

IDRC
ANNUAL
REPORT
2001-2002

International
Development
Research
Centre

"Sustainable and equitable human activity depends on men and women's control of their own social and economic progress, on equitable access to knowledge, and on an indigenous capability to generate and apply knowledge."

CORPORATE STRATEGY AND PROGRAM
FRAMEWORK, 2000-2005 (2000)

Canada

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

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Commemoration

This review of IDRC's work in sustainable and equitable development is dedicated to María Jesús (Chusa) Ginés, IDRC Program Officer on secondment to the International Centre for Tropical Agriculture (CIAT) in Cali, Colombia. Chusa was killed in an airplane crash on 28 January 2002, at the border between Ecuador and Colombia. A member of IDRC staff since 1992 and former Team Leader of the Sustainable Use of Biodiversity program initiative, Chusa was an integral part of the success of IDRC's work in this area.

Accompanying Chusa on this flight was Verónica Mera, another member of the IDRC family by dint of her receipt of an Ecohealth Award in 1999.

They will be sadly missed.

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CHAIRMAN'S MESSAGE

On 12 June 1992, the Government of Canada announced at the United Nations Conference on Environment and Development (UNCED), in Rio de Janeiro, that "Canada will formally broaden the mandate of the International Development Research Centre to emphasize sustainable development issues." The Prime Minister noted that greater access by the international community to the direct hands-on expertise of IDRC would help to ensure a quick start on implementation of UNCED's Agenda 21 program. IDRC was given special responsibility for working with developing countries in achieving the goals of Agenda 21.

As this annual report details, IDRC responded to the challenge by further focusing the orientation of its programs on sustainable and equitable development, building on its mandate and strengths to address the research and development issues identified in Agenda 21. And although the Centre's programs have evolved in the intervening years, supporting equitable and sustainable development in a practical and immediate way still underpins all our programming. As our Corporate Strategy and Program Framework (CSPF) for 2000–2005 states: "IDRC continues to draw on the principles of sustainable and equitable development that emanated from the conference and recognizes that respect for human rights is critical to such development."

The year under review, 2001–2002, was the second year of implementation of the 5-year cycle of programming under the CSPF approved by the Board of Governors in October 1999. As such, it was very much a "working" year for the entire Centre. We approach this midpoint with many solid and relevant programs: 11 program initiatives, which make up the core of the Centre's programs, and 6 multidonor secretariats, in addition to a few large projects. In keeping with our quest to develop innovative ways of doing research, we are also embarking on some exciting new ventures. Among them is a 2-year exploratory activity on Research on Knowledge Systems to support research, networking, and dialogue on policy issues related to research, science, and knowledge production. Its central activity will be an annual research competition open to developing-country scholars.

Carrying out these programs was facilitated by improvements in IDRC's financial picture this past year, thanks largely to an increase of \$6.3 million in our Parliamentary appropriation and to the difficult cost-cutting measures taken in the previous year. In September, the closure of the Regional Office for Southern Africa was completed.

The Centre maintains six regional offices and, at its meeting in June 2001, the Board strongly endorsed the importance of a regional presence as an essential part of IDRC's *modus operandi* – there is still no substitute for being there. Our presence must be strategic, however. We are therefore experimenting with other ways of delivering programs effectively and efficiently: for instance, an innovative memorandum of understanding has been reached with the Development Bank of Southern Africa to manage and develop information and communication technology projects under our Acacia program initiative in southern Africa.



Improving Governance and Performance

Following the December 2000 report of the Office of the Auditor General (OAG) to the House of Commons on the Governance of Crown Corporations, IDRC prepared a "gap analysis" between its practices and the findings of the OAG report. It was noted that, on the whole, the Centre's governance practices conform to standards recommended by the OAG. Nevertheless, we did take the opportunity to improve and enhance existing practices: we approved skills profiles for the Chair and other governors and established a formal governance protocol to manage relations between IDRC and the Department of Foreign Affairs and International Trade. We are also continuing to look at ways of improving performance management practices and identifying ways in which the Board can evaluate its own performance.

In October, representatives of the OAG discussed the report with IDRC's Board of Governors. The Board also invited the OAG to conduct a special examination of the Centre to provide us with an independent and objective assessment of the adequacy of our systems and practices. Work was initiated late in 2001; presentation of the final report will take place in October 2002.

In recent meetings, governors have approved proposals to spin off some of our secretariats to become fully independent institutions. In 2001–2002, we assisted three secretariats to establish themselves as independent entities: the Micronutrient Initiative; the Trade and Industrial Policy Secretariat; and the African Technology Policy Secretariat, which has become the African Technology Policy Studies Network, a new nonprofit corporation in Kenya. Also, as part of our revised mode of operation in South Africa, SchoolNet South Africa – a large project – became a separate organization.

Looking Ahead

Much work carried out in the past year will come to fruition in 2002–2003, such as collaboration with Canadian and international agencies in the lead-up to the G8 meeting in Alberta in June 2002 and discussion of possible responses to the New Partnership for Africa's Development (NEPAD), as well as preparations for the World Summit on Sustainable Development to be held in Johannesburg in August 2002. The latter will offer us many opportunities to showcase what IDRC and its partners have accomplished in the past decade. I invite you to visit our Web site at www.idrc.ca for more details.

It is with pleasure that I submit the annual report of the International Development Research Centre for the year ending 31 March 2002.

Gordon Smith

Chairman

Board of Governors

ABOUT IDRC



THE INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

IDRC's Mandate

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

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

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Our Mission: Empowerment through Knowledge

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

The Centre was named by Canada as a lead organization in the implementation of Agenda 21 at the UN Conference on Environment and Development in 1992. IDRC retains the principles of sustainable and equitable development as a foundation for all its programming.

Our Goals

- # IDRC will strengthen and help to mobilize the indigenous research capacity of developing countries, especially directed to achieving greater social and economic equity, better management of the environment and natural resources, and more equitable access to information.
- # IDRC will foster and support the production, dissemination, and application of research results leading to policies and technologies that enhance the lives of people in developing countries.
- # IDRC will build selectively on past investments and explore new opportunities within its program framework.

An Innovative Approach

The Centre values a multidisciplinary, participatory approach. This inclusive methodology helps to ensure that research is grounded in the needs of local people.

Many features describe and distinguish IDRC's approach:

- ⌘ A focus on encouraging and supporting research in the South.
- ⌘ An insistence on building research capacity, defined in terms of human and institutional resources.
- ⌘ The devolution of responsibility for management and administration of research to institutions in the South.
- ⌘ The intellectual flexibility and willingness to take risks and experiment.
- ⌘ The inclusion of gender considerations in research programing and analysis.
- ⌘ The tailoring of support to different countries to best match their needs, resources, and aspirations.
- ⌘ An emphasis on fostering collaborative partnerships between Southern and Canadian institutions.
- ⌘ A concentration on establishing partnerships with other donors that exploit our comparative strengths.
- ⌘ A commitment to encouraging connected communities of researchers, embodied in IDRC's program initiative structure.
- ⌘ An accent on assisting researchers to access and distribute information themselves.
- ⌘ The maintenance of a field presence in the four main developing regions.
- ⌘ A continuing improvement of its operational efficiency so as to maximize support for research in developing countries.
- ⌘ The promotion of evaluation as a planning, learning, and management tool.
- ⌘ An effort to ensure the impact of research by bringing it to the attention of policy- and decision-makers at all levels.

The Programing Structure

The driving force of IDRC's programing are staff teams, composed of a variety of specialists, organized into multidisciplinary *program initiatives*.

Through international secretariats, IDRC also brings donors together to pursue common goals through a long-term research agenda. The six *secretariats* now hosted by IDRC are able to undertake research that is more ambitious than the Centre (or any single donor) would be able to support on its own.

IDRC has also developed several large *corporate projects*, which respond to special needs or opportunities that fall outside the Centre's conventional funding framework. A number of these projects are listed below.

PROGRAM AREAS

**Environment
and Natural
Resource
Management**

**Information and
Communication
Technologies
for Development**

**Social and
Economic Equity**

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Program Initiatives

Cities Feeding People

Acacia: Communities and the
Information Society in Africa

Micro Impacts of Macroeconomic
and Adjustment Policies

Ecosystem Approaches
to Human Health

Pan Asia Networking

Peacebuilding and Reconstruction

Managing Natural Resources
(Africa and the Middle East)

Trade, Employment, and
Competitiveness

Managing Natural Resources
(Asia)

Managing Natural Resources
(Latin America and the Caribbean)

Sustainable Use of Biodiversity

Secretariats

Environmental Management
Secretariat

Bellonet International
Secretariat

Economy and Environment
Program for Southeast Asia

International Model Forest
Network Secretariat

Research for International
Tobacco Control

Secretariat for Institutional Support
for Economic Research in Africa

Cross-cutting Research

Gender

Research on Knowledge Systems

IDRC also supports a number of large special projects. Other donors, including the Canadian International Development Agency (CIDA), cofund many of them. They include the following:

- ✚ African Economic Research Consortium
- ✚ Asia Development Research Forum
- ✚ Expert and Advisory Services Fund, Middle East (cofunded by CIDA)
- ✚ EcoPlata: Managing the Uruguayan Coastal Zone
- ✚ Governance, Equity, and Health
- ✚ International Network for Bamboo and Rattan
- ✚ Mining Policy Research Initiative, Latin America
- ✚ Environmental Management Development in the Ukraine (cofunded by CIDA)
- ✚ Peru Consortium for Economic and Social Research (cofunded by CIDA)
- ✚ Small and Medium Enterprise Policy Development, Middle East (cofunded by CIDA)
- ✚ Tanzania Essential Health Interventions Program

Program Support

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

- ✚ *Canadian partnerships*: IDRC fosters alliances and knowledge-sharing between scientific, academic, and development communities in Canada and the South.
- ✚ *Training and awards*: IDRC is committed to the personal and professional development of young Canadians, as well as developing-country scholars. Through its grants and awards program, the Centre supports academic study and offers opportunities for hands-on experience.
- ✚ *Partnerships and business development*: IDRC experiments with a range of options for partnerships and resource expansion to expand the flow of resources to researchers in developing countries.
- ✚ *Evaluation and learning*: The Centre develops evaluation methods and tools, and works to help its partners in the South acquire the knowledge and capacity to conduct their own evaluations.
- ✚ *Research information*: Through our databases, researchers can tap into development research results and current research dialogues. IDRC's information specialists offer efficient access to research information and intellectual support.
- ✚ *Communications*: Public events and publications — in print and electronic formats — present and disseminate Centre activities to a wide range of audiences, as does our extensive Web site: www.idrc.ca.

Accountability and Governance

IDRC is a Canadian Crown corporation and is bound by the general financial rules set out in the Financial Administration Act. However, IDRC is exempt from the Act's specific rules governing Crown corporations, as are eight other Crown corporations covered by separate acts, such as the Bank of Canada and the Canadian Broadcasting Corporation. The Centre is audited annually by the Office of the Auditor General and is accountable to the Parliament of Canada.

A 21-member international Board of Governors, including the President, directs the Centre's operations: 11 of these governors must be Canadian citizens. By tradition, the remaining 10 come from developing and other OECD countries. At least 11 of the governors must also have experience in international development or training in natural, social, or technological sciences.

Financing

The Canadian Parliament provides IDRC with an annual appropriation, which is the Centre's main source of revenue. In addition, the IDRC Act allows the Centre to seek external funding. In 2001–2002, 33% of IDRC's resources were derived from financial partnerships with other bilateral and multilateral donors, the most significant of which is CIDA.



IDRC: P. Bennett

STATISTICAL SNAPSHOT: 2001–2002

Regional offices 6

Staff (*full-time equivalents*)

At headquarters	213
In regional offices	101

Program activity

New research projects approved	128
Research projects completed	198

Active projects by area under study and program area (*as of 31 March 2002*)

Area under study	Special corporate projects	Program complement projects	Environment and Natural Resource Management	Information and Communication Technologies for Development	Social and Economic Equity	Total
Asia	3	26	44	17	26	116
Eastern Europe	1	0	0	0	0	1
Latin America and the Caribbean	7	14	55	17	31	124
Middle East and North Africa	4	6	27	0	23	60
Sub-Saharan Africa	16	50	92	85	62	305
Multiregional	2	3	8	1	3	17
Global	27	31	36	8	36	138
Other	3	8	2	0	0	13
Total	63	138	264	128	181	774



IDRC: D. Barbour

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IDRC Web pages viewed	11.3 million
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Books published

Environment and Natural Resource Management	13
Information and Communication Technologies for Development	2
Social and Economic Equity	13
Other	3

Awards

IDRC Doctoral Research Awards	13
Centre Internship Awards	16
Ecosystem Approaches to Human Health Awards	6
Agropolis International Graduate Research Awards in Urban Agriculture	6
John G. Bene Fellowship in Community Forestry: Trees and People	1
The Bentley Fellowship	2
Journalism Award	1
Professional Development Awards	4
Individual Award	1

THE YEAR IN REVIEW

PROGRAM HIGHLIGHTS

"Smart school" gets top marks

The remote highland community of Bario in northern Sarawak has, until recently, been virtually isolated from the modern world. That is changing rapidly, thanks in part to a project carried out by the Universiti Malaysia Sarawak, with IDRC support. The project established a community telecentre and a Smart School, the only one to be set up in a rural area of Sarawak under the Government of Malaysia's program to provide information and communication technologies (ICTs) to schools throughout the country. Because of the close collaboration with the project team, the community has been mobilized to apply ICTs to implement their own development agenda. This project, which received one of the Top Seven Intelligent Communities of 2001 awards from the World Teleport Association, also won the Society of Satellite Professionals International Industry Innovators Award for Systems Development and Applications in early 2002. www.panasia.org.sg/grants/awards



R. Harris

Showcasing sustainable development

IDRC has partnered with the United Nations Development Programme (UNDP), the UN Foundation, and Environment Canada, among others, to showcase successful and innovative partnerships in sustainable development. The Equator Initiative supports the Convention on Biodiversity and the World Summit on Sustainable Development (WSSD), to be held in Johannesburg, South Africa, in August 2002. The Initiative seeks to promote a worldwide movement to reduce poverty and conserve biodiversity by recognizing local achievements, fostering South-South capacity building, and contributing to the generation and sharing of knowledge. www.undp.org/equatorinitiative

A decade for traditional medicine

In July, in Lusaka, Zambia, the 37th Summit of the Organization of African Unity (OAU) declared 2001-2010 to be the "Decade for African Traditional Medicine." The declaration is the result of an awareness campaign led by a number of researchers — many of them involved in IDRC-supported projects — and coordinated by François Gasengayire of IDRC's office in Nairobi. African populations depend largely on medicinal plants for health care. www.idrc.ca/media/commplants_e2.html

IDRC: P. Bennett



Since 1990, IDRC has supported close to 80 research activities directly related to medicinal plants in developing countries. For example, in March 2002, MEDPLANT — the Global Information Network on Medicinal Plants — launched its new interactive Web site, with IDRC support and the technical assistance of Bellanet. The site links seven regional networks in 7 countries and 65 members from more than 20 countries. source.bellanet.org/medplant

From research to policy in Mercosur

On July 5, the President of the House of Representatives of Uruguay convened a symposium on Mercosur. The Uruguayan members of the Mercosur Network, sponsored by IDRC's Trade, Employment, and Competitiveness program initiative, were invited to summarize the results of their research. The event was cosponsored by the Organization of American States (OAS) and attended by members of the Legislature, their aides, representatives of international organizations, and the media. The event was another step in the Mercosur Network's thrust to establish a privileged working relationship with the bloc's alternating Presidency. www.parlamento.gub.uy/PL/primer.asp

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Women's cooperative wins award

The Amal Cooperative of Tamanar, Morocco, won the international Slow Food Award for Biodiversity 2001. The Cooperative was selected for its outstanding work in producing and commercializing argan oil in Morocco, while protecting the argan forest. Dr Zoubida Charrouf, professor at Mohammed V University and leader of an IDRC-funded research project that helped launch the Cooperative, said: "This award is particularly important to us because it represents international recognition of the work of local women." www.idrc.ca/media/arganoil_e.html



IDRC: C. Schryer

New coalition for health research

In a first-ever collaborative effort, the Canadian International Development Agency (CIDA), Health Canada, the Canadian Institutes of Health Research, and IDRC launched the Canadian Coalition for Global Health Research in November. The Coalition aims to facilitate and encourage more research on this important topic in Canada. www.idrc.ca/media/ghr_e.html

Partnership for sustainable cities

In late fall, the first steps were taken to partner with the Italian Ministry of Foreign Affairs and the International Labour Organization's Univeristas program for an Urban Network for Local Sustainable Development in Latin America and

the Caribbean (e-Cities Network LAC), proposed by the Environmental Management Secretariat. A planning workshop, jointly hosted by IDRC and York University, took place in Ottawa on 30 November.

The Russian tobacco wars



Tobacco use is an alarming and growing public health problem in Russia. To help bring Canada's tobacco control experiences to Russian-speaking audiences in Central and Eastern Europe last May, the Russian Public Health Association launched the Russian edition of *Smoke and Mirrors: The Canadian Tobacco War*. Published in association with CIDA, IDRC, and the Canadian Public Health Association, the book was launched

at an event surrounding World No Tobacco Day. The English edition was published by IDRC in 1996. CIDA funded the book's translation.
www.idrc.ca/reports/read_news.cfm?article_num=976



IDRC: D. Marchand

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Information pyramid on water management

In March 2002, IDRC launched the first volume of its new collection, *In_Focus: From Research to Policy. Water: Local-level Management*, synthesizes IDRC research in this field and offers practical recommendations for policy and for research. Launched at an international policy workshop on water management, the book is a tangible gateway to a virtual pyramid of information on the topic posted on IDRC's Web site. www.idrc.ca/water



IDRC: N. McKee

Improving health and environment

A new partnership between IDRC and the UN Foundation will lead to US \$750 000 investment in health and ecosystem research in developing countries. The funds will help countries address the many challenges they face by training specialists, developing policies, and fostering networks between researchers. Regions targeted include West and North Africa, the Middle East, Central America, and the Caribbean. www.idrc.ca/media/health_0202_e.html

INSTITUTIONAL HIGHLIGHTS



New institute housed at IDRC

At the Summit of the Americas, held in Québec in April 2001, Prime Minister Jean Chrétien announced the creation of the Institute for Connectivity in the Americas (ICA) as Canada's contribution to the common goals supported by hemispheric leaders. It builds on the success and experience of the Connecting Canadians Strategy and Canada's international development and information and communications technology (ICT) programs. Considering

IDRC's experience in addressing ICT access and human development issues, it was decided that the new ICA would be located at IDRC. ICA's mandate is "to support the Summit themes of strengthening democracy, creating prosperity, and realizing human potential through the use of information and communication technology." Institute partners are CIDA, the Department of Foreign Affairs and International Trade, Industry Canada, and IDRC. ICAmericas.net

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Team leader recognized

On 26 April 2001, Jean Lebel, Team Leader for the Ecosystem Approaches to Human Health program initiative, was one of seven graduates of the Université du Québec à Montréal (UQAM) to be awarded the institution's first Prix Reconnaissance UQAM. The prize recognizes exceptional contributions by alumni. As noted in the press release, Dr Lebel "has performed pioneering work in helping developing countries to preserve the balance of their ecosystems and to protect the health of their citizens." www.idrc.ca/media/reconnlebel_e.html

IDRC governors on the go

Every year, members of IDRC's Board of Governors, accompanied by IDRC President Maureen O'Neil, travel to regions where the Centre works to learn about activities in the field and meet local partners. This past year, governors traveled to Ecuador, Guatemala, Senegal, and the Gambia.

Library open for e-business

The Norman Paterson School of International Affairs (NPSIA) at Carleton University in Ottawa benefited from the closure of IDRC's circulating library: 2 400 books were donated to NPSIA in April 2001. The remainder of the collection has gone to the National Library of Canada for redistribution to libraries across the country. The trimmer IDRC library continues to serve staff and the public through its journal and reference collection and an expanded electronic collection. www.idrc.ca/library

CIDA-IDRC collaboration

To further the fruitful collaboration between the two institutions, IDRC's Senior Management Committee hosted a meeting with CIDA's Executive Committee on 17 October. On the agenda were updates on CIDA and IDRC strategies and programing, a discussion on improving partnerships, and an overview of the prospects for official development assistance and special initiatives, such a Canada's G8 presidency in 2002 and the response to the New Partnership for Africa's Development. This was the second such high-level meeting between the two organizations.

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IDRC: P. Bennett



CIDA: B. Atkinson

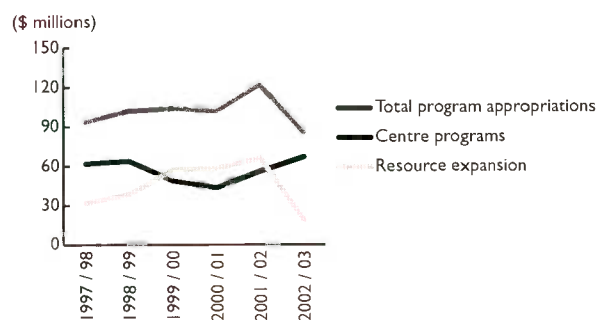
FINANCIAL HIGHLIGHTS

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Appropriations for Development Research

In fiscal year 2001/02, IDRC was able to allocate more resources to development research programs because of an increase in its Parliamentary appropriation and the positive impact of a number of restructuring initiatives that were implemented during the year. The expected decline in the level of resource-expansion activities in 2002/03 is due to the graduation of the Micronutrient Initiative into an independent legal entity.

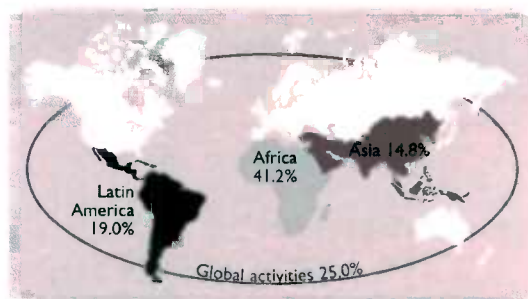
Figure 1.
Program appropriations,
1997/98–2002/03.



Geographical Distribution of Appropriations

In accordance with IDRC's Corporate Program and Strategic Framework (CSPF) for 2000–2005, Africa received the majority of IDRC's support in 2001/02. The geographical distribution of the Centre's program appropriations is presented in Figure 2.

Figure 2.
Geographical
distribution of
program
appropriations,
2001/02.

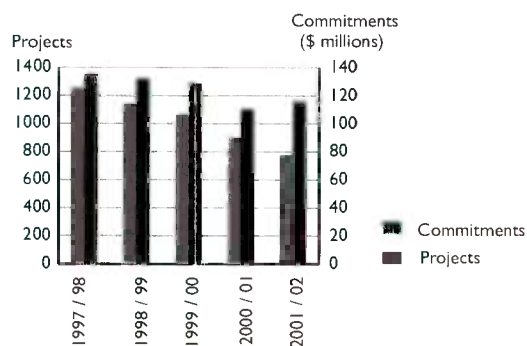


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Project Portfolio and Outstanding Commitments

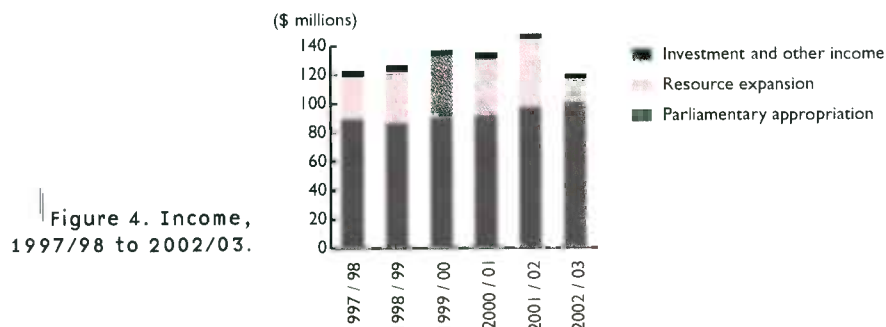
Figure 3 illustrates the number of projects administered by IDRC for the last 5 years. Although the number of projects and the outstanding commitment value have been decreasing over time, this year's outstanding commitments have increased. This is because the Micronutrient Initiative remained a secretariat of IDRC during 2001/02. This secretariat is expected to graduate into an independent entity during fiscal year 2002/03.

Figure 3.
Project portfolio and
commitment levels,
1997/98 to 2001/02.



Sources of Revenue

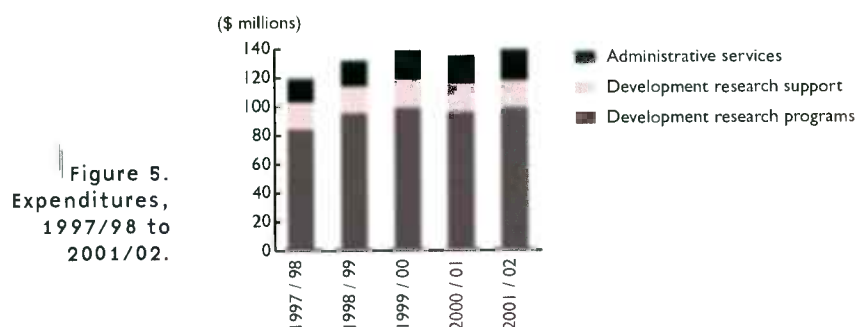
IDRC derives its revenue from three main sources: Parliamentary appropriations, resource-expansion activities, and investment and other income. For fiscal year 2001/02, revenues totaled \$148.3 million, with 66% coming from the Parliamentary appropriation. Figure 4 details the Centre's main sources of income for the last 5 years and projected income for 2002/03.

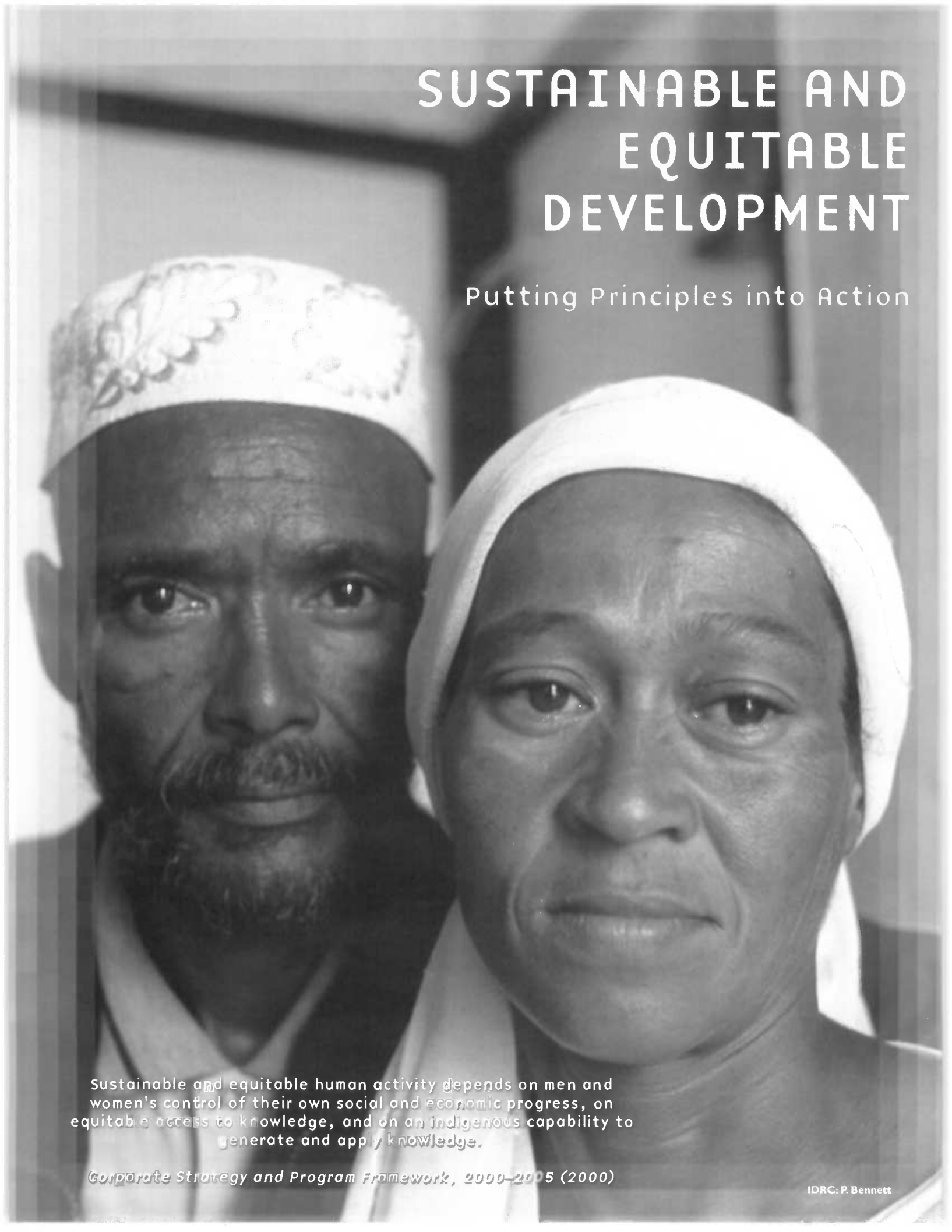


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Expenditures

The allocation of expenditures by category is depicted in Figure 5. The midlayer of development research support costs, which represents 14% of total expenditures, provides the Centre with its distinguishing feature of program delivery. In similar organizations, this cost is typically embedded in development research program expenditures, since this function is frequently contracted out. At 15% of total expenditures, administrative services costs are comparable with other donor agencies.





SUSTAINABLE AND EQUITABLE DEVELOPMENT

Putting Principles into Action

Sustainable and equitable human activity depends on men and women's control of their own social and economic progress, on equitable access to knowledge, and on an indigenous capability to generate and apply knowledge.

Corporate Strategy and Program Framework, 2000-2005 (2000)

IDRC: P. Bennett

PRESIDENT'S MESSAGE

EQUITY — THE LASTING MESSAGE FROM RIO



The United Nations Conference on Environment and Development (UNCED) — the Earth Summit, held in Rio de Janeiro in 1992 — reaffirmed the plain truth that human well-being and healthy ecosystems are inextricably linked. The Rio Declaration and Agenda 21, along with the Statement of Forest Principles, focus on equity and popular participation as essential elements in balancing human development with environmental protection. The Rio Declaration properly put human beings “at the centre of concerns for sustainable development.”

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In fact, UNCED's concern with equity was emphasized throughout its proceedings. The Declaration itself asserted “the goal of establishing a new and equitable global partnership,” and declared as a matter of principle: “The special situation and needs of developing countries, particularly the least developed and those most environmentally vulnerable, shall be given special priority.”

This was the lasting message from Rio: the obligation to place equity at the core of any true definition of sustainable development. In the past 10 years, we have learned that development is not sustainable if it is not equitable, and certainly not equitable if not sustainable.

These same truths have informed IDRC's own approaches. Now, more than ever, the Centre collaborates in development research that is both multidisciplinary and policy-relevant. Our programs, by design and execution, reach across specialties to discover and exploit new knowledge and applications. They are all intended to answer questions that challenge societies in their quest to achieve sustainable and equitable development.

Social Innovation, Key to Sustainable Development

The World Summit on Sustainable Development, scheduled for August 2002 in Johannesburg, will undoubtedly raise more questions on how best to conserve the globe's resources for current and future generations. Achieving true social and equitable development remains a huge challenge: it requires new knowledge and applications, new ideas and policies, and new perspectives and relationships. This application of new knowledge, drawing on new ideas, can be summed up in one phrase: social innovation.

Social innovation provides the context for hundreds of research projects supported by IDRC and carried out by our partners around the world. Social innovation encompasses far more than technical ingenuity: it also includes policy innovations — new ways of informing public thought, eliciting public preferences, and making public choices.

Social innovation means engaging people in the processes of defining how public policy is developed. And it means gathering those affected by any decision, especially the disadvantaged and marginalized, into the conversation. It is in this process of informed debate that research finds its particular role. If development is to prove both sustainable and equitable, then research must attend to the specific circumstances of poor people, in their own communities.

Relevant Knowledge, Good Governance

Social innovation for development imposes two imperatives. First, it calls for timely, pertinent, and reliable knowledge. Second, it requires creating and maintaining good governance. Where governance is recognizably transparent, participatory, and responsible, it is much more likely to generate productive, fair, and enduring policy.

Satisfying these dual imperatives — relevant knowledge, good governing processes — will challenge even the settled, wealthy democracies. Rich countries, no less than poor, need to search out ways of informing citizens about the choices they face, ways of resolving discord, ways of changing how people understand the impact of their choices on our physical environment.

The pages that follow provide many examples from Asia, Africa, Latin America, and the Middle East of technological innovation, new forms of institutions and partnerships, and social, political, and attitudinal change — social innovation. They demonstrate how such innovations as strengthening local capacity for economic analysis of environmental problems can inform policy; how considering the health of the environment and of populations together can improve both; how looking to the relationships between communities and their ecosystems and fostering shared management can benefit people, protect resources, and manage conflicts over their use.

Above all, these examples demonstrate how social innovation can advance sustainable and equitable development. And if this research is usually conceived in part to explain the environmental and human implications of policy and action, fundamentally, it represents attempts to develop methods of governing that are better informed, fairer, more open, and more effective.

Whether the result is incremental changes in practice or large-scale changes in policy, in rich and poor countries alike, this social innovation can help people to achieve, as it was said in the Rio Declaration, “a healthy and productive life in harmony with nature.” That is a purpose as urgent and compelling now as it was 10 years ago.

Maureen O’Neil

President

A DECADE OF EFFORTS



IDRC: M. Hibler

IDRC AND SUSTAINABLE AND EQUITABLE DEVELOPMENT

In June 1992, at the United Nations Conference on Environment and Development (UNCED) – the Earth Summit – in Rio de Janeiro, Canada designated IDRC as a lead organization in implementing Agenda 21, UNCED's global environmental action plan for governments and communities. The announcement recognized "the Centre's proven track record in supporting research in developing countries" and its unique contribution to development over the previous 20 years. It also offered the Centre a challenge well-matched to its own strengths and capabilities, particularly in the areas of research and capacity-building for development.

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Following the announcement, IDRC undertook to build on the Earth Summit's ideas. The result was a new program framework for 1993–1996 that ensured that all programs were to be oriented explicitly toward sustainable and equitable development. But as was noted in *IDRC, An Agenda 21 Organization*, published in 1992: "even though IDRC has been active in many of the key areas in Agenda 21, it will not, and should not, try to cover all of them."

IDRC's Priorities

While IDRC's program framework has gone through several iterations since 1993, most areas of work have evolved from priorities identified at UNCED. The Centre's programming for 2000–2005 concentrates support in three areas of enquiry, anchored in Agenda 21 priorities:

- ⊕ *Environment and Natural Resource Management*: The Centre focuses on meeting the needs of current and future generations by recognizing the importance of research that will help people protect the environment and manage natural resources.
- ⊕ *Information and Communication Technologies (ICTs) for Development*: Agenda 21 noted that many developing nations had "a general lack of capacity in many areas for the collection and assessment of data; for their transformation into useful information; and for their dissemination." IDRC programming for ICT development is based on the understanding that these technologies have enabling impacts on health, education, governance, employment, resource management, and enterprise.

- # *Social and Economic Equity*: Agenda 21 recognized that the “economic policies of individual countries and international economic relations both have great relevance to sustainable development.” The Centre supports research on trade policy, poverty alleviation, health, environmental economics, and tobacco control, among others.

These program areas define broad issues, not single disciplines. IDRC’s experience has shown that the components of complex issues like sustainable development cannot be isolated. Reducing poverty — the ultimate goal — also requires close attention to issues of governance and knowledge generation and application that support social innovation and change.

The Way Forward

In September 2002, representatives of governments, United Nations agencies, multilateral institutions, the private sector, and other major actors will meet in Johannesburg to review progress since UNCED and identify further actions and priorities. Regardless of the successes lauded or failures deplored at the World Summit on Sustainable Development, it is clear that IDRC has lived up to the mandate conferred upon it a decade ago.

The following pages provide a glimpse of the breadth of support that IDRC provides and the achievements of those — mostly in the South — who have received such support. The examples, grouped according to Agenda 21’s four sections, present only a tiny portion of the Centre’s contribution to research for sustainable and equitable development in the decade since Rio.

These examples represent a way forward as much as a look back. As stated in IDRC’s *Corporate Strategy and Program Framework, 2000–2005* (www.idrc.ca/cpf): “The cornerstone of the Centre’s work will be an ever stronger link to the aspirations and needs of the people in the developing countries of the world. Sustainable and equitable human activity depends on men and women’s control of their own social and economic progress, on equitable access to knowledge, and on an indigenous capability to generate and apply knowledge.”



IDRC: D. Sing



IDRC: P. Bennett

LOOKING BEYOND THE ENVIRONMENT

Social and Economic Dimensions (Agenda 21, Section 1)

For the billions around the world who live in poverty, sustainable development is defined as much by access to decent health care and adequate education, to proper nutrition and a reasonable livelihood, to political power and accountable representation, as by a healthy ecosystem. Implicit in sustainable development is the understanding that social, economic, and environmental factors are inextricably linked and cannot be dealt with effectively in a piecemeal fashion.

To deal with these issues effectively, Agenda 21 talks of the need for more holistic problem-solving and decision-making processes that include a broader public consultation. IDRC's more than 30 years of experience confirms that complex issues such as poverty are not readily reduced to component parts for study. IDRC's approach, therefore, is to help developing-country thinkers and communities determine the problem, then identify what knowledge and which scientific disciplines can best contribute to its solution. Drawing on a broad spectrum of scientific, technical, and indigenous expertise is the key to unraveling the convoluted links that underpin most development problems. In the process, the local capacity to undertake complex, multidimensional research and generate long-term, sustainable solutions is enhanced.

The examples that follow are practical demonstrations of this approach. In recent years, IDRC has emphasized linking the outcomes of research to policymaking processes to extend the benefits of the research we support to a greater number of people.

BROADENING THE BENEFITS OF TRADE

"Governments should continue to strive to ... promote an open, nondiscriminatory and equitable multilateral trading system that will enable all countries — in particular, the developing countries — to improve their economic structures and improve the standard of living of their populations through sustained economic development"

AGENDA 21: CHAPTER 2. INTERNATIONAL COOPERATION TO ACCELERATE
DEVELOPMENT IN DEVELOPING COUNTRIES AND RELATED DOMESTIC POLICIES (1992)

"IDRC will help developing countries deal with the effects of some of the instruments of globalization, notably the rules and codes of the World Trade Organization."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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Many developing countries lack the technical expertise and resources needed to analyze trade issues and develop good negotiating approaches. This lack of information can limit the range of issues and concerns raised by Southern negotiators.

To help Africans better define and articulate their perspectives on trade and economic issues, IDRC has provided long-term support to two economic think tanks: the African Economic Research Consortium (AERC) and the Trade and Industrial Policy Secretariat (TIPS).

When IDRC helped to establish AERC in 1983, African economists were largely left out of decision-making processes that affected their continent. The AERC set out to change this state of affairs by providing an African perspective on the structural adjustment policies of the International Monetary Fund and the World Bank. Today, the Nairobi-based AERC is a multidonor consortium that is the premier African research body in the field of economics. More than 700 students have graduated from its master's program. Its role in enhancing policy research, training, and policy dialogue in Africa continues to grow with the launch of a collaborative PhD program in economics.

www.aercafrica.org

TIPS was created in 1996 to help the post-apartheid government in South Africa reform its economy. Its main focus has been on trade policy, industrial strategy, and economic regulation. Working with the national government's Department of Trade and Industry, TIPS staff have helped policymakers develop a clearer framework for antidumping policy, and evaluate their own trade policy and a new competition bill. To enlarge the pool of researchers knowledgeable in trade and policy issues, TIPS also works outside government circles. Formerly a multidonor secretariat hosted by IDRC, TIPS became an independent organization this past year. www.tips.org.za



IDRC: P. Bennett

TACKLING POVERTY

"A specific antipoverty strategy is one of the conditions for ensuring sustainable development."

AGENDA 21: CHAPTER 3. COMBATTING POVERTY (1992)

"IDRC is pledged to the generation and use of knowledge in ways that alleviate poverty and improve people's lives."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

The Philippine province of Palawan, a narrow archipelago of 1 700 islands, is breathtakingly beautiful — and poor. In 1999, provincial officials turned to researchers at the Philippine Institute for Development Studies for help in determining the underlying causes of poverty. The approach recommended was a community-based poverty monitoring system (CBMS) that concentrates on poverty at the household level. Information collected gives details about local problems and needs, and allows officials to better tailor their interventions to meet those needs. It also enables them to gauge the effectiveness of programs and projects. Poverty monitoring is at the core of IDRC's Micro Impacts of Macroeconomic and Adjustment Policies (MIMAP) program initiative.

An important aspect of the Palawan study, says Celia M. Reyes, MIMAP-Philippines Team Leader, is the use of geographic information systems (GIS) to produce maps that allow planners to compare villages and municipalities. Using the data gathered through the CBMS and spatial analysis of indicators through GIS, for instance, the Provincial Planning and Development Office published Palawan's first *Human Development Report* in 2001. Palawan has now adopted CBMS as part of its annual planning exercise.

The challenge for MIMAP is to share this experience with other provinces. That process appears to be gathering momentum: Dr Reyes is now assisting the National Anti-Poverty Commission and the Department of Interior and Local Government to adapt and replicate CBMS throughout the Philippines.

Globally, MIMAP has grown into a network covering 12 countries in Asia and Africa. MIMAP's poverty-monitoring teams met, for the first time, in Rabat, Morocco in January 2002 to share insights and experiences. www.mimap.org



IDRC: D. Mowbray

IMPROVE THE ENVIRONMENT, IMPROVE HUMAN HEALTH

"Health ultimately depends on the ability to manage successfully the interaction between the physical, spiritual, biological and economic/social environment."

AGENDA 21: CHAPTER 6. PROTECTING AND PROMOTING HUMAN HEALTH CONDITIONS
(1992)

"IDRC will support research to help developing countries deliver public services, namely health and education, in ways that are more effective, equitable, and financially sustainable."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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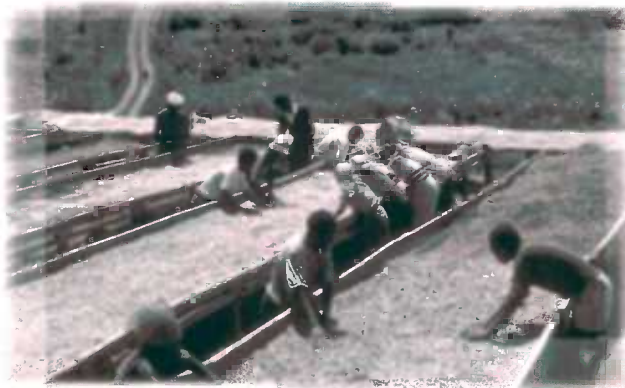
For most of its history, the town of Buyo has been an isolated backwater in the humid equatorial forests of southwestern Côte d'Ivoire. In the late 1960s, the national government initiated a development scheme to tap the region's fertile soils. But it wasn't until the 1980s when a hydroelectric dam was built on the Sassandra River at Buyo that development took off.

Buyo's economic development has dramatically changed the way people interact with their surrounding environment. As the forest cover has thinned, rainfall has dropped and biodiversity has dwindled. The heavy use and misuse of fertilizers and pesticides has polluted Lake Buyo and its surrounding watershed. The lack of sanitation and waste disposal facilities has further compromised water quality. Water-borne diseases and respiratory ailments are on the rise.

To curb the mounting health problems, Ivorian researchers have adopted an "ecosystem approach to human health." The idea is to find ways of managing the local environment to improve its health and the health of the people who live in it. IDRC has played a leading role in promoting ecosystem approaches to human health.

In Buyo, local people are working in close collaboration with a team of experts from the health, social, and natural sciences to define priorities and establish a research agenda. Researchers will also examine the differing health effects of resource use on men, women, and children.

Once the analysis is completed, the community will have a clearer picture of the factors affecting their health. They can then make informed decisions about how best to protect themselves and their environment. www.idrc.ca/ecohealth



IDRC: N. McKee

CITIES FEEDING PEOPLE

"The overall human settlement objective is to improve the social, economic and environmental quality of human settlements and the living and working environments of all people, in particular the urban and rural poor."

AGENDA 21: CHAPTER 7. PROMOTING SUSTAINABLE HUMAN SETTLEMENT DEVELOPMENT (1992)

"Other research interests include land degradation, soil productivity, urban agriculture, community resource management, and the preservation of biodiversity."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)



IDRC: P. Bennett

In Amman, Jordan, gardens are sprouting in the most unlikely places. In a densely populated Palestinian refugee camp, fruit, vegetables, and herbs grow between tightly packed concrete houses. Across town in a more upscale neighbourhood, one family has transformed a plot outside its apartment building into a mini-farm. While such practices have been common in Latin America and Africa for decades, urban agriculture within a bustling Middle Eastern city is a relative rarity. Amman, home to 31 percent of the country's population, is one of the first to embrace urban agriculture: about one in six households cultivates gardens and raises livestock.

With support from IDRC, the Jordan Department of Statistics conducted a multifaceted survey — the first of its kind in Jordan — to determine the extent of urban agriculture and identify main bottlenecks in the way of its development. The project surveyed 1 350 households in Amman and estimated that 50 000 households — rich and poor — practice urban agriculture, devoting as much as 15 percent of their land to gardens.

The survey was designed to influence government policies to strengthen urban agriculture, recognizing that growing food in the city may help ensure food security in water scarce, rapidly urbanizing Middle Eastern countries. Urban farming can also provide nutritious, affordable food for the poor. Initial recommendations propose that policies be developed to govern pesticide and fertilizer use, to develop standards for safely reusing gray water from showers, kitchens, and laundry facilities, and to provide credit to urban farmers.

www.idrc.ca/cfp

Joint Ventures

IDRC believes that one of the most effective ways to achieve change is through collaboration. Research networks, by definition collaborative ventures, have long been a hallmark of the Centre's approach to development. But following UNCED, IDRC established a new mechanism for joint action — the international secretariat. Secretariats are multidonor research consortia that provide the financial and administrative infrastructure needed to undertake a long-term research agenda on one particular issue. While they are housed at IDRC, secretariats each have steering committees that guide their operations and research directions.

IDRC, in partnership with other donors, has helped create several secretariats to respond to challenges outlined in Agenda 21. The Bellanet International Secretariat grew out of a renewed commitment at the Earth Summit to collaborative approaches to development and a growing awareness of the potential of information and communication technologies (ICTs) to improve international cooperation. Since its inception in 1995, Bellanet has been actively pursuing its mission of helping the international development community to work together more effectively, particularly through the use of ICTs. Bellanet delivers a range of services to enhance collaboration among its partners, including training, developing tools to make it easier to share information, and promoting organizational learning. Through such support, Bellanet aims to help reduce duplication of donor efforts and increase the impact of development investments.

Bellanet is one of six secretariats currently hosted by IDRC.
www.bellanet.org





IDRC: P. Bennett

BALANCING USE AND CONSERVATION

Conservation and Management of Resources for Development (Agenda 21, Section 2)

Principle 4 of the Rio Declaration on Environment and Development states: "In order to achieve sustainable development, environmental protection shall constitute an integral part of the development process and cannot be considered in isolation from it." Simple words perhaps, but not so simple a task. One of the key challenges of sustainable development — and a reason why it is so difficult to achieve — is that so many interrelated, complex factors need to be taken into account. "Environmental protection" itself means preserving and defending. But it also implies supervision, conservation, and good management.

It's a daunting challenge, but one IDRC had accepted from its inception, and remains committed to. For instance, it is the sole focus of one of its three program areas — Environment and Natural Resource Management. It is also a thread linking many other IDRC activities, from research to improve the health of populations to combatting poverty.

The examples that follow show how, in keeping with the complexity of the challenge, IDRC applies a multidisciplinary approach and employs a variety of ways of doing and supporting research. The goal: to find the elusive win-win solutions where knowledge, technology, and policy can help to solve, or at least ameliorate environmental problems, while providing populations with equitable access to the resources they need.

IMPROVING LIFE ON THE EDGE

"The priority in combating desertification should be the implementation of preventive measures ... In combating desertification and drought, the participation of local communities, rural organizations, national Governments, non-governmental organizations and international and regional organizations is essential."

AGENDA 21: CHAPTER 12. MANAGING FRAGILE ECOSYSTEMS: COMBATTING DESERTIFICATION AND DROUGHT (1992)

"IDRC will continue to support research on local water-demand management and on the fair and equitable use of shared resources. Other research interests include land degradation, soil productivity ... strategies for coping with the effects of climate change"

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000-2005 (2000)

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"Turning adversity into opportunity" is the slogan of the Desert Margins Program, a major collaborative initiative developed by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), headquartered in Andhra Pradesh, India, and funded by IDRC and a consortium of other donors. The adversity: desertification, acknowledged as a major problem at the Earth Summit. More than 120 countries are now signatories to the United Nations Convention to Combat Desertification, which came into force late in 1996. The opportunity? To develop sustainable land and natural resource management practices for the desert margins of sub-Saharan Africa, those lands with barely enough rainfall to support natural vegetation, let alone grow crops. The ultimate goal is to increase food security and reduce poverty by halting or reversing desert encroachment.



IDRC: N. McKee

From the start, the program — through which multidisciplinary teams of scientists work on targeted issues in close association with national, regional, and international programs, nongovernmental organizations (NGOs), and local communities — has blended natural sciences and socioeconomic research. It has also tapped the deep pool of knowledge held by farmers and nomads who, over millennia, have fine-tuned their survival to the vagaries of these lands. IDRC supported national activities in three of the nine participating countries: Botswana, Burkina Faso, and Kenya. One of the products from work with pastoralists in the deserts of northern Kenya is *Indigenous Knowledge: A Resource Kit for Sustainable Development Researchers in Dryland Africa* (www.idrc.ca/plaw/11e-IK.html), which outlines participatory methods of documenting indigenous knowledge. www.icrisat.org/text/partnerships/dmp/dmp.htm

HARBINGERS OF OVERUSE

"Hence, the proper management of mountain resources and socioeconomic development of the people deserve immediate attention."

AGENDA 21: CHAPTER 13. MANAGING FRAGILE ECOSYSTEMS: SUSTAINABLE MOUNTAIN DEVELOPMENT (1992)

"IDRC will support research to improve the lives of poor and marginalized groups living mainly in the uplands and coastal areas. Research will look at better ways to manage the fragile resource base"

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000-2005 (2000)

Mountains are the planet's "canary in the coal mine," says Dr Hans Schreier of the Institute for Resources and Environment (IRE) at the University of British Columbia: what happens in the mountains is an early indication of what's in store for the entire planet. This is particularly true for water, which most often originates in the mountains. Land use activities and climate change in the highlands can also affect large populations in the lowlands. This is certainly the case for the Hindu Kush-Himalaya watershed: more than 10 years of research has shown that land use in the Jhikhu River valley in Nepal is among the most intensive in the world.

Led by the International Centre for Integrated Mountain Development (ICIMOD) (www.icimod.org), with funding from the Swiss Agency for Development and Cooperation and IDRC support, the study showed that the pressure on natural resources can be reduced — and livelihoods improved —

with the introduction of low cost irrigation, water-harvesting techniques, and improved soil fertility management. Native nitrogen-fixing fodder trees have proven successful in stabilizing and improving degraded lands and reducing soil erosion. Considerable success has also been achieved in improving drinking water supplies and creating awareness of the health hazards associated with the excessive use of pesticides. The research is continuing to test strategies for community and farm-based prevention and rehabilitation.

www.idrc.ca/media/MountainSculptors_e.html

This project is one of eight IDRC-sponsored watershed studies — four in the Himalayas and four in the Andes — participating in a comparative project, which made extensive use of research collaboration via the Internet. In early 2002, IRE produced a hypermedia CD-ROM for each watershed, in addition to a comparative CD-ROM: a fitting contribution to the International Year of the Mountains. Developed in collaboration with national teams and with IDRC support, the CD-ROMs will improve links between the researchers and facilitate distance learning.

www.ire.ubc.ca/y2k/ire/html/home.htm



IDRC: P. Bennett

SEEDING SOLUTIONS

"Urgent and decisive action is needed to conserve and maintain genes, species and ecosystems, with a view to the sustainable management and use of biological resources."

AGENDA 21: CHAPTER 15. CONSERVATION OF BIOLOGICAL DIVERSITY (1992)

"IDRC will support research to protect local access and rights to biodiversity"

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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The Convention on Biological Diversity (CBD), signed at the Earth Summit in June 1992, recognized the rich value of living organisms. It also underscored that human survival and development depend upon maintaining and preserving biodiversity on the planet. It was thus fitting that, almost 10 years later, in November 2001, IDRC launched the second publication of the Crucible Group at the Seventh Meeting of the Subsidiary Body on Scientific, Technical and Technological Advice of the CBD in Montreal. *Seeding Solutions, Volume 2: Options for National Laws Governing Control Over Genetic Resources and Biological Innovations* (www.idrc.ca/booktique) was the culmination of years of discussion and debate by a wide range of individuals from more than 20 countries who shared a common concern for the conservation and enhancement of plant genetic resources.

Crucible Group II – a large multidisciplinary, multinational forum of people convened in 1998 – undertook to identify and critically assess the range of practical legal policy options open to national policymakers in the areas of domestic access to genetic resources and intellectual property laws. The Crucible process itself was important: it established that valuable consensus is possible, even in a group representing radically diverse perspectives. A wide range of organizations, including IDRC, supported the Crucible Group.
www.idrc.ca/media/seeding_e.html

Work is continuing to help countries in the South acquire the analytical and technical capacity to formulate national laws on genetic resources. This is particularly urgent as less developed countries are required by the World Trade Organization's Trade Related Intellectual Property Systems to formulate national laws by the end of 2005. IDRC and the International Plant Genetic Resources Institute (IPGRI) are supporting the establishment of the Genetic Resource Policy Initiative (GRPI), to be launched in mid-2002. A collaborative multidonor organization based at IPGRI in Rome, GRPI will institutionalize the work of the Crucible Group into a more independent, longer term initiative.



IDRC: M. Wassim

MEETING WATER DEMAND

"The widespread scarcity, gradual destruction and aggravated pollution of freshwater resources in many world regions ... demand integrated water resources planning and management."

AGENDA 21: CHAPTER 18. PROTECTION OF THE QUALITY AND SUPPLY OF FRESHWATER RESOURCES: APPLICATION OF INTEGRATED APPROACHES TO THE DEVELOPMENT, MANAGEMENT, AND USES OF WATER RESOURCES (1992)

"IDRC will support research on water management in North Africa and the Middle East."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)



IDRC: P. Bennett

Eglal Rached, Director of IDRC's Regional Office for the Middle East and North Africa, writes that "There is a sad irony to the paradox that while the Middle East and North Africa is the most water-scarce area in the world, most of its people work in agriculture — the single heaviest consumer of fresh water on the globe."

Balancing demand and supply in the region will only become more difficult and costly — economically and environmentally — unless conventional supply-oriented approaches are replaced with demand management. This means reducing waste and making every drop serve more purposes, more efficiently. That's the conclusion reached by three decades of IDRC-supported water research around the globe. www.idrc.ca/water

This approach is also the thrust of the Centre-supported Water Demand Management Forum (WDMF), based in Cairo, Egypt. The forum's goals are to increase awareness of decision-makers to water demand management options

and promote feasible alternatives to expensive supply options. It also facilitates networking among decision-makers, researchers, donors, and other development practitioners. The WDMF is currently documenting successful examples of activities in four main areas: wastewater reuse and management; water valuation; public-private partnerships; and decentralized water management. The goal is to help decision-makers formulate appropriate water demand management policies and programs.

Networking and communication through the forum are extensive. For example, in March 2002, 128 participants from eight countries of the Middle East and North Africa attended a Forum on Wastewater Reuse in Rabat, Morocco, cosponsored by IDRC, CIDA, the United Nations Development Programme's Special Unit for Technical Cooperation among Developing Countries, and the United States Agency for International Development. A second forum, on water valuation, will be held in Lebanon at the end of June 2002. www.idrc.ca/waterdemand

Working Models of Sustainable Development

Building on Canada's pioneering Model Forest Network, Canada launched the International Model Forest Program at the Earth Summit. Following a 3-year start-up phase at the Canadian Forest Service of Natural Resources Canada, the International Model Forest Network Secretariat (IMFNS) moved to IDRC. It has since grown from an initial 3 sites in 2 countries outside Canada to 19 sites either established or under development in 11 countries. www.idrc.ca/imfn

At the heart of model forests are people's relationships with the forest ecosystem. The model forests' trademarks include working on a large scale, with local partners, to define sustainability in locally relevant terms. Specific actions are then taken collaboratively to improve forest resource planning and management. In Chile, for example, various groups disputed and overexploited the resources of the Chiloé archipelago, one of the most biodiverse areas in Latin America and home to many endangered species. When a model forest was established in 1998, a number of traditionally antagonistic groups collaborated, leading to an atmosphere of trust and better understanding of individual interests. Model forest partners also gained a better appreciation of the issues at stake when forest resources are being managed for multiple purposes — and for the benefit of current and future generations. The partnership has now supported some 50 community projects. www.idrc.ca/imfn/sites/latina-chile.html

Model forests have also been successful at engaging other institutions to support their work. For instance, the Global Environment Facility unit of the United Nations Development Programme is funding a large 4-year project on Chiloé island that promotes local participation in biodiversity conservation and sustainable resource management. And the Government of Japan has supported the UN Food and Agriculture Organization to lead in developing model forests in four Southeast Asian countries.



IDRC: D. Barbour

IDRC: P. Bennett



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PUTTING PEOPLE AT THE CENTRE

Strengthening the Role of Major Groups (Agenda 21, Section 3)

Sustainable and equitable development will not be achieved by just a few, working in isolation. It requires everyone's participation. And it must be forged in the real world where economic, social, and political factors converge with geography, climate, and other natural phenomenon.

The determining element between success and failure is people: researchers, decision-makers, policymakers. But more important, local people who best understand the dynamics of their environment, are best placed to influence them, and are most likely to work to create lasting change. After all, they have the most at stake. As Chapter 23 of Agenda 21 states: "Critical to the effective implementation of the objectives, policies, and mechanisms agreed to by governments in all programme areas of Agenda 21 will be the commitment and genuine involvement of all social groups."

From plant breeding to information and communication technologies, IDRC emphasizes a participatory approach to research — one that involves local people in defining problems and finding solutions. By bringing community members, men and women from all walks of life, into the research process, IDRC aims to forge genuine social partnerships for sustainable development.

BUSINESS E-TIPS FOR RURAL AFRICAN WOMEN

"To assess, review, revise and implement, where appropriate, curricula and other educational material, with a view to promoting the dissemination to both men and women of gender relevant knowledge"

AGENDA 21, CHAPTER 24: WOMEN IN SUSTAINABLE DEVELOPMENT (1992)

"Research must take into account the differing impact of change on the lives of men and women. Gender considerations are a key element in pursuing a goal of social and economic equity."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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"How can I make more money?" This is a question that poor, rural women in Nakaseke, Uganda had on their mind. They are finding the answer by using a computer.

In 1998, IDRC supported the establishment of a multipurpose community telecentre in Nakaseke — a place where people can go to use telephones or computers, access the Internet, or send email. It proved popular with the community, but not with rural women who thought of computers as a tool only for people with schooling.

www.idrc.ca/acacia/acacia_e.htm



IWTC

To bridge this digital divide, IDRC supported a project by the International Women's Tribune Centre to develop content relevant to women's needs. Through group discussions, the researchers learned that one of rural women's pressing problems was finding ways to generate additional income for themselves and their families. The tool that would provide this information had to be simple, and had to speak to them in their own language. The result was a CD-ROM, *Rural Women in Africa: Ideas for Earning Money*, featuring stories from other women in the region who had successfully started small businesses, as well as practical business information.

The "computer book," as the women call the CD-ROM, is narrated in Luganda, bypassing the need for reading skills. The program runs on basic computer systems and is very easy to use: sound, images, and drawings coach users on how to point and click their way through the program. It has proven so popular — and so relevant to the women's lives — that women now line-up at the telecentre to use the computers. As Anastasia, a 70-year-old farmer who was one of the first users explains: "The computer book shows us how to use what you have [to make money]." Moreover, the women have decided to form an association, the Nakaseke Women's Development Association, and are setting up a Web site to sell handicrafts over the Internet.

The CD-ROM, which has also been translated into English, was launched in October 2001. Other language versions are planned. www.iwtc.org

YOUTH TEST THE WATERS

"The involvement of today's youth in environment and development decision-making and in the implementation of programmes is critical to the long-term success of Agenda 21."

AGENDA 21: CHAPTER 25. CHILDREN AND YOUTH IN SUSTAINABLE DEVELOPMENT (1992)

"By supporting academic study and offering opportunities for hands-on experience, we are helping promote understanding of development issues with a new generation."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

In Mexico, students in the State of Morelos have provided farmers with the proof they need to lobby tanneries and authorities about pollution of the Cuautla and Ayala rivers, used for irrigation. Simple and inexpensive water-quality tests, performed by the students in collaboration with the Mexican Institute of Water Technology (IMTA), have shown that an upstream tannery and factory are indeed contaminating water. Based on the test results, students, IMTA scientists, and farmers are now lobbying the factories to improve their practices, and State authorities to enforce existing regulations.



IDRC: D. Mowbray

The Mexican students are one of more than 90 teams from schools in Canada, Africa, Asia, Latin America, and Europe who have learned how to use a series of simple and inexpensive water-quality tests to detect chemical and microbial pollution in local water samples. All are participating in AQUAtox 2000, a program launched by IDRC in 1998 to help school children understand the importance of protecting water resources in their communities and in the world.

The tests, which require only basic equipment and readily available supplies, were originally standardized and validated for use in the developing world by Watertox. This international network of water quality laboratories, also funded by IDRC, worked in close collaboration with scientists from Environment Canada. The tests comprise four bioassays — experiments that involve exposing small, living organisms (for example, lettuce seeds or onion bulbs) to water samples. The results are easily visible and unambiguous.

By providing people with the tools to measure water quality, AQUAtox is raising international awareness of the hazards of contaminated water, and enabling citizens to make more informed decisions about their health. IDRC is now working to extend the popular program's reach. For example, in September 2001, Environment Canada's Biosphere, in Montréal, officially became the coordinating body for all AQUAtox activities related to Canadian schools. www.idrc.ca/aquatox

STAKING A CLAIM IN CAMBODIA

"National and international efforts to implement environmentally sound and sustainable development should recognize, accommodate, promote and strengthen the role of indigenous people and their communities."

AGENDA 21: CHAPTER 26. STRENGTHENING THE ROLE OF INDIGENOUS PEOPLES (1992)

"IDRC will support research to improve the lives of poor and marginalized groups Research will look at better ways to manage the fragile resource base and to solve disputes over resource use."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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In the secluded forests of Ratanakiri province in northeast Cambodia, local indigenous peoples, known as Highlanders, have lived a traditional and sustainable lifestyle for centuries — relying on the forest for sources of food, fuel, medicine, building materials, and more. However, over the past 15 years, their livelihood — and the resources that support it — has come under threat as settlers, loggers, and entrepreneurs have started clearing the forest.

In 1997, IDRC, in collaboration with the Cambodia Area Rehabilitation and Regeneration Project funded by the United Nations Development Programme, supported a Cambodian research team that worked with Highlanders to map forest resources and document traditional knowledge. The research proved that traditions surrounding villagers' livelihoods were founded on sound environmental principles. For example, Highlanders refused to cut any trees in areas they identified as "spirit forests" — parts of the forest, researchers discovered, that would not regenerate if cut.

The research team also worked with Highlanders to develop a new, community-based plan for managing Yeak Lom lake, a jewel-like lake surrounded by 300 hectares of protected forest. The management plan was so successful at reversing environmental degradation that the provincial government granted the Highlanders an unprecedented 25-year communal land lease in 1998. This lease means the land is theirs to manage according to their rules and regulations. The project's results have also had an impact on national policy, helping to reverse the government's decision to allow a palm oil company the right to clear 20 000 hectares of forest in Ratanakiri. The results are also helping to shape new laws which recognize traditional forms of forest tenure.

www.idrc.ca/reports/read_article_english.cfm?article_num=910



IDRC: L. Waldick

FARMERS AS RESEARCHERS

"A farmer-centred approach is key to the attainment of sustainability in both developed and developing countries."

AGENDA 21: CHAPTER 32. STRENGTHENING THE ROLE OF FARMERS (1992)

"The complexity of environment and natural resource management demands research to help achieve ... local management and control of biodiversity."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

IDRC: D. Barbour



In Nepal, a farmer succeeded in crossing a variety of wild rice (*Oryza rufipogon*) with a popular upland variety — something scientists in Nepal had been unable to do. She had received training in plant-breeding techniques from her husband, who, in turn had been trained as part of an IDRC-supported project. Field trials of her new variety by researchers and local farmers look promising: the plant is growing well, produces viable seed, and is very well adapted to local conditions. This result has boosted the confidence of farmers in their knowledge and skills. They are now working on breeding sponge gourd and wheat varieties.

In Oaxaca, Mexico, researchers and farmers have joined forces to conserve the biodiversity of maize grown in the region: Oaxaca is home to more than 150 varieties of corn. Farmers

traditionally plant many local varieties to take advantage of different traits, such as drought resistance or higher yields. Men and women also prefer different varieties, for different reasons — cooking qualities, for instance, or ease of preparation. Both agree, however, that local varieties have numerous advantages compared to introduced cultivars. To help farmers conserve and improve local varieties, researchers from the International Maize and Wheat Improvement Centre (CIMMYT) have been training them in plant breeding and seed-management techniques — and bringing the results back to the laboratory and experimental plots. www.idrc.ca/reports/read_article_english.cfm?article_num=490

Both these IDRC-supported projects are examples of participatory plant breeding, led by farmers and led by researchers. They share a goal: to help poor, small-scale farmers achieve better results with crops they rely on for food and income generation, and conserve biodiversity. They are also based on the understanding that farmers — men and women — should have a leadership role in technology development. The approach is now also making headway into the international agricultural research system through such large programs as the Systemwide Programme on Participatory Research and Gender Analysis for Technology Development and Institutional Innovation of the Consultative Group on International Agricultural Research, supported by IDRC and a consortium of donors. www.prgaprogram.org

The Role of Canadian Researchers

A geography professor from Nipissing University in North Bay, Ontario, is finding himself in the unexpected role of ambassador for mangrove forests in Mexico. Mangroves had been little studied when John Kovacs began his research in 1997, despite the rapid loss of the trees throughout the world. Kovacs's interest in the forest in the Nayarit region is matched by that of coastal Mexican communities in Kovacs's work, which shows the unfortunate, unanticipated effects a canal has had on the local ecosystem. Kovacs initiated the work while completing a PhD at the University of Western Ontario: an IDRC research award allowed him to undertake extended field work in the region.

Since 1971, IDRC awards have enabled hundreds of Canadian graduate students to further their research in developing countries — and make valuable contacts. The goal of the program, through which several types of awards are offered, is to promote the growth of Canadian capacity in research on sustainable and equitable development from an international perspective.

While the awards cover the full range of IDRC's research interests, some are more narrowly focused on Agenda 21 priorities. The Bentley Fellowship — Forage Crops in Sustainably Managed Agroecosystems, for instance, enables Canadian graduate students to experiment directly in farmers' fields in developing countries. The John G. Bene Fellowship in Community Forestry focuses on the relationship between communities and forest resources. As Gail Hochachka, 2000 Bene fellow, reported after her study of a mangrove forest in El Salvador: "The skills I have gained through such research are timely and necessary in a world that is conscientiously inquiring into how we can curb the current ecological crisis."

IDRC also offers a number of awards to developing-country scholars. The full list is available on IDRC's Web site.
www.idrc.ca/awards



Peter May

IDRC: C. Thompson



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MAKING CHANGE HAPPEN

Means of Implementation (Agenda 21, Section 4)

The lofty goals of Agenda 21 called for an equally high infusion of financial resources, along with better mechanisms for delivering these investments. But the Government of Canada's singling out of IDRC, with its expertise and experience, recognized that successful implementation also turned on people and their empowerment. The Rio Declaration, which placed people "at the centre of concerns for sustainable development" echoes one of the Centre's founding principles, namely that for societies to build their own futures, they must make their own decisions about development. And to make these decisions, people need the right tools and resources.

For more than 30 years, IDRC has strived to equip people in the South with tools for change. In building a world based on the twin principles of sustainable and equitable development, the tools include technologies, new sources of information, and ways to build capacity. Agenda 21 cited these among the key prerequisites for meeting sustainable development goals and they figure as critical elements of IDRC's research program, as shown by the following projects. The projects — all current initiatives — also underscore how IDRC has worked to transform Agenda 21's blueprint for the future into action and achievement in the present.

WASTE NOT, WANT NOT

"New and efficient technologies will be essential to ... achieve sustainable development, sustain the world's economy, protect the environment, and alleviate poverty and human suffering."

AGENDA 21: CHAPTER 34. TRANSFER OF ENVIRONMENTALLY-SOUND TECHNOLOGY, COOPERATION, AND CAPACITY-BUILDING (1992)

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

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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A typhoid epidemic hit Dakar, Senegal, in 1987, causing serious illness among 400 residents. A later study showed that those afflicted had eaten vegetables contaminated by "dirty water."

With shortages of fresh water in Dakar, urban gardeners have increasingly been irrigating their plots with insufficiently treated or raw wastewater. To eliminate the public health hazards of this practice, an IDRC-supported project is using aquatic plants to treat wastewater. Water lettuce improves the treatment process in several ways, such as filtering out solids and limiting algae growth. The water can then be reused in market gardens. In Castor, a neighbourhood on the outskirts of Dakar, community members involved in the project are growing a cornucopia of fruit and vegetables — from hot peppers and papayas to okra and onions. Not only do the gardens provide a source of food, they also generate income for the growers who sell the produce.

This project is one of several that are exploring the use of simple technologies to treat household wastewater in urban areas. Research in the West Bank in Jordan has looked at the purifying effects of duckweed, while another project is improving the design of a small-scale filters for gray water — the water from sinks, showers, and laundry tubs. Through water reuse, farming in the city can produce affordable, nutritious, and safe food for the urban poor.

www.idrc.ca/cfp/facts50_e.html



IDRC: L. Mougeot

COASTAL CLEAN-UP

"One role of the sciences should be to provide information to better enable formulation and selection of environment and development policies in the decision-making process."

AGENDA 21: CHAPTER 35. SCIENCE FOR SUSTAINABLE DEVELOPMENT (1992)

"IDRC is pledged to the generation and use of knowledge in ways that alleviate poverty and improve people's lives."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

On 26 July 1832, the HMS Beagle dropped anchor in the estuary of the Rio de la Plata in Uruguay. On board was Charles Darwin, who wrote of being "surrounded by numerous seals and penguins" and a sea luminous with phosphorescence. Today, the scene in the 300 kilometre wide estuary — the largest in South America — is much different. With most of Uruguay's 3.3 million people living within 100 kilometres of the coast, the estuary suffers from a host of environmental problems. Human activity is contributing to pollution, erosion, and sedimentation. Both small-scale fishers and inshore industrial ships have seen their fish harvests drop. Not surprisingly, the deteriorating ecosystem is affecting both the local population and the tourism industry.

Researchers from Uruguay and Canada, however, are pointing to ways to manage the estuary and conserve its valuable resources. The researchers make up a "virtual institution" working on an initiative known as EcoPlata, launched by IDRC in 1994. Through collaborative research, EcoPlata has generated a wealth of data on many aspects of the Rio de la Plata system and initiated several pilot projects. The work is directed at developing sound management practices for the coastal zone that involve government institutions, the scientific community, and the public. An important step toward this goal was taken in May 2001 with the creation of a special commission by the Uruguayan government to address problems in the Rio de la Plata coastal area. EcoPlata serves as the commission's technical secretariat. www.ecoplata.org.uy/indexe.html

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CIDA: R. Lemoyne



ENVIRONMENTAL ECONOMICS IN ASIA

"A fundamental goal of capacity-building is to enhance the ability to evaluate and address the critical questions related to policy choices and modes of implementation among development options, based on an understanding of environmental potentials and limits and of needs as perceived by the people"

AGENDA 21: CHAPTER 37. NATIONAL MECHANISMS AND INTERNATIONAL COOPERATION FOR CAPACITY-BUILDING IN DEVELOPING COUNTRIES (1992)

"To reduce the high social and economic costs of widespread environmental damage, IDRC will support research geared to developing economic and other tools for improving environmental management and health."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)

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"We went into the conference thinking it was about the environment. We came out realizing it was about economics." So concluded Maurice Strong at the end of the Earth Summit, which he headed as its Secretary-General. His remark later found practical expression in the creation of the Economy and Environment Program for Southeast Asia (EEPSEA) by IDRC in 1993. EEPSEA supports training and research in environmental and resource economics in 10 Asian countries. Its goal is to strengthen local capacity for the economic analysis of environmental problems so that researchers can provide sound advice to policymakers. In the Philippines, for example, this has meant that research on households' willingness to pay for water and on the industrial use of groundwater contributed to changes in water policy in Manila. At a regional level, environment ministers of member countries in the Association of Southeast Asian Nations (ASEAN) adopted a land-clearing policy that aimed to reduce forest burning. This came after an EEPSEA study showed almost US \$4.5 billion in damages from fires and haze in Indonesia in 1997.

EEPSEA also ushered in a new way of "doing business" at IDRC. It was the Centre's first Secretariat, a mechanism that pools funding from several donors in a collective effort to support research.

www.eepsea.org



CIDA: R. Lemoyne

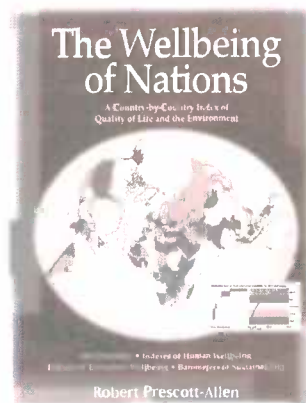
STATISTICS OF SUSTAINABILITY

"Commonly used indicators such as gross national product and measurements of individual resources or pollution flows do not provide adequate indications of sustainability."

AGENDA 21: CHAPTER 40. INFORMATION FOR DECISION-MAKING (1992)

"[Factors have] lead to fundamental changes in the relationship between people and resources — changes that need to be understood and managed."

CORPORATE STRATEGY AND PROGRAM FRAMEWORK, 2000–2005 (2000)



Gross domestic product. Debt-servicing ratio. Balance of payments. A country's progress, or lack thereof, is usually defined by these terms. Yet they fail to take into account how nations deal with human and environmental health — both essential elements of development.

This is the aim of the Wellbeing Assessment, a unique method of measuring human and ecosystem wellbeing developed with the support of IDRC and the World Conservation Union.

The new tool gives equal weight to people and the environment through calculations based on a range of indicators. These include health, knowledge, freedom, equity, and security, as well as land, air, water, and plant diversity. Together, they present a more complete picture of "the state of the nation" than economic statistics. The Wellbeing Assessment also enables individual communities to conduct their own evaluation of their population and environment and to improve conditions without further destroying the ecosystem.

The contributions of several researchers over the last decade were key to the development of the methodology and its testing in Canada and countries in the South. Robert Prescott-Allen, a consultant on sustainable development based in Victoria, Canada, was the principal developer of the Wellbeing Assessment. The results of his survey of 180 countries are presented in *The Wellbeing of Nations*, copublished this year by IDRC and Island Press. "No country knows how to be green without going into the red," says Prescott-Allen on the difficulties of achieving a balance between human and environmental concerns. "Nations with a high standard of living impose excessive strains on the environment and the ones with low demands on the ecosystem are trapped in poverty."

www.idrc.ca/acb/showdetl.cfm?&Product_ID=608&DID=6

HUMAN AND FINANCIAL RESOURCES



GOVERNANCE

The architects of IDRC created a unique institution — launched and supported by the Canadian Parliament yet directed by an international Board of Governors. The IDRC Act stipulates that, of the 21-member Board of Governors, only the Board's Chairman, Vice-Chairman, and 9 other members must be Canadian. By tradition, the remaining 10 come from developing and OECD countries. At least 11 of the governors must also have experience in international development, or training in natural, social, or technological sciences. These factors help define the Centre's distinctive character and contribute to its effectiveness.

IDRC is a Canadian Crown corporation and is bound by the general financial rules set out in the Financial Administration Act. However, IDRC is exempt from the Act's specific rules governing Crown corporations, as are eight other Crown corporations covered by separate acts, such as the Bank of Canada and the Canadian Broadcasting Corporation. The Centre is audited annually by the Office of the Auditor General and is accountable to the Parliament of Canada.

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Board Meetings

The IDRC Board of Governors meets three times a year. In addition, the Board has three standing committees: the Executive Committee and the Finance and Audit Committee (each of which meets via teleconference four times a year), and the Human Resources Committee (which meets three times a year, also via teleconference). The Board works by consensus.

Board Responsibilities

The Board of Governors sits at the apex of the Centre's corporate structure. It provides strategic leadership, sanctions the general orientation of the Centre, and approves financial, administrative, and human resource policies. It must also approve the Centre's annual program of work and budget and establish accountability for current activities. To fulfil this responsibility, the Board receives regular reports from IDRC management. These reports enable the Board to monitor program activities and measure results against the strategic objectives set out in the Corporate Strategy and Program Framework (CSPF) for 2000–2005.

The annual audit regime, which includes both internal and external audits, helps the Board to ensure that resources and assets are protected and well-managed. Last year, the Board approved a resolution inviting the Auditor General to conduct a special examination of the Centre's systems and practices. These audits are conducted approximately every 5 years: one is currently underway at the Centre. Such an audit helps to ensure that resources are being used effectively and efficiently.

Identifying and Managing Risk

The Finance and Audit Committee is responsible for ensuring that the principal risks of the Centre's business have been identified and are being properly managed. However, not all risk is financial. Research is known to be a risky activity: sometimes it may not yield results; other times, satisfactory results may be obtained, but may not necessarily be adopted by potential users. The Board manages risk through careful planning and regular monitoring. With the CSPF providing direction and with internal checks firmly in place, the governors are able to assess programs and identify risks on an on-going basis.

Working with Management

While the Board provides strategic direction, the President is responsible for the Centre's management. The Senior Management Committee assists the President in the day-to-day management of the Centre. Chaired by the President, the Committee meets twice a month, and when called by the President. In discussion with the President, the Board establishes the President's annual performance objectives: the President reports annually to the Board on their achievement.

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 Centre management. The Chairman and the President are both appointed by Governor-in-Council.

In keeping with the recommendations on governance by the Office of the Auditor General, IDRC has developed generic skills profiles for the positions of Chairman and of Board members. These profiles are designed to help in selecting highly qualified candidates for Board membership in the nomination process.

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



IDRC: R. Charbonneau

BOARD OF GOVERNORS 2001–2002

Gordon S. Smith, Chairman, Board of Governors, Victoria, Canada
Director of the Centre for Global Studies at the University of Victoria and former Deputy Minister of Foreign Affairs

Margaret Catley-Carlson, Wakefield, Canada
Vice-Chairman of the Board, consultant, and former President of the Population Council in New York

Maureen O'Neil, President, IDRC, Ottawa, Canada
Former President of the International Centre for Human Rights and Democratic Development and former President of The North-South Institute

Mervat Badawi, Safat, Kuwait
Director, Technical Department for the Arab Fund for Economic and Social Development

Marie Battiste, Saskatoon, Canada*
Professor, Indian and Northern Education Program, University of Saskatchewan, and Executive Director of the Apamuek Institute in Eskasoni, Nova Scotia

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Lalla Ben Barka, Addis Ababa, Ethiopia
Deputy Executive Secretary, United Nations Economic Commission for Africa

Beryl Gaffney, Ottawa, Canada
Former Member of Parliament and former Councillor of the City of Nepean and of the Regional Municipality of Ottawa-Carleton

Jacques G  rin, Montr  al, Canada
Consultant, Hatch & Associ  s, Inc., Chairman of the International Institute for Sustainable Development, and Chairman of the Panel on Ecological Integrity of Canada's National Parks

Octavio G  mez-Dant  s, Mexico City, Mexico
Director, Performance Evaluation, Ministry of Health, Mexico

Len Good, Ottawa, Canada*
President of the Canadian International Development Agency, former Deputy Minister of the Department of Environment Canada, and formerly Canada's Executive Director at the World Bank

Dan Martin, San Francisco, United States
Chief Research Officer, Gordon and Betty Moore Foundation

Sir Alister McIntyre, Kingston, Jamaica
International trade and development consultant, former Chief Technical Advisor, CARICOM Regional Negotiating Machinery, and former Vice Chancellor, University of the West Indies

Tom McKay, Victoria, Canada
Certified management accountant, consultant, and former Chief Administrative Officer for the City of Kitchener

Norah Olembo, Nairobi, Kenya
Director, Kenya Industrial Property Office

Jean-Guy Paquet, Sainte-Foy, Canada**

President and Chief Executive Officer, National Optics Institute and former Chief Executive Officer of Laurentian Life Inc.

Vulimiri Ramalingaswami, New Delhi, India***

National Research Professor, Department of Pathology, All-India Institute of Medical Sciences, and physician and medical researcher

Francisco Sagasti, Lima, Peru

President, FORO Nacional/Internacional and former Chief of Strategic Planning at the World Bank

Rodger Schwass, Tara, Canada

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

Paulynn Sicam, Makati City, Philippines*

Editor, *Cyberdyaryo*, Pan Philippines News and Information Network and Director, Peace and Human Rights Desk, Benigno Aquino Foundation

Olav Slaymaker, Vancouver, Canada

Academic Director of the Liu Centre for the Study of Global Issues and Professor of Geography, University of British Columbia

Linda Sheppard Whalen, St John's, Canada

Chief Executive Officer, Centre for Long-term Environmental Action in Newfoundland

* Term ended March 2002

** Term ended February 2002

*** Deceased May 2001

SENIOR MANAGEMENT COMMITTEE 2001–2002

Maureen O'Neil, President

Former President of the International Centre for Human Rights and Democratic Development and former President of The North-South Institute

Federico Burone, Director, Regional Office for Latin America and the Caribbean (effective December 2001)

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

Johanne Charbonneau, Vice-President, Resources and Chief Financial Officer (resigned November 2001)

Certified General Accountant and former Vice-President, Finance and Chief Financial Officer, Canada Deposit Insurance Corporation

Peter Cooper, Director, Environment and Natural Resource Management

Soil scientist and former Leader, Systems Evaluation and Dissemination Program, International Centre for Research in Agroforestry, Kenya

Jorge da Silva, Director, Finance and Administration (effective March 2002)

Chartered management accountant and former Director, Audit Services, IDRC

Roger Finan, Regional Director, Regional Office for South Asia

Chartered management accountant and former Director, Internal Audit, IDRC

Gilles Forget, Regional Director, Regional Office for West and Central Africa (effective April 2001)

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

Constance Freeman, Regional Director, Regional Office for East and Southern Africa (effective August 2001)

Professor of Economics and Senior Advisor, African Center for Strategic Studies, Washington, DC

Richard Fuchs, Director, Information and Communication Technologies for Development

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

John Hardie, Chief of Staff and Director, Policy and Planning

Agricultural economist and former economist, Agriculture Canada

Brent Herbert-Copley, Director, Social and Economic Equity (effective February 2002)

Political scientist and former coordinator of Research on Knowledge Systems, IDRC

Judith Lockett, Director, Human Resources

Human resources specialist and former Director General of Management Planning and Operations Directorate, Health Canada

Rohinton Medhora, Director, Social and Economic Equity (until January 2002)

Vice-President, Program and Partnership Branch (effective January 2002)

Economist, and former Team Leader, Trade, Employment, and Competitiveness program initiative, IDRC

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

Caroline Pestieau, Vice-President, Program and Partnership Branch (retired
January 2002)
Economist and former Deputy Chair, Economic Council of Canada

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

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

Carlos Seré, Regional Director, Regional Office for Latin America and the Caribbean
(resigned December 2001)
Agricultural economist and former Program Officer, Environment and Natural Resources,
IDRC

Ralph Tait, Vice-President, Resources and Chief Financial Officer (effective March 2002)
Chartered accountant and former General Manager, Xela Enterprises Limited, Guatemala

Marc Van Ameringen, Regional Director, Regional Office for Southern Africa (resigned
June 2001)*
Political scientist and former Coordinator of the South Africa Program, IDRC

* The Regional Office for Southern Africa closed in September 2001.

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pub@idrc.ca	to get information on IDRC publications
mag@idrc.ca	to send a letter to the editor of <i>Reports Online</i>

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IDRC: P. Bennett

FINANCIAL REPORT

OVERVIEW

The Centre's total revenues for 2001/02 were \$148.3 million against total expenses of \$138.9 million, before restructuring costs of (\$0.3) million, for an operating surplus of \$9.4 million. After accounting for restructuring costs, the Centre closed its books with an operating surplus of \$9.7 million, increasing the opening equity of \$0.2 million to \$9.9 million.

In accordance with the Centre's cost structure, which distinguishes between **development research programs**, **development research support**, and **administrative services**, these financial results generated a spending ratio of 71:14:15 (2000/01, 70:15:15).

In 2002/03, the Centre expects to realize operating savings associated with restructuring initiatives that were fully implemented during 2001/02. These initiatives included the consolidation of the Centre's operations in eastern and southern Africa at the regional office in Nairobi, Kenya; the closure of the Regional Office for Southern Africa in Johannesburg, South Africa; and the reorganization of the Regional Office for Latin America and the Caribbean in Montevideo, Uruguay. Other initiatives include changes in the program-delivery modality of the Information and Communication Technologies for Development program, the scaling down and reorganization of the IDRC Library, the divestiture of a semicommercial software activity, and the incorporation of two international secretariats and a large corporate project as independent entities.

In concert with restructuring initiatives, a major effort was initiated by the President to increase the Parliamentary appropriation, IDRC's main source of revenue. During the year, a small task force worked closely with representatives from the Canadian International Development Agency (CIDA) on the common goal of securing an increase in official development assistance (ODA). CIDA, as manager of the ODA envelope, agreed to meet the request of the IDRC Board of Governors for an increase of approximately \$6.3 million to IDRC's 2001/02 reference level, which is currently secured at \$92.5 million. Also approved was the Institute for Connectivity in the Americas, a 4-year \$20.0 million dollar initiative that will reside at IDRC until it graduates to become an independent entity.

Program Appropriations

Table 1. Program appropriations (\$000) for 2001/02 and 2000/01.

	2001/02			2000/01	% change actual
	Revised budget	Actual	Variance	Actual	
Total appropriations	85 600	122 015	(36 415)	101 938	19.7%
Development research programs					
Centre programs	55 000	54 957	43	43 565	26.1%
Institute for Connectivity in the Americas	0	1 120	(1 120)	0	—
Resource-expansion activities	30 600	65 938	(35 338)	58 373	13.0%

The term appropriation is used to indicate the formal allocation of funds to projects for use in development research program activities. For the year ending 31 March 2002, total program appropriations were \$122.0 million. Centre programs reached their budget and resource-expansion activities were more than double the target. Appropriations for the Institute for Connectivity in the Americas were \$1.1 million. Resource-expansion activities include \$53.5 million for the Micronutrient Initiative, which was expected to graduate into an independent entity during 2001/02 and, as such, was not included in the budget.

Outstanding Commitments

As of 31 March 2002, the Centre was committed to making payments of up to \$115.8 million, \$5.9 million higher than the previous year, over the next 4 years on approximately 773 projects in progress. This commitment is subject to funds being provided by Parliament or external donor partners as well as to compliance, by recipients, to the terms and conditions of project agreements. Accordingly, no liability is recognized in the financial statements. Of the total outstanding commitments, \$56.5 million is for projects funded through the Parliamentary appropriation, \$56.7 million is for projects funded by other donors, including CIDA, and \$2.6 million is for the Tanzania Essential Health Interventions Project and Institute for Connectivity in the Americas. These initiatives were funded through supplementary Parliamentary appropriations allocated in 1993/94 and 2001/02, respectively.

Revenue

Table 2. Revenue (\$000) for 2001/02 and 2000/01.

	2001/02			2000/01	% change actual
	Revised budget	Actual	Variance	Actual	
Total revenue	134 185	148 275	14 090	135 308	9.6%
Parliamentary appropriations	94 671	97 165	2 494	91 242	6.5%
Resource-expansion activities	36 015	47 515	11 500	39 796	19.4%
Recovery of indirect costs, investment, and other income	3 499	3 595	96	4 270	-15.8%

Total revenue for the year amounted to \$148.3 million, a variance of \$14.1 million from the budget. Most of this variance is due to the higher income recognized from resource-expansion activities related to the Micronutrient Initiative.

The Centre's primary source of revenue continues to be the **Parliamentary appropriation**, which represented about 66% of total revenues for the year. The Centre's Parliamentary appropriation is an allocation from Canada's official development assistance (ODA) envelope, of which IDRC's share is approximately 4%.

Revenue from **resource-expansion activities** relates specifically to research conducted or managed by the Centre on behalf of other organizations. The total for the year was \$47.5 million, \$11.5 million higher than budgeted because of ongoing activities for the Micronutrient Initiative. Revenue from resource-expansion activities includes \$36 million in partnership funding from CIDA.

The Centre recovers a portion of its indirect costs by charging a fee to manage resource-expansion activities. **Investment and other income** includes revenues associated with investing activities, subleasing of office space, hospitality and conference facilities, the sale of publications, and other miscellaneous items. Income from these sources was \$3.6 million.

Expenses

Table 3. Expenses (\$000) for 2001/02 and 2000/01.

	2001/02			2000/01	% change actual
	Revised budget	Actual	Variance	Actual	
Total expenses	130 224	138 560	(8 336)	136 961	1.2%
Development research programs	87 665	98 512	(10 847)	95 430	3.2%
Development research support	19 259	18 830	429	20 111	-6.4%
Administrative services	22 828	21 529	1 299	19 729	9.1%
Restructuring costs	472	(311)	783	1 691	-118.4%

Total expenses for 2001/02 were \$138.6 million, which exceeded budget by \$8.3 million. Like revenues, this is mostly due to the continued presence of the Micronutrient Initiative within IDRC.

Development research programs reflect the direct costs (mainly in the form of grants and contributions) of scientific and technical research projects either financed or administered by IDRC for both Centre program and resource-expansion activities. For 2001/02, Centre program spending was \$51.0 million and resource-expansion activities were \$47.5 million.

Development research support represents the costs of knowledge-intensive activities in support of development research programs, including the cost of technical support, program complements, and program management. Development research support expenses amounted to \$18.8 million, with savings of \$0.4 million from the budget. These savings were primarily attributed to staff vacancies, underutilization of professional services, and travel.

Administrative services provide a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and corporate responsibilities, including the management costs of six regional offices. These expenditures amounted to \$21.5 million, with savings of \$1.3 million from the budget. Savings were also attributed to staff vacancies, lower communications costs, and other miscellaneous items.

Restructuring costs represent a provision to cover one-time costs associated with restructuring initiatives of the Centre, including severance, staff relocation, lease terminations, and other miscellaneous costs. The provision for restructuring was overestimated in 2000/01, leaving a balance of (\$0.3) million.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

Management maintains financial systems and practices to provide reasonable assurance as to the reliability of financial information and to ensure that assets are safeguarded and the operations are carried out effectively and in accordance with the International Development Research Centre Act and bylaws of the Centre. The Centre has an Internal Audit department whose functions include reviewing internal controls and their application on an ongoing basis.

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

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



Maureen O'Neil
President



Ralph Tait
Vice-President, Resources

Ottawa, Canada
31 May 2002



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

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

I have audited the balance sheet of the International Development Research Centre as at 31 March 2002 and the statements of operations and changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

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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 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script, reading "Shahid Minto".

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

Ottawa, Canada
31 May 2002

BALANCE SHEET

as at 31 March 2002
(in thousands of dollars)

	2002	2001
Assets		
Current		
Cash and short-term investments (Note 3)		
Unrestricted	16 413	8 211
Restricted	31 104	31 540
Accounts receivable (Note 4)	3 191	14 322
Prepaid expenses	1 280	1 404
	51 988	55 477
Long-term investments (Note 5)	2 983	2 983
Capital assets (Note 6)	5 499	5 818
Recoverable deposits	129	144
	60 599	64 422

Liabilities

Current		
Accounts payable and accrued liabilities (Note 4)	7 166	9 942
Deferred revenue (Note 7)	32 325	42 094
	39 491	52 036
Deferred revenue – long-term (Note 7)	454	1 585
Deferred funding – capital assets (Note 8)	5 499	5 818
Provision for employee future benefits other than pension	3 527	3 343
Deferred rent – head office	1 757	1 484
	50 728	64 266
Equity	9 871	156
	60 599	64 422

Commitments (Notes 13 and 14)
Contingencies (Note 16)

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

Approved on behalf of the Board:

Naureen O'Neil

President

RL Tait

Vice President, Resources
and Chief Financial Officer

STATEMENT OF OPERATIONS AND CHANGES IN EQUITY

for the year ended 31 March 2002
(in thousands of dollars)

	2002	2001
Revenues		
Resource expansion (Note 9)	47 515	39 796
Recovery of indirect costs (Note 9)	1 615	1 810
Investment income	779	1 223
Other income	1 202	1 237
	<u>51 111</u>	<u>44 066</u>
Expenses		
Development research programs		
Centre programs	50 997	55 634
Resource expansion	47 515	39 796
	<u>98 512</u>	<u>95 430</u>
Development research support		
Technical support	9 756	9 636
Program complements	4 436	6 269
Program management	4 638	4 206
	<u>18 830</u>	<u>20 111</u>
Administrative services		
Administration	16 144	14 719
Regional office management	5 385	5 010
	<u>21 529</u>	<u>19 729</u>
	<u>138 871</u>	<u>135 270</u>
Net cost of operations before government funding	<u>(87 760)</u>	<u>(91 204)</u>
Parliamentary appropriation (Note 10)	93 139	87 342
Supplementary Parliamentary appropriation (Note 11)	1 956	1 727
Amortization of deferred funding — capital assets (Note 8)	2 069	2 173
	<u>97 164</u>	<u>91 242</u>
Results of operations before restructuring costs	9 404	38
Restructuring costs (Note 12)	<u>(311)</u>	<u>1 691</u>
Net results of operations	9 715	(1 653)
Equity at beginning of the year	156	1 809
Equity at end of the year	<u>9 871</u>	<u>156</u>

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

STATEMENT OF CASH FLOWS

for the year ended 31 March 2002
(in thousands of dollars)

	2002	2001
Cash flows from operating activities		
Net results of operations	9 715	(1 653)
Items not affecting cash		
Amortization of capital assets	2 069	2 173
Loss (gain) on disposal of capital assets	65	(11)
Provision for employee future benefits	587	621
Amortization of deferred funding — capital assets	(2 069)	(2 173)
Amortization of deferred rent	273	274
	10 640	(769)
Net change in working capital other than cash and short-term investments	(1 679)	7 341
Net cash flows from operating activities	8 961	6 572
Cash flows from financing activities		
(Decrease) increase in deferred revenue — long-term	(1 131)	13
Capital funding	1 750	1 229
Net cash flows from financing activities	619	1 242
Cash flows from investing activities		
Additions to capital assets	(1 815)	(1 218)
Decrease (increase) in restricted cash	436	(6 801)
Net cash flows used in investing activities	(1 379)	(8 019)
Net increase (decrease) in cash	8 201	(205)
Unrestricted cash and short-term investments, beginning of the year	8 212	8 417
Unrestricted cash and short-term investments, end of the year	16 413	8 212

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

NOTES TO FINANCIAL STATEMENTS

(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 mainly through an annual appropriation received from the Parliament of Canada. For purposes of the Income Tax Act, the Centre is deemed to be a registered charitable organization.

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

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2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies.

a) Government funding

The portion of the Parliamentary appropriation used to fund the purchase of capital assets is deferred and amortized on the same basis and over the same period as the related capital assets. The balance is recognized in the year for which it is approved. Parliamentary appropriations received for specific projects are deferred and recognized when the related project expenses are incurred.

b) Revenues

Funds received or receivable in respect to resource-expansion contracts are recorded as deferred revenues. These deferred revenues are recognized as revenues in the year in which the related project expenses are incurred. All other revenues are recorded on the accrual basis of accounting.

c) Grant payments

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

d) Capital assets and amortization

Capital assets are recorded at cost and amortized, starting in the subsequent year of acquisition, over their estimated useful lives on a straight-line basis.

The estimated useful life of each capital asset class is as follows:

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

e) Investments

Short-term investments are recorded at the lower of cost and market value. Long-term investments are recorded at cost. When there is a loss in value that is other than a temporary decline, the long-term investment is written down to recognize the loss.

f) Endowments

Endowment funds include amounts received by way of bequest, gift, or donation and are generally specific as to purpose. Expenditures relating to these funds are charged against the relevant portion of the endowment in the year they are incurred. Revenues earned on these funds are credited to the endowment funds.

g) Foreign-currency translation

Foreign-currency transactions are translated, weekly, into Canadian dollars at the exchange rate in effect on the last day of the previous week. Monetary assets and liabilities are adjusted to reflect the rate of exchange in effect at year-end. Exchange gains and losses are included in operations for the current year under other income.

h) Provision for employee future benefits other than pension

Employees with more than 5 years of service are entitled to a severance benefit calculated on the basis of 1 week of salary per year of service. The liability for this benefit is recorded in the accounts as the benefits accrue to employees.

i) Deferred rent

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

j) Pension costs

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Centre's contributions to the plan are limited to 2.14 times the employees' contributions on account of current and certain past service. These contributions, which amounted to \$2 354 (2001, \$2 042), represent the total pension obligations of the Centre and are charged to operations on a current basis. The Centre is not required under current legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

3. Cash and short-term investments

	2002	2001
Cash	3 563	2 135
Short-term investments		
Canadian chartered banks	26 057	20 280
Commercial corporations	17 897	15 346
Foreign-owned banks	—	1 990
	<u>47 517</u>	<u>39 751</u>

The Centre is authorized to invest in interest-bearing securities such as issued by the above-noted entities. These funds are invested in short-term money market instruments that are rated R-1 (low) or better by a recognized bond-rating agency. The investment vehicles consist primarily of banker's acceptances, term deposits, and short-term notes.

The average yield of the portfolio, as at 31 March 2002, is 2.19% (2001, 5.07%), and the average term to maturity is 85 days (2001, 72 days). The fair market value of the investment portfolio as at 31 March 2002 approximates the net book value.

The Centre has various banks accounts, some of which have a line of credit associated with them. As at 31 March 2002, all balances in these line of credit accounts were nil.

Of the total cash and short-term investments, \$31 104 (2001, \$31 540) is restricted for specific research activities as follows:

	2002	2001
Resource expansion	25 106	27 583
Health support — Africa	1 704	3 467
Institute for Connectivity in the Americas	3 807	—
Endowment and trust funds	487	490
	<u>31 104</u>	<u>31 540</u>

4. Accounts receivable and payable

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and are noninterest bearing. The carrying amounts of each approximate fair value because of their short maturity. A significant portion (27%) of accounts receivable are due from the Canadian International Development Agency (CIDA) and does not present a significant credit risk. Of the total accounts receivable, \$2 162 (2001, \$12 629) is on account of resource-expansion activities.

5. Long-term investments

These funds are invested in a Government of Canada bond that matures in 2004. The average yield of the bond, as of 31 March 2002, is 6.50% (2001, 6.50%) and the initial average term to maturity is 7 years. The fair market value of the bond as of 31 March 2002 is \$3 124 (2001, \$3 135).

6. Capital assets

	Cost		Accumulated amortization		Net book value	
	2002	2001	2002	2001	2002	2001
Computer equipment	7 048	6 748	5 697	5 605	1 351	1 143
Leasehold improvements	2 026	2 007	1 310	1 116	716	891
Software	5 050	4 480	2 544	1 661	2 506	2 819
Office furniture and equipment	2 049	1 867	1 440	1 410	609	457
Telephone system	1 316	1 386	1 207	1 168	109	218
Vehicles	944	1 009	736	719	208	290
	<u>18 433</u>	<u>17 497</u>	<u>12 934</u>	<u>11 679</u>	<u>5 499</u>	<u>5 818</u>

Amortization expense for the year is \$2 069 (2001, \$2 173).

7. Deferred revenue

Deferred revenue includes the unspent portion at 31 March 2002 of funds received, or receivable, on resource-expansion activities as well as the unspent portion of the two supplementary Parliamentary appropriations (see Note 11). Details of these balances are as follows:

	2002	2001
Current		
Resource expansion	27 268	40 212
Supplementary Parliamentary appropriation		
Health support — Africa	1 250	1 882
Institute for Connectivity in the Americas (ICA)	3 807	—
	<u>32 325</u>	<u>42 094</u>
Long-term		
Supplementary Parliamentary appropriation		
Health Support — Africa	454	1 585
Total	<u>32 779</u>	<u>43 679</u>

Of the total deferred resource-expansion funding, CIDA accounts for \$20 455 (2001, \$27 972) of which \$19 609 (2001, \$18 048) was received and \$846 (2001, \$9 924) is receivable at year-end.

8. Deferred funding — capital assets

	2002	2001
Balance at beginning of year	5 818	6 762
Funding for capital assets purchased	1 750	1 229
Amortization	(2 069)	(2 173)
Balance at end of year	<u>5 499</u>	<u>5 818</u>

9. Resource-expansion activities

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

	2002	2001
CIDA	35 971	30 137
Other agencies	10 570	8 826
Other Government of Canada entities	974	833
	<u>47 515</u>	<u>39 796</u>

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The Centre recovers indirect costs from the administration of resource-expansion activities. This year's total is \$1 615 (2001, \$1 810) of which \$893 (2001, \$1 062) was recovered from CIDA.

10. Parliamentary appropriation

	2002	2001
Parliamentary appropriation approved	94 889	88 571
Deferral for capital assets purchased (Note 8)	(1 750)	(1 229)
Parliamentary appropriation recognized in the statement of operations and changes in equity	<u>93 139</u>	<u>87 342</u>

11. Supplementary Parliamentary appropriations

In March 1994, the Centre received a supplementary Parliamentary appropriation of \$15 million for a health support project in Africa. In September 2001, the Institute for Connectivity in the Americas was approved for \$20 million. For the current fiscal year, the total revenue recognized from these two sources is \$2.0 million (2001, \$1.7 million).

12. Restructuring costs

During 2001, the Board of Governors approved a restructuring program that included the closure of the Regional Office for Southern Africa, a reorganization of the Regional Office for Latin America and the Caribbean, and the consolidation of several other corporate functions. The total cost of this downsizing exercise was estimated at \$1.7 million over 2 years. In 2000/01, restructuring expenses of \$1.5 million were accrued and \$0.2 million incurred to cover the anticipated charges. The actual costs of restructuring were \$1.4 million indicating that restructuring costs were overestimated by \$0.3 million.

13. Operating lease commitments

The Centre has entered into various lease arrangements for staff accommodation in various countries and for office premises and equipment in Canada and abroad. Those lease agreements expire at different dates up to 2009. The total minimum annual payments under various lease arrangements will be as follows:

2002/03	5 182
2003/04	5 742
2004/05	5 452
2005/06	6 182
2006-2009	11 884
Total	<u>34 442</u>

14. Contractual commitments — project grants

The Centre is committed to make payments up to \$115.8 million (2001, \$110.0 million) during the next 4 years subject to funds being provided by Parliament or external partners and subject to compliance by recipients with the terms and conditions of project agreements. Of this amount, the Centre is responsible for \$59.2 million (2001, \$61.4 million) and the balance of \$56.6 million (2001, \$48.6 million) is provided by external partners.

15. Related party transactions

In addition to those related party transactions disclosed elsewhere in 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 business.

16. Contingencies

A claim of approximately \$0.8 million relating to a leased property in India remains outstanding at the end of the year. Based on the advice of legal counsel, management is of the opinion that it is not possible to determine the amount of the liability, if any, that may result from settlement of this claim.

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

17. Comparative figures

Certain 2001 comparative amounts have been reclassified to conform to the financial statements' presentation adopted in 2002.