



IDRC Annual Report 1999–2000



“our age is one of trouble and
tension and violence.
it is also one of great progress
and achievement.
it holds both the promise of a
far better life for all men
and the threat of no life at
all for mankind.
which is it to be?”

Lester B. Pearson — 1972
former Prime Minister of Canada and
founding chair of the IDRC Board of Governors

Canada

International Development Research Centre
1970–2000: Thirty years of supporting research for development

The International Development Research Centre (IDRC) is a public corporation created by the Parliament of Canada in 1970 to help developing countries use science and knowledge 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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Unless otherwise noted, all the photographs appearing in the timeline running from pages 28–34 are from the IDRC collection.

Cover photo credits: upper, Peter Bennett; lower, CIDA (Peter Bennett).

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About IDRC

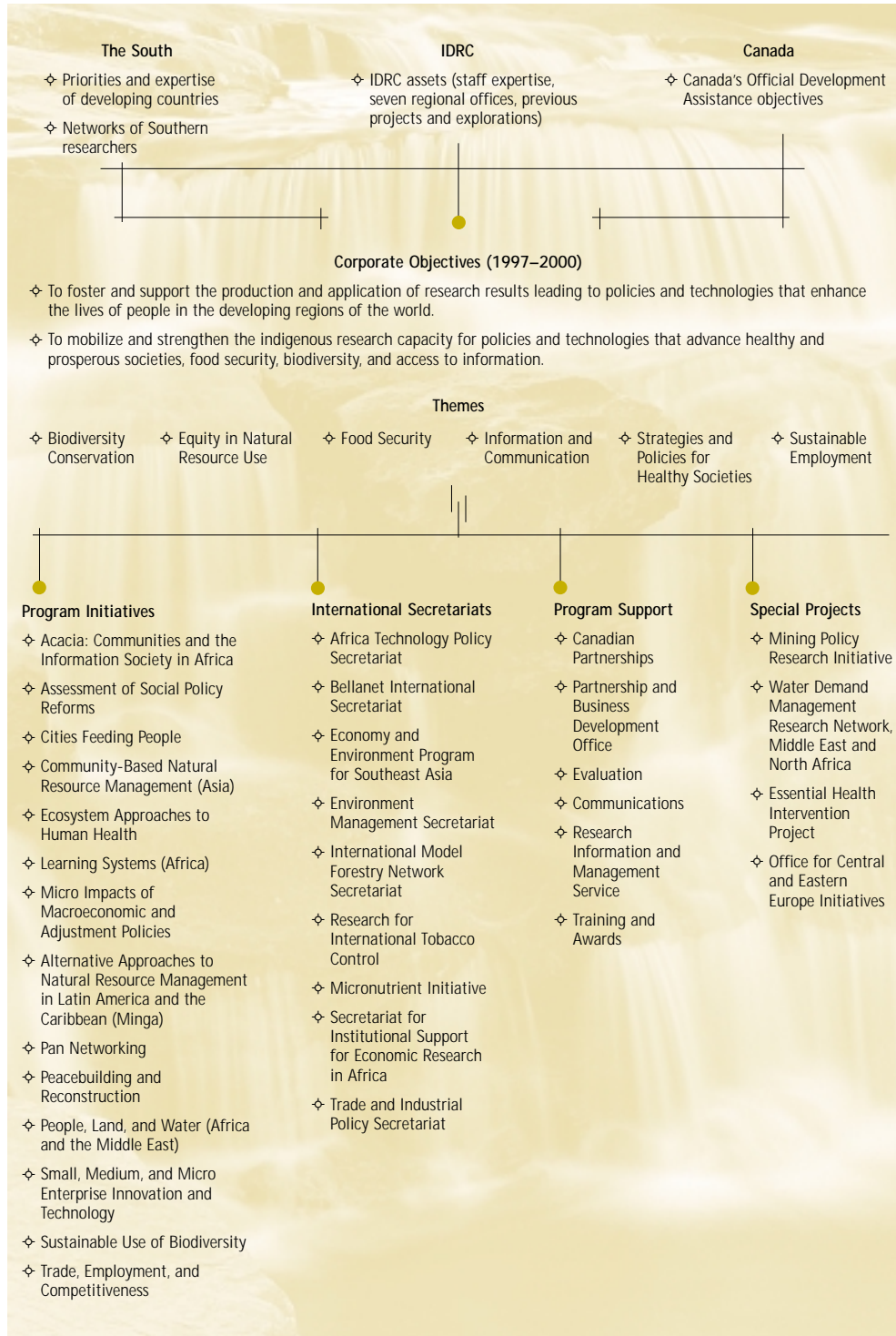
An Overview of IDRC

- ✧ The rationale behind the International Development Research Centre (IDRC) was both deceptively simple and highly innovative: a country's development depends on the capability of its citizens to address their own social, economic, and environmental problems. The parliamentarians who passed the **IDRC Act** in 1970 envisioned a Canadian organization that would help countries in the South develop that capacity. In the words of the Act, the public corporation was "To initiate, encourage, support, and conduct research into the problems of the developing regions of the world." For the past 30 years, IDRC has supported researchers from both the South and the North in their search for the means to build healthier, more equitable, and more prosperous societies.
- ✧ The Centre's approach is multidisciplinary. Teams of IDRC staff, composed of a variety of specialists, work on **program initiatives**. Together with researchers from developing countries, they identify a problem, then work together from the strength of their diverse disciplines to find solutions. Through **international secretariats**, IDRC brings donors together to develop research agendas and share costs. Secretariats are able to undertake research that is more ambitious than the Centre (or any single donor) would be able to support on its own. Although headquartered at IDRC, independent steering committees oversee the operations and research direction of the secretariats.
- ✧ In addition to its program initiatives and secretariats, IDRC has developed several large **corporate projects**. These projects respond to special needs or opportunities that fall outside the Centre's conventional funding framework. For example, IDRC supports Canada's participation in the Middle East Peace Process by managing the Expert and Advisory Services Fund set up by the Department of Foreign Affairs and the Canadian International Development Agency.
- ✧ IDRC's mandate, status, and objectives are specific and different from the **Canadian International Development Agency (CIDA)**. While both institutions work toward the goal of sustainable and equitable development, CIDA focuses on many of the practical applications of sustainable development, such as private-sector development and meeting basic human needs for safe water, education, and the like. As the federal government department that administers most of Canada's Official Development Assistance program, CIDA also provides humanitarian assistance. IDRC, on the other hand, supports research. That support is directed primarily to researchers and research institutions in the South. In this way, developing countries generate the tools and expertise they need to develop their own solutions to the problems they face. The work of CIDA and IDRC, however, is complementary. CIDA often supports financially the implementation of IDRC-funded research efforts.
- ✧ When the Parliament of Canada created IDRC, it granted the corporation **special status**. The Centre is not an "agent of Her Majesty." Along with the Bank of Canada and the Canadian Broadcasting Corporation, IDRC is exempt from the Financial Administration Act's specific rules governing Crown corporations. However, this special status does not

give it carte blanche. IDRC, like every other federal department or agency, is bound by the general financial rules set out in that Act. The Centre is audited annually by the Office of the Auditor General and is accountable to the Parliament of Canada. But its special status does ensure that IDRC has the autonomy it needs to establish links and advance Canadian causes — even when, for political reasons, the government is unable to become involved officially.

- ✧ Parliament provides IDRC with an **annual appropriation**. While this is its main source of revenue, the IDRC Act also allows the Centre to seek external funding. IDRC's international reputation and the impressive set of networks it has established during the past 30 years make the prospect of cooperative ventures, through international secretariats, particularly attractive to outside donors.
- ✧ IDRC increasingly supports **research for policy change** — research that can help shape national policies. To realize the vision outlined in the IDRC Act, developing countries need a policy framework, as well as civil institutions, to address and openly debate complex issues related to the environment, science and technology, economics, and the like. IDRC has helped to provide opportunities to a critical mass of skilled people who can build a foundation of evidence for policy choices and the public debate that goes along with policy development.
- ✧ IDRC continues to influence the way research is conducted in the developing world. The Centre values a **multidisciplinary, participatory approach** that factors in gender considerations. This inclusive methodology helps to ensure that research is grounded in the needs of local people. As a result of experiencing both the process and its benefits, Southern researchers are increasingly adopting this approach.
- ✧ Canadians believe in helping those at home and abroad who, for a variety of reasons, require assistance. They recognize that the best way of doing this is by supporting their efforts to become **self-sufficient**. Furthermore, in today's interdependent world, Canadians understand that issues of environmental sustainability and health affect everyone, and that we also have a stake in solving them.
- ✧ **Canada's global reputation** is enhanced by the work of IDRC. As one member of Canada's foreign affairs family, the Centre makes a direct contribution to the Official Development Assistance program of Canada, the objective of which is "to support sustainable development in developing countries, to reduce poverty, and to contribute to a more secure, equitable, and prosperous world." Through development research, IDRC is helping to do precisely that.

IDRC's Program Structure



Note: This chart does not reflect the planned reorganization of several research programs over the coming fiscal year. Please consult the IDRC website (<http://www.idrc.ca>) for the most current listing of program initiatives, secretariats, special projects, and program-support activities.

President's Message



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ABOUT IDRC

In the 1960s, Canada greatly expanded its development assistance program under the leadership of then Prime Minister Lester Pearson and External Affairs Minister Paul Martin. After an address to university students, Mr Martin was asked why Canada was pursuing such an enlightened approach to the developing world. He replied: “The Prime Minister and I have been lectured by Barbara Ward for so long and so effectively, that we have decided to change our policy.”

The late Barbara Ward was clearly a woman of influence. A British economist, writer, and advocate, she shaped popular (and prime ministerial) opinion with her visionary ideas, her eloquent pen, and a strong sense of moral justice. In *Only One Earth*, co-authored with Dr René Dubos, she linked a shared concern for the environment with a common future for humankind: “... the careful husbandry of the Earth is *sine qua non* for the survival of the human species, and for the creation of decent ways of life for all the people of the world.”

Dr René Dubos: an IDRC original

The late Dr René Dubos was a microbiologist who made important contributions to the development of antibiotics. His scientific research prompted his interest in the effects of the environment on human life. He became an early environmentalist, coining the phrase, “think globally, act locally.” He also won a Pulitzer Prize in 1969 for his book *So Human an Animal*. Based in New York, he was one of several luminaries who sat on IDRC’s first board.

IDRC was fortunate to count Barbara Ward among its early champions. Writing to Mr Pearson in 1967, she added her voice to those calling for the creation of a “large-scale, technologically sophisticated centre of operational research into international development” to be located in Canada. She emphasized that such a centre “could be a symbol of the larger purposes of Canada as a bilingual nation with an international vocation.” Two weeks later, in a speech to the Canadian Political Science Association at Carleton University, Mr Pearson proposed that the government establish such a Centre. In 1970, he chaired the founding Board meeting of IDRC, with Ms Ward in attendance as one of the first governors.

Ms Ward, prophetic in so many ways, was right. Over three decades, IDRC has earned a worldwide reputation for its work — a reputation that has indeed become a symbol of Canada’s “international vocation” for helping those in need. An essay in this annual report traces some of the milestones of these 30 years and the evolution in the Centre’s support to development research. We are proud to note that the innovative approach to development assistance that defined the Centre at its outset is still at its heart: a conviction that men and women must control their own social and economic destinies; that researchers in developing countries must take the lead in producing knowledge for the benefit of their own communities; and that the acquisition and use of knowledge is key to progress.

Founding vision: the IDRC Act

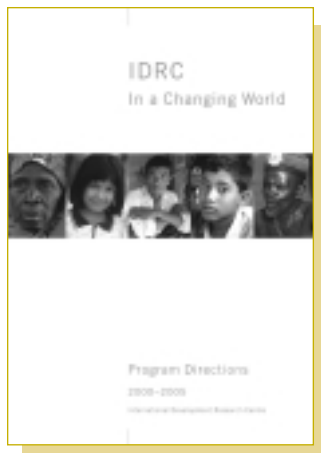
The objects of the Centre are to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions and, in carrying out those objects,

- ✧ to enlist the talents of natural and social scientists and technologists in Canada and other countries;
 - ✧ to assist the developing regions to build up the research capabilities, the innovative skills, and the institutions required to solve their problems;
 - ✧ to encourage generally the coordination of international development research; and
 - ✧ to foster cooperation in research on development problems between the developed and developing regions for their mutual benefit.
-

These principles are enshrined in the IDRC Act, the federal Act of Parliament that established IDRC and sets out our mandate. The IDRC Act is the constant in the life of the Centre, its creative and far-sighted objectives guiding us throughout 30 years, while allowing the flexibility to face new challenges.

We are also guided by the lessons of our recent past. We have come to the end of our second Corporate Program Framework (CPFII, 1997–2000), which concentrated the Centre's resources in several critical areas that directly targeted poverty alleviation and sustainable and equitable development. CPFII also changed the way we do our work. Staff teams comprising different specialists were organized into multidisciplinary program initiatives, which continue to be the driving force of the Centre's programing. In addition to being a source of funds for projects, the initiatives act as networks that link researchers to address specific problems and to set a research agenda. Our international secretariats are another enduring legacy from CPFII. These are research consortia made up of several donors that pursue common goals through a long-term research agenda. For other outcomes, I invite you to read our CPFII "report card" that provides a measure of our performance against the targets we set in 1997 (see pages 21–25).

Like any good student, we have learned from our successes and missteps. The lessons from CPFII fed into the debate and deliberation about IDRC's directions for the future. For more than a year, those associated with the Centre took stock of the changing context of international development and how our programing must be recast to address the urgent challenges of our day. The IDRC Board of Governors directed this process, which was also shaped by consultations with staff, representatives of the Government of Canada, and the Centre's



worldwide network of researchers, scientists, and policy-makers. The result is our new 5-year plan, the Corporate Strategy and Program Framework 2000–2005. It stays true to our key principles while pointing to new directions, among them an emphasis on governance, a greater exploration of the relationship between research and knowledge, and increased attention to gender issues in development. Programing coalesces around three themes: social and economic equity, environment and natural resource management, and information and communication technologies for development. While these broad themes will stay fixed, specific research questions within them will change as new issues emerge. (See www.idrc.ca/cpf/).

The ability of IDRC to make a contribution, however, depends on the resources that are available. The Centre's budget is calculated as part of Canada's Official Development Assistance (ODA). Unfortunately, the amount Canada spends on foreign aid has been declining for much of the 1990s. According to statistics from the Organisation for Economic Co-operation and Development (OECD), Canada contributes roughly the same amount of aid as Denmark, a country with one-sixth of our population. Measured as a proportion of gross national product (GNP), 1998 figures show Denmark committing 0.99% to ODA; Canada, 0.29%. This falls far short of the 0.7% goal set by the United Nations.

This goal grew out of a recommendation of the landmark *Report of the Commission on International Development*, more popularly known as *Partners in Development*. Chaired by Mr Pearson, the Commission was struck to examine the future of international cooperation in the face of declining foreign aid budgets, weariness of donor countries, and the daunting disparities between rich and poor countries — concerns that unfortunately remain true today. The report, released in 1969, re-energized the development debate. In a section entitled "A Question of Will," the report stated:

"The question which now arises is whether the rich and developed nations will continue their efforts to assist the developing countries or whether they will allow the structure built up for development cooperation to deteriorate and fall apart."

A year after this question was raised, Canada responded with the establishment of IDRC. As a Canadian contribution to the efforts "to assist the developing countries," it seemed to answer Barbara Ward's earlier call for Canada to assume its "larger purposes" in the world.

Today, in our 30th anniversary year, we ask the same question and heed the same call.

Naureen O'Neil

IDRC in action

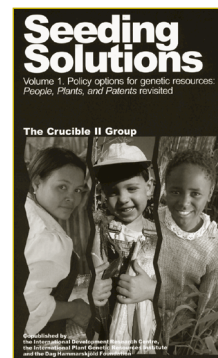


The Year in Review

Program Highlights

The **Crucible II Group** on plant genetic resource law and policy represents a remarkable gathering of experts who do not often find common ground. The group includes indigenous peoples, farmers, government policymakers, and representatives from international environmental organizations and multinational industries. For 2 years, they debated differing approaches to the use and ownership of genes, trade in biological resources, preservation of biological diversity, indigenous peoples' rights, and international food security. Their recommendations and discussions of different policy choices are contained in the report, *Seeding Solutions, Vol. 1: Policy Options for Genetic Resources* (IDRC 2000). The Crucible II Group also presented their findings at the fifth meeting of the Subsidiary Body on Scientific, Technical, and Technological Advice to the Convention on Biodiversity.

www.idrc.ca/reports/read_article_english.cfm?article_num=644

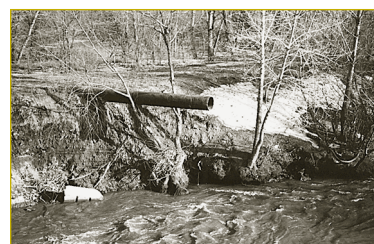


The emerging field of **knowledge management** has important implications for the international development community. IDRC, in partnership with the Bellanet International Secretariat, was a key supporter and participant in a Washington, DC, workshop that examined the role of knowledge management in development organizations. The success of the workshop led to a similar session at the Canadian International Development Agency in Ottawa as well as a proposal to hold an event in Europe as part of a stronger effort to promote and support knowledge management in the South.

www.bellanet.org/km/

For 6 years in the Ukraine, IDRC has managed initiatives to improve the environmental management of the **Dnipro River**, one of Europe's longest and most severely polluted rivers. The programs' successes have led to an expansion of the clean-up effort to Belarus and Russia, which share the Dnipro Basin with the Ukraine, through a multipartner project with the Global Environment Facility at the United Nations Development Programme.

www.idrc.ca/oceei/gef/gef-info_e.cfm



IDRC Photo

From cybercafés to electronic commerce, researchers supported by IDRC showcased the impact of information and communication technologies on people's lives in Africa to official delegates at **La Francophonie Summit** in Moncton, New Brunswick.



Examples of the enduring impact of development research can be found in a report that examines IDRC's 20-year history of supporting projects on the **complex agricultural production systems of the Andes**. The report found that IDRC's major contributions were building research skills, increasing opportunities for indigenous researchers, and helping those researchers find solutions to the development problems of their own communities — in short, the very objectives that define IDRC's founding vision.

www.idrc.ca/minga/97-8754_e.html

IDRC awarded Donna Mergler, a neurotoxicologist and biology professor at the Université du Québec à Montréal, a 3-year academic fellowship worth \$395 000. Dr Mergler is well known for her work on mercury contamination in the Amazon region in Brazil. The new fellowship, created by IDRC and managed by the Association of Universities and Colleges of Canada, seeks to encourage research and training in the emerging field of **ecosystem approaches to human health**.

www.idrc.ca/media/Mergler_e.html



The poor in the South have borne the brunt of the economic stabilization and structural adjustment programs of the last 20 years. IDRC's program initiative on the **Micro Impacts of Macroeconomic Adjustment Policies** (MIMAP) supports research in 13 countries on the human costs of these programs and the use of the results to promote better policymaking and poverty alleviation. In the Philippines and Nepal, MIMAP is helping to inform national poverty-alleviation strategies and local development initiatives alike. The research is also helping to prepare governments for their negotiations with international financial institutions.

www.idrc.ca/mimap/

IDRC-funded projects win awards

- ✧ The report from a project that aims to prevent sexual violence in South Africa was singled out as the best among more than 400 international papers presented from 68 countries during a World Health Organization conference in New Delhi. The CIETcanada (Community Information and Epidemiological Technologies) report focused on the role of the police in cases of sexual violence.

www.idrc.ca/reports/read_article_english.cfm?article_num=660

- ✧ The project Cyberpop/Bombolong received an award for its innovative work in Senegal with grassroots organizations and information and communication technologies.

www.idrc.ca/reports/read_article_english.cfm?article_num=655

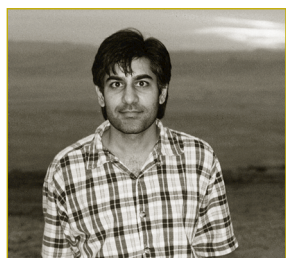
Institutional Highlights

The Government of Canada announced the reappointment of **Maureen O'Neil** as President of IDRC for a 3-year term. Ms O'Neil has been President of IDRC since 1997.

www.idrc.ca/institution/ebog.html

The Board of Governors approved IDRC's new 5-year plan, the **Corporate Strategy and Program Framework 2000–2005**, the outcome of more than a year of consultations and discussions.

www.idrc.ca/cpf/



IDRC Photo

Naser Faruqi, a Senior Program Specialist at IDRC, was chosen as one of the **“next generation of water leaders”** by the International Water Resources Association, the Stockholm International Water Institute, and the Third World Centre for Water Management. Naser is the only Canadian among the 14 selected leaders.

www.idrc.ca/reports/read_article_english.cfm?article_num=653

Four IDRC project leaders presented the results of their work in a display to **Prime Minister Jean Chrétien** during his visit to Dakar, Senegal. Prime Minister Chrétien was joined by Senegalese Prime Minister Mamadou Lamine Loum in viewing exhibits on millet flour mills, plant-based tiles, shea butter, and information technology for the decentralization of services.

Rohinton Medhora, IDRC's Senior Specialist in Economics, appeared before the House of Commons **Standing Committee on Foreign Affairs and International Trade** to discuss how Canada can help developing countries participate in the negotiations of the World Trade Organization.

<http://www.idrc.ca/tec/wtohoce.html>

C. Fred Bentley, a member of IDRC's founding Board, donated an additional \$150 000 to a fellowship he established at the Centre with his wife, Helen S. Bentley. Mr Bentley, who has enjoyed a distinguished career of teaching and research in soil science, was among the first generation of Canadian scientists to offer their expertise to the developing regions of the world. The fellowship assists Canadian students or researchers who are doing applied research on integrating forage crops into the cropping systems of developing countries.

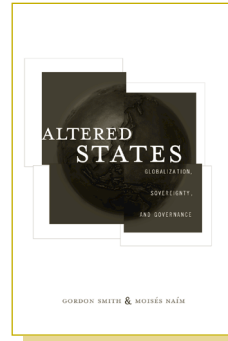
www.idrc.ca/awards/ebentinf.html



IDRC Photo : P. Jackson

IDRC entered the world of e-commerce with the launch of its **Booktique** website, a secure online catalogue for all of IDRC's publications. Readers can find such notable titles as *A New World of Knowledge*. Edited by Sheryl L. Bond and Jean-Pierre Lemasson, this book examines how globalization has obliged universities in Canada to reassess the international dimension of their mission and practice. Globalization is also the theme of *Altered States*, by Gordon Smith (chair of the IDRC Board of Governors) and Moises Naím. The book, which calls for an improved system of global governance, was published as a contribution to the United Nations Millennium Assembly, to be held in September 2000.

www.idrc.ca/booktique/index_e.cfm



IDRC Photo : D. Marchand

Over the past several years, IDRC has experimented with a range of options for **partnerships and resource expansion** to increase the flow of resources to researchers in developing countries. Partnerships are now part of IDRC's way of doing business — this year, external funding accounts for half of the Centre's program spending. Some examples:

- ✧ Two Canadian companies — **Nortel Networks** and **AGRA Systems Limited** — are working in partnership with IDRC and the International Telecommunications Union in a unique international effort to develop universal access to information and communication technologies and rural connectivity in Africa. Nortel is also helping SchoolNet South Africa to bring schools in three provinces onto the information highway.
- ✧ IDRC programs have attracted funding from other donors, including contributions from the **Netherlands Ministry of Development Cooperation** to support a resource centre on urban agriculture and forestry and from the **Swiss Agency for Development and Cooperation** for a watershed project in the Himalayas. IDRC is also managing a major project on small and medium-sized enterprise policy in Egypt. This project is jointly funded by IDRC and the **Canadian International Development Agency**.

http://www.idrc.ca/business/index_e.html



IDRC Photo



CIDA Photo : Roger Lemoyne

Financial Overview

For financial-management purposes, IDRC has for many years classified its expenses in two categories: program and operations. Program expenditures included all grants to researchers and research institutions as well as related expenditures, such as the cost of the IDRC Library and the costs of the Evaluation and Public Affairs units. Operating expenditures included all administrative costs (such as Finance, Human Resources, and the President's Office) and all technical program support (program officers, research officers, etc.).

As stated in the IDRC Act, however, the Centre's programing is a combination of grants to researchers, knowledge-intensive program management and support, and the necessary administrative infrastructure. The two-part cost structure did not reflect this reality. In March 2000, the Board of Governors approved a new three-part cost structure. This structure better portrays the Centre's operations and better recognizes the importance of the IDRC's investment in its intellectual contribution to research for development. The new cost structure distinguishes between research grants (**development research programs**), knowledge-intensive program management and support (**development research support**), and administrative costs (**administrative services**).

The operating results contained in this annual report are being presented in accordance with this new cost structure. The Centre's total revenues for 1999/2000 were \$136.4 million. Expenses amounted to \$139.0 million. The net result of operations was a deficit of \$2.6 million, bringing the Centre's equity level to \$1.8 million.

This year was the final year of IDRC's initial 3-year Information Systems and Information Technologies (IS/IT) business plan. On 1 April 1999, a fully integrated financial and grants project-management system was implemented. Complementary initiatives included building the infrastructure to support the new systems, Y2K readiness, upgrading desktops, and the development of IDRC's intranet. The aggregate costs of these investments over the last 3 years was \$7.7 million. The turn of the millennium was without incident with respect to the Centre's systems. Very few ripple effects were felt, even with our partners in the South. The Centre is currently developing an internal governance structure and management process to oversee IT policy development, system development, support, and maintenance and to ensure

future investment in IS/IT and IM (information management) responds to mission-critical business.

The Centre continues to manage the ongoing challenge of dealing with systemic and inflationary pressures against a fixed Parliamentary appropriation through increased efforts to supplement its revenue base and capacity to appropriate funds to projects with resource-expansion activities. An increasing proportion of the Parliamentary appropriation is used to meet the costs of development research support and administrative services. Consequently, the Centre has witnessed an erosion in its ability to fund core program appropriations, a reduction partially offset by resource-expansion activities.

Appropriate benchmarks for each component of the new cost structure are currently being defined. The challenge for management in 2000/01 will be to find a reasonable and sustainable balance between funding levels for development research programs, development research support, and administrative services. The coming year will also be a transition year to implement the Centre's new Corporate Strategy and Program Framework (CSPF) and to tackle the challenge of rebalancing the Centre's operations to bring the equity to a more appropriate level.

Appropriations

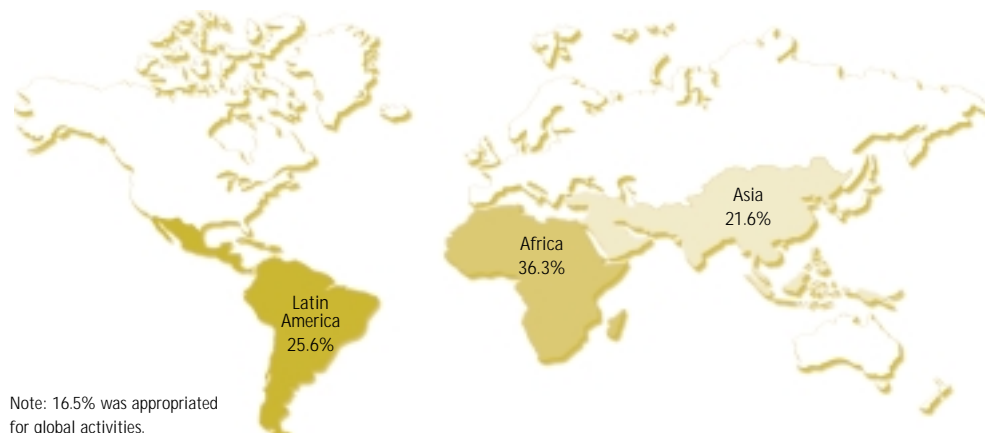
"Appropriations" is the term used by IDRC to indicate funds set aside by formal action for use in development research programs, development research support, and administrative services. For the year ending 31 March 2000, Centre appropriations totaled \$144.6 million, exceeding the budget by \$4.7 million (Table 1). **Regular program** appropriations reached \$46.9 million and were \$9.1 million lower than planned. As a result of the rapid rate of expenditures on development research programs during the year, regular program appropriations were reduced significantly.

The Centre appropriated \$57.1 million in new **resource-expansion activities**. These activities, which are complementary to the Centre's mandate, represent funds managed or administered on behalf of other organizations. This level was \$14.2 million higher than budget because of the Centre's successful efforts in recent years to create partnerships with like-minded donor agencies. CIDA is IDRC's major partner in resource-expansion activities (see Figure 3).

Table 1. Appropriations (\$000) for 1999/2000 and 1998/99.

	Revised budget	1999/2000		1998/99	% change actual
		Actual	Variance	Actual	
Total appropriations	\$139 919	\$144 637	4 718	\$138 876	4.1%
Development research programs					
Regular programs	55 952	46 860	-9 092	63 869	-26.6%
Resource-expansion activities	42 900	57 140	14 240	38 282	49.3%
Development research support	19 570	20 294	724	18 872	7.5%
Administrative services	21 497	20 343	-1 154	17 853	13.9%

Figure 1. Geographical distribution of IDRC support, 1999/2000.



Geographical distribution — In line with the Centre's strategy, Africa received the bulk of IDRC support in 1999/2000. The geographical distribution of the Centre's program and resource-expansion appropriations is presented in Figure 1.

Outstanding commitments — At 31 March 2000, the Centre was committed to make payments up to \$128.6 million during the next 4 years on approximately 1 100 projects in progress. This commitment, however, is subject to funds being provided by Parliament or external donor partners and to compliance by recipients to the terms of project agreements. Of the total outstanding commitments of \$128.6 million, \$69.9 million is for projects funded through the Parliamentary appropriation, \$52.1 million is for projects funded by other donors (including CIDA), and \$6.6 million is for the Tanzania Essential Health Intervention Project (TEHIP), from a supplementary Parliamentary appropriation.

Revenue

Total revenue for 1999/2000 amounted to \$136.4 million, exceeding the budget by \$11.4 million (Table 2). Most of the variance is explained by the significant increase in resource-expansion activities.

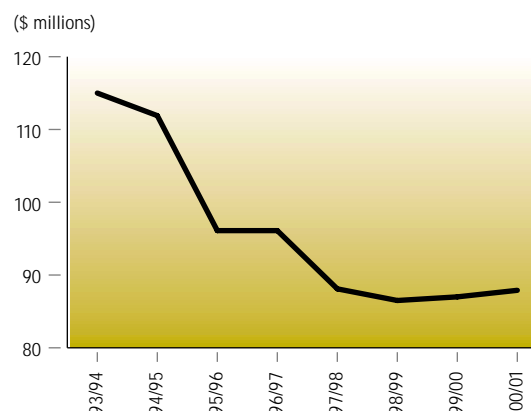
The Centre's primary source of revenue continues to be the **Parliamentary appropriation**, representing 64% of total revenues for 1999/2000. The Centre's Parliamentary appropriation is an allocation from Canada's Official Development Assistance (ODA) envelope, of which IDRC's share is about 4%. Since 1993/94, the Centre has experienced a significant decline in its Parliamentary funding (Figure 2).

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 as revenue in the year for which it is approved. This year's total capital purchases amounted to \$1.9 million, compared to last year's \$4.1 million. The associated **amortization of deferred capital funding** increased to \$2.3 million, compared to last year's \$1.6 million, because of the added amortization of the Centre's new integrated management information systems.

Table 2. Revenue (\$000) for 1999/2000 and 1998/99.

	1999/2000			1998/99	% change actual
	Revised budget	Actual	Variance	Actual	
Total revenue	\$125 020	\$136 402	11 382	\$126 721	7.6%
Parliamentary appropriation	86 751	87 019	268	86 488	
Less: capital funding	1 500	1 946	446	4 141	
Net Parliamentary appropriation	85 251	85 073	-178	82 347	3.3%
Supplementary Parliamentary appropriation (TEHIP)	3 000	2 923	-77	2 113	
Amortization of deferred funding – capital assets	1 969	2 254	285	1 626	
Total government funding	90 220	90 250	30	86 086	4.8%
Resource-expansion activities	31 000	43 313	12 313	35 907	
Recovery of administration costs	1 500	1 746	246	1 671	
Investment income	1 500	387	-1 113	2 343	
Other income	800	706	-94	714	
Total	34 800	46 152	11 352	40 635	13.6%

Figure 2. Parliamentary appropriation, 1993/94 to 2000/01.

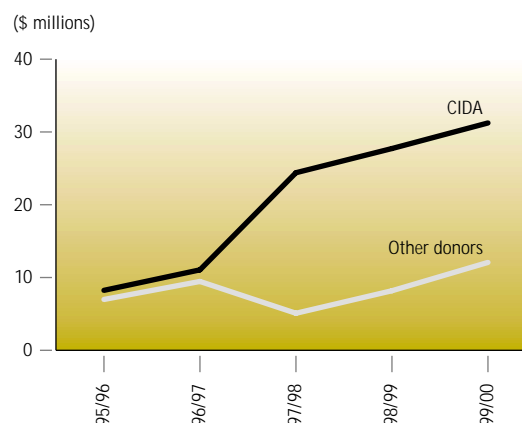


Revenue from the **supplementary appropriation** (TEHIP) reached \$2.9 million for the year, almost on target with the budget. This amount was \$0.8 million higher than the previous year because of a greater volume of activity on the project.

Funding from **resource-expansion activities** relates specifically to research conducted or managed by the Centre on behalf of other organizations. Total resource-expansion revenue reached a high of \$43.3 million in 1999/2000, up \$12.3 million from the predicted budget figure. This amount included \$31.2 million in partnership funding from CIDA (Figure 3). The increase is the result of a higher volume of activities administered by the Centre on behalf of other donor agencies.

Investment income was reported at \$0.4 million, \$1.1 million less than the budget because of a correction pertaining to the previous fiscal year. This adjustment reduced this year's investment income by \$0.9 million. Accordingly, the 1998/99 comparative figure of \$2.3 million should have been lower by that same amount.

Figure 3. Resource-expansion activities,
1995/96 to 1999/2000.



Expenses

Total expenses for 1999/2000 amounted to \$139.0 million, exceeding the budget by \$13.4 million. As is the case with revenue, most of the variance is accounted for by the increase in resource-expansion activities.

Development research programs reflect the direct costs of scientific and technical research projects either financed or administered by IDRC. For 1999/2000, **regular program** spending amounted to \$55.1 million, exceeding the budget by \$1.5 million. Because of a rapid rate of expenditure on projects this year, expenditures for regular programs would have been significantly higher were it not for a series of countermeasures put in place by management during the year. Resource-expansion expenditures totaled \$43.3 million, or \$12.3 million higher than budget because of the higher volume of activities administered by the Centre. Because resource-expansion revenues and expenditures are perfectly matched, the volatility in volume has no impact on the bottom line. Management, with Treasury Board, is exploring a change in accounting policy for regular programs, where revenue would be deferred and

Table 3. Expenses (\$000) for 1999/2000 and 1998/99.

	1999/2000			1998/99	% change actual
	Revised budget	Actual	Variance	Actual	
Total expenses	\$125 606	\$139 034	13 428	\$131 505	5.4%
Development research programs	84 539	98 397	13 858	94 780	3.7%
Regular programs	53 539	55 084	1 545	58 873	
Resource expansion	31 000	43 313	12 313	35 907	
Development research support	19 570	20 294	724	18 872	7.0%
Technical support	9 340	9 224	-116	8 716	
Other support services	7 100	7 029	-71	6 588	
Program management	3 130	4 041	911	3 568	
Administrative services	21 497	20 343	-1 154	17 853	12.2%
Administration	15 913	14 770	-1 143	12 600	
Regional office management	5 584	5 573	-11	5 253	

recognized at the same time as expenditures are incurred. Any change in policy would take effect in 2001/02.

Development research support represents the costs of knowledge-intensive activities in support of development research programs including the cost of technical support, program management, and other support services. The technical support group represents the program personnel whose role is to assist in the development of new projects, to monitor ongoing research projects, and to provide specialized support to recipients. **Other support services** include the services that provide direct support to development research programs such as the Evaluation Unit and Research Information Management Services. **Program management** provides support and guidance to the Centre's program of work. Development research support totaled \$20.3 million for the year, \$0.7 million more than budgeted. The variance is due mostly to a redistribution of the cost of accommodations.

Administrative services includes a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and corporate responsibilities, including the management of seven regional offices. These expenditures amounted to \$20.3 million, under budget by \$1.2 million. This variance is also attributable to the redistribution of accommodation costs.

Figures 4 and 5 illustrate the proportionate share of expenditures for the Centre's new three-tier structure for the years 1999/2000 and 1998/99, respectively.

Figure 4. Expenditures (\$000), 1999/2000.

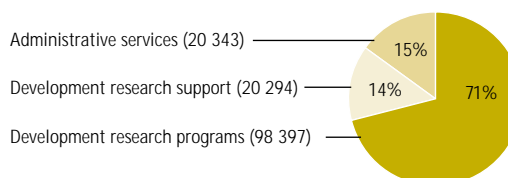
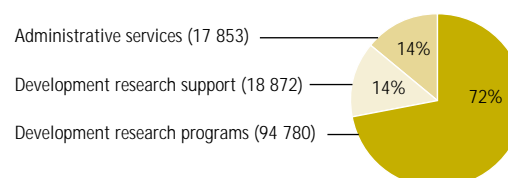


Figure 5. Expenditures (\$000), 1998/99.



Report Card: 1997–2000

The year 2000 marks the end of IDRC's second Corporate Program Framework (CPFII). At the launch of CPFII 3 years ago, IDRC set itself two goals:

- ✧ To foster and support the production and application of research results leading to policies and technologies that enhance the lives of people in the developing regions and
- ✧ To mobilize and strengthen the indigenous research capacity in the countries of those regions, particularly capacity for policies and technologies for more healthy and prosperous societies, food security, biodiversity, and access to information.

The framework also set forth some examples of the development outcomes and benefits, both **institutional** and **programmatic**, that IDRC would help deliver by the year 2000. The "report card" that follows is an accounting of how well we have done in achieving those targets. It also points to some of the future directions we hope to pursue.

IDRC always finds itself looking ahead. The end of one project, whether "successful" or not, often leads to new and promising avenues of research. Capturing this longer term perspective is difficult in a report card that spans 3 years. The short article entitled "Lessons from Ghana," which accompanies the report card, shows the circuitous path research often follows before it results in lasting change (see pages 26–27).

INSTITUTIONAL	Intended outcome	Progress achieved	Looking ahead
	Fund program initiatives to consolidate or establish at least 15 major regional and interregional networks of research institutions that effectively function as if they were part of a single institution, connected among themselves and with the broader Canadian and global knowledge communities.	<p>From 1997 to 2000, IDRC created 15 program initiatives. Managed by multidisciplinary teams within the Centre, they are also working networks that link Southern and Northern researchers to address specific research problems. To extend their reach, IDRC supported a concerted effort to connect project recipients to its networks. Many of IDRC's project recipients were able to obtain email for the first time, share their research results via their own websites, and collaborate with a broader online research community.</p> <p>Networking is also a key component of several large corporate projects IDRC has developed in parallel to its regular program initiatives. Examples include the Mining Policy Research Initiative and the Research for International Tobacco Control secretariat.</p> <p>IDRC continues to draw upon the lessons of a 1996 analysis of the Centre's experience with research networks.</p>	<p>IDRC has reduced the number of program initiatives it operates to 11. Some of these will shift their emphasis to respond to new demands or to further focus their programming.</p> <p>The Centre will now support research into "knowledge systems," that is the range of functions involved in the production and use of knowledge. It includes the many forms in which knowledge is held — from oral traditions to networked databases — and knowledge users, be they individuals or groups. Over the next 5 years, IDRC will explore some of the key research issues and look for practical ways to test new hypotheses.</p> <p>IDRC will also support research into governance to help build public institutions that are more representative and accountable to the citizens they serve. This research holds special significance for countries rebuilding after decades of conflict.</p>

Report Card: 1997-2000

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IDRC IN ACTION

PROGRAMMATIC

Intended outcome	Progress achieved	Looking ahead
Initiate and maintain support for at least 12 multidonor consortia or secretariats (in which IDRC will play a leading role) dedicated to generating and applying knowledge to major development issues in particular topics, ecoregions, or countries.	<p>IDRC succeeded in attracting international support for the creation of 12 multidonor secretariats. Over the lifetime of this framework, the International Network for Bamboo and Rattan was spun off to become an international research and development institution, the first to be headquartered in China. Other secretariats, like WETV, no longer fit within IDRC's research priorities or reached the end of their useful life and Centre funding was discontinued. Nine secretariats now remain within IDRC.</p> <p>An evaluation of IDRC's secretariats has proven their value and pointed to the need to clearly define the roles and responsibilities of all partners.</p>	<p>Secretariats will continue to be a vehicle for program delivery. The key criteria for establishing a secretariat will be a perceived research need that is too ambitious for IDRC to undertake by itself and, therefore, requires support from other donors to develop a research agenda and manage its implementation.</p> <p>IDRC will assist secretariats to implement performance-monitoring systems that will enable them to improve and report on the results attained.</p>
Attract funding beyond the Canadian parliamentary appropriation for at least 10 of the 15 proposed research networks and find alternative ways to mobilize other resources in pursuit of the IDRC mission.	IDRC's resource-expansion efforts in the past year have made an additional \$57.1 million available for research in developing countries. In addition to traditional funding partners, such as other donor agencies and foundations, IDRC has also involved the private sector (for example, Nortel Networks and Agra Systems Ltd).	IDRC's desire to increase the resources available to developing-country researchers continues to underpin its resource-expansion efforts. To ensure the fit between its resource-expansion activities and its programing directions, IDRC has created the Program and Partnership Branch to coordinate both functions.
Economic policies that are sensitive to social impact: macroeconomic adjustment policies have serious impacts on the employment, health, and education of vulnerable groups. New policies to minimize these negative effects will be supported in 12 countries in Africa and Asia. Research will focus on the socio-economic status, gender, age, and ethnicity of the people affected.	<p>IDRC has created a network of researchers working in 10 countries in Africa and Asia to study the effects of economic change on the poor. The two key questions for all: how do we define poverty and how do we measure it? By developing accurate, easy-to-obtain poverty indicators, the effects of economic policies on the poor can be measured and policy options for reducing those effects can be evaluated. In Nepal, members of the network wrote the poverty component of the country's Ninth National Plan.</p> <p>Thanks to the network, senior teams, like the one in the Philippines, now act as resources for countries like Ghana that are newer to the network. Capacity building through networking has become a key process in the network's development.</p>	<p>Researchers are working to consolidate the network through more systematic collaboration. They are looking to develop a core set of poverty indicators that research teams in other countries could use and adapt to their own needs.</p> <p>They hope to set up a similar process for sharing the results of their economic and poverty modelling efforts.</p>

Intended outcome	Progress achieved	Looking ahead
<p>Responses to soil degradation in sub-Saharan Africa: researchers will identify ways to reverse loss of soil and soil fertility and share this knowledge through a research network connecting the most seriously affected regions.</p>	<p>In Kargi, Kenya, communities are controlling livestock grazing, enforcing rules on tree cutting and increasing the number of water holes to reduce damage and traffic around existing ones. These communities are part of a nine-country 10-year long United Nations Environment Programme initiative called the Desert Margins Programme. IDRC is supporting work in Burkina Faso, Kenya, and Botswana as part of this larger initiative.</p>	<p>IDRC's support of the Desert Margins Programme is part of a larger effort within the Centre to tackle widespread land degradation and inefficient and inequitable use of water throughout Africa and the Middle East. Called Managing Natural Resources in Africa and the Middle East, it seeks to improve food and water security throughout the region. The focus is on rural communities in sensitive ecosystems like the highlands of East and Central Africa.</p>
<p>Urban agriculture produces about 15% of all the food consumed on the planet and engages 800 million urban farmers. Research will aim to reduce health risks and increase the acceptance of this activity, which will be increasingly important to adequate and sustainable nutrition in years ahead.</p>	<p>IDRC has been a world leader in spearheading research into urban agriculture. In Dar es Salaam, Tanzania, for example, urban farmers are critical to the local food supply. Farming is also the second largest source of local employment. Researchers have examined the safety, pollution problems, and benefits of urban farming systems. Results were used in discussions to create a new master development plan for the city.</p> <p>In Kampala, Uganda, project research has changed the attitudes of local authorities. Where urban agriculture was once actively discouraged, it now is a regular feature of city council meetings.</p>	<p>A recent evaluation of IDRC's efforts in urban agriculture noted the Centre's success in gaining broader recognition of the importance and challenges of urban agriculture. It noted a need to better integrate gender and social relations into the program and to make the political economy more integral to their planning.</p> <p>Future work will include finding more ways to integrate urban water supply and disposal with agriculture. Emphasis will be placed on the reuse of household waste water and the sustainability of the urban water supply.</p> <p>To share the results of research into urban agriculture more widely, IDRC has helped launch urban agriculture research networks in Latin America and the Caribbean, sub-Saharan Africa, and the Middle East and North Africa.</p>
<p>Low-cost tools, methods, and indicators will assist those working to develop and implement policy reforms in health care, education, and social welfare and will be developed by a Canadian–Latin American consortium.</p>	<p>In Peru, researchers at the Centro de Investigación de la Universidad del Pacífico have developed tools to help the government better target programs geared to people living in extreme poverty. The key was a well-being index based on household data that also accounts for the social and cultural factors that affect family's level of poverty and well-being. The index will allow researchers to better measure and identify the causes of extreme poverty. A follow-up monitoring and evaluation system will then evaluate the impact of relief efforts.</p>	<p>During the planning for IDRC's new Corporate Strategy and Program Framework, the need to rethink the Centre's program of social policy research became apparent. Consultations within and outside of IDRC have led to changes in how that program will be delivered. The Centre will shift its emphasis from research on general issues to a more specific focus on equity in access to public services, such as health care, education, and training, the effectiveness of their delivery, and their general sustainability.</p>

Report Card: 1997-2000

Intended outcome	Progress achieved	Looking ahead
In the Jordan River Basin, we will support the creation of knowledge about the trading of water and discourage conflicts over this valuable resource.	<p>Water in the Jordan River Basin is shared among Israelis, Palestinians, Jordanians, and, to a lesser extent, Syrians and Lebanese. In Jordan and Gaza, IDRC-supported projects have examined ways to harvest and distribute rainwater for use in agriculture and within households.</p> <p>Research using modern tools, such as geographic information systems (GIS), is developing techniques to harvest rainwater for agriculture in areas that receive less than 100 millimetres of rain per year.</p> <p>IDRC is also helping to lay the foundation for the joint management of a key aquifer by Israelis and Palestinians. Throughout the region, IDRC is supporting research that focuses on ways of saving water and improving its quality by reducing the demand rather than seeking to increase supply.</p>	Water will remain a problem throughout the Middle East and North Africa. Supply cannot meet the growing economic needs and those of a mushrooming population. IDRC has launched the Water Demand Management Research Network to examine how water can be more effectively and efficiently used. The network will bring together policymakers, large-scale water users, and the public across the Middle East and North Africa to share the results of the research.
The contribution of biodiversity to farmers' needs will be reinforced through plant-breeding systems in Asia and Latin America that will adopt participatory methods to conserve plant varieties.	Farmers in the Mexican state of Oaxaca grow more than 152 local varieties of corn. Economic development could wipe out these local varieties as farmers switch to commercial agriculture or abandon farming. The International Maize and Wheat Improvement Center (CIMMYT) and the Instituto Nacional de Investigaciones Forestales Agrícolas y Pecuarias (INIFAP) joined forces to see how scientists and farmers could work together to conserve maize diversity. Results of the IDRC-funded project have persuaded plant breeders at CIMMYT and INIFAP that modern varieties are not suited to the marginal environments where landraces thrive. Both organizations are reintroducing landraces held in their germplasm bank and changing their approach to diversity conservation and plant breeding in certain environments.	IDRC is broadening its efforts to develop a participatory breeding program geared to the crop needs of small-scale farmers in the developing world by working with other donors and the Consultative Group on International Agricultural Research. Farmers' knowledge of local crop varieties will form the selection criteria (beyond actual yields, these might include ease of harvest and storage, cooking characteristics, time to maturity, etc). The program is attempting to break new ground by developing a system to ensure that all parties — farmers and private-sector breeders — benefit from new varieties developed.
New production processes will be identified to allow small firms in developing countries to increase their profits and promote employment while protecting the environment.	<p>Thanks to the efforts of PROPEL, a Latin American nongovernmental organization supported by IDRC, more than 50 small-scale tanneries in Bolivia, Colombia, and Ecuador have reduced their pollution output and boosted their profitability and competitiveness.</p> <p>In Africa, the Network for the Valorization of Plant Materials is helping to develop or improve community-based businesses based on local raw materials. In Guinea, for example, the network is helping to preserve the traditional art of dyeing cloth with the indigo plant.</p>	IDRC will concentrate its support for small, medium, and micro enterprises on research that focuses on entrepreneurship and enterprise development by groups that are traditionally hard to reach, such as rural communities, women, and youth. Africa will be given more emphasis than other regions and the use of information and communication technologies to reach these groups will be examined.

Intended outcome	Progress achieved	Looking ahead
Research will contribute to ensuring that new information technologies are equitably shared among peoples and governments in developing countries.	In 1997, IDRC launched the Acacia initiative, a program to help disadvantaged communities and social groups in Africa assert control over their own development through access to, and effective use of, information and communication technologies (ICTs). In February 2000, Acacia was honoured in a competition during Bamako 2000, an international meeting on ICTs. The competition was sponsored by the French corporation, Alcatel. Nine IDRC projects were highlighted at the meeting. The winning entry, coordinated by ENDA Tiers Monde, was an excellent example of how ICTs can transform a grassroots economy to make the social and technical innovations of local groups more widely visible.	When IDRC launched Acacia, it was among the few agencies examining how ICTs could be used to help the most marginalized communities in Africa. There are now many more players involved in ICT and development activities. The Centre is therefore examining its options to see where its expertise is best suited. The Evaluation and Learning System of Acacia (ELSA) is monitoring the activities of telecentres that Acacia has put in place in five African countries. ELSA is also developing a series of pan-African studies to draw on the lessons learned in creating these information shops.
A network will provide a "one-stop" location for development research communities within and outside Asia to converse and exchange knowledge, and provide first-time access to the Internet for some partners.	IDRC has helped researchers in Bangladesh, Bhutan, Cambodia, Laos, Mongolia, Sri Lanka, and Viet Nam gain access to the wealth of knowledge and contacts available electronically by providing them access to the Internet. The work is part of IDRC's Pan Networking initiative. Pan has also implemented a pilot project in Pondicherry, India, that is bringing the information age to rural Indian villagers in the form of communal telephone and Internet access. Six information shops are used by villagers, and women in particular, to obtain information about family income supplements and public welfare schemes, low-cost insurance, and health issues, especially child bearing and rearing, and ways to start up family enterprises.	IDRC has been successful in providing previously "isolated" countries with access to the Internet. IDRC is looking to further extend access to ICTs to smaller communities and remote areas using wireless approaches such as radio modems and satellite broadcasting. Content development and the use of websites to publish and share information will be further pursued.
Reducing conflicts over resource use: slash-and-burn farming has been practiced for centuries by tribal and hill peoples in Asia. Ways will be sought to improve traditional cultivation practices and to increase the income and self-esteem of these peoples in Cambodia, northeastern India, Laos, and South China. At the same time, environmental degradation and conflict with government will be minimized.	In India's northeastern state of Nagaland, growing population pressure has changed local slash-and-burn farming techniques. The amount of time that land is allowed to lie fallow has been reduced. To overcome the soil erosion and crop yield problems of more intensive farming, researchers and local communities have banded together and adopted agroforestry techniques that not only reduce erosion but also improve soil fertility. Women have been a particular focus. They have developed nurseries for raising the beneficial tree species that are planted on cleared land. This brings women into the decision-making process and augments their traditional roles as farm labourers.	IDRC has defined a community-based approach to natural resource management that draws on indigenous knowledge and community participation to fashion solutions to the degradation of the natural resource base that many communities still rely upon for a living. The approach, which is being applied in a systematic manner to communities living in the fragile upland and coastal areas of Asia, will be adapted to similar ecosystems in Latin America and Africa.

Lessons from Ghana

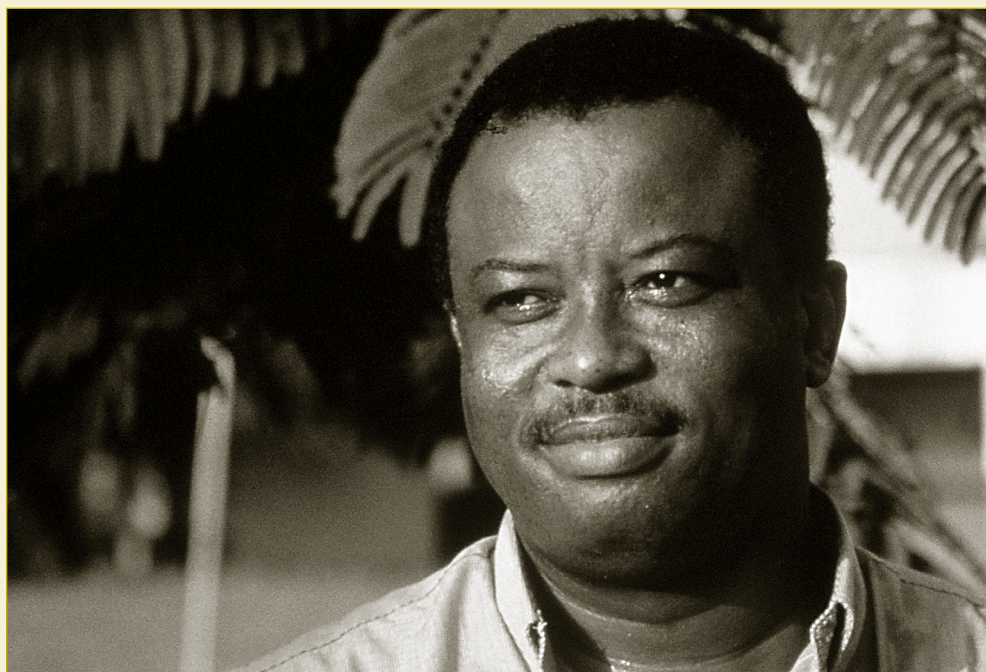
An IDRC project that spans a decade emerges as a model of development research in 2000

Navrongo is a long, dusty 12-hour drive north from Ghana's capital city, Accra. A town of 10 000 inhabitants, it has no regular electricity, no telephone service, and no running water. During the "lean times" of the year, stores of staples like millet, sorghum, and groundnuts usually run out. Navrongo hardly seems like the place to find a thriving research institution, let alone one with a growing international reputation. From its humble beginnings as a field station housed in two converted cottages, the Navrongo Health Research Centre (NHRC) has grown to become a leading African research centre linked to the world via satellite. The personnel behind this transformation are now leaders in African epidemiological research, forerunners in applying new computer technologies, and mentors to other researchers across Africa and Asia. To IDRC, one of its early supporters, NHRC is a prime example of what we mean when we speak of research that "makes a difference." How it achieved this level of success says a lot about the nature of development research and the work IDRC does.

First contact

When Centre personnel first met their Ghanaian counterparts in Navrongo in 1990, 222 children in every 1 000 born died before reaching the age of 5. The United Kingdom's Overseas Development Assistance (ODA) had just completed field trials to see if this grim statistic could be reduced through the addition of vitamin A to the local diet. The results were impressive: a simple vitamin supplement cut the numbers of children dying by 23%. Equally impressive was the data collected on the 90 000 people surveyed during the trials. Thanks to

Since becoming its director in 1992, Dr Fred Binka has provided the leadership that fueled the development and growth of the Navrongo Health Research Centre.



IDRC Photo : D. Mowbray

the input from households across region, researchers had a clear picture of the population's health. IDRC personnel saw an opportunity to draw on this resource and build on the skills and technologies put in place during the vitamin A trials. So, they funded a study to search for other ways to reduce childhood mortality. The funding, though modest, proved critical to NHRC's development. According to Dr Fred Binka, Director of NHRC, "IDRC funding tided us over in that critical period [it took] for us to get our bearings."

Charting a course for the fledgling institution was made easier when the Ghanaian government announced that it was to become one of three district health research units linked directly to the Ministry of Health. With the announcement in 1992, Navrongo researchers now had a clear role within the country's health-care system and a pipeline to national decision-makers.

Timely interventions

IDRC's involvement with NHRC did not end with its new "official" status. Centre personnel continued to use their contacts in the international scientific and development community to leverage IDRC funding and know-how to expand NHRC's research capabilities. In 1992, for example, IDRC brought Dr Binka together with Canadian health and geographic information systems (GIS) experts from McMaster University. With GIS capability and satellite communications added to their toolkit, NHRC was able to attract funding for a second large-scale field trial targeting the region's endemic killer, malaria. Using bednets soaked with the insecticide permethrin, researchers reduced the number of children who die each year by a further 17%. The number hospitalized plummeted by 40%!

A lasting legacy

NHRC has overcome many hurdles to get where it is today. It's worth noting that it required the following:

- ✧ Flexible support from a broad pool of donors, including British ODA, the United States Agency for International Development, the World Health Organization, Finnida (now the Finnish Department for International Development Cooperation), the Rockefeller Foundation, the Population Council, the Bill Gates Foundation, and IDRC;
- ✧ Active leadership of the local Nankana and Kassena people and the Ghanaian government;
- ✧ Expertise of researchers and technicians from a variety of disciplines and countries; and
- ✧ Proper technological tools.

It also took 10 years. In that decade, NHRC has saved thousands of lives in Navrongo and the surrounding region. It has shaped health-care delivery across the country and influenced health research throughout Africa and Asia. But beyond this legacy, NHRC has shown that if research is to "make a difference" it requires partnership, persistence, and a long-term view of development.

IDRC at 30

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IDRC IN ACTION



IDRC Photo: D. Marchand

Farinha de mandioca, gari, foo-foo. These traditional foods go by different names in different parts of the world, but their root is the same — cassava. This tuber is the common staple food of half a billion people in the South. The favoured crop of subsistence farmers, cassava can grow in poor soils and requires minimal water, pesticides, and fertilizer. It is capable of producing more annual energy per unit of land per year than any other staple food crop. Yet for years, this “poor people’s plant” was neglected by scientists.

In 1971, however, IDRC and CIDA undertook a research program on cassava with the collaboration of scientists in the South. From their base in Colombia at the International Centre of Tropical Agriculture, the researchers identified plant varieties that quadrupled the national average yield in some countries and improved cassava’s normally low protein content and its resistance to disease. More recently, IDRC-supported scientists in Uganda developed varieties of cassava that are resistant to the cassava mosaic virus that nearly wiped out all of the country’s cassava crop. In 1994, an estimated 3 000 people died of famine-related illnesses that were blamed directly on the disease. Today, thanks to the new varieties, the researchers estimate that Uganda will soon surpass its pre-epidemic level of cassava production.

The story illustrates how, over three decades, IDRC has worked with developing-world scientists as they discover, through their own research, solutions to development problems they themselves identify. In 1970, when the Centre was established, this approach was considered unique. Yet over the years, IDRC has built a global reputation for its work. In giving

1970s OIL CRISIS WORLD HEALTH ORGANIZATION ADOPTS “HEALTH FOR ALL” STRATEGY



1970 IDRC Act passed unanimously in House of Commons. Inaugural Board of Governors meeting held in October, chaired by Lester Pearson and attended by the Centre’s first President, David Hopper.

1970s IDRC plays a major role in the creation of several centres that make up the Consultative Group on International Agricultural Research, a network of international research centres devoted to increasing food production in developing countries.

1973 IDRC initiates support to Colombia’s Centre for Interdisciplinary Research in Rural Development (CIMDER) and its research on primary health care. CIMDER develops a tricolour tape that enables parents and local health workers to assess the nutritional status of children by measuring arm thickness.

IDRC its Twenty-First Century Award in 1988, the Scientific Research Society, Sigma Xi, stated “In a world where wealth increasingly depends on human competence and access to technology, IDRC has been an innovative instrument for the Third World to create its own scientific and technological expertise.”

The First Decade: the 1970s

“This is an idea whose time has come.”

— Maurice Strong (former CIDA President
and IDRC Governor)

IDRC was established at a time when international support for development was flagging and a climate of disillusion and distrust surrounded foreign aid programs. For some years, it had become apparent that the spectacular benefits science and technology were bringing to the rich countries had not reached the developing world. By 1969, world leaders found development efforts at a turning point and called for new directions.

IDRC was Canada’s response. The idea originated with Maurice Strong, CIDA’s first President. Convinced that the gap between rich and poor countries in research and technological capability was a major hindrance to development, Strong and others decided that a new kind of agency was required. And on June 7, 1967, then Prime Minister Lester Pearson made the first public announcement of Canada’s intention to found what eventually became IDRC — the world’s first organization devoted to supporting research activities as defined by developing countries.

An able staff with fresh ideas strove to create this new entity, and they were given the funds to do so: the IDRC appropriation grew steadily and rapidly from \$1.4 million in 1970/71 to \$36.9 million in 1978/79.

IDRC projects during its first decade focused on single commodities, single crops, and single centres of economic activity, and were typically confined to a single scientific discipline. Examples were the development of new crop varieties or mechanical devices such as hand pumps, innovations in biogas digesters and pit latrines, and economic studies of how marginalized people such as hawkers and rickshaw drivers made a living.

... NORMAN BORLAUG, THE SCIENTIST BEHIND THE GREEN REVOLUTION, WINS THE NOBEL PRIZE ...



1976 IDRC and its developing-country partners recognize the need to create a computer-based system to store, manage, and retrieve information. This leads to the development of MINISIS, a versatile software package of information management tools, that is now used in more than 60 countries.

1978 IDRC funds researchers at the University of Waterloo, Ontario, to develop a reliable handpump suitable for Southern conditions. The result — a lightweight pump made from rustproof PVC (polyvinyl chloride) plastic — is at work today in at least 13 developing countries.

1980 IDRC’s Cooperative Program, to promote closer collaboration between Canadian and developing-country research institutions, is established as a result of the UN Conference on Science and Technology for Development.

The Centre's divisions were organized along traditional academic lines: agriculture, food, and nutrition sciences, social sciences, health sciences, and information sciences. Program staff spent much time in the field, learning about local priorities and how to integrate traditional values and adapt research to local environments. A large training component was included in these projects, resulting in the formation of a cadre of internationally respected scientists who frequently went on to become leaders in their own countries. Eduardo Amadeo, for example, became President of the Bank of Buenos Aires after working with IDRC and later was Argentina's Minister of Social Affairs. Concurrently, elements of infrastructure such as research centres, libraries, and information systems were established.

The emphasis in those early days was on bringing the benefits of scientifically derived technology to the developing world. But there was a gradual recognition that reaching narrowly defined objectives, however successfully, did not translate to real changes in people's lives. As a result, the Centre's focus shifted toward multidisciplinary research, integrating inputs from the social sciences with those of the physical sciences. For example, research on quinoa — cultivated in the South American Andes region for 3 000 years — involved not only modifying the plant but also paying greater attention to farmers' views and including off-farm activities such as seed distribution, marketing, and processing.

The Second Decade: the 1980s

"IDRC views development as a process for the benefit of people (and) has learned that development is a complex matrix of ingredients and problems, none of which are unrelated to others."

— Ivan Head (IDRC President 1978–1991)

During the 1980s, the Centre's focus was sharpened even further. Inside IDRC, collaboration between divisions was stressed: IDRC's health scientists and communications experts, for example, worked together to increase the acceptance of immunization among poor people in Indonesia.

..... SPENDING BY DEVELOPING COUNTRIES ON RESEARCH AND DEVELOPMENT ACCOUNTS FOR ONLY 2% OF GLOBAL TOTAL



1981 Energy Research Group established by IDRC and the United Nations University to assess energy priorities for the developing world.

1982 "IDRC operates with highly qualified, experienced, and dedicated professional staff, many of whom are internationally renowned in their fields. Most project recipients we interviewed considered the IDRC approach superior to that of other international aid agencies." — *Report of the Auditor General to the Parliament of Canada*

1983 Fellowships and Awards Division created to increase national research capabilities in the South and to provide support to young Canadians working on the problems of developing countries.

Outside IDRC, African and Latin American countries were seeking innovative ways to restructure their economies, which were being crushed under heavy loads of debt. The Centre responded by funding research that could be used directly by governments in the South to negotiate with the World Bank and the International Monetary Fund. One such project established the African Economic Research Consortium (AERC). Today, the AERC is a multi-donor consortium and the premier African research body in the field of economics. The work of several economists associated with AERC is reflected in the 1999 book *Our Continent, Our Future*, which presents a wholly African perspective on the structural adjustment programs of the Bretton-Woods institutions.

As a public corporation, the Centre has a degree of autonomy that permits a freedom of action not possible for the Canadian government. In South America, IDRC used its political neutrality to fund institutions where many social scientists took intellectual and physical refuge during periods of political dictatorship. In South Africa, despite being declared

Research Networks: A “Quiet Innovation”

From the start, Centre recipients were encouraged to establish networks. During the 1970s, 35% of the Centre's projects and 43% of its budget were related to network activities. One early example was a network established among scientists in Africa and Latin America for research on cassava. The Centre paid for these scientists to attend conferences where they established professional contacts and where their research findings were presented for review by their peers — a vital process in the formation of a researcher's reputation. IDRC then published the conference proceedings and gave them international prominence and exposure. Networks continue to be a hallmark of the Centre's approach, fostering interdisciplinary research, improving policy development, and encouraging comparative analyses. Computer technology, especially through the Internet, has made networking not only easier but also vastly more effective.

..... 1980s AIDS FIRST IDENTIFIED MICROCOMPUTER REVOLUTION GLOBAL DEBT CRISIS



1983 IDRC supports CGNET, a ground-breaking project to link the CGIAR centres through electronic mail. From the beginning, IDRC has been unique among development agencies in recognizing the role of information and communication technologies in development.

1984 IDRC helps create the Commonwealth Secretariat's Debt Recording and Management System, a software package to assist economists and decision-makers in developing countries to better grasp external debt-management problems.

1988 IDRC becomes the official repository for The Brundtland Commission's documents and sustainable development is integrated into all aspects of IDRC's work.

non grata by the apartheid regime, IDRC supported the work of antiapartheid researchers in exile and helped develop projects for the country through other South African states. Before South Africa's first democratic elections in April 1994, IDRC played what then President Nelson Mandela called "a crucial role in helping the African National Congress and the Mass Democratic Movement to prepare for negotiations (and) was instrumental in helping us prepare for the new phase of governance and transformation."

As the number of trained scientists in the South continued to grow during the decade, projects aimed at developing skills became less relevant for some countries, and IDRC began to see that funding of networks and information-sharing mechanisms were more important.

The Third Decade: the 1990s

"There is a growing recognition that the development of the South and the survival of the North are merely two sides of the same coin; in this regard, IDRC's approach of working in full intellectual partnership is more required today than ever before."

— Keith Bezanson (IDRC President, 1991–1997)

IDRC began the decade with 571 staff and a Parliamentary appropriation of \$114.1 million; steady reductions meant that at the decade's end, its staff numbered 347 and its appropriation was \$86.7 million. These cuts demanded radical changes in the Centre's operations. Ideas already put forward — that Centre-funded research should be problem oriented and interdisciplinary — now were re-emphasized, and decentralized planning and decision-making were endorsed. Rather than continuing to develop programs along divisional and disciplinary lines, Centre staff began to plan them around issues, themes, specific development problems, and geographic areas. More emphasis was placed upon utilization and dissemination of research results. IDRC emerged as a smaller, more focused organization but with its fundamental mandate intact.

The Centre developed its first Corporate Program Framework, which articulated these new directions. It also reflected the decision, taken at the 1992 Earth Summit in Rio de Janeiro,

..... OUR COMMON FUTURE, THE REPORT OF THE BRUNDTLAND COMMISSION 1990s NELSON MANDELA ELECTED PRESIDENT OF A NEWLY DEMOCRATIC SOUTH AFRICA



1989 IDRC supports one of the first large-scale field studies to determine the prevalence of AIDS in West Africa.

1990s IDRC's work with the democratic movement in South Africa from 1991 to 1995 becomes the basis for national policies on the environment and on science and technology. In 1992, the Centre opens a regional office in Johannesburg.

1992 The Micronutrient Initiative, a multidonor agency, is established to help meet a global commitment to eliminate deficiencies in vitamin A, iron, and iodine.



Chilean Pilar Cereceda is among the many researchers IDRC has supported over the years. The fog catcher (pictured here) she helped develop provides clean drinking water to poor communities along Chile's arid north coast.

Brazil, to expand IDRC's mandate to include a role as an implementing agency for Agenda 21. To better meet the goals of sustainable and equitable development, the Centre overhauled and reoriented its program activities.

IDRC's organizational structure was further refined in 1995 by the introduction of program initiatives. These built on the foundation of multidisciplinary research

networks that had been nurtured for years. Over the course of one decade, IDRC changed from an organization with 55 subprograms in a wide array of divisions and regional offices to one with 11 program initiatives that sought to address specific, well-defined issues. A study of mercury contamination in Brazil's Amazon reflects this approach; the project team included a medical doctor, an engineer, a nurse, a tropical forester, a neurotoxicologist, a biochemist, a fisherman, and a community leader.

As far back as 1971, IDRC had collaborated with CIDA to fund agricultural research. In recent years, the Centre has used its experience in managing such projects to collaborate with other partners as well as CIDA, and it has increasingly agreed to host international secretariats in the belief that agencies acting alone cannot always attain the scale necessary to reach their goals. The Centre now hosts nine multidonor secretariats, whose research agendas range from international tobacco control to trade and industrial policy research in South Africa.

..... EARTH SUMMIT WORLD SUMMIT FOR CHILDREN ISRAELI-PALESTINE DECLARATION OF PRINCIPLES (OSLO II AGREEMENT)



1992

IDRC becomes part of Canadian response to the Middle East Peace Process through support for research on cooperation in water management.

1992

Canada is the first country to sign the UN Convention on Biodiversity. At the time, IDRC is one of the few international organizations to support research on intellectual property rights, aquatic biodiversity, and the conservation of species in their natural habitats.

1994

IDRC signs an agreement with CIDA to manage a program for the environmental rehabilitation of the Dniro River in the Ukraine.

IDRC's partners include scientists in developing countries, Canadian universities, multilateral institutions, and other donors. Collaboration is encouraged not only between developing countries but also with scientists in Canada. These efforts culminated in 1996 with the establishment of the Centre's Partnership and Business Development Office. IDRC now manages some \$50 million of funds raised in addition to its Parliamentary appropriation.

Entering Decade Four

"The ability to carry out analysis, to review options critically, and to write about them publicly — in short, to produce and use knowledge — makes a vital contribution to social progress."

— Maureen O'Neil (IDRC President, 1997–present)

As IDRC embarks upon its fourth decade, it is renewing its emphasis on research for policy-making. From its earliest days, the Centre supported research on science and technology policy and tried hard to ensure a prominent place for science policy in developing countries' planning. IDRC will increasingly look for opportunities to link research results more closely to policy and policymaking. Examples of projects that are already working to this end include those that are developing better mechanisms to target poverty alleviation and to resolve conflicts over natural resource use.

The Centre has always built on the wealth of experience and insight it has gained from its partners. It continues to believe that social and economic progress in developing countries can only be achieved when the people of these countries are in control of their own destinies. While the Centre in future will be guided by the lessons it has learned during the past three decades, it will continue to seek to uncover new knowledge and champion new approaches to development based on this knowledge.

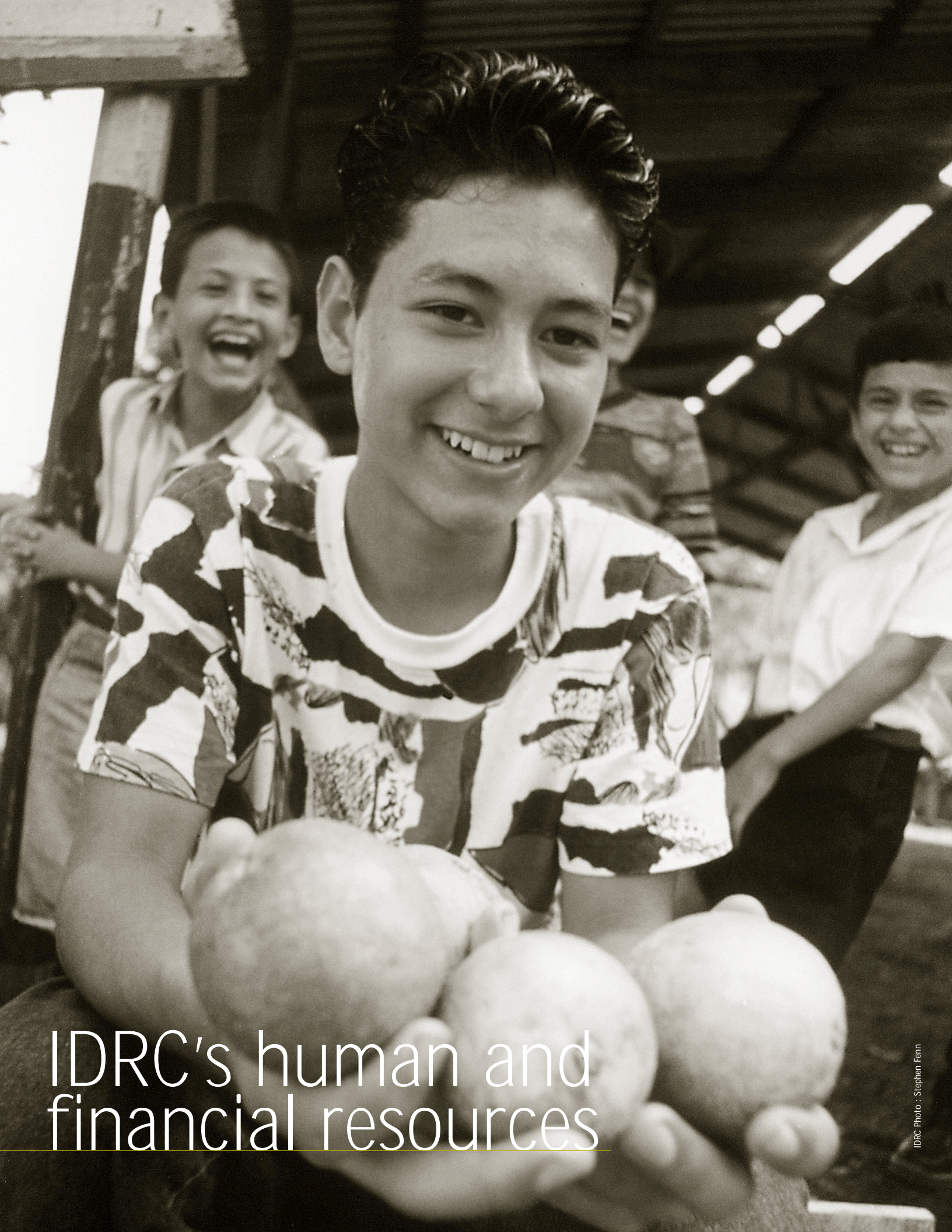
..... UN CONVENTION TO COMBAT DESERTIFICATION COLLAPSE OF THE SOVIET UNION



1995 A comprehensive survey of project leaders showed that project-management skills, scientific perspectives, and professional stature were the most significant effects of IDRC support to Southern researchers.

1996 IDRC joins a consortium of donors to support the Desert Margins Programme, an international action research initiative to develop natural resource management options to combat desertification.

1997 IDRC launches Acacia, its biggest program of research support, to assess whether information and communication technologies can help communities in Africa gain control over their social and economic development.



IDRC's human and
financial resources

Governance

Overview

The architects of IDRC created a unique institution — launched and supported by the Parliament of Canada 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 are to be Canadian. By tradition, the remaining 10 come from developing and OECD countries. This international dimension helps define the Centre's distinctive character and contributes to its effectiveness. The late A.F. Wynne Plumtre, associated with IDRC's formation and early years, wrote in 1975 that the Board's international composition "has been of great help in establishing the necessary mutual confidence between the Centre and the research agencies and governments with which it must deal." The leadership of non-Canadian governors continues to provide perspective on the world in which the Centre works and helps to keep programs relevant to the priorities of the South.

The value of this approach has been recognized elsewhere. The act establishing the International Centre for Human Rights and Democratic Development (now Rights and Democracy) allows for non-Canadians to serve on its board.

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

Board members visit projects at least once during their mandate to familiarize themselves with IDRC's work in the field. This year, groups of governors have traveled to Palestine, Asia, and southern and eastern Africa.

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. Members must also approve the Centre's annual budget and program of work and must establish accountability for current activities. The Board works by consensus. During the past fiscal year, the Board dealt with a number of major issues.

The Corporate Strategy and Program Framework (CSPF)

The Board reviewed the global environment in which the Centre operates, the issues of greatest significance to IDRC, and potential strategic choices and directions it might take (based on an analysis of the IDRC Act and the regional dimensions of IDRC's programming). In October 1999, the governors approved the CSPF, which will provide direction to IDRC for the next 5 years.

Review of Program Initiatives

Governors received external reviews of 12 program initiatives. These reviews examined the relevance of the research being funded, results achieved, and the scientific validity of the program-initiative approach. On the basis of this report, and a number of internal ones, the Board made critical decisions about the future of each initiative.

Strategic Approach, Cost Structures, and Benchmarks

IDRC's two-part cost structure has come to be viewed as less relevant to the Centre's knowledge-intensive approach. In March, the Board approved a three-tiered approach — development research programs, development research support, and administration — that will reflect better the nature of the Centre's work.

Strategic Framework for Secretariats

Among other things, the Board approved a framework requiring that new multidonor secretariats be established only after providing a detailed proposal for Board approval.

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 Senior Management Committee is responsible for assisting the President in the day-to-day management of the Centre. The Committee meets twice a month, and when called by the President. The President provides a report of Centre activities at each Board meeting and submits an annual report on the year's achievements and future objectives.

Board Membership

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

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
Associate Professor, Indian and Northern Education Program, University of Saskatchewan, and
Executive Director of the Apamuek Institute in Eskasoni, Nova Scotia

Herb Breau, Ottawa, Canada
Businessman and former Member of Parliament

Margaret Catley-Carlson, New York, United States
Consultant and former President of the Population Council in New York

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

Jacques Gérin, Montreal, Canada
Consultant, Hatch & Associés, inc., Chairman of the International Institute for Sustainable
Development, and Chairman of the Panel on Ecological Integrity of Canada's National Parks

Octavio Gómez-Dantés, Cuernavaca, Mexico
Director of Health Policy at the Centre for Health Systems Research
of the National Institute of Public Health of Mexico

Len Good, Nepean, 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

Huguette Labelle, Gloucester, Canada*
Former President, Canadian International Development Agency

Dan Martin, Chicago, United States
Director, World and Environment Resources Program,
John D. and Catherine T. MacArthur Foundation

Ivy Matsepe-Casaburri, Pretoria, South Africa**
South Africa's Minister for Post, Telecommunications and Broadcasting
and former Premier, Free State Province of South Africa

* resigned October 1999

** resigned March 2000

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

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

Jean-Guy Paquet, Ste-Foy, Canada
President and Chief Executive Officer, National Optics Institute
and former Chief Executive Officer of Laurentian Life Inc.

Vulimiri Ramalingaswami, New Delhi, India
Professor of National Research, 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

Marie-Angélique Savané, Dakar, Senegal
Consultant, sociologist, and former Director, Africa Division, United Nations Population Fund

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

Senior Management Committee

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

Ray Audet, Vice-President, Resources and Chief Financial Officer*
Accountant and formerly with Canadair Ltd

Pierre Beemans, Vice-President, Corporate Services**
Development expert and former Director of the Corporate Affairs and Initiatives Division,
Canadian International Development Agency

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

Roger Finan, Regional Director, Regional Office for South Asia
Chartered management accountant and former Director, Internal Audit, IDRC

John Hardie, Chief of Staff and Director, Policy and Planning
Agricultural economist and former economist, Agriculture Canada

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, Programs
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

Eva Rathgeber, Regional Director, Regional Office for Eastern and Southern Africa
Comparative education specialist and former Coordinator, Gender and Development Unit, 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
Agricultural economist and former Program Officer, Environment and Natural Resources, IDRC

Randall Spence, Regional Director, Regional Office for Southeast and East Asia***
Economist and former Senior Program Officer, Economic Policy Program, IDRC

Sibry Tapsoba, Regional Director, Regional Office for West and Central Africa
Comparative education specialist and former Senior Program Specialist, IDRC

Marc Van Amerigen, Regional Director, Regional Office for Southern Africa
Political scientist and former Coordinator of the South Africa Program, IDRC

* retired August 1999

** retired March 2000

*** resigned December 1999

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to get information on IDRC publications pub@idrc.ca
to send a letter to the editor of *Reports* webzine mag@idrc.ca

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URL: <http://www.idrc.ca/cairo/>

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Regional Office for Southeast and East Asia

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Financial Statements

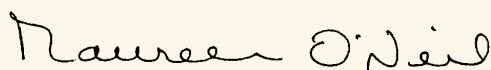
Responsibility for Financial Statements

The financial statements presented in this annual report are the responsibility of management and have been reviewed and approved by the Board of Governors of the Centre. The financial statements, which include amounts based on management's best estimates as determined through experience and judgement, have been properly prepared within reasonable limits of materiality and are in accordance with 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 generally accepted auditing standards. His audit includes appropriate tests and procedures to enable him 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



Johanne Charbonneau
Vice-President, Resources

Ottawa, Canada
23 June 2000



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 2000 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.

I conducted my audit in accordance with 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 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'R. Flageole'.

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

Ottawa, Canada
26 May 2000

Balance sheet

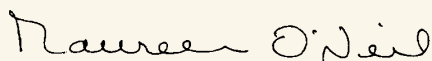
as at 31 March 2000 (thousands of dollars)

	2000	1999
Assets		
Current		
Cash and short-term investments (Note 3)		
Unrestricted	8 417	8 424
Restricted	24 250	22 681
Accounts receivable (Note 4)	10 398	12 293
Prepaid expenses	1 495	1 974
	<u>44 560</u>	<u>45 372</u>
Long-term investments (Note 5)	2 983	2 983
Capital assets (Note 6)	6 761	7 069
Recoverable deposits	152	145
Endowment funds (Note 7)	522	354
	<u>54 978</u>	<u>55 923</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	8 711	8 028
Deferred revenue (Note 8)	31 215	27 872
	<u>39 926</u>	<u>35 900</u>
Deferred revenue — long term (Note 8)	1 572	4 119
Deferred funding — capital assets (Note 9)	6 761	7 069
Accrued departure benefits	3 178	3 104
Deferred rent — head office	1 210	936
Endowment funds (Note 7)	522	354
	<u>53 169</u>	<u>51 482</u>
Equity		
	1 809	4 441
	<u>54 978</u>	<u>55 923</u>

Contingencies (Note 16)

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

Approved on behalf of the Board:


President


Vice President, Resources
and Chief Financial Officer

Statement of Operations and Changes in Equity

for the year ended 31 March 2000 (thousands of dollars)

	2000	1999
Revenues		
Resource expansion (Note 10)	43 313	35 907
Recovery of administration costs (Note 10)	1 746	1 671
Investment income	387	2 343
Other income	706	714
	<u>46 152</u>	<u>40 635</u>
Expenses		
Development research programs		
Centre programs	55 084	58 873
Resource expansion	43 313	35 907
	<u>98 397</u>	<u>94 780</u>
Development research support		
Technical support	9 224	8 716
Other support services	7 029	6 588
Program management	4 041	3 568
	<u>20 294</u>	<u>18 872</u>
Administrative services		
Administration	14 770	12 600
Regional office management	5 573	5 253
	<u>20 343</u>	<u>17 853</u>
	<u>139 034</u>	<u>131 505</u>
Net cost of operations before government funding	<u>(92 882)</u>	<u>(90 870)</u>
Parliamentary appropriation (Note 11)	85 073	82 347
Supplementary Parliamentary appropriation (Note 12)	2 923	2 113
Amortization of deferred funding — capital assets (Note 9)	2 254	1 626
	<u>90 250</u>	<u>86 086</u>
Net results of operations	<u>(2 632)</u>	<u>(4 784)</u>
Equity at beginning of the year	<u>4 441</u>	<u>9 225</u>
Equity at end of the year	<u>1 809</u>	<u>4 441</u>

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

Statement of Cash Flows

for the year ended 31 March 2000 (thousands of dollars)

	2000	1999
Cash flows from operating activities		
Net results of operations	(2 632)	(4 784)
Items not affecting cash		
Amortization of capital assets	2 254	1 626
Gain on disposal of capital assets	(40)	(19)
Departure benefits	430	540
Amortization of deferred funding — capital assets	(2 254)	(1 626)
Amortization of deferred rent	274	274
	<u>(1 968)</u>	<u>(3 989)</u>
Net change in working capital other than cash and short-term investments	<u>6 036</u>	<u>(483)</u>
Net cash flows from (used in) operating activities	<u>4 068</u>	<u>(4 472)</u>
Cash flows from financing activities		
Change in deferred revenue — long-term	(2 547)	(2 275)
Capital funding	<u>1 946</u>	<u>4 141</u>
Net cash flows from (used in) financing activities	<u>(601)</u>	<u>1 866</u>
Cash flows from investing activities		
Additions to capital assets net of proceeds on disposal of equipment	(1 905)	(4 122)
Increase in restricted cash	(1 569)	(2 106)
Change in long-term investments	<u>—</u>	<u>4 096</u>
Net cash flows used in investing activities	<u>(3 474)</u>	<u>(2 132)</u>
Net decrease in cash	(7)	(4 738)
Unrestricted cash and short-term investments, beginning of the year	<u>8 424</u>	<u>13 162</u>
Unrestricted cash and short-term investments, end of the year	<u>8 417</u>	<u>8 424</u>

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

Notes to Financial Statements

(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.

2. Significant accounting policies

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

a) Parliamentary appropriations

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) Other revenues

Funds received or receivable in respect of resource expansion are deferred and recognized as revenue when the related project expenses are incurred. All other revenues are recorded on the accrual basis of accounting.

c) Grant payments

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

d) Capital assets and amortization

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

Computer equipment	3 years
Software	3 or 5 years
Office furniture and equipment	5 years
Vehicles	3 years
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) Endowment funds

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 deferred as part of the endowment funds.

g) Foreign-currency translation

Foreign-currency transactions are translated into Canadian dollars either by the use of an average exchange rate that closely approximates the rate in effect at the transaction date or the actual rate in effect at the transaction date. 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) Accrued departure benefits

Employees are entitled to specified departure benefits, calculated at salary levels in effect at the time of separation as provided for by conditions of employment. The liability for these benefits is recorded 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. Contributions to the Plan are required from the employees and the Centre. These contributions represent the total pension obligations of the Centre and are recognized in the accounts 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

	2000	1999
Cash	3 719	8 157
Short term investments		
Canadian chartered banks	18 963	8 932
Federal Government		4 096
Commercial companies	9 971	9 913
Foreign-owned banks	14	7
	<u>32 667</u>	<u>31 105</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.

As at 31 March 2000, the average yield of the portfolio was 5.32% (1999, 5.11%), and the average term to maturity was 85 days (1999, 59 days). The fair market value of the investment portfolio as at 31 March 2000 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 2000, all balances in these line of credit accounts were nil.

Of the total cash and short-term investments, \$24 250 (1999, \$22 681) is restricted for specific research activities as follows:

	2000	1999
Resource expansion	19 055	14 563
Health support — Africa	5 195	8 118
	<u>24 250</u>	<u>22 681</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 (74%) 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, \$8 537 (1999, \$10 142) is for resource expansion.

5. Long-term investments

These funds are invested in Government of Canada bonds. As at 31 March 2000, the average yield of the portfolio was 6.50% (1999, 5.63%) and the average term to maturity was 7 years. The fair market value of the investment portfolio as at 31 March 2000 is \$3 044 (1999, \$3 198).

6. Capital assets

	Cost		Accumulated amortization		Net book value	
	2000	1999	2000	1999	2000	1999
Computer equipment	6 955	6 757	5 661	4 915	1 294	1 842
Leasehold improvements	1 963	1 759	1 219	1 090	744	669
Software	4 318	3 528	767	40	3 551	3 488
Office furniture and equipment	1 839	1 754	1 378	1 296	461	458
Telephone system	1 376	1 359	1 086	999	290	360
Vehicles	1 000	855	579	603	421	252
	<u>17 451</u>	<u>16 012</u>	<u>10 690</u>	<u>8 943</u>	<u>6 761</u>	<u>7 069</u>

Amortization expense for the year is \$2 254 (1999, \$1 626).

7. Endowment funds

From time to time, the Centre receives bequests and donations from benefactors and administers the funds as directed. This activity for the year is as follows:

	2000	1999
Balance at the beginning of the year	354	348
New contributions	150	—
Interest income	18	16
Expenses	—	(10)
Balance at the end of the year	<u>522</u>	<u>354</u>

8. Deferred revenue

Deferred revenue includes the unspent portion at 31 March 2000 of funds received or receivable on resource expansion as well as the portion of the supplementary Parliamentary appropriation received in March 1994 (see Note 12). Details of these balances are as follows:

	2000	1999
Current		
Resource expansion	27 592	23 873
Supplementary Parliamentary appropriation		
Health support — Africa	3 623	3 999
	<u>31 215</u>	<u>27 872</u>
Long term		
Supplementary Parliamentary appropriation		
Health support — Africa	1 572	4 119
Total	<u>32 787</u>	<u>31 991</u>

Of the total deferred resource-expansion funding, CIDA accounts for \$20 346 (1999, \$17 010), of which \$14 063 (1999, \$8 984) was received and \$6 283 (1999, \$8 026) is receivable at year-end.

9. Deferred funding — capital assets

	2000	1999
Balance at beginning of year	7 069	4 554
Funding for capital assets purchased	1 946	4 141
Amortization	(2 254)	(1 626)
Balance at end of year	<u>6 761</u>	<u>7 069</u>

10. Resource expansion

Resource expansion relates 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 recognition for resource expansion is provided below:

	2000	1999
CIDA	31 237	27 723
Other agencies	11 567	7 386
Other Government of Canada entities	509	798
	<u>43 313</u>	<u>35 907</u>

The Centre also recovers administration costs on resource expansion. This year's total is \$1 746 (1999, \$1 671), of which \$926 (1999, \$1 012) was recovered from CIDA.

11. Parliamentary appropriation

	2000	1999
Parliamentary appropriation approved	87 019	86 488
Deferral for capital assets purchased (Note 9)	(1 946)	(4 141)
Parliamentary appropriation recognized in the statement of operations and changes in equity	<u>85 073</u>	<u>82 347</u>

12. Supplementary Parliamentary appropriation

In March 1994, the Centre received a supplementary Parliamentary appropriation of \$27 million for two specific projects. For the current fiscal year, the total revenue recognized is \$2.9 million (1999, \$2.1 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. The Centre's lease agreement for premises at its head office expires in 2007. The total minimum annual payments under various lease arrangements will be as follows:

2000/01	5 170
2001/02	5 453
2002/03	5 320
2003/04	5 040
2004-07	21 118
Total	<u>42 101</u>

14. Contractual commitments — project grants and project development

The Centre is committed to make payments up to \$128.6 million (1999, \$131.7 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 of project agreements. Of this amount, the Centre is responsible for \$69.9 million and the balance of \$58.7 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 1999 comparative amounts have been reclassified to conform to the financial statements presentation adopted in 2000.

