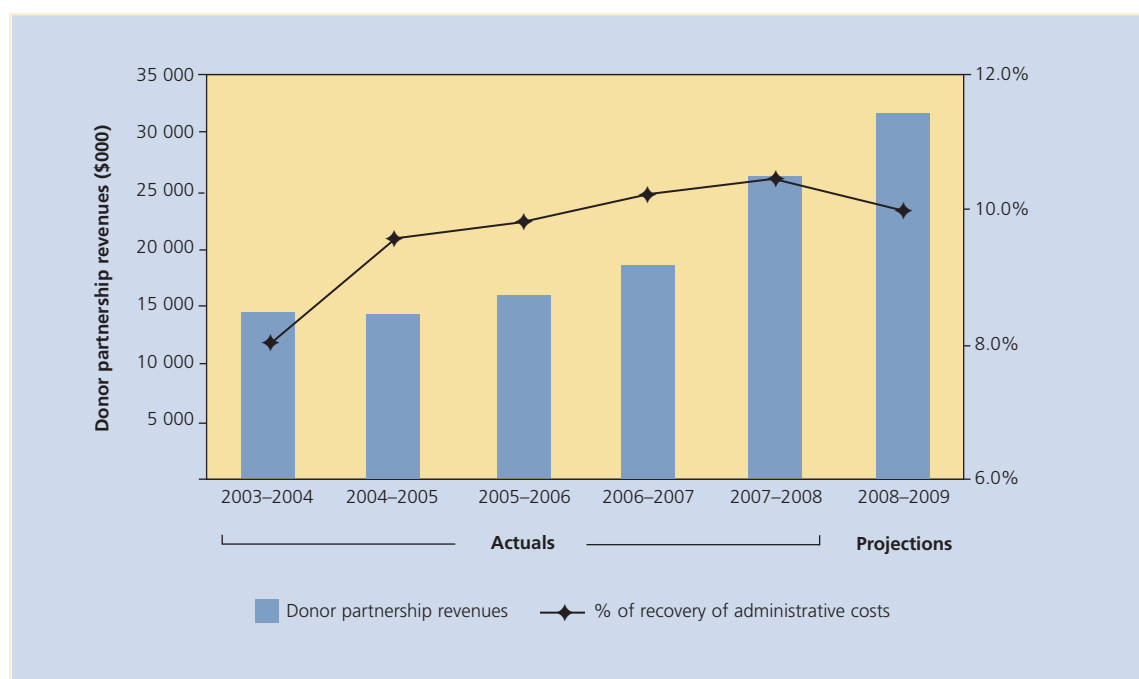
CIDA: Canadian International Development Agency; DFAIT: Department of Foreign Affairs and International Trade; DFID: Department for International Development (UK); DGIS: Directorate-General for International Cooperation (The Netherlands); SDC: Swiss Agency for Development and Cooperation; USAID: United States Agency for International Development

In recent years, the source of donor funding has changed significantly. In 2003–2004, close to 55% of donor funding came from other Canadian government organizations, while in 2007–2008, this proportion decreased to 32% (see Figure 2).

The 2008–2009 budget shows an anticipated increase of 21.4% in donor partnerships. The projected increase in revenues comes from the expansion in co-funding with the UK’s Department for International Development (DFID), the ramp-up of the ThinkTank Initiative, and new partnerships anticipated with US foundations such as the Bill & Melinda Gates and Google.org foundations, with which discussions are ongoing.

The revenue from the **recovery of administrative costs** represents the amount that the Centre recovers to administer external funds. The costs recovered do not include core operating costs already covered by Parliament but do include all actual administrative costs that can be attributed to the administration of projects and to the support of project personnel. The methodology to calculate the rate of cost recovery is based on generally accepted management accounting principles and is reviewed at least on an annual basis. The 2007–2008 revenue was slightly under budget (\$0.3 million). Since the recovery of administrative costs from donor partnership contracts is proportionate to donor partnership revenues recognized, the total variance in this area is proportional to the variance in the revenues recognized from donor partnerships. The budget for 2008–2009 is proportionately higher because of an expected increase in donor partnership revenues.

**Figure 3. Recovery of administrative costs compared to donor partnership revenues**



As shown in Figure 3, in 2003–2004 the average percentage of recovery of administrative costs was about 8%. In recent years, this percentage has increased to approximately 10%, mainly because of a more systematic application of the administrative cost recovery policy. During 2007–2008, the Centre performed a detailed review of its recovery rate to ensure its appropriateness relative to actual administrative costs. In 2008–2009, the Centre will subject its cost recovery calculation to an external review.

The Centre is authorized to invest available cash in high quality money market instruments. For 2007–2008, the **investment income** amounted to \$2.4 million. Next year's budget shows a decrease, mainly due to lower interest rates as well as a slight decrease in the forecasted average value of the investment portfolio.

**Other income** includes revenues associated with subleasing office space, conference and catering facilities, parking fees, and other miscellaneous items. Income from these sources amounted to \$1.2 million. The 2008–2009 revenues for other income will decrease because fewer sub-leasing activities have been conducted since the relocation of the Centre's head office in October 2007.

## Expenses

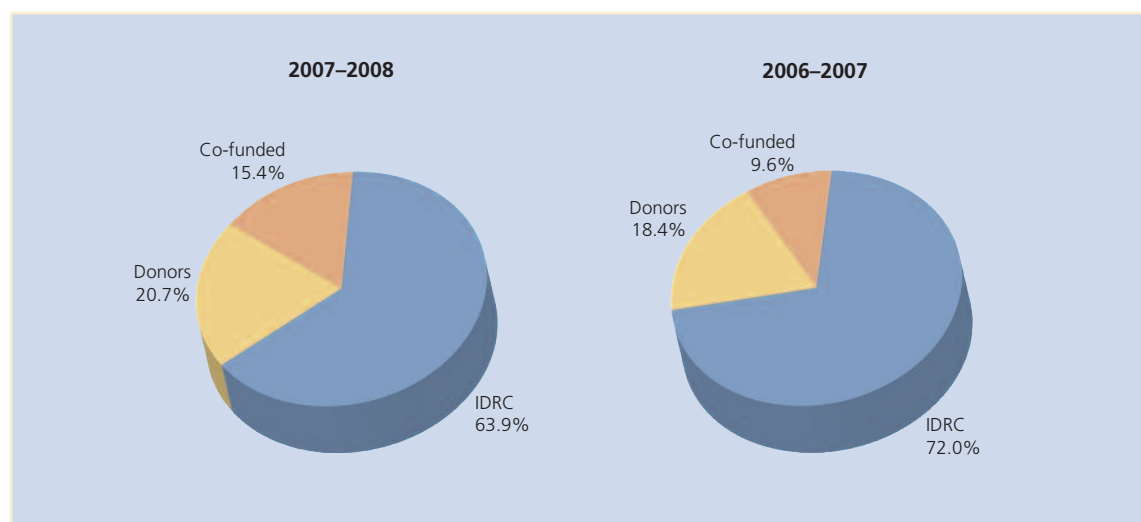
(\$000)	2008–2009	2007–2008			2006–2007	% change actual <sup>a</sup>
	Budget	Revised budget	Actual	Variance	Actual	
<b>Total expenses</b>	<b>204 734</b>	<b>195 842</b>	<b>189 870</b>	<b>(5 972)</b>	<b>160 616</b>	<b>18.2%</b>
Development research programs						
Funded by Parliamentary appropriations	105 084	102 121	100 167	(1 954)	82 677	21.2%
Funded by donor partnerships	31 685	29 873	26 091	(3 782)	18 618	40.1%
Development research support	38 866	35 735	35 811	76	32 604	9.8%
Administrative services	29 099	28 113	27 801	(312)	26 717	4.1%

<sup>a</sup> % change actual in 2007–2008 over 2006–2007.

The Centre's expenses are segregated according to a three-tier cost structure. This structure distinguishes between development research programs, development research support, and administrative costs.

**Development research program** expenses reflect the direct costs (mainly in the form of grants) of scientific and technical research projects administered by the Centre as part of its ongoing programs. In 2007–2008, the share of research program expenses funded by Parliamentary appropriations was \$100.2 million. This amount is 21.2% higher than in the previous year. The \$2.0 million variance (2%) between actual and budgeted expenses funded by Parliament is attributable to slower spending for the Institute for Connectivity in the Americas (\$0.5 million — refer to the Revenues discussion on page 61 for an explanation), to changes in project spending patterns, and to changes in the composition of the projects portfolio. In reference to the last two changes (in spending patterns and in composition of the portfolio), the proportion of project budgets administered by the Centre decreased to an all-time low in 2007–2008, reflecting greater ability of recipient institutions to manage project funds. The Centre is approving fewer short-term research support projects, thereby decreasing the disbursement ratio in the first year of the projects' implementation. This shift in program spending will have an impact on the disbursements for old projects in two to three years time. Finally, as the percentage of co-funded projects increases, the impact of delays in these projects will increasingly affect total program expenditures (both funding lines) at the same time as donor funding recoveries. Over the course of the next fiscal year, the Centre will incorporate these trends into the mathematical model it uses for forecasting program expenditures. Overall, the 2% variance in 2007–2008 is a significant improvement over the 6% variance achieved a year earlier on a much lower dollar amount.

**Figure 4. Centre and donor funding for development research program expenses**



As shown in Figure 4, the proportion of the Centre's development research program expenses used in counterpart (co-funding) to donor partnership funding increased during the past year. While this represented 9.6% in 2006–2007, it now stands at 15.4% in 2007–2008. As the level of donor partnership activity increased, the level of development research program expenses related to projects financed only by the Centre decreased (63.9% in 2007–2008 compared to 72.0% the previous year).

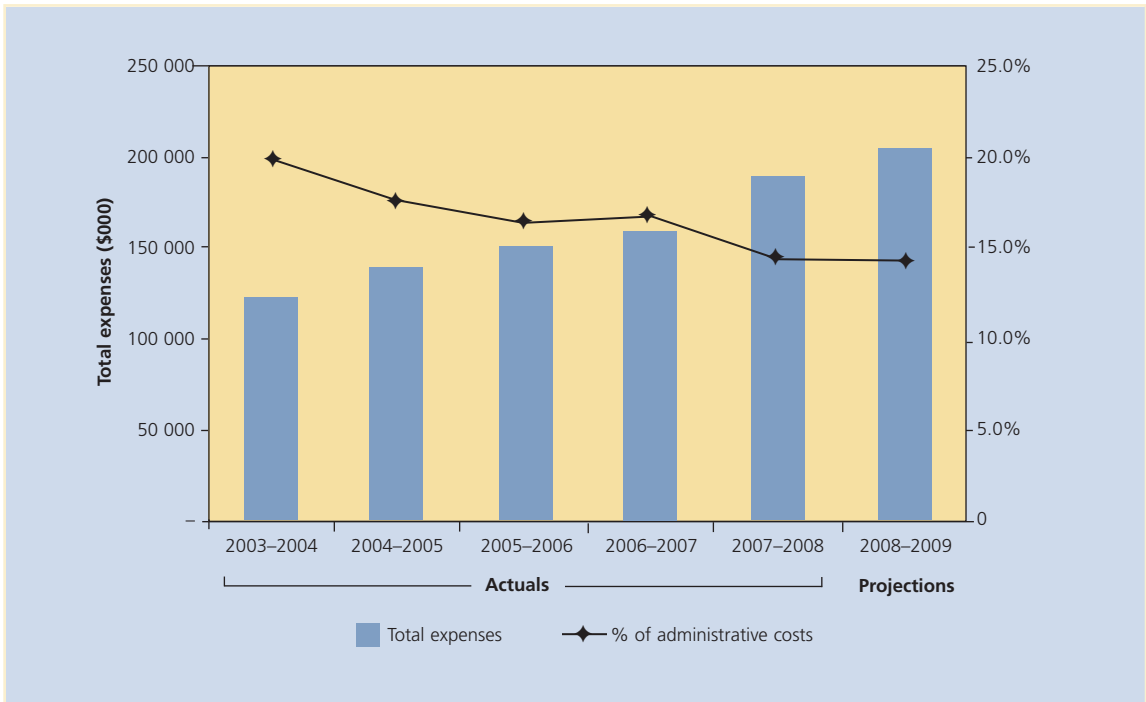
The development research program expenses will increase by \$10.5 million in 2008–2009 compared to the actuals for 2007–2008. The year-over-year increases in program allocations resulting from additional Parliamentary and donor funding explains the increase in development research programs expenses.

The share of development research program expenses funded by donor partnerships totalled \$26.1 million, or \$3.8 million lower than budget. The Revenues discussion above provides an explanation for this variance.

**Development research support** represents the costs of supporting development research programs, including in-house technical support, program complements, and program management. Development research support expenses amounted to \$35.8 million, or 100.2% of budget. Development research support expenses are expected to increase by 8.5% in 2008–2009 over the 2007–2008 actuals. The increase is a result of inflation adjustments for travel, salaries, and benefits, and the additional Full-Time Equivalent positions to support the ThinkTank Initiative and other Centre programs.



Figure 5. Administrative costs compared to total expenses



**Administrative services** provide a variety of policy, executive, administrative, and service functions that support the Centre’s overall operations and corporate responsibilities. These expenditures amounted to \$27.8 million: the variance of \$0.3 million when compared to budget is mainly due to lower travel and fewer professional services activities than planned. The budgeted 2008–2009 administrative services expenses are 4.7% higher than the 2007–2008 actuals mainly because of inflation adjustments and some corporate services adjustments as the Centre continues to grow.

As shown in Figure 5, since 2003–2004, administrative costs have grown at a much lower rate than total expenditures. In fact, the share of administrative costs relative to total expenditures went from more than 18% in 2003–2004 to a projection of about 14% in 2008–2009. When allocating financial resources, the Centre strives to achieve balance between program spending and administrative costs.

## Balance sheet discussion

### Assets

(\$000)	2007–2008	2006–2007	% change actual <sup>a</sup>
	Actual	Actual	
<b>Total assets</b>	<b>83 807</b>	<b>71 762</b>	<b>16.8%</b>
Cash and cash equivalents	22 450	21 941	2.3%
Investments	38 891	32 102	21.1%
Accounts receivables and prepaid expenses	10 382	11 600	-10.5%
Property and equipment	12 084	6 119	97.5%

<sup>a</sup> % change actual in 2007–2008 over 2006–2007.

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

### Cash, cash equivalents, and investments

(\$000)	2007–2008			2006–2007	% change actual <sup>a</sup>
	Cash and cash equivalents	Investments	Actual	Actual	
<b>Total</b>	<b>22 450</b>	<b>38 891</b>	<b>61 341</b>	<b>54 043</b>	<b>13.5%</b>
Unrestricted	15 710	12 841	28 551	31 070	-8.1%
Externally restricted	6 740	24 980	31 720	18 554	71.0%
Internally restricted	—	1 070	1 070	4 419	-75.8%

<sup>a</sup> % change actual in 2007–2008 over 2006–2007.

The Centre accounts for funds received for specific purposes as externally restricted. In addition, the Centre may internally restrict a portion of its equity funds for large multi-year capital projects. This is reflected directly in the cash, cash equivalents, and investments restrictions. All other liquidities are considered unrestricted.

The increase of \$13.2 million in the externally restricted portion is attributable to funds being received in advance of disbursements for donor partnership activities.

The internally restricted cash, cash equivalents, and investments represent \$1.1 million as at 31 March 2008. This amount will be used in 2008–2009 for leasehold improvements as well as for property and equipment to be purchased in 2008–2009 (see the Equity discussion on page 70).

**Accounts receivable and prepaid expenses** totalled \$10.4 million, including appropriations receivable of \$5.5 million. This year's total represents a decrease of \$1.2 million compared to the 31 March 2007 balance, which is mainly attributable to lower donor partnership receivables at year-end.

**Property and equipment** totalled \$12.1 million as at 31 March 2008, up \$6.0 million from last year compared to the 31 March 2007 balance. The increase is due almost entirely to the leasehold improvement for the Centre's new head office facilities.

## Liabilities

(\$000)	2007–2008	2006–2007	% change actual <sup>a</sup>
	Actual	Actual	
<b>Total liabilities</b>	<b>68 789</b>	<b>48 972</b>	<b>40.5%</b>
Accounts payable and accrued liabilities	18 126	15 890	14.1%
Deferred revenue	44 919	27 434	63.7%
Employee future benefits	5 744	5 648	1.7%
<sup>a</sup> % change actual in 2007–2008 over 2006–2007.			

**Accounts payable and accrued liabilities** are part of the Centre's regular operations and represent such things as payments to suppliers, grants payable to recipients, and salaries and annual leave benefits owed to employees. At the end of March 2008, the accounts payable and accrued liabilities totalled \$18.1 million, up \$2.2 million from 31 March 2007. The increase is due to an increased level of grant accruals at year-end, a consequence of increased fourth quarter anniversaries of projects approved late in previous fiscal years.

**Deferred revenue** includes the unspent portion of funds received or receivable on donor partnership activities, the portion of the Parliamentary appropriations used for the purchase of property and equipment, and the unspent portion of the Parliamentary appropriations received for specific projects and programs. The year-end closing balance was \$44.9 million, up \$17.5 million from 2007. The increase is attributable to the receipt of funds following the signature of large program donor partnership agreements with the William and Flora Hewlett and the Bill & Melinda Gates foundations and the deferral of the leasehold improvements costs for the Centre's new head office facilities (see Property and Equipment under the Balance Sheet Discussion).

**Employee future benefits** include a provision for employee pension and severance (see Note 2, g in the Notes to the Financial Statements, page 85). At \$5.7 million, the employee future benefits remain at the same level as last year.

## Equity

(\$000)	2008–2009	2007–2008			2006–2007	% change actual <sup>a</sup>
	Budget	Revised budget	Actual	Variance	Actual	
<b>Total equity</b>	<b>6 454</b>	<b>8 268</b>	<b>15 018</b>	<b>6 750</b>	<b>22 790</b>	<b>-34.1%</b>
Retained earnings	6 454	8 268	15 010	6 742	22 790	-34.1%
Accumulated other comprehensive income	—	—	8	8	0	—
<sup>a</sup> % change actual in 2007–2008 over 2006–2007.						

The retained earnings at year-end were \$6.8 million higher than budgeted. As previously mentioned, the Centre received an additional \$4.8 million from Parliament. The additional appropriation was approved and received in the last quarter of the fiscal year, which left insufficient time for the funds to be used responsibly within the fiscal year. The remainder of the variance in the retained earnings results from the under-expenditure (\$2.0 million) in the development research program funded by Parliamentary appropriations (see the Expenses discussion on page 65 for explanations).

Further to a change in accounting policy (see Note 3 in the Notes to the Financial Statements, page 86), the financial instruments available for sale are measured at fair value with unrealized gains and losses recognized in accumulated other comprehensive income. This year's comprehensive income is \$8 000 (see the Notes to the Financial Statements, page 87, for more details).

## Retained earnings

(\$000)	2008–2009	2007–2008			2006–2007	% change actual <sup>a</sup>
	Budget	Revised budget	Actual	Variance	Actual	
<b>Total retained earnings</b>	<b>6 454</b>	<b>8 268</b>	<b>15 010</b>	<b>6 742</b>	<b>22 790</b>	<b>-34.1%</b>
Unrestricted	—	—	7 950	7 950	12 959	-38.7%
Restricted	—	2 278	1 070	(1 208)	4 419	-75.8%
Reserved	6 454	5 990	5 990	—	5 412	10.7%
<sup>a</sup> % change actual in 2007–2008 over 2006–2007.						

The Centre's retained earnings are segregated between unrestricted, restricted, and reserved.

The unrestricted equity represents the equity balance not set aside to cover either the financial planning reserve or the restricted equity to be used for upcoming capital purchases.

This year, the Centre has restricted a portion of the equity — in the sum of \$1.1 million — for leasehold improvements, as well as for property and equipment to be purchased in 2008–2009.



The Centre has established a financial planning reserve in the amount of \$6.0 million (4% of Parliamentary appropriations recognized), in order to protect its financial position. Having a reserve is important for a number of reasons: the funding modality and contractual arrangements with project recipients are evolving; the timing of program spending is not entirely controlled by the Centre as it depends to a large extent on the performance of recipients; small variances in project expenditure patterns have a significant impact on total expenditures; the funding received from the Canadian government (i.e., Parliamentary appropriations) is not fully predictable; and Centre management wishes to maintain a relatively steady level of program allocations over time.

## Other key financial targets discussion

### Outstanding commitments on development research programs

(\$000)	2007–2008	2006–2007	% change actual <sup>a</sup>
	Actual	Actual	
<b>Total outstanding commitments</b>	<b>192 761</b>	<b>130 720</b>	<b>47.5%</b>
Funded by Parliamentary appropriations	162 579	110 030	47.8%
Funded by donor partnerships	30 182	20 690	45.9%

<sup>a</sup> % change actual in 2007–2008 over 2006–2007.

As at 31 March 2008, the Centre is committed to making payments of up to \$192.8 million on research projects and activities over the next five years. This commitment is subject first to funds being provided by Parliament and by donor partners and, second, to recipient compliance with the terms and conditions of their grant agreements. The year-over-year increase in program allocations combined with the higher level of project commitments during the fiscal year resulted in an increase in outstanding commitments of \$62.1 million for a total of \$192.8 million over last year's \$130.7 million (see the Statement of Operations discussion on page 65 for further details on project disbursement ratio). Over the next year, the proportion of development research program expenses related to **outstanding commitments** will be greater. Should slippage occur in these projects, the level of program expenses would be significantly affected. Management will closely monitor the development research program expenses and take action should this trend materialize.

Of the total **outstanding commitments**, the Centre's Parliamentary appropriations are expected to cover \$162.6 million while the remaining \$30.2 million will come from funding obtained through donor partnerships. Of the \$162.6 million in outstanding commitments, 22.9% is linked to projects co-financed by donor partnership agreements.

## Program allocations

(\$000)	2008–2009	2007–2008			2006–2007	% change actual <sup>a</sup>
	Budget	Revised budget	Actual	Variance	Actual	
<b>Total program allocations</b>	<b>170 596</b>	<b>158 889</b>	<b>183 717</b>	<b>24 828</b>	<b>141 442</b>	<b>29.9%</b>
Development research programs						
Funded by Parliamentary appropriations	124 500	120 500	145 033	24 533	112 832	28.5%
Funded by supplementary appropriation — ICA	1 564	889	1 643	754	1 426	15.2%
Funded by donor partnerships	44 532	37 500	37 041	(459)	27 184	36.3%
<sup>a</sup> % change actual in 2007–2008 over 2006–2007.						

Program allocations represent the funds approved for new projects within the Centre's development research programs. The **program allocations funded by Parliamentary appropriations** reached \$145.0 million in 2007–2008, of which \$27.8 million is linked to projects/programs co-financed by donor partnerships. The actual program allocations funded by Parliamentary appropriations were \$24.5 million higher than budgeted. The program allocation level was increased during the year as a result of fluctuations in key variables affecting project spending patterns. The increase in the Centre's Parliamentary appropriations resulted in a year-over-year increase in program allocations funded by Parliamentary appropriations: this, in turn, increases the level of outstanding commitments when the approved projects are committed. The level of **program allocations funded by donor partnership** reached \$37.0 million, \$0.5 million lower than anticipated because fewer agreements than expected were signed during the fiscal year. The majority (87.3%) of the \$183.7 million program allocations made in 2007–2008 were committed during the 2007–2008 fiscal year. Expenses, therefore, started for those committed projects in 2007–2008 and will continue over their individual lifespan.

## Outlook for the future

### Fiscal Year 2008–2009

The Statement of Operations discussion contains detailed explanations of significant variances between the 2008–2009 and the 2007–2008 budgets. The Board of Governors approved the 2008–2009 Program of Work and Budget (PWB) in March 2008. The paragraphs below summarize the key variances in revenues and expenses and outline the projected closing equity for 2008–2009.

The 2008–2009 PWB was prepared based on information known as of March 2008. The Centre's budget is revised periodically throughout the fiscal year as new information becomes available. In the first quarter of the fiscal year, the development research programs budget is revised to reflect the actual opening balances of the project portfolio. At the end of the second quarter, the development research support and administrative services budgets are revised to reallocate funds to priority areas. Finally, as the fiscal year-end approaches, the entire budget is again revised in light of trends in spending patterns.

The Centre's budget for fiscal year 2008–2009 features a 10.2% increase in revenues and a 7.8% increase in total expenses compared to the 2007–2008 actuals. It has been confirmed that the Centre's Parliamentary appropriation for 2008–2009 will increase by \$17.9 million. The revenue increase mainly emanates from the Centre's participation in the process wherein various stakeholders compete for a share of the annual increase that the Government of Canada makes available for the International Assistance Envelope and from reduced deferral for capital assets purchased. The increase in donor partnership activities also contributes to the increase in revenues for 2008–2009.

The 2008–2009 expenditures increase of 7.8% is less than the 10.2% increase in revenues. This arises from the fact that \$12 million of expenditures were financed by a reduction in equity (retained earnings).

The 2008–2009 **development research programs expenditures** funded by Parliamentary appropriations are budgeted at \$105.1 million, an increase of \$4.9 million over the 2007–2008 actuals. The growth in development research program expenditures funded by Parliamentary appropriations is the result of increased program allocations for several years in a row and reflects the Centre's commitment to increasing the resources available for programming activities.

The 2008–2009 expenditure budget **for development research support** and **administrative services** is set at \$68.0 million, up \$4.4 million from the 2007–2008 actuals. The key factors contributing to the increase include: inflation adjustments for salaries and benefits, as well as travel costs, and additional Full-Time Equivalent positions approved for 2008–2009.

The Program of Work and Budget approved by the Board of Governors foresees a closing equity of \$6.5 million. This represents the financial planning reserve that allows the Centre to protect its financial position. As the Centre reviews its 2008–2009 budget, it may decide to restrict a portion of its equity in order to finance upcoming capital projects and to increase its financial planning reserve to provide against future uncertainties.

**Development research program allocations** funded by Parliamentary appropriations have been established at \$126.1 million of which at least 17% is co-funded from donor partnership agreements. The level of program allocations funded by donor partnership agreements is expected to reach \$44.5 million. The program allocation level will be revised periodically as a result of management's analysis of projected expenditure patterns within the project portfolio's outstanding commitments.

## **Fiscal Year 2009–2010**

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

The government's decision to create a Development Innovation Fund may have a significant impact on the Centre's activities. Indeed, the 2008 Government of Canada budget mentioned that the fund will be implemented by strategic partners in the research community working with the International Development Research Centre.

Development research support and administrative expenses will be adjusted for inflation and other factors deemed necessary for the Centre's operations. In determining the resource allocation to administrative costs, the Centre will ensure that a proper balance is achieved between program spending and administrative costs.



## Five year historical review

(\$000)	Budget	Actual				
	2008–2009	2007–2008	2006–2007 <sup>a</sup>	2005–2006 <sup>b</sup>	2004–2005 <sup>b</sup>	2003–2004
Income statement						
Revenues						
Parliamentary appropriations	163 337	149 742	144 760	131 955	122 340	107 932
Donor partnerships						
Funding for development research programs	31 685	26 091	18 618	16 010	14 399	14 508
Recovery of administrative costs	3 168	2 729	1 908	1 572	1 380	1 162
Investment income	1 550	2 377	2 210	1 406	1 224	1 303
Other income	1 000	1 154	2 569	1 837	1 423	1 413
Expenses						
Development research programs						
Funded by Parliamentary appropriations	105 084	100 167	82 677	79 229	77 094	62 561
Funded by donor partnerships	31 685	26 091	18 618	16 010	14 399	14 508
Development research support	38 866	35 811	32 604	30 709	24 078	21 632
Administrative services	29 099	27 801	26 717	24 931	24 867	24 469
Net results from continuing operations	(3 994)	(7 777)	9 449	1 901	328	3 148
Net results from discontinued operations	—	—	( 155)	(1 802)	1 957	—
Program allocations						
Development research programs						
Funded by Parliamentary appropriations	124 500	145 033	112 832	97 249	86 275	75 265
Funded by supplementary appropriation — ICA	1 564	1 643	1 426	1 415	7 038	4 389
Funded by donor partnerships	44 532	37 041	27 184	14 797	14 302	16 797

(\$000)	Actual				
	2007–2008	2006–2007	2005–2006	2004–2005	2003–2004
<b>Balance sheet</b>					
<b>Assets</b>					
Cash and cash equivalents	22 450	21 941	33 839	32 946	38 277
Investments	38 891	32 102	10 338	11 753	2 983
Accounts receivables and prepaid expenses	10 382	11 600	5 471	5 397	4 514
Property and equipment	12 084	6 119	5 375	7 296	5 805
<b>Liabilities</b>					
Accounts payable and accrued liabilities	18 126	15 890	12 842	13 044	9 575
Deferred revenue — current	30 765	21 165	16 286	18 099	18 788
Deferred revenue — long term	14 154	6 269	5 375	5 945	5 805
Employee future benefits	5 744	5 648	7 024	6 907	6 301
<b>Equity</b>					
Retained earnings	15 010	22 790	13 496	13 397	11 112
Accumulated other comprehensive income	8	—	—	—	—
<b>Outstanding commitments</b>					
Funded by Parliamentary appropriations	162 579	110 030	93 619	84 864	72 446
Funded by donor partnerships	30 182	20 690	17 288	18 382	15 908

<sup>a</sup> Certain accounts were reclassified to conform to the financial presentation for this year.

<sup>b</sup> The actual figures for 2005–2006 and 2004–2005 are consolidated with the assets, liabilities, and results of E-link Americas (refer to Note 16 in the Notes to the Financial Statements on page 92 for more information).

# { 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 judgment, have been properly prepared within reasonable limits of materiality and are in accordance with Canadian generally accepted accounting principles. Management also assumes responsibility for all other information in the annual report, which is consistent, where applicable, with that contained in the financial statements.

Management maintains financial systems and practices to provide reasonable assurance as to the reliability of financial information and to ensure that assets are safeguarded and the operations are carried out effectively and in accordance with the *International Development Research Centre Act* and bylaws of the Centre. Throughout the current year, the Centre had an outsourced internal audit service whose functions included reviewing internal controls and their application on an ongoing basis. This service was complemented by an internal senior risk management specialist.


The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board benefits from the assistance of its Finance and Audit Committee in overseeing and discharging its financial management responsibility, which includes the review and approval of the financial statements. The Committee, which is made up of governors, meets with management, the internal auditors and the external auditors on a regular basis.

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



Maureen O'Neil  
President

Ottawa, Canada  
4 June 2008



Denys Vermette  
Vice-President, Resources and CFO



## AUDITOR'S REPORT

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

I have audited the balance sheet of the International Development Research Centre as at 31 March 2008 and the statements of operations, changes in equity, comprehensive income and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at 31 March 2008 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, except for the change in the method of accounting for financial instruments as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

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

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

Ottawa, Canada  
4 June 2008

## Balance Sheet

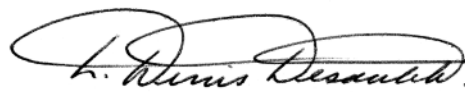
as at 31 March 2008  
(in thousands of dollars)

	2008	2007
<b>Assets</b>		
Current		
Cash and cash equivalents (Note 4)	22 450	21 941
Investments (Note 5)	38 891	32 102
Accounts receivable (Note 6)	3 234	4 352
Appropriations receivable	5 497	5 600
Prepaid expenses	1 651	1 648
	<u>71 723</u>	<u>65 643</u>
Property and equipment (Note 7)	<u>12 084</u>	<u>6 119</u>
	<b><u>83 807</u></b>	<b><u>71 762</u></b>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 6)	18 126	15 890
Deferred revenue (Note 8)	30 765	21 165
	<u>48 891</u>	<u>37 055</u>
Deferred revenue (Note 8)	14 154	6 269
Employee future benefits (Note 9)	5 744	5 648
	<u>68 789</u>	<u>48 972</u>
<b>Equity</b>		
Retained earnings	15 010	22 790
Accumulated other comprehensive income	8	—
	<u>15 018</u>	<u>22 790</u>
	<b><u>83 807</u></b>	<b><u>71 762</u></b>
Commitments (Note 12)		
Contingencies (Note 13)		

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



The Honourable Barbara McDougall  
Chairman  
Board of Governors



Denis Desautels  
Chairman  
Finance and Audit Committee

## Statement of Operations

for the year ended 31 March 2008  
(in thousands of dollars)

	2008	2007
<b>Revenues</b>		
Donor partnerships		
Funding for development research programs (Note 10)	26 091	18 618
Recovery of administrative costs (Note 10)	2 729	1 908
Investment income	2 377	2 210
Other income	1 154	2 569
	<u>32 351</u>	<u>25 305</u>
<b>Expenses</b>		
Development research programs		
Funded by Parliamentary appropriations	100 167	82 677
Funded by donor partnerships	26 091	18 618
	<u>126 258</u>	<u>101 295</u>
Development research support		
Technical support	20 773	18 473
Program complements	8 872	8 264
Program management	6 166	5 867
	<u>35 811</u>	<u>32 604</u>
Administrative services		
Administration	21 378	20 494
Regional office management	6 423	6 223
	<u>27 801</u>	<u>26 717</u>
<b>Total Expenses (Schedule I)</b>	<u><b>189 870</b></u>	<u><b>160 616</b></u>
Cost of operations before Parliamentary appropriations	(157 519)	(135 311)
Parliamentary appropriations (Note 11)	<u>149 742</u>	<u>144 760</u>
Net results from continuing operations	(7 777)	9 449
Net results from discontinued operations (Note 16)	<u>—</u>	<u>(155)</u>
<b>Net results of operations</b>	<u><b>(7 777)</b></u>	<u><b>9 294</b></u>

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



## Statement of Changes in Equity

for the year ended 31 March 2008  
(in thousands of dollars)

	2008	2007
<b>Retained earnings beginning of year</b>	<b>22 790</b>	<b>13 496</b>
Unrestricted		
Beginning of year	12 959	8 496
Effect of adopting new accounting standards for financial instruments	(3)	—
Net results of operations	(7 777)	9 294
Transfers from (to) reserved and restricted	2 771	(4 831)
Balance end of year	7 950	12 959
Reserved		
Beginning of year	5 412	5 000
Financial planning reserve increase	578	412
Balance end of year	5 990	5 412
Restricted		
Beginning of year	4 419	—
Property and equipment expenditures incurred	(4 419)	—
Provision for property and equipment expenditures	1 070	4 419
Balance end of year	1 070	4 419
<b>Total retained earnings end of year</b>	<b>15 010</b>	<b>22 790</b>
Accumulated other comprehensive income		
Beginning of year	—	—
Effect of adopting new accounting standards for financial instruments	(9)	—
Other comprehensive income	17	—
Balance end of year	8	—
<b>Total equity end of year</b>	<b>15 018</b>	<b>22 790</b>

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

## Statement of Comprehensive Income

for the year ended 31 March 2008

(in thousands of dollars)

	<u>2008</u>	<u>2007</u>
Net results of operations	(7 777)	—
Other comprehensive income		
Net unrealized gains from available for sale financial instruments	8	—
Reclassification adjustment for losses included in net results of operations	<u>9</u>	<u>—</u>
	<u>17</u>	<u>—</u>
<b>Total comprehensive income</b>	<b><u>(7 760)</u></b>	<b><u>—</u></b>

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

## Statement of Cash Flows

for the year ended 31 March 2008  
(in thousands of dollars)

	2008	2007
<b>Operating activities</b>		
Net results of operations	(7 777)	9 294
Items not affecting cash		
Amortization of property and equipment	2 716	2 484
Amortization of deferred revenue — property and equipment	(2 716)	(2 484)
Loss (gain) on disposal of property and equipment	72	(13)
Employee future benefits	95	789
Deferred rent	—	(798)
Deferred revenue — long-term (Note 8)	1 459	(1 305)
Effect of transitional amount for employee loans	(3)	—
	1 623	(1 327)
Change in non-cash operating items:		
Accounts receivable	1 221	(6 643)
Prepaid expenses	(3)	320
Accounts payable and accrued liabilities	2 236	1 681
Deferred revenue donor partnerships — current (Note 8)	10 061	6 334
	13 515	1 692
<b>Cash flows from operating activities</b>	<b>7 361</b>	<b>9 659</b>
<b>Financing activities</b>		
Parliamentary appropriation for property and equipment	8 681	3 228
<b>Cash flows from financing activities</b>	<b>8 681</b>	<b>3 228</b>
<b>Investing activities</b>		
Purchase of investments	(110 993)	(101 180)
Maturity of investments	104 213	79 457
Acquisition of property and equipment	(8 786)	(3 236)
Proceeds from the disposition of property and equipment	33	21
<b>Cash flows used in investing activities</b>	<b>(15 533)</b>	<b>(24 938)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>509</b>	<b>(12 051)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>21 941</b>	<b>33 992</b>
<b>Cash and cash equivalents, end of the year</b>	<b>22 450</b>	<b>21 941</b>
Composition of cash and cash equivalents		
Cash	3 713	3 503
Short-term investments	18 737	18 438
	22 450	21 941

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

# Notes to the Financial Statements

for the year ended 31 March 2008

(in thousands of dollars unless otherwise stated)

## 1. Authority and objective

The International Development Research Centre (the Centre), a corporation without share capital, was established in 1970 by the Parliament of Canada through the *International Development Research Centre Act*. The Centre is funded primarily through an annual appropriation received from the Parliament of Canada. In accordance with section 85(1) of the *Financial Administration Act*, the Centre is exempt from Divisions I to IV of Part X of the Act, except for sections 131 to 148 of Division III. The Centre is a registered charity and is exempt under section 149 of the *Income Tax Act* from the payment of income tax.

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

## 2. Summary of significant accounting policies

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

The significant accounting policies of the Centre are:

### a. Revenue recognition

#### i) Parliamentary appropriations

Parliamentary appropriations, other than the portions used for the purchase of property and equipment and for specific projects and programs, are recorded as revenue in the year for which they are appropriated. The portion of the Parliamentary appropriation used for the purchase of property and equipment is recorded as deferred revenue and amortized into income on the same basis and over the same period as the related assets. Parliamentary appropriations received for specific projects and programs are also deferred and recognized when the related expenses are incurred.

#### ii) Donor partnerships

The Centre enters into partnership agreements for research conducted or managed on behalf of other organizations. Funds received or receivable under donor partnership agreements are recorded as deferred revenues. These deferred revenues are recognized as revenues in the year in which the related expenses are incurred.

#### iii) Investment and other income

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

## **b. Grant payments**

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

## **c. Property and equipment and amortization**

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

Computer equipment	3 years
Software	3 to 10 years
Office furniture and equipment	5 years
Vehicles	3 to 7 years
Communications systems	5 years
Leasehold improvements	Remaining term of lease

## **d. Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term money market instruments with maturities of 90 days or less at the time of acquisition.

## **e. Investments**

Investments are comprised of high quality money market instruments with a maturity of between 91 days and one year. Investments may be sold in response to changes in the Centre's liquidity requirements and are classified as Available for Sale. These investments are initially recognized at their fair value, determined by published price quotations in an active market. Available for Sale financial assets are subsequently measured at fair value. Gains and losses arising from changes in fair value, except for impairment losses, are recognized in Other Comprehensive Income until the financial asset is sold or otherwise derecognized. Upon derecognition, the cumulative gain or loss previously recognized in equity is transferred to the statement of operations. Purchases and sales of investments are recorded on the settlement date. Where applicable, transaction costs related to the acquisition of investments are expensed.

## **f. Foreign currency translation**

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



## **g. Employee future benefits**

### **i) Pension benefits — head office**

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

### **ii) Pension benefits — regional offices**

The Centre offers a number of defined contribution plans that provide pension and other benefits to eligible employees. The Centre's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions to the plans. The Centre's contributions are expensed during the year in which the employee's services are rendered and represent the total obligation of the Centre.

### **iii) Severance benefits**

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

## **h. Retained earnings**

The Centre's retained earnings consist of the accumulation of revenues over expenditures from operations and include unrestricted, restricted, and reserved amounts. A portion of the 2007–2008 Parliamentary appropriation was internally restricted by management to finance the expansion of the Centre's head office during 2008–2009 and for a new travel and expense management system. Variances in program spending can have a significant impact on the retained earnings balance. One of the objectives of the Centre's equity policy is to ensure that a sufficient balance is available to absorb these program expenditure variances. Management earmarks a minimum of 4% and a maximum of 7% of the Parliamentary appropriation as a financial planning reserve. The value of the reserve is established each year during the budgeting process.

## **i. Use of estimates**

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

### j. Future accounting changes

In December 2006, the Canadian Institute of Chartered Accountants (CICA) issued three new accounting standards: Handbook Section 1535 “Capital Disclosures”; Handbook Section 3862 “Financial Instruments – Disclosures”; and Handbook Section 3863 “Financial Instruments – Presentation”. These standards are effective for annual financial statements for the Centre’s reporting period beginning on 1 April 2008. Section 1535 specifies the disclosure of (i) an entity’s objectives, policies, and processes for managing capital; (ii) quantitative data about what an entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it had not complied, the consequences of such non-compliance. The new Handbook Sections 3862 and 3863 replace Handbook Section 3861 “Financial Instruments – Disclosure and Presentation”, revising and enhancing the disclosure requirements, and carrying forward unchanged its presentation requirements. The new sections place increased emphasis on disclosures and the nature and extent of risks arising from financial instruments and how the entity manages those risks.

## 3. Changes in accounting policy

Effective 1 April 2007, the Centre adopted new accounting standards for: Financial Instruments – Recognition and Measurement, Financial Instruments – Disclosure and Presentation, Comprehensive Income and Equity. The adoption of these standards resulted in changes in the accounting treatment for financial instruments as well as the recognition of certain transitional adjustments. As required by the CICA, comparative financial statements for the prior year have not been restated.

**CICA 3855 Financial Instruments – Recognition and Measurement** establishes standards for recognizing and measuring financial instruments (financial assets, financial liabilities, and non-financial derivatives). It requires that all financial instruments be classified as one of the following: held to maturity; loans and receivables; held for trading; or available for sale. Financial assets and liabilities held for trading will be measured at fair value with gains and losses recognized in net income (loss) in the period in which they arise. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for sale financial instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

The Centre’s financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable, and accrued liabilities. The following classification decisions were made as of 1 April 2007:

Financial Instrument	Classification
Cash and cash equivalents	Held for trading
Investments	Available for sale
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Embedded derivatives are required to be separated and measured at fair value if certain conditions are met. The Centre selected 1 April 2003 as the transition date for embedded derivatives, as only contracts or financial instruments entered into or modified after the transition date were examined for embedded derivatives. Management has reviewed contracts and determined that the Centre does not have embedded derivatives that require separate accounting treatment.

**CICA 3861 Financial Instruments — Disclosure and Presentation** outlines the presentation and disclosure of these items.

**CICA 1530 Comprehensive Income** outlines the reporting and disclosure requirements for comprehensive income, its components, and related changes in equity. Comprehensive income includes net income as well as changes in equity during a period from transactions and events from non-owner sources, and items that are not yet recognized in net income such as unrealized gains or losses on available for sale financial instruments. As a result of adopting this standard, a statement of comprehensive income has been included in the financial statements.

A transition adjustment has been recognized in the Centre's financial statements as at 1 April 2007: in the opening balance of accumulated other comprehensive income, a \$9 unrealized loss on available for sale investments that were not previously reported at fair value; and in the opening balance of retained earnings a \$3 reduction in accounts receivable representing an adjustment to amortized cost.

**CICA 3251 Equity** establishes standards for the presentation of equity and changes in equity during the reporting period.

#### 4. Cash and cash equivalents

	2008	2007
Unrestricted	15 710	15 688
Externally restricted	6 740	3 834
Internally restricted	—	2 419
	<u>22 450</u>	<u>21 941</u>

The Centre invests in money market instruments such as commercial paper, bankers' acceptances, and bearer deposit notes that are rated R-1 (low) or better by the Dominion Bond Rating Service. The average yield as at 31 March 2008 is 3.71% (2007: 4.31%) and the average term to maturity at the time of purchase is 64 days (2007: 80 days).

Cash and cash equivalents are externally restricted for donor partnerships and Parliamentary appropriations received for specific projects.

#### 5. Investments

	2008	2007
Unrestricted	12 841	15 382
Externally restricted	24 980	14 720
Internally restricted	1 070	2 000
	<u>38 891</u>	<u>32 102</u>

The Centre invests in money market instruments such as commercial paper, bankers' acceptances and bearer deposit notes that are rated R-1 (low) or better by the Dominion Bond Rating Service. The average yield as at 31 March 2008 is 4.06% (2007: 4.28%) and the average term to maturity at the time of purchase is 128 days (2007: 146 days). Investments are restricted for donor partnerships and Parliamentary appropriations received for specific projects. A portion of the 2007–2008 Parliamentary appropriation was internally restricted by management for the expansion of the Centre's headquarters during 2008–2009.

## 6. 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 portion (14%) 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 balance, \$1 552 (2007: \$3 195) pertains to development research programs funded by donor partnerships.

## 7. Property and equipment

	2008		2007	
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	9 865	999	8 866	2 420
Software	7 857	6 775	1 082	1 401
Computer equipment	3 870	3 117	753	1 233
Office furniture and equipment	2 045	1 433	612	619
Vehicles	953	778	175	320
Communications systems	756	160	596	126
	<u>25 346</u>	<u>13 262</u>	<u>12 084</u>	<u>6 119</u>

Amortization expense for the year is \$2 716 (2007: \$2 484).

## 8. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor partnership activities, the unamortized portion of the Parliamentary appropriation used for the purchase of property and equipment, and the unspent portion of the Parliamentary appropriations received for specific projects and programs (see Note 11).

Details of these balances are as follows:

### a. Donor partnership funding for development research programs

	2008	2007
Current	25 762	16 149
Long-term	3 154	1 477
	<u>28 916</u>	<u>17 626</u>

Of the total deferred donor partnership funding, CIDA accounts for \$4 829 (2007: \$3 747) of which \$4 387 (2007: \$1 409) was received during the year and \$442 (2007: \$2 338) is receivable at year-end.

#### **b. Parliamentary appropriations — property and equipment**

	<b>2008</b>	<b>2007</b>
Balance at beginning of year	6 119	5 375
Parliamentary appropriation for property and equipment	8 681	3 228
Amortization	(2 716)	(2 484)
Balance at end of year	<u>12 084</u>	<u>6 119</u>
Short-term portion	2 255	2 716
Long-term portion	<u>9 829</u>	<u>3 403</u>
	<u>12 084</u>	<u>6 119</u>

#### **c. Parliamentary appropriations — projects and programs**

	<b>2008</b>	<b>2007</b>
Current	2 748	2 300
Long-term	<u>1 171</u>	<u>1 389</u>
	<u>3 919</u>	<u>3 689</u>

### **9. Employee future benefits**

#### **a. Pension benefits — head office**

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

	<b>2008</b>	<b>2007</b>
Centre contributions	3 892	3 543
Employee contributions	1 994	1 793

#### **b. Pension benefits — regional offices**

The Centre and eligible regional employees contribute to various defined contribution pension plans as specified in the Plan Agreements. The Centre's contributions to these plans for the year were \$356 (2007: \$233).



### c. Severance benefits

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

	2008	2007
Accrued benefit obligation, beginning of year	5 914	5 140
Cost for the year	878	1 227
Benefits paid during the year	(604)	(453)
Accrued benefit obligation, end of year	6 188	5 914
Short-term portion	444	266
Long-term portion	5 744	5 648
	6 188	5 914

## 10. Donor partnerships

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

	2008	2007
DFID	9 529	3 376
CIDA	6 792	5 696
Government of Canada entities	1 666	3 070
Other donor agencies	8 104	6 476
	26 091	18 618

The Centre recovers administrative costs from the management of donor partnership funding. The total recovery for this year is \$2 729 (2007: \$1 908) of which \$824 (2007: \$542) was from CIDA.

## 11. Parliamentary appropriations

	2008	2007
Approved Parliamentary appropriations	155 937	143 616
Portion deferred for projects and programs	(2 000)	—
	153 937	143 616
Deferral for property and equipment purchased in the current year (Note 8)	(8 681)	(3 228)
Amortization of deferred Parliamentary appropriation — projects and programs	1 770	1 888
	147 026	142 276
Amortization of deferred Parliamentary appropriation — property and equipment	2 716	2 484
Parliamentary appropriation recognized in the statement of operations	149 742	144 760

## 12. Commitments

### a. Program

The Centre is committed to making payments up to \$192.8 million (2007: \$130.7 million) during the next five years subject to funds being provided by Parliament or donors and subject to compliance by recipients with the terms and conditions of grant agreements. Of this amount, \$162.6 million (2007: \$110.0 million) will be covered by funding from future Parliamentary appropriations and the balance of \$30.2 million (2007: \$20.7 million) by funding from donor partnerships.

### b. Operating

The Centre has entered into various contractual commitments for leases of office premises as well as for leasehold improvements in Canada and abroad and for staff accommodation in various countries. The lease agreements expire at different dates up to 2022. Future payments related to these contractual commitments as at 31 March 2008 are as follows:

2008–2009	6 016
2009–2010	5 831
2010–2011	5 634
2011–2012	5 591
2012–2013	5 861
2013 to 2022	<u>61 604</u>
Total future payments	<u>90 537</u>

## 13. Contingencies

Various claims have been asserted or instituted against the Centre. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. Based on the advice of legal counsel, management is of the opinion that it is not possible to determine the amount of the liability, if any, that may result from settlement of these claims. In management's opinion, the outcome of these actions is not likely to result in any material liabilities.

## 14. Related party transactions

In addition to the related party transactions disclosed in Notes 6, 8, and 10 to these financial statements, the Centre is related in terms of common ownership to all Government of Canada-created departments, agencies, and Crown corporations. The Centre enters into transactions with these entities in the normal course of operations, under the same terms and conditions that apply to unrelated parties. The transactions are recorded at the actual amounts, determined to be as per market value.

## **15. Financial instruments**

The Centre's financial instruments consist of cash and cash equivalents, investments, accounts receivable, and accounts payable and accrued liabilities, which are incurred in the normal course of business. The Centre manages its exposure to credit risk by contracting only with creditworthy counterparties that are rated R-1 (low) or better by Dominion Bond Rating Service. The Centre is not exposed to significant interest or currency risk arising from these financial instruments due to their short-term nature and limited foreign exchange exposure.

## **16. Discontinued operations**

As per the Board of Directors' resolution of 25 January 2006, a wind-down of E-Link Americas Corporation was undertaken. As at 31 March 2008, all property and equipment were disposed of or written off, the corporation had been dissolved, and all remaining funds returned to the Centre.

## **17. Comparative figures**

Certain of the 2007 figures have been reclassified to conform to the financial statement presentation adopted in 2008.

## Schedule of Expenses

for the year ended 31 March 2008  
(in thousands of dollars)

### Schedule I

	2008				2007
	Development Research Programs	Development Research Support	Administrative Services	Total	
Grants	105 287	—	—	105 287	82 167
Salaries and benefits	6 527	25 824	14 498	46 849	44 264
Professional services	6 039	1 237	2 053	9 329	8 954
Travel	3 423	4 218	923	8 564	8 044
Accommodations	286	2 705	3 418	6 409	6 489
Communication	2 323	502	859	3 684	2 004
Amortization	—	73	2 643	2 716	2 484
Meetings and conferences	1 714	170	198	2 082	1 581
Furniture, equipment and maintenance	109	110	1 284	1 503	1 807
Office supplies and expenses	41	55	881	977	950
Training	11	193	377	581	519
Books and periodicals	147	250	40	437	199
Insurance	—	—	224	224	222
Miscellaneous	351	474	403	1 228	932
<b>Total expenses on Statement of Operations</b>	<b>126 258</b>	<b>35 811</b>	<b>27 801</b>	<b>189 870</b>	<b>160 616</b>

# { How to Reach Us

## On the Internet

[www.idrc.ca](http://www.idrc.ca) — to access IDRC's website  
<http://idl-bnc.idrc.ca> — to access IDRC's Digital Library  
[reference@idrc.ca](mailto:reference@idrc.ca) — to reach the library reference desk  
[info@idrc.ca](mailto:info@idrc.ca) — to get general information  
[www.idrc.ca/subscribe](http://www.idrc.ca/subscribe) — to subscribe to IDRC's online *Bulletin*

## Head Office

**International Development Research Centre**  
PO Box 8500, Ottawa, ON, Canada K1G 3H9

**Street address:**

150 Kent Street, Ottawa, ON  
Canada K1P 0B2

**Phone:** (+1) 613-236-6163

**Fax:** (+1) 613-238-7230

**Email:** [info@idrc.ca](mailto:info@idrc.ca)

**Web:** [www.idrc.ca](http://www.idrc.ca)

## Latin America and the Caribbean

**IDRC Regional Office for Latin America  
and the Caribbean**

Avenida Brasil 2655, 11300 Montevideo, Uruguay

**Phone:** (+598-2) 7090042

**Fax:** (+598-2) 708-6776

**Email:** [lacroinf@idrc.org.uy](mailto:lacroinf@idrc.org.uy)

**Web:** [www.idrc.ca/lacro](http://www.idrc.ca/lacro)

## Asia

**IDRC Regional Office for South Asia and China**

208 Jor Bagh, New Delhi 110003, India

**Phone:** (+91-11) 2461-9411

**Fax:** (+91-11) 2462-2707

**Email:** [saro@idrc.org.in](mailto:saro@idrc.org.in)

**Web:** [www.idrc.ca/saro](http://www.idrc.ca/saro)

**IDRC Regional Office for Southeast and East Asia**

22 Cross Street #02-55

South Bridge Court (China Square Central)

Singapore 048421

**Phone:** (+65) 6438-7877

**Fax:** (+65) 6438-4844

**Email:** [asro@idrc.org.sg](mailto:asro@idrc.org.sg)

**Web:** [www.idrc.ca/asro](http://www.idrc.ca/asro)

## Africa

**IDRC Regional Office for Eastern and Southern Africa**

PO Box 62084, 00200 Nairobi, Kenya

**Street address:**

Liaison House, 2<sup>nd</sup> floor, State House Avenue, Nairobi, Kenya  
(address all mail to the IDRC Regional Director)

**Phone:** (+254-20) 2713-160/61

**Fax:** (+254-20) 2711-063

**Email:** [vngugi@idrc.or.ke](mailto:vngugi@idrc.or.ke)

**Web:** [www.idrc.ca/esaro](http://www.idrc.ca/esaro)

**IDRC Regional Office for the Middle East  
and North Africa**

PO Box 14 Orman, Giza, Kokki, Cairo, Egypt

**Street address:**

8 Ahmed Niseem Street, 8<sup>th</sup> floor

Giza, Cairo, Egypt

**Phone:** (+20-2) 33 36-7051/52

**Fax:** (+20-2) 33 36-7056

**Email:** [info@idrc.org.eg](mailto:info@idrc.org.eg)

**Web:** [www.idrc.ca/cairo](http://www.idrc.ca/cairo)

**IDRC Regional Office for West and Central Africa**

BP 11007, Peytavin, Dakar, Senegal

**Street address:**

Rue de Saint-Louis angle avenue Cheikh Anta Diop, Point E  
Dakar, Senegal

**Phone:** (+221) 33 864-0000

**Fax:** (+221) 33 825-3255

**Email:** [jgerard@idrc.org.sn](mailto:jgerard@idrc.org.sn)

**Web:** [www.idrc.ca/braco](http://www.idrc.ca/braco)