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ANNUAL REPORT 1970-1971

International Development Research Centre

Ottawa, Canada

1971

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INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
CENTRE DE RECHERCHES POUR LE DÉVELOPPEMENT INTERNATIONAL

500, Pebb Building
2197 Riverside Drive
Ottawa, Canada
Cable: RECENTRE

June 30, 1971

The Honorable Mitchell Sharp,
Secretary of State for External Affairs,
Ottawa, Canada.

Sir:

I have the honour to transmit herewith the Annual Report of the International Development Research Centre for the fiscal year ending March 31, 1971, for submission to Parliament as required by section 22 of the International Development Research Centre Act (18-19 Elizabeth II, 1970, Chapter 36).

I am, Sir, Yours very truly,

A handwritten signature in dark ink, appearing to read "Lester B. Pearson". The signature is fluid and cursive, with a large initial "L" and a stylized "P".

Lester B. Pearson
Chairman

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Director, Agriculture, Food and Nutrition Sciences, Joseph H. Hulse

Director, Information Sciences, John E. Woolston

Director, Population and Health Sciences, Dr. George F. Brown

Director, Social Sciences and Human Resources, Ruth K. Zagorin

ANNUAL REPORT 1970-1971

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

- (a) to enlist the talents of natural and social scientists and technologists of Canada and other countries;
- (b) To assist the developing regions to build up the research capabilities, the innovative skills and the institutions required to solve their problems;
- (c) to encourage generally the co-ordination of international development research; and
- (d) to foster co-operation in research on development problems between the developed and developing regions for their mutual benefit."

The International Development Research Centre Act received Royal Assent on May 13th, 1970. The Governors of the Centre were appointed by the Governor-in-Council during October 1970 and the inaugural meeting of the Board of Governors was held at the Head Office of the Centre in Ottawa, from October 26th to 28th, 1970.

To carry out the objectives of the Centre, the Board of Governors decided at its first meeting to focus attention in the initial years on:

- (1) the broad spectrum of dynamic development problems that hold substantial hope of solution through the application of scientific research methodologies and investigations into applied technology, and especially those problems which affect the welfare of peoples who are living in rural areas and are undergoing the transition from a traditional to a modern way of life. By their very nature, most of these latter problems will yield to solution only through direct examination in a local development milieu. In selecting this class of problems, the Board

gave particular emphasis to the charge upon the Centre "to assist the developing regions to build up the research capabilities, the innovative skills and the institutions required to solve their problems." The Centre's management was directed to begin to establish a pattern of international partnerships that would enfold developing and developed nations' research institutions and workers into mutually supporting communities of scholars working on common problems; and

- (2) the many requirements that must be satisfied to build successfully a worldwide system of information that would place on call for the developing countries the documentation and intelligence in science and technology required for the formulation of development policy and the implementation of programmes for growth.

The research and research support activities of the Centre are conducted under four programme areas: Agriculture, Food and Nutrition Sciences; Information Sciences; Population and Health Sciences; and Social Sciences and Human Resources. The Director in each programme division is charged with building an interlocking set of research activities aimed specifically at the priority concerns of the developing countries as these concerns are reflected to the Centre by the research workers and policymakers of the low-income countries. The Centre will concentrate on the particularly critical components that obstruct the balanced growth of a total society, and on the ways in which the Centre can play a catalytic role to assure the interdisciplinary melding of the skills required to direct a meaningful and sustained attack on the evolving problems of a dynamic human society.

Special attention has been given to coordinating Centre endeavours with other research activities on development issues being carried out or supported by multilateral agencies, the international assistance programmes of developed countries, the programmes of the large private foundations and, perhaps most important, the

research allocations made by developing countries as they seek solutions to their own problems. The Centre is a member of the Consultative Group on International Agricultural Research sponsored by the World Bank, the United Nations Development Programme and Food and Agriculture Organization of the United Nations. Executive Officers of the Centre have participated extensively in working groups called to advise most of the major international organizations on topics related to applied development research in science and technology. Staff members of the Centre have acted as consultants to several developing country governments and have provided professional assistance in the preparation and implementation of many research programmes being considered or carried out by all levels of world authority.

Agriculture, Food and Nutrition Sciences

The Division of Agriculture, Food and Nutrition Sciences offers assistance to projects aimed at increasing the profitable productivity of farmers and fishermen and for improving systems of food crop protection, distribution and utilization. Through close co-operation with other Centre Divisions, equal concern will be given to the impact of Centre supported research in agriculture, fisheries and forestry upon the total health and the economic and social well-being of rural peoples. Particular attention is being directed to the development of new technologies appropriate to a creation of rural processing industries. As the Centre is equally concerned with the needs of the consumer and the rural producer, research into problems of production will not be isolated from those of human need.

To coordinate the Centre effort with the efforts of other institutions, a liaison has been established with the World Bank group, the Ford, Rockefeller and Kellogg foundations, the United Nations Development Programme, the Food and Agriculture Organization of the United Nations, and other international agencies. Several meetings have been held with Canadian universities, government departments, and a variety of learned and professional societies.

The Division staff includes a Director and officers responsible for Animal Sciences, Food Protection and Utilization, and Human Nutrition and Home Sciences. Vacancies in the areas of

Plant Sciences and Farming Systems; Fisheries and Marine Resources; and Forestry and Natural Resources are expected to be filled in the near future. The senior staff will be located at various points across Canada, within or near important centres of appropriate research and learning.

During the year the Centre has granted \$6,000.00 in support of a project relating to the osmotic dehydration of foods. The project's objective is to develop an improved, inexpensive system of dehydration using sugar or salt. Research is being conducted at the Food Research Institute of the Canada Department of Agriculture in Ottawa and links are being established with the institutions in the Caribbean and West Africa.

The management of two major agricultural research programmes on behalf of the Canadian International Development Agency (CIDA) will be undertaken. The first, in collaboration with the International Maize and Wheat Improvement Centre in Mexico and a Canadian university, is directed to the acceleration of the rate of development of the new cereal grain triticale. The second, in collaboration with the International Centre for Tropical Agriculture (CIAT) in Colombia, is directed to increasing the yields and protein quality of cassava as a food for humans and its utilization as feed for swine.

Projects under development include a Rural Fisheries Project in West Africa involving research to improve harvesting, processing and preserving, marketing and distribution, of both salt water and fresh water fish by rural communities. A project being prepared by the Colombian Agricultural Institute will seek to develop and prove a strategy for the transfer of technical, economic and social knowledge to small farmers. An agricultural economic systems study in Barbados seeks to provide more reliable data on which to plan future policy.

The Division is helping to organize a series of inter-linked projects concerned with developing a simple inexpensive system which is capable of being established and used within rural communities, for the improvement of the processing and utilization of cereal grains and grain legumes. In addition, detailed studies are being made of horticultural production and the potential export and local market for fruit and vegetables which

are being, or could be, satisfactorily grown in the Caribbean region.

Discussions are in progress with research agencies in the Caribbean to establish projects to support the further development and improvement of grain and pasture legumes, and to begin research for a new and simple method of manufacturing high protein infant foods. A rural development project in Honduras and an animal feeding stuff development project in Peru are presently being investigated.

In addition, the Division has provided a technical, advisory and consultant service in food science and technology and related subjects to the Canadian International Development Agency.

Information Sciences

The primary objective of the Division of Information Sciences is to support cooperative initiatives, particularly in the United Nations family, to develop information systems to which international, national and voluntary agencies can supply, and from which they can obtain, development information.

The staff of the Division is limited but the addition of an Assistant to the Director and a Programme Research Officer is contemplated. A Centre Librarian will be appointed to set up and administer a small working library in the head office of the Centre.

In its initial operations, the Division has participated in discussions with the United Nations and some of its specialized agencies to define an information system to which the Division can offer support. The Centre has authorized support for the Development Centre of the Organization for Economic Cooperation and Development (OECD), in the amount of \$28,000 to restructure the terms in an existing Aligned Descriptor List into a "macro-thesaurus" which could become a key component in a cooperative system for handling social and economic development information. An IDRC contract employee is located in Paris to assist OECD in its work.

Preliminary discussions have been held concerning the efforts of other agencies to establish systems that will handle specialized, scientific, technical and economic information. The United Nations Industrial Development Organization is

developing a network of industrial information offices with links to appropriate information sources and the Centre is attempting to define the best contribution it can make to this objective. The Centre is also examining the efforts of the Food and Agriculture Organization of the United Nations, in cooperation with other organizations, to establish a computer-based system to handle the world's literature on food and agriculture.

While the Division is concerned with the establishment of information and data banks at the international level, it will devote particular attention to ensuring that developing countries are able to exploit such banks to meet their local needs. In the past, many organizations have attempted to improve information and library services in developing countries through technical aid. The Division is reviewing what has been accomplished in order to identify promising initiatives that can be supported in the future.

Population and Health Sciences

The Division of Population and Health Sciences is principally concerned with problems arising from rapid rates of population growth throughout the world - particularly as these problems affect the health and well-being of rural peoples - and with the delivery of health services. The work of the Division is carried out in two principal areas, population and health sciences.

In the field of population, the Division is concerned with goal-oriented research on improved techniques of contraception and fertility regulation, the delivery of family planning information and services, and family planning operational research in developing areas under varying local conditions. The determinants and consequences of population growth and population policy are a major concern. In health sciences, special attention is directed to the delivery of basic health services to rural peoples in developing countries, the training and deployment of different types of health professionals, and the promotion of active participation of the local communities in such activities.

During the year, countries in Africa, Asia and Latin America were visited to develop specific projects. The Division participated in a number of international meetings under the auspices of

the United Nations, the Organization for Economic Cooperation and Development (OECD) and other organizations, and contacts have been established with the relevant academic groups, research organizations and individuals in Canada and the developing countries.

The staff of the Division includes a Director and officers responsible for demography and family planning operational research. Consultant services in demography, fertility regulation and family planning have been obtained.

A grant of \$69,790.00 has been made to the University of Western Ontario to support a study of fertility declines in Barbados to determine the relative importance of the key variables, including family planning practice, that have resulted in a significant fertility decline in that country. Training of research workers in Barbados is an integral part of the grant.

To prepare and develop future projects in fertility regulation, the Division has organized a working group composed of senior researchers in the field of reproduction. In addition, the Division is currently examining possible participation in collaborative international research projects in fertility regulation and in family planning operational research projects being developed in Africa. In Latin America, the Division is examining demographic and population policy studies and is considering possible support to research institutions.

In addition, the Division has provided continuing consulting services to the Canadian International Development Agency (CIDA) in their multi-lateral, bilateral, and non-government programmes in Population and Health Sciences.

Social Sciences and Human Resources

Among the principal areas of concern of the Division of Social Sciences and Human Resources are the role of Social Sciences in development, rural-urban dynamics, human resource development, sciences policy and education.

In the Social Sciences the Centre effort is directed to assisting researchers and research institutions in the developing countries to identify the major problems requiring research emphasis and to assist in the formulation and support of projects that reflect these research priorities. The

area of rural-urban dynamics involves the Division in research directed to gaining an understanding of the movement of peoples between rural and urban areas in the developing world. It will seek to identify the small communities or centres with potential for growth and to determine the nature of the infrastructure, industry, employment, education, social services necessary to create viable growth centres that would help stem population flows to large urban areas. In human resource development, the main function of the Division is to support scholarship and fellowship grants to selected academic and non-academic professionals who wish to improve their knowledge and competence in the theory and practice of development. Science policy research is directed to projects that will assist the formulation of science and technology policies and that will identify the problems of technology transfer and the means by which such transfers can best be effected. In education, the concern is with supporting research into the utilization of technology for the solution of particular educational problems in the developing countries.

The present programme staff is small. It includes an Associate Director for Science Policy based at the University of Sussex in England. During the year the Division relied on the expert assistance of a number of consultants. Senior staff members with training in education, political sciences, economics and urbanology will soon be employed.

To identify the areas where Centre support will have the greatest impact, the Division has met with agencies of the United Nations and representatives of other national and international agencies and institutions. A number of proposals for Centre support have been examined and, during the year, three major projects were approved.

The Centre has allocated the sum of \$84,000.00 to support a study on rural-urban migrants and metropolitan development by the International Association for Metropolitan Research and Development (INTERMET). The study involves an examination of the problems of urban slum settlers and squatters in eight cities of the developing world. Conducted by institutions from the eight cities working in association, the study's results will lead to the formulation of policies and programmes based on a more precise recognition of the degree to which

the migrant squatter problem in the large urban centre is in fact a national problem rather than one peculiar to the large urban centre.

The Centre has allocated \$400,000.00 for a Human Resources Development project for research and study grants to encourage and increase the individual professional competence available to deal with development problems.

The sum of \$18,750.00 has been allocated to the Private Planning Association of Canada for a project that includes studies to determine which non-tariff barriers to trade are significant in terms of trade-distorting impact and which are susceptible to reduction or elimination through the international trade negotiation system. The study is particularly directed to the impact of such practices on the developing world.

To identify future projects, the Division is supporting a number of workshops, among them an International Development Research Centre workshop to study the feasibility and utility of

setting up experimental research consortia among development institutes in both developing and developed countries, and a workshop sponsored by the Institute of Development Studies, University of Nairobi, to examine strategies for improving rural welfare. The Division is co-sponsoring, with the International Rice Research Institute in the Philippines, a workshop of agricultural economists and agriculturalists, to study the socio-economic impact of the spread of new varieties of rice in the countries of South and Southeast Asia.

A workshop will be held, with people currently engaged in seeking solutions to education and training problems among Canada's native peoples. It will seek to determine if Canadian experience can provide any insights or solutions for similar problems in the developing world. In addition, it is anticipated that studies similar to the present INTERMET project will be undertaken to determine whether smaller cities in developing countries have a role as growth centres capable of revitalizing rural communities.

FINANCIAL STATEMENTS

Statements of the Centre's assets and liabilities at March 31, 1971, and of its income and expenditure for the year ending on that date appear on pages 14 and 15. These statements have been audited by the Auditor General of Canada whose Report appears on page 13.

The following comments are intended to highlight and supplement these statements.

Introduction

The Act of Parliament establishing the IDRC received Royal Assent on May 13, 1970. The Centre became fully operational with the appointment of the Governors and the approval of the General By-Law at the inaugural meeting of the Board of Governors on 28 October, 1970.

From a financial point of view the first months of the Centre's life were devoted largely to the establishment of a viable operational system for the management of the Centre's resources. In brief, the Board of Governors approved a budgetary system that is based on commitment authority and an accounting system that follows the accrual method, that is, revenues are recorded when earned, even if not collected, and expenditures are recorded when incurred, even if not paid. The fiscal year of the IDRC is the period from April 1 to March 31.

The Board of Governors also established a Finance Committee under the Chairmanship of Mr. John Bene with Mr. R. Medjuck, Mr. A.F.W. Plumptre and Mr. Maurice Strong as members. The Treasurer acts as secretary to the Finance Committee.

Income and Expenditure

Revenues in the first fiscal year were received primarily in the form of grants from the Government of Canada, i.e., a statutory grant of \$1 million and a Parliamentary grant of \$1,444,000.00. Since all of these funds were not immediately required for operational purposes, excess cash was invested and interest in the

amount of \$70,500.00 was earned. In this regard, the Finance Committee of the Board of Governors decided that funds, excess to immediate requirements, should be placed in the money markets in such secure instruments as Federal or Provincial Treasury Bills, chartered bank certificates of deposits, etc.

In addition to grants from the Government of Canada and interest income from investments, the IDRC received \$9,905.00 in fees charged for consulting services provided by the professional staff of the Centre to the Canadian International Development Agency.

Expenditures for the first fiscal year were largely administrative in nature, i.e. those associated with the initial establishment of the headquarters, the recruitment of staff, furnishing of offices etc. In this connection, it is the policy of the Centre to write off furniture and equipment in the year acquired. Programme expenditures amounting to \$88,136.00 were incurred in support of research projects and for the cost of seminars and workshops, etc., sponsored by the IDRC on subjects falling within the various programmes of the Centre. The accounts of the IDRC are structured on a programme basis so as to relate, as directly as possible, expenditures to the various programmes and activities of the Centre as they are established by the Board of Governors. In future reports the expenditures for programmes will be sub-divided to show each of the established programmes separately.

During the period from May 14 to July 31, 1970, expenditures for preliminary arrangements were paid for by the Canadian International Development Agency. In the period from August 1, 1970, to October 31, the President was responsible for all expenditures of the Centre under an interim arrangement authorized by the Treasury Board of the Government of Canada. With the approval of the General By-Law by the Board of Governors at their inaugural meeting on October 28, 1970, the Centre became fully operational. Net expenditures for the 1970-71 fiscal year, including expenditures under the preliminary arrangements mentioned above, were \$829,491.00 leaving a surplus of \$1,685,009.00 available for expenditure in the future years.

Ottawa, June 25, 1971.

To: International Development Research Centre
and
The Honourable Mitchell Sharp,
Secretary of State for External Affairs,
Ottawa.

Sirs,

I have examined the accounts and financial transactions of the International Development Research Centre from its establishment on May 13, 1970 to March 31, 1971, pursuant to the provisions of section 21 of the International Development Research Centre Act.

My examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as I considered necessary in the circumstances.

In my opinion, the accompanying Balance Sheet and Statement of Income and Expense present fairly the financial position of the Centre as at March 31, 1971 and the results of its operations for the period ended on that date, in accordance with generally accepted accounting principles.

Yours faithfully,



Auditor General of Canada.

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE
(Established by the International Development Research Centre Act)

Balance Sheet as at March 31, 1971

<u>Assets</u>		<u>Liabilities</u>	
Cash	\$ 235	Accounts payable	\$ 95,254
Accounts receivable	13,037	Accrued liabilities	5,236
Interest accrued on investments	30,609	Program commitments payable under contract	126,290
Short-term investments, at cost	1,739,868	Surplus:	
Prepaid expense	1,750	Excess of income over expense per	
Deferred charge for program commitments	126,290	Statement of Income and Expense	1,685,009
	<u>\$ 1,911,789</u>		<u>\$ 1,911,789</u>

Certified Correct:

Approved:

Henry Bennett
.....
Treasurer

W. David Hoyle
.....
President

I have examined the above Balance Sheet and the related Statement of Income and Expense and have reported thereon under date of June 25, 1971 to the International Development Research Centre and the Secretary of State for External Affairs.

James G. ...
.....
Auditor General of Canada

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Statement of Income and Expense
for the period May 13, 1970 to March 31, 1971

Income:

Grants received pursuant to:

External Affairs Vote 20	\$ 1,444,000
Section 20(4) of the International Development Research Centre Act	<u>1,000,000</u>

\$ 2,444,000
<u>70,500</u>

Interest earned

\$ 2,514,500

Expense:

Programs	88,136
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Administration

Salaries, allowances and employee benefits	383,520
Staff travel and removal	79,876
Accommodation	48,423
Governors' honoraria, travel and meetings	43,230
Professional and special services	24,695
Office supplies and expense	17,157
Communications	13,585
Sundry	<u>16,277</u>

626,763

Less: Amount recovered

9,905

616,858

Acquisition of office

furnishings and equipment

124,497

829,491

Excess of Income over Expense

\$ 1,685,009