

ARCSER

IDRC

Annual Report

1994-1995

International
Development
Research
Centre

IDRC



CANADA
1970-1995

HOW TO REACH US

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FOREWORD

25 Years of Science in Action

The year 1995 marks the 25th anniversary of the establishment of the International Development Research Centre, an institution born of the recognition that scientific knowledge is an essential key to development. IDRC was founded from the inspiring vision that such knowledge could change the world and give people in developing countries an opportunity to improve their conditions of life. IDRC was the first organization of its kind in the world and an outstanding example of Canadian vision and leadership.



Keith A. Bezanson
President

In 1995, we will celebrate 25 productive years, 25 years of learning. IDRC has been and remains a passionate organization, passionate about its mission and about countless projects that have produced research results of major benefit to humanity. We have learned much from our successes, and we have learned from research efforts that have not lived up to their original promise. To learn from both success and failure is the very essence of research, and it has been the key to human learning since our species came into being. For IDRC, the overwhelming balance of our first 25 years is clearly situated in the achievements that have earned it and Canada a worldwide reputation for excellence. As a Canadian and as the President of IDRC since April 1991, I am intensely proud of this institution, of what it has achieved throughout its history and, particularly, of what our Board of Governors, our staff, our research, and our partners have been able to do together over the past four years. We as an institution, and Canada as its progenitor, have much to celebrate on the occasion of this 25th anniversary.

It must, however, be acknowledged that the last few years have been tumultuous ones, reflecting the turbulence of our world. From 1990–1991 to 1995–1996, the Parliamentary grant to IDRC has been reduced by almost \$18 million in nominal terms. In real terms, this amounts to a reduction of over 35%. But these years have also been years of opportunity and growth. We have, during this period, made a conscious effort to enhance our relevance, to expand and diversify our financial base, to reposition our organization strategically to meet new challenges, and to modify our structure in ways that are both wise and humane.

It is because we continue to apply our experience and the imperative of learning to new situations that I am convinced of IDRC's vitality as we enter our second quarter-century. There are five basic reasons for this conclusion. The first is the continuing validity of the idea that gave birth to IDRC — that people can only progress by building their own research and development capabilities to identify the problems confronting them and to find and implement the solutions to those problems. The second is that the importance of the generation of, and access to, knowledge as the key to development is recognized today as the key to human well-being. The third 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. The fourth is the ingenuity and commitment of the Centre's staff and international Board of Governors, who have

FOREWORD

pursued the organization's mandate with determination while taking steps to meet difficult times in advance of fiscal and administrative reforms required by the federal government. The fifth reason is the appreciation of the government, and the Parliament as a whole, toward IDRC's *raison d'être* and its contribution to Canada, Canadians, and the world at large.

IDRC is determined to serve as a world-class institution and to provide Canadian leadership in meeting the challenges of tomorrow. In doing so, we will be guided by the following strategic assumptions:

- There is no room for a small IDRC. The world has increasingly greater need for an organization, such as ours, that pursues knowledge as the key to development and human well-being.
- Budget reductions, including reduced allocations for official development assistance (ODA), are part of the development landscape. These will continue not only in Canada but also in all donor countries.
- The world is changing dramatically, and IDRC as a research organization must embrace and lead that change. New partnerships (South-South and South-North), new technological orientations, and new financial arrangements will be key in this regard.
- The time is now, and there is not much time. We have enormous strengths on which to build. The steps taken and the initiatives launched over the past several years have given us a head start. But the time to act is now.

In practical terms, there are things that the Centre has done well over the past 25 years and that we must continue to do. There are also changes that we must make. Our initiatives to generate revenue from appropriate sources to supplement our Parliamentary grant must receive added impetus. Our arrangements for communication — among ourselves, with partner institutions, with Parliament and relevant government departments and agencies, and with interested members of the Canadian public — must be constantly improved and refined. We must generate new and appropriate mechanisms of excellence in the management of innovation and change.

In all this, boldness is our first imperative. Twenty-five years ago, IDRC was a new idea, and it undertook its mission with a determination that bordered on audacity. Today, we must act with a new courage that confronts and responds to new realities and new needs. The preparation and presentation of this annual report is inspired by justifiable pride in our past achievements, consciousness of the formidable challenges we confront, and an awareness of the boldness that was needed before and is once again demanded of us.



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of Governors
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(Singapore)

Anthony Tillet
Regional Director,
Latin America and the
Caribbean (Montevideo)

Marc Van Ameringen
Regional Director, Southern
Africa (Johannesburg)

* As of 1 January 1995

‡ Executive Committee member



IDRC: S. Colvey



IDRC: Jeanette L. Andrews-Bertheau



IDRC: Denis Marchand

MANDATE

“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.”

— *The International Development Research Centre Act, Section 4(1)*

“IDRC is dedicated to creating, maintaining, and enhancing research capacity in developing regions in response to needs that are determined by the people of those regions in the interest of equity and social justice.”

— *Empowerment through Knowledge: The Strategy of the International Development Research Centre, November 1991*

HIGHLIGHTS

Research Programs

Research is at the heart of IDRC's mandate and research takes time. It is rarely possible to report on the concrete results of a research project during a single fiscal year. A minimum of 5 to 10 years may be required before a project reaches maturity. For this reason, this "highlights" section contains interesting research results outside the 1994-1995 time frame. There are projects that were approved several years ago but are just now reaching maturity. As well, there are promising projects approved during this fiscal year that provide insight into the direction and priorities of IDRC over the past 12 months.



Eric Miller

Anne Whyte of IDRC, and leader of the Environmental Policy Mission to South Africa, meets President Nelson Mandela, September 1994

Entrepreneurial Spirit in South Africa

Democratic South Africa is revitalizing its small business sector with assistance from IDRC. A large, multimillion dollar project, funded by the Government of South Africa and to be administered by IDRC, will help black South Africans acquire business and management skills and become active participants in the local economy. This will create jobs and help preserve social stability (SEE PAGE 32).

Rwanda: The Road to Recovery

To help Rwanda along the path to peace and economic progress, IDRC's Rwandan National Reconstruction Project is providing support to Rwandan scientists, professors, technicians, and other skilled professionals. These will be tomorrow's leaders, educators, and policymakers (SEE PAGE 30).

Prisoners of Hunger

Do you know that there are over one billion people in the world affected by a deficiency in vitamin A, iron, or iodine? The majority of sufferers are women and children. IDRC is spearheading a \$19 million international effort to help Third World countries overcome these serious health threats (SEE PAGE 46).



Sygnia: Jon Jones

Rwandan refugee camp — taking steps to restore indigenous research capacity



IDRC: R. Poling

Targeting children for micronutrient supplements

WETV: The Global Access Television Service

A new global television network will give a voice to communities in the South. WETV will provide broadcasters and viewers around the world with low-cost, interesting, and culturally relevant programs. Watch for the official launch in Beijing in September 1995 (SEE PAGE 44).

Screening Out Malaria

Simple bednets treated with insecticide are proving to be a highly effective tool in the worldwide fight against malaria. If tests on the nets continue to show strong success, this IDRC-funded research could prove to be one of the most important child-survival strategies yet (SEE PAGE 27).

Better Health Care Costing Less

An innovative health project that tests a World Bank premise for better health care at lower cost — a mix of inexpensive, preventive measures at the local, rural level — has begun in Tanzania. If the approach proves successful, other developing countries will also benefit (SEE PAGE 31).

Technology with an Eco-Friendly Face

Technical collaboration between a Canadian firm and a Singapore research-and-manufacturing company is applying technology in areas of pollution control, resource recovery and recycling, and energy management (SEE PAGE 28).



IDRC: S. Colvey

Bednet trials in Benin

HIGHLIGHTS



IDRC: Claude Dupuis

Tea harvest, Sri Lanka — better process technologies promise more efficient production



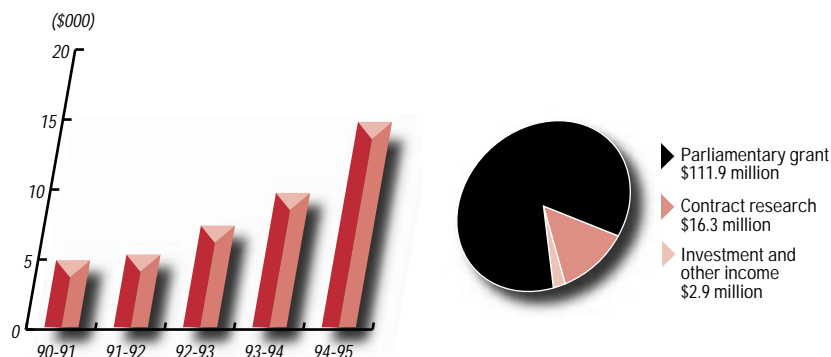
HIGHLIGHTS

Financial Report

The prime source of IDRC's revenue is its annual Parliamentary grant. In years past, the Centre has been successful in supplementing this grant with ever-increasing amounts of non-Parliamentary funds. This year, the IDRC Board of Governors made revenue generation an important corporate priority, setting a target for new cofunding and research-management services of \$75 million for 1997–1998. At the same time, the Centre continues to become operationally more efficient. Its ratio of program to operational expenditures continues to improve, with a target of 80:20 for 1998–1999.

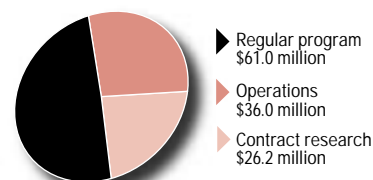
Revenue Generation

To offset declining government grants and to meet the ever-increasing demand for research, a dynamic campaign to seek new sources of external funding continued during fiscal year 1994–1995. Some \$16.3 million in external funding was received. This represented a 63.5% increase over the previous year. IDRC's five-year record of revenue generation and all sources of revenue for 1994–1995 are presented below.



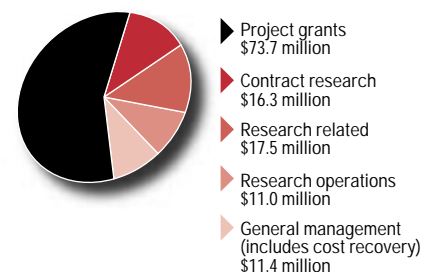
Appropriations

In December 1994, IDRC reduced regular program appropriations by 31.5% to cover the expected reduction in the 1995–1996 Parliamentary grant. The pie chart presents a breakdown of total Centre appropriations (money committed) for 1994–1995.

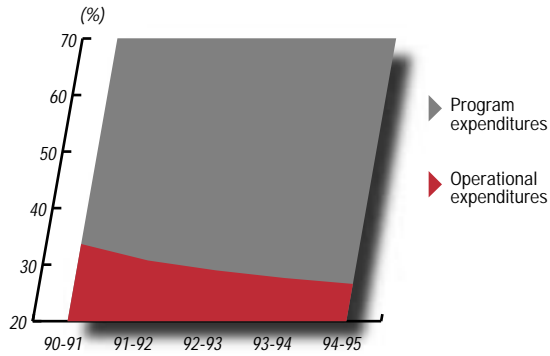


Expenditures

Because of the increased load of activities administered by IDRC on behalf of other agencies, there was a 63% rise in contract research expenditures in 1994–1995. The pie chart presents a breakdown of total Centre expenditures (money spent) for this fiscal year.



HIGHLIGHTS

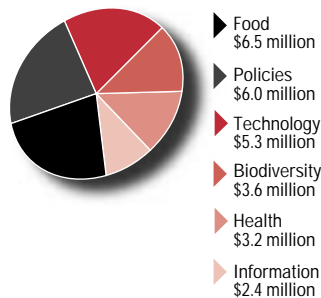


Program to Operations Ratio

Again this year, IDRC moved closer to its goal of reducing its operational costs relative to program expenditures. In 1994–1995, program expenditures accounted for 73%; operational expenditures, 27%. A five-year snapshot of IDRC's record in improving operational efficiency is shown above.

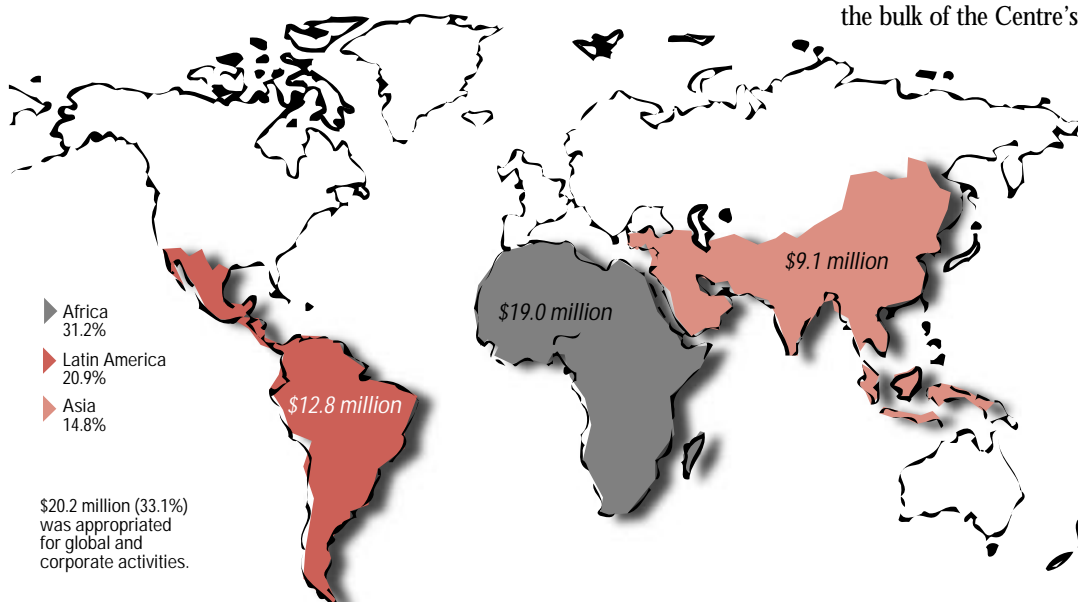
Research Appropriations by Program

In its six main areas of support — technology and the environment; integrating policies; food systems under stress; information and communication; health and the environment; and biodiversity — IDRC funded a total of \$27 million in development research.



Distribution of Research in the South

The geographical distribution of IDRC's program appropriations is shown below. Of the three major regions of the South, Africa received the bulk of the Centre's support.



FREQUENTLY ASKED QUESTIONS

Q How does money spent on IDRC research benefit Canadians?

A Some IDRC-supported research benefits Canadians directly. Research on canola in China resulted in new disease-resistant strains in Canada. These produced a 15% increase in yields and made canola a more profitable export crop than wheat. (For other examples, see pages 20, 28–29, and 40.) Other benefits are indirect. Increased environmental awareness and protection in the South make the Earth a safer, more habitable planet. Better health anywhere reduces the transmission of diseases to Canada. Despite financial constraints, Canadians indicate in numerous opinion polls that they want their government to help make the world a better place. (On pages 21 and 33, you can read about how IDRC research is contributing to peace in the Middle East. For more information on IDRC projects, please obtain a copy of *101 Technologies: From the South for the South*.)

Q Is it true that IDRC is not bound by Canadian foreign policy and by the Financial Administration Act? How is this possible? Is not IDRC established and funded by the Canadian Parliament?

A IDRC is, in theory, not bound by Canadian foreign policy. In practice, the Centre takes that policy fully into account. However, the special autonomy enables the Centre to build bridges even when it is not convenient, for political reasons, for the government to be officially involved. Similarly, IDRC is not bound by the Financial Administration Act. Nonetheless, it follows the Act closely. The Centre is audited regularly by the Auditor General of Canada. Of course, it reports annually to Parliament. (The Centre's scrupulous approach to accountability is discussed on page 13.)

Q How is IDRC different from CIDA? Do they complement each other? Is CIDA represented on the IDRC Board?

A IDRC funds long-term research and takes the front-end risks. CIDA does application. For example, CIDA has often provided funds to implement the results of IDRC-supported research efforts. There is no overlap. The two agencies have worked closely on projects, each contributing its particular strengths. And, yes, CIDA's President is a member of IDRC's Board of Governors. (See pages 22, 27, 31–32, and 46 for some examples of IDRC–CIDA collaboration.)

FREQUENTLY ASKED QUESTIONS

Q Does IDRC get all of its funding from the Canadian Parliament?

A The Centre's Parliamentary grant is still its main revenue. However, increasingly, it generates funds from other sources. It does so by taking advantage of its strengths and of networks built up over a quarter century. On average, the Centre leverages over four dollars from other donors for every dollar it invests. (See pages 14 and 50 for more details on our revenue-generation program.)

Q Who makes up the Board of Governors, how are they chosen, and for how long do they serve?

A Governors are appointed for four-year terms on the basis of their personal reputation. Appointments are approved by the Governor in Council, on the advice of the Minister of Foreign Affairs. Most Governors, including the Chairperson, are Canadians. Many are from other countries, including developing countries. Among past and present Governors are Ted Schultz, a Nobel Prize winner in economics; Sir Shridath Ramphal, who was for many years Commonwealth Secretary General; and Lester B. Pearson, first chairman of the Board of Governors and former Prime Minister of Canada. (See full list of current Governors on page 4.)

Q Does IDRC support Canadian researchers and Canadian institutions?

A Yes, about 18% of the Centre's activities are carried out jointly with Canadian and developing-country organizations. Projects are developed on the initiative of developing-country researchers, but Canadian institutions frequently contribute as partners. IDRC creates links between academic, nongovernmental, and private-sector communities in Canada and abroad. It provides unique opportunities for joint ventures, research partnerships, and the exchange of knowledge. (For examples of Canadian partnership in IDRC's programs, see pages 33, 37, 39, and 40.)

OVERVIEW

The ongoing fulfilment of the IDRC mission is a fusion of yesterday's dream with today's challenge and tomorrow's reality.

Yesterday's Vision, Tomorrow's Reality

Fiscal year 1994–1995 held a special significance for IDRC for at least two reasons: the Centre's 25th anniversary and Canada's foreign policy review. The 12th of January 1995 marked the 25th anniversary of the start of the debate on the IDRC Bill; the Act received Royal Assent on 13 May 1970. A thorough review of Canada's place in a fast-changing world took place in 1994–1995. The importance of IDRC's future role is clear from the content of some of the documents resulting from that review.

The vision that gave birth to the International Development Research Centre 25 years ago bears a striking resemblance to much of the new thinking about the role of Canada in today's world. Knowledge is now accepted as the key to development and human well-being. IDRC was the first institution founded on the principle of knowledge for international development.

The IDRC Act states that “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.” IDRC was a courageous, innovative gift from Canada to international development. In moving the second reading, then Secretary of State for External Affairs Mitchell Sharp described the measure as “one of the most promising and exciting proposals to come before this House for a long time.” He added that it could become “a new and dynamic element” in Canada's contribution to a better life in the poorer regions of the world.

Today, the ideas that informed the wording of the Act remain essential for development and the reduction of poverty in developing countries. But these ideas are no less important for the survival of Canada and the entire world. The ongoing fulfilment of the IDRC mission is a fusion of yesterday's dream with today's challenge and tomorrow's reality.

Against this background, this annual report is built around two fundamental questions:

- To what extent has the Centre succeeded in becoming the “dynamic element” in Canada's global contribution to development that was envisaged by its founders?
- What is the Centre doing to respond to the new challenges posed by the changing world situation and by developments within Canada itself?

Accountability

IDRC's resources are still provided mainly by Canadian taxpayers. Full accountability for these resources is an imperative. The Centre has consistently shown a recognition of this fact by going beyond statutory requirements.

IDRC submits its annual report to Parliament through the Minister of Foreign Affairs. In recent years, efforts have been made to improve the value of the document as an instrument of accountability. These efforts are linked to a thorough review of IDRC's evaluation system to make more explicit and transparent the link between investment and results. This annual report attempts to reflect some of these changes. Future ones will go even further in this direction.

The President appears regularly before the Standing Committee on Foreign Affairs and International Trade and other Parliamentary committees. Since 1991, he has made seven such appearances. At the start of the current Parliament, the Centre organized a well-received briefing to share with interested Members of Parliament its knowledge and thinking with respect to international development and related issues. The Centre made submissions and appearances in reviews relating to foreign policy, science and technology, and aid and debt.

Annual audits by the Auditor General have found the Centre's accounts in proper order. Recommendations for improved financial management are rigorously and expeditiously pursued. In 1988, IDRC was one of eight agencies selected by the Auditor General for inclusion in his study and report on "Well Performing Organizations."

Twice the Centre asked the Auditor General to conduct thorough value-for-money audits. The report on the more recent one, conducted during the year under review, noted that IDRC was under no obligation to seek a "public" value-for-money audit, and the fact that it was requested reflected the Centre's "interest in improving performance and being accountable."

Responding to Reality

In his most recent value-for-money audit, the Auditor General also noted that he was "cognizant that IDRC was already engaged in a major process of change and that the audit, and its timing, were a part of the change process." In fact, when the recent federal budget called for major changes in departments and agencies, IDRC had already, on its own, put similar measures in place. Responding to the country's financial reality, IDRC had started:

- A major program of cost reduction, including the reduction of staff by about 20% and of senior managers by 50% — This was done in 1991–1992, just before the Centre undertook major new responsibilities as part of Canada's response to the Earth Summit. From 1990–1991 to 1994–1995, the share of total expenditures devoted to operations dropped from 34 to under 28%, despite costs associated with maintaining operations in regions where the research takes place.

OVERVIEW

Twice the Centre asked the Auditor General to conduct thorough value-for-money audits.

OVERVIEW

Since 1991, when the Centre introduced its new strategy, the amount of money it administers on behalf of other organizations has increased exponentially.

- A major program of revenue generation to supplement the Parliamentary grant, which still remains the organization's major source of funding — Although the federal allocation to Official Development Assistance has been reduced, the demands on IDRC to play an important role in international development have not. Additional revenues come mainly from organizations wishing to take advantage of IDRC's expertise, networks, and management system. The Centre's experience in contract management dates back to the beginning of its operations when it agreed to manage a project on behalf of the Canadian International Development Agency (CIDA). IDRC has since developed partnerships with private foundations and other donors, such as the Rockefeller Foundation, the United States Agency for International Development (USAID), the Ford Foundation, the Swedish International Development Agency (SIDA), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the Edna McConnell Clark Foundation, the World Bank, and the Asian Development Bank.

The Centre is currently administering more than 50 research projects that are funded, in whole or in part, by other organizations. These projects, which are administered on behalf of more than 30 different private, bilateral, or multilateral organizations, represent close to \$70 million in development research funds. Since 1991, when the Centre introduced its new strategy, the amount of money it administers on behalf of other organizations has increased exponentially.

The Board of Governors recently agreed that revenue generation should take on even greater importance at IDRC and that new cofunding and research-management services should reach \$75 million by the year 1997–1998. Governors also decided to take the lead in finding ways to establish one or more endowments for the benefit of the Centre. Other revenue-generation activities being pursued are:

- The sale of consulting and conference services;
- Royalties and leasing from the use of technology developed through IDRC projects;
- Participation with other partners in such ventures as the "Blue Planet" lottery through which a tiny addition to the price of international airline tickets would raise large sums of money for international development activities; and
- A higher return on cash invested.

To develop its expanded revenue-generation strategy, IDRC has consulted with Canadian and overseas agencies in both the public and the private sectors, and continues to do so.

Products of Research and Partnership

During its 25 years, IDRC has granted over \$1.5 billion to support over 5 000 research projects in 100 countries. The projects have involved some 20 000 researchers and over 1 000 institutions. The results or products of these efforts have included:

- New or improved technologies ranging from new computer software to a low-cost test for the AIDS virus in blood plasma;
- Policy options, such as the impact of IDRC-supported policy research on Chile's ability to attract foreign investment;
- Capacity-building through on-the-job and formal training for researchers;
- Scientific knowledge, including material printed in Third World, international, and Canadian (including IDRC) publications;
- Information systems and technologies, in which IDRC has a unique record as a donor organization;
- Goodwill for Canada, resulting from the Centre's policy of intellectual partnership with developing countries and from the number of IDRC-supported researchers who later occupy positions of influence in government, academia, business, and other sectors; and
- Links between Canadian business, research, academic, and non-governmental sectors and their Third World counterparts, which has led to increased experience for Canadian researchers and business opportunities for Canadian enterprises.

Risking, Waiting, and Learning

The results of development research supported by IDRC have been featured in countless scientific publications and in such popular press as *The Globe and Mail*, *National Geographic*, *The Wall Street Journal*, *The New York Times*, *Life Magazine*, *New Scientist*, *Newsweek*, *Le Nouvel Observateur*, *Le Devoir*, *La Presse*, *Reader's Digest*, and *Macleans*. In the case of the electronic media, examples include CBC, Radio Canada, Global, and CTV.

In 1994, the Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee noted that "IDRC has a worldwide reputation for supporting research and assisting scientists in developing countries to solve development problems and for doing so in an innovative, flexible way." The Special Joint Committee reviewing Canadian foreign policy singled out IDRC for "its high quality work based on the agenda for sustainable development agreed at the Earth Summit in Rio."

OVERVIEW

"IDRC has a worldwide reputation for supporting research and assisting scientists in developing countries to solve development problems and for doing so in an innovative, flexible way."

— OECD Development Assistance Committee

OVERVIEW

The Centre, by virtue of its mandate, must support research that the private sector would find unattractive. This is research for the public good, which might bring low economic returns but important health or environmental benefits.

In the final analysis, however, IDRC is a learning organization. That means it does not have all the answers. One important element in research for development is time. In forestry, for example, a minimum of 10–15 years of maintained effort is usually required for the results of experiments to be considered reliable and applicable.

Another element is risk. Apart from the uncertainties normally associated with research, IDRC must confront the difficulties of working in countries that often lack facilities taken for granted in the industrialized North. The Centre, by virtue of its mandate, must support research that the private sector would find unattractive. This is research for the public good, which might bring low economic returns but important health or environmental benefits.

IDRC program officers are thorough in the preparation and evaluation of projects. Approval comes only after careful scrutiny. Yet there is no way of saying with certainty what the result will be. Some projects fail. Others succeed. Both types lead to a better understanding of what works and what does not. Both, therefore, represent valuable opportunities for learning.

IDRC Today

The planning system in IDRC was reviewed in 1989. Following discussion, the Board of Governors called for the production of a corporate strategy; *Empowerment through Knowledge* was approved by the Board in October 1991. Following the Earth Summit in Rio de Janeiro in June 1992, IDRC had to rethink the program focus on which it had been working. It needed to recast its programs in the context of Agenda 21, the main outcome from the Rio Earth Summit.

The result was a three-year (1993–1996) Corporate Program Framework that established six core themes for environment and development:

- Biodiversity
- Integrating policies (environmental, social, and economic)
- Food systems under stress
- Information and communication
- Health and the environment
- Technology and the environment

The Corporate Program Framework also provided the flexibility to address a variety of issues through a set of carefully selected programs for sustainable and equitable development.

The Future of IDRC

The Corporate Program Framework has been extended by a year. The themes will continue to be at the heart of the Centre's programs, projects, and activities. Despite the changed domestic and international contexts, the IDRC mission remains valid, necessary, and unaltered. If anything, it has been reaffirmed by recent events. IDRC's role remains the realization of sustainable improvements in the human condition through research, particularly in the developing countries.

However, increasingly, the Centre is moving toward greater streamlining of its programs. Funds received from Parliament will be carefully targeted to critical research initiatives that promise major development benefits and that can leverage funds from other sources. Already, program priorities are being more clearly established on a regional basis to respond to needs and opportunities specific to each region.

This increased unity at the regional level will be matched by greater cooperation across disciplines and throughout the organization. The increasing movement toward becoming a results-oriented organization, noted by the Auditor General in his report on the recent value-for-money audit, will continue. Meanwhile, prudence requires that, even with efforts toward the generation of additional revenue, operational costs must be further reduced. Additional cost savings will be needed to meet the financial discipline desired by the Government of Canada.

About this Annual Report

Research tends not to produce results on a predictable annual basis. Nonetheless, IDRC has been making intensified efforts to order the Centre's business in such a way that, each year, it can give Parliament a better sense of the effectiveness with which it invests the resources placed at its disposal. The Centre's management is putting greater emphasis on results in the planning, implementation, and evaluation of activities.

This annual report comprises an account of Centre programs. These are looked at mainly from two points of view:

- The six themes under which most of the Centre's programs and projects are developed; and
- Activities within the regions — grouped under Africa (and the Middle East), Asia, and Latin America and the Caribbean — as well as activities of a global and corporate nature.

In each case, previously stated objectives are set against performance. Without forgetting its primary mission to contribute to development in the South, IDRC wishes to demonstrate in this annual report that its work also benefits Canadians. This is shown through some of the projects and programs selected to illustrate the Centre's performance.

OVERVIEW

Funds received from Parliament will be carefully targeted to critical research initiatives that promise major development benefits and that can leverage funds from other sources.

THEME

CONTEXT

The ongoing crisis in the world's fish stocks has had a major impact on Canadian communities. Whether through problems with cod or turbot stocks on the east coast, or the salmon industry crisis in British Columbia, the loss of marine biodiversity is affecting the lives of thousands of Canadians. It affects millions of people in developing countries. In general, whole species of living organisms are being destroyed at an alarming rate. Biodiversity refers to the vast array of living organisms with which we are endowed by nature. Human survival and options for development could be in danger if the depletion of these organisms continues.

Canada was the first country to sign the United Nations Convention on Biodiversity. IDRC, for its part, is among the very few international organizations supporting research in such key areas as intellectual property rights, aquatic biodiversity, and the conservation of species in their original habitat. Animals and aquatic resources are particularly endangered. The Centre therefore seeks creative ways, in collaboration with other donors, to correct this neglect.

Biodiversity

Objective

Promote sustainable use of natural resources by local communities.

Progress Achieved

- The University of Alberta is helping to find new treatments for human immune problems. The University is collaborating with the Vittal Mallya Scientific Research Foundation of India on a study of the properties of the neem tree. The Canadian and Indian scientists, with IDRC funding, are testing the scientific validity of local claims about the value of the tree, 20 million of which are found in India. Neem is considered a treatment for infertility and for certain viruses.

Neem could also help save India's coffee industry if its potential as a natural pesticide is proven by the study. Coffee employs about 3 million Indians. It is also the target of some 50 insect pests. Up to a quarter of India's farm costs result from the need for pesticides. A neem pesticide would also reduce the damage done to the environment by the current synthetic varieties.

- An IDRC-funded research project has led to the production of a medicine to control fever in livestock. The medication has been extracted from the bark of the ryan, a local Indian plant. An application is being made for a patent for this product. A similar application will be made shortly for an herbal pesticide sprayer. The sprayer is both drawn and powered by a bullock. Yet another patent application is to be made for a bullock cart designed by a local artisan with IDRC support. This innovation, the first major improvement to the bullock cart in about 100 years, will provide dramatic improvements in the spreading of manure in the fields.
- Since 1991, IDRC-backed research has helped identify new sources of essential oils from native species of plants in Bolivia. This research has led to the creation of an autonomous essential oils industry. This industry provides income for 500 families. Each year, it produces more than 10 tonnes of oil, valued at \$0.5 million on the international hard-currency market.
- Growing the verbena plant in Morocco is four times more profitable following research involving a Quebec agency. The IDRC-funded research was conducted by Morocco's National Agronomic and Veterinary Institute and Quebec's St Jean sur Richelieu Research Station. The project has enhanced the value of the plant as a source of essential oil.

Objective

To document and improve farmers' breeding and conservation of domesticated plants and animals.

Progress Achieved

- The International Fisheries Gene Bank in Vancouver has trained four North Thompson Indian band workers in the preservation and shipment of salmon sperm. This preservation is the first step in ensuring long-term security for the salmon. The expertise will also help in the preservation of other endangered species upon which indigenous people depend for food or income. This gene bank, established in 1993 with support from IDRC, is helping to equip the first Latin American regional fisheries gene bank, which is located in Venezuela. The organization provides advice to the Food and Agriculture Organization of the United Nations (FAO) on the preservation of fish genes. It also advises the International Plant Genetic Resources Institute in Rome.
- Biotechnology research at Dalhousie University will help China's efforts to save the common carp, an important fish in that country. Using DNA technology, the IDRC-funded research allows for precise, individual identification of the fish. This "DNA fingerprinting," a first step toward conservation, will be followed by studies on the harvesting and consumption habits of fishing communities and by more concrete conservation efforts. The project is also using DNA technology to provide precise identification of valuable local strains of fish commonly cultivated in Malawi and Thailand.

Objective

To support efforts to determine the impact of intellectual property rights on the implementation of the United Nations Convention on Biodiversity.

Progress Achieved

- An IDRC publication on intellectual property rights has been received with great interest by biodiversity policymakers. It has had a positive influence on the negotiating meetings for the implementation of the United Nations Convention on Biodiversity because of the way it brings together various options and opinions. *People, Plants, and Patents* was written by The Crucible Group and published by IDRC. The membership of The Crucible Group ranges from grassroots organizers working with subsistence farmers to trade diplomats and agricultural policy analysts in government and industry.

Future Directions

The impact of intellectual property rights on development, environment, and culture continues to be an area in need of research. During the new financial year, the Centre will actively fund research on the legal and cultural aspects of this problem. Research on medicinal plants will deal with the rich possibilities that these plants offer. Such research will also deal with the problems caused by the number of these plants that are lost to humanity each day.

IN BRIEF BIODIVERSITY



As a result of IDRC-funded research, 500 Bolivian families earn \$0.5 million annually in hard currency by producing essential oils from new plant sources.

IDRC is helping to save endangered fishes through support to gene banks in Canada and Latin America. The Centre has also supported the use of DNA technology to identify valuable strains of fish that need to be conserved in China, Malawi, and Thailand.

Research on the neem tree will mean higher income for local communities in India. This research, supported by IDRC, is also expected to produce raw materials for fertility drugs and natural insecticides that could save India's coffee industry.

APPROPRIATION: \$3.6 MILLION

THEME

CONTEXT

Poverty and environmental damage are two of the largest problems facing the world today. There are no easy solutions, and policymakers and researchers are only now realizing the close link between these two problems. Traditionally, economists and sociologists have not worked along with their colleagues in botany, geology, or ecology. Links between researchers and policymakers are even fewer. The Centre is taking a leadership role in building bridges between these groups. It does so through the INTESEP theme.

INTESEP means Integrating Environmental, Social, and Economic Policies. IDRC has a record of bringing together scientists from different fields and is now becoming a centre of expertise on the management of INTESEP research. It is making a special effort to promote donor cooperation in this kind of research. During 1994–1995, more than half of the projects funded under this theme involved such agencies as the United Nations Development Programme (UNDP), the World Bank, the Swedish International Development Agency, and CIDA.

Integrating Policies

Objective

To provide better information to policymakers on the relationships between social, economic, and environmental policies.

Progress Achieved

- IDRC-funded researchers are finding out how economic growth and taxation policies can affect environmental protection in the mines of Peru, Brazil, and Colombia. They are comparing environmental protection laws and institutions in those three countries with similar laws and institutions in North America. They are also studying if “green” taxes and similar environmental incentives can be effective in these three South American countries.
- IDRC helped create new methods to study how changes in the environment can affect social and economic development in five Canadian indigenous communities. Residents of the five communities helped gather and analyze the data. They collaborated with groups in Mexico and Peru on the possible adaptation of the methods for use in those two countries. This involvement has led to a high level of trust and commitment between the First Nation communities and the research institutions.

Objective

To increase the number of Third World social scientists capable of integrating environmental concerns into their work.

Progress Achieved

- Thirty-five professionals from 10 East Asian countries have been trained to become better researchers, teachers, policy analysts, and government officials under an IDRC capacity-building project. The countries benefiting from this project are Cambodia, China, Indonesia, Laos, Malaysia, Papua New Guinea, the Philippines, Sri Lanka, Thailand, and Viet Nam. University courses in environmental economics have been developed under the project. Already, work done by the researchers has helped develop mining policy in Sri Lanka. They have also done research and analysis for a group that advises the region’s environment ministers on environmental economics. The project is supported by CIDA and by Danish, British, and American funding agencies.

Objective

To enable policymakers in developing countries to improve the way they make policies for the management of natural resources and urban environments.

Progress Achieved

- Unthinkable even two years ago, academic links between Jewish and Palestinian scholars are being forged outside the formal Middle East peace process. An IDRC research project, coordinated by the Palestine Consultancy Group and Israel's Hebrew University, is seeking the most effective way to protect and jointly manage underground water sources. National policymakers have shown interest in the project.
- The Toronto-based International Council for Local Environmental Initiatives (ICLEI) is encouraging 13 cities to take the environment into account when making plans for the future. Already, the 13 cities in Africa, Asia, Europe, Latin America, and Canada have promoted greater community involvement in planning and implementation. Some of the Latin American municipalities have committed themselves to becoming "model communities" in matters of development and the environment. ICLEI has produced a *Handbook on Strategic Services Planning* for the benefit of municipal councillors and other community leaders.
- An IDRC research project has led governments, the media, and the public in three Latin American countries to focus on environmental damage caused by large dams, tourist activities, and some irrigation schemes. The project has led to the formation of environmental action centres in Bolivia, Paraguay, and Uruguay. These centres help to increase the knowledge of groups in communities facing serious environmental and social problems and to give them a voice at the national level. Through IDRC, these groups are linked to national nongovernmental organizations (NGOs) with resources, contacts, and influence normally unavailable to local organizations. The project also brings together researchers and indigenous communities. It puts project leaders in regular contact with politicians and other decision-makers.

Some Bolivian communities are replanting the forests with native trees as a result of the project. In some Paraguayan communities, residents are learning to combine traditional methods with new technologies to earn a living without damaging the environment.

Future Directions

During 1995–1996, two workshops will be held in Asia and Latin America on research that integrates social, economic, and environmental policy concerns. These will follow up on a workshop held in Africa in June 1994. They are expected to increase the Centre's understanding of the needs of researchers and policymakers with regard to this kind of research. The Centre will hold a donors workshop in Ottawa in early 1996 to identify opportunities for collaboration.

IN BRIEF INTEGRATING POLICIES



IDRC is contributing to peace between Israel and Palestine. A project to develop joint protection and management arrangements for underground water sources is also building bridges between the two previously divided academic communities.

IDRC has helped create new methods to study how changes in the environment can affect the social and economic development of First Nation communities in Canada. These methods are being adapted for possible use in other countries.

The Toronto-based ICLEI is encouraging municipalities in Africa, Asia, Europe, Latin America, and Canada to consider the environment when making development plans. Some of the cities have pledged to become "model communities" in matters of environment and development.

APPROPRIATION: \$6.0 MILLION

THEME

CONTEXT

The world has enough food for all its inhabitants. Yet millions starve because of problems in production, storage, processing, distribution, or even preparation and consumption. The root cause could be a combination of climatic factors (droughts, floods); ecological problems (fertile lands becoming deserts); military conflicts; or social, economic, or political factors. Research on food systems under stress must therefore be multidisciplinary to focus on the entire system and not just on one aspect.

Food Systems Under Stress

Objective

To help rural, indigenous, and other vulnerable groups to break the “poverty cycle.” This cycle encourages damage to the environment to meet immediate food needs.

Progress Achieved

- More than 50 000 farmers have already received high-quality seeds as a result of IDRC-funded research. The seeds were developed by the Peru-based International Potato Center (CIP) and provided to the farmers through a “revolving fund.” The fund exchanges improved seeds for low-quality ones or simply lends high-quality seeds until harvest time. The level of response reflects both the value farmers place on the project and the collaboration of about 30 organizations. A Canadian NGO, a Bolivian church, FAO, CIDA, and organizations from the Netherlands and Italy are among those working to spread the seeds and the new agricultural techniques that resulted from the research.

This effort is part of a wider network, CONDESAN, which builds on years of research supported by CIP and IDRC in the Andean region. CONDESAN (Sustainable Andean Development Consortium) promotes more efficient use of research resources. It is financed by CIP, IDRC, and the Swiss Development Cooperation. The Consultative Group on International Agricultural Research (CGIAR) uses it as a model in sustainable mountain development.

- Higher incomes and better nutrition for farmers and their families are among the results expected from an IDRC project in Viet Nam. The project is increasing efficiency among farmers by allowing them to diversify their production away from rice, the dominant crop. It has trained nearly 100 farming systems specialists. They, in turn, train other agricultural workers, government employees, and farmers.

Objective

To focus on three ecological regions where problems of environmental degradation are most urgent: deserts or lands in danger of becoming deserts, fragile highlands, and coastal areas.

Progress Achieved

- IDRC is reducing the risk of further loss of fertile land by helping African governments and NGOs implement the new United Nations Convention to Combat Desertification. The project will increase the knowledge of NGOs about desertification issues and allow them to influence government policies and play a more active international role.

- Extremely poor farmers in the highlands of southeastern Peru are expected to achieve higher incomes as a result of IDRC-supported research. The project, in an area known for erratic climatic conditions, is also increasing environmental and natural resource protection. Researchers are combining modern scientific methods with indigenous technologies. A neglected local technique of using raised beds to protect crops from frost and drought is being practiced on 500 hectares of land. Farmers are trained and involved in the research together with professional, technical, and local government personnel.
- IDRC-funded researchers are developing a way for Philippine coastal dwellers to earn a livelihood without overexploiting and polluting the environment. Four villages are transforming themselves into self-reliant communities that nurture and benefit from the natural resources of the coast. They are doing this in collaboration with scientists from the University of the Philippines but are also learning how to find answers to their own problems. A group of residents, aided by researchers, documented how their community had changed from an area blessed with natural wealth to a degraded environment with depleted resources. They are now exploring how they can reverse the process.

Objective

To gain support from other donors for IDRC's efforts and to build on existing networks to create major regional research initiatives.

Progress Achieved

- The IDRC-supported East African Highland project has attracted support from the World Bank, the Swiss Development Cooperation, the Dutch government, and the Rockefeller Foundation. The project was the first adopted as a regional initiative by ARECA, a new research network. ARECA, the Association for Agricultural Research for East and Central Africa, comprises a number of World Bank-supported national research agencies. It reduces waste and duplication in agricultural research.

Future Directions

During financial year 1995–1996, the Centre will implement one of the objectives outlined in the Corporate Program Framework — learning from past experiences. A number of farming systems projects will be studied to see what practical solutions they offer to existing problems. Attention will be paid to the impact of interdisciplinary methods in these projects.

IN BRIEF FOOD SYSTEMS UNDER STRESS



More than 50 000 farmers have planted improved seeds as a result of an IDRC project in Peru. This was possible because of research by the International Potato Center and the collaboration of 30 other agencies.

Higher incomes and better nutrition for farmers are among the results of an IDRC project in Viet Nam. The project is improving the level of training and efficiency among farmers.

By assisting African governments and NGOs implement the new United Nations Convention to Combat Desertification, IDRC is helping to protect the world's valuable fertile land.

APPROPRIATION: \$6.5 MILLION

THEME

CONTEXT

Such terms as “information age,” “information superhighway,” and “global village” are in fairly common use today in industrialized countries. Third World leaders also need accurate, relevant, and timely information if their peoples are to prosper, or even survive, and they are to help protect the environment. Unfortunately, there is a large gap between the information needs and the information resources of developing countries. IDRC is helping to fill this gap. It does so through the Information and Communication for Environment and Development theme.

Few donors outside of the United Nations system have substantive, broad-based programs in this field. IDRC, one of the first to establish such a program, has developed links with donors and other organizations interested in the subject.

Information and Communication

Objectives

To provide better information, tools, and methods for decision-making and for measuring progress in development and environmental protection.

Progress Achieved

- An organization established to monitor the implementation of the decisions of the Earth Summit is setting up a new information and communication system with support from IDRC. The Earth Council is an international NGO chaired by Canada's Maurice Strong, who was Secretary-General to the Summit. It will use the new system to gather and disseminate information necessary in its watchdog or ombudsman role. It will create information links between organizations working in this area. It will review and assess worldwide efforts toward more equitable and sustainable development. The Council will empower other NGOs interested in protecting the environment. It will also educate the international public on environmental issues.
- An IDRC project is helping four Third World countries find ways to measure whether their development activities can be sustained without harming the environment. Groups in Colombia, Ecuador, India, and Zimbabwe are working with international experts to develop tools for this purpose. This research will lead to the production of two handbooks on reporting on environment and development. The project, administered by the World Conservation Union (IUCN), is being developed from an earlier effort involving IDRC and the Canadian National Roundtable on the Environment and the Economy.

Objective

To apply modern information and communication technologies to meet local needs.

Progress Achieved

- IDRC is helping to link Pakistan's government officials, academics, businesses, and grassroots organizations with the 20 million users of the Internet. In collaboration with UNDP and the World Conservation Union, the Centre is also helping these groups use their underutilized computers to exchange information and ideas with one another, with their counterparts in other countries, and with international development and environmental agencies. These electronic contacts, combined with face-to-face meetings, will empower leaders to make more informed policies on domestic and international environmental matters, including the dumping of toxic wastes. Project leaders aim to have 500 active users of the system and to make it self-sustaining by the time external funding ends in 1997.

- A unique Canadian technology is making it easier for planners and policymakers to design environmental policies. The technology will also help them monitor and report on the results and the impact of these policies. The Canada Centre for Remote Sensing (CCRS), a world leader in space-related technologies, is developing an electronic atlas of the data contained in Agenda 21, the Earth Summit's action plan. The electronic atlas is using maps, tables, photos, graphics, sound, and animation to ease the use of material from the 40 chapters of Agenda 21. Decision-makers will be better able to identify important aspects of Agenda 21 as they plan for its implementation.

In its pilot phase, the electronic map will focus on the Agenda's chapter on biological diversity. The map will allow users to develop and test "what if" scenarios. Several international partners are collaborating with IDRC and CCRS on this project. They include the National Biodiversity Institute of Costa Rica, Solidarités agricoles et alimentaires, the World Conservation Union, and UNEP. The Interim Secretariat for the United Nations Convention on Biological Diversity has recognized that the map will be valuable in helping to maintain the Earth's biological diversity. A number of developing countries are taking steps to use it not only for decision-making, monitoring, and planning but also for education.



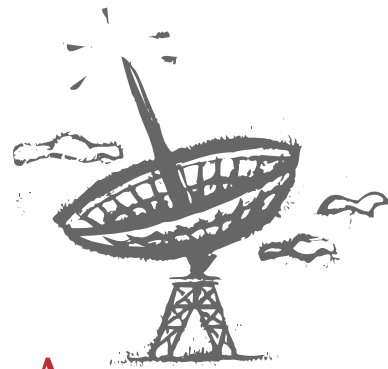
Richard Lord

Bringing the South into the "global village"

Future Directions

During the next financial year, the Centre will support activities related to tropical rain forests and deserts. The first category is likely to take the form of information and communication support for the Iwokrama International Rainforest Program based in Guyana. IDRC support will help the program share with interested groups around the world what it learns about using the rain forests productively and without damage to the ecosystem. The second will include increased support for the Centre's Pan-African desertification initiative. There are also plans for a collaborative venture with a core group of international NGOs. IDRC will also make special efforts to ensure that more of its projects are not dependent on donor support for their long-term survival. A priority in the coming year will be to record the lessons learned so far and to share them with IDRC's Canadian and international partners.

IN BRIEF INFORMATION AND COMMUNICATION



An international NGO created to monitor the implementation of Earth Council decisions is establishing a new information and communication system with help from IDRC.

The Centre is helping Pakistani government, business, academic, and grassroots agencies to use underutilized computers to gain access to the Internet's 20 million users. The system is expected to be self-financing by the end of the project.

A unique Canadian technology will help decision-makers use the Earth Summit's action plan to develop and monitor environmental policy. A Centre-funded project is using maps, photos, sound, and animation to supplement the 40 chapters of this text.

APPROPRIATION: \$2.4 MILLION

THEME

CONTEXT

Even as old diseases are overcome, new and terrifying illnesses take their place. Many of the new health problems result from changes in the environment. New land-settlement schemes in South America lead to the transmission of previously unknown diseases by insects or animals with which there had, until now, been little close contact. Industrial pollution, population explosion, and the growth of cities all bring their own menu of health concerns. IDRC plays a worldwide leadership role in research on these issues. It does so under its Health and the Environment theme.

The Centre's work helps community members understand how the environment can affect their health. It empowers them to cope with these risks and to exercise greater environmental control. It helps create public policies that contribute to better health. It develops fruitful collaboration with WHO and other donors working in this field.

Health and the Environment

Objective

To help national policymakers and local communities combine their efforts to prevent diseases and promote better health.

Progress Achieved

- Canada is playing a leading role in empowering the people of the Amazon to ensure that development activities do not impair their health. An IDRC-supported project is helping to make sure that the people and their leaders have credible, accurate, and concrete information to guide their policies and actions on environment and development. In a novel approach, Health and Welfare Canada is playing the role of lead Canadian partner. Together with Canadian universities, other federal departments, and provincial agencies, it will help train researchers in the region to appraise the effect of development activities on the Amazonian environment and on the health of local communities.

The Brazil-based Association of Amazonian Universities is coordinating the project. Researchers from Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela will be trained in Canada and in the region. They will then use their research skills and their new training to conduct assessments. The researchers will come from different disciplines and will be able to evaluate the impact of development activities on the social and economic situation of local groups. Efforts will be made to ensure that this activity can sustain itself after donor support ends. Successful results will be adapted for possible use in Africa and Asia.



IDRC: Denis Marchand

Environmental damage and health hazards often go hand in hand

Objective

To enable communities to cope with environmental health risks.

Progress Achieved

- IDRC is supporting research to reduce both the environmental damage and the health problems resulting from land settlement in Brazil. A group of Brazilian universities is undertaking this project to integrate forest management, agriculture, and health in communities of small landholders. The researchers are contributing to better local and national policies by studying the actions of new frontier settlers. They are testing the use of new information and communication technologies to provide early warnings about health problems.



Settlers need early warning of impending health risks

Future Directions

A long period of significant research on malaria prevention supported by IDRC, WHO, and other donors will end in 1995. One likely conclusion is that bednets treated with insecticide are very effective in reducing deaths among children in countries with a high incidence of malaria. CIDA, WHO, and IDRC will make efforts to ensure that after donor support ends bednets will continue to be available, on an equitable and affordable basis, to communities that need them most. If these efforts succeed, the simple bednet treated with insecticide will constitute one of the most important advances in child survival, especially for Africa, in recent decades.

IN BRIEF HEALTH AND THE ENVIRONMENT



Together with Health and Welfare Canada, IDRC is helping to train researchers from Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela. With their new knowledge and skills, these researchers will be able to measure the impact that local development activities have on the environment and health of communities in the Amazon region.

In Brazil, frontier settlement is resulting in both environmental damage and health problems. Through support to a group of Brazilian universities, IDRC is helping to understand the actions of these settlers and to warn them of impending health problems.

APPROPRIATION: \$3.2 MILLION

THEME

CONTEXT

Job creation, an aspect of poverty alleviation, requires the growth of small and medium enterprises. These enterprises need technologies that are relevant, effective, and gentle on the environment. IDRC's work in the area of technology and the environment complements other international initiatives. These include the United Nations Environment Programme's International Environmental Technology Centre. That Centre helps developing countries obtain and adapt technologies that do not harm the environment. IDRC helps to balance such technology transfers by supporting the efforts of developing countries to do their own research and produce their own technologies.

Technology and the Environment

Objective

To promote the use of technologies that help to lessen environmental degradation, reduce poverty, and create jobs.

Progress Achieved

- An IDRC research project is providing developing countries with the skills they will need to take advantage of Canada's high-technology remote sensing capability. The project will teach researchers how to interpret and use data from RADARSAT, the Canadian Earth resource satellite to be launched in late 1995. The research will enable developing countries to use data produced by RADARSAT to improve the management of natural resources in deserts, mountains, coastal regions, and other fragile environments. Even before RADARSAT becomes operational, the IDRC project is using specially equipped aircraft to provide data similar to that which will be produced by the satellite. Sixty institutions from 14 countries are learning to interpret this simulated data. Ten of the countries — China, Jordan, Kenya, Malaysia, Morocco, Tanzania, Thailand, Tunisia, Uganda, and Viet Nam — are from the developing world.

By introducing remote sensing technologies to a number of developing countries, IDRC may generate commercial benefits for RADARSAT and for Canada. GlobeSAR, the overall project of which the IDRC research activity is one component, is led by the Canada Centre for Remote Sensing. CCRS, a world leader and centre of excellence in this kind of technology, is working in cooperation with three private Canadian institutions: Intera Technologies; Innotech Aviation; and RADARSAT International Inc. Atlantis Scientific and PCI Inc. are providing the software packages needed in the initial stages of the project.

Objective

To strengthen indigenous capability to use technologies that do not harm the environment.

Progress Achieved

- A 1985 decision by IDRC to support a small group of Singapore researchers has led to a \$2.5 million joint venture with a Canadian firm. It could eventually mean additional commercial benefits for Canadian businesses. QNX Software Systems Ltd of Canada and Eutech Cybernetics Pte. Ltd of Singapore are further developing and marketing a software package that helps reduce industrial pollution. The software provides a key to reducing this kind of pollution — the accurate monitoring and control of production. The software:
 - Enables manufacturers to operate more efficiently;
 - Reduces waste of energy and raw material;
 - Improves measurements, standards, and quality control;
 - Facilitates recycling; and
 - In doing these other things, reduces environmental degradation.

The technology was originally tried in the manufacture of tea. It is now being tested in such industries as palm-oil processing, cement, mining, metal finishing, and pulp and paper.

Eutech Cybernetics owns the technology. Since its establishment in 1990, it has grown from a small firm with five engineers to an enterprise with 100 employees. Eutech Cybernetics looks forward to market expansion both in Asia and in Canada. For QNX Software Systems, the partnership represents an opportunity to enter the lucrative Asian markets. IDRC, for its part, will receive royalties from sales of the software. This project is also enhancing the Centre's credibility in the commercial world.

Objective

To strengthen the capacity of entrepreneurs to manage technology and innovation.

Progress Achieved

- Information on suitable Canadian technology will become easily available to hundreds of small and medium enterprises in India through a project being funded by IDRC. Canada's dairy, textile, fishing, food-processing, and chemical technologies are among those that may be advertised to Indian businesses through a new database on technologies that will be available globally.

The database is being established in India to help small and medium enterprises overcome economic and environmental problems that have resulted from the opening up of the Indian economy to foreign companies. JPS Associates, the small but active management consulting firm awarded this project by IDRC, will include in the database information about companies throughout the world.

To ensure the venture remains viable when IDRC funding ceases in two years' time, the company will:

- Market its services vigorously;
- Include in its database only information that, according to the IDRC-supported research, is of interest to the listed enterprises; and
- Not only have the data available but also match the needs of individual companies with the technologies available anywhere in the world.

After the project ends in 1995, JPS Associates will contribute 5% of its gross earnings each year to IDRC's research utilization program.

Future Directions

IDRC is planning a major initiative to increase the availability of safe, clean drinking water. The initiative is likely to be launched during the new financial year. It will take advantage of lessons learned and technologies developed in earlier IDRC projects. The results of research supported by other development agencies will be taken into account. Canadian experiences and technologies will also be considered. The initiative will use the best tools and practices that are relevant to people's needs and expectations and sensitive to their cultural norms.

IN BRIEF TECHNOLOGY AND THE ENVIRONMENT



Canadian radar technology is being used to improve the management of the environment in the South. This technology transfer could mean millions of dollars in commercial benefits for Canada.

An IDRC technology grant made 10 years ago to a Singapore firm has led to a \$2.5 million partnership involving a Canadian software company. As the Singapore firm grows, new Canadian business opportunities could result from the development and marketing of this technology that reduces industrial pollution.

APPROPRIATION: \$5.3 MILLION

REGION

AFRICA

CONTEXT

In Africa, there is an immense need for research and for the creation and consolidation of economic, social, and technical information bases to aid policy-makers to achieve better living standards for their populations. Unfortunately, the environment for research continues to be difficult for researchers, research institutions, and donors alike.

- The dual pressures of global recession and structural adjustment programs have made it difficult for African countries to invest in higher education and maintain core university and research facilities.
- University lecturers regularly seek additional employment to supplement their incomes, which leaves them little time for their own research and forces them to concentrate on issues of interest to external funders.
- There is little coordination of research efforts and researchers are unable to achieve the critical mass of collaboration required to advance the current state of knowledge.
- Domestic funding for research, publication, and dissemination of information is almost non-existent.

Objective

To build and reinforce indigenous research capacity and to encourage research that will aid policymaking

Progress Achieved

The outbreak of killing in Rwanda in April 1994 drew the horrified attention of the entire world. IDRC was able to react quickly.

- The Centre was an early supporter of the Seeds of Hope project, which was aimed at providing sufficient quantities of seeds to plant beans, maize, sorghum, cassava, and sweet potato that were appropriate for the different ecological zones of Rwanda. Much seed was lost during the violence and upheaval in 1994. The seeds will allow farmers to grow food and begin to rebuild the agricultural sector.
- National Reconstruction in Rwanda, begun by IDRC in September 1994, is a \$0.5 million project to aid in the rebuilding of Rwanda's research and higher education sectors. Scientists, professors, technicians, and other skilled Rwandan professionals will benefit from small grants that will allow Rwandan researchers to continue their research work until such time as it is safe to return home. The project will enable researchers to contribute their research and analysis to the development of key strategic policy options for reconstruction of the educational and health system, the economy, agriculture, information and communication, and the important area of income generation and small enterprises.

Objective

To fund research to increase access to food through household- and community-based strategies and to improve health and nutrition using methods that do not degrade the environment.

Progress Achieved

- A project aimed at introducing locally produced and highly nutritious soybeans as an alternative to imported cereals and oil crops was initiated in 1987. It focused on increasing the productivity of soybean cultivation and industrial processing and on nutrition education and popularization.

Because of the joint efforts of the Nigerian government and IDRC, soybean consumption is now widespread in Nigeria. With more than 200 000 hectares under cultivation, Nigeria is the largest producer in the region. More than 2 200 jobs have been generated, more than 47 000 workers have been trained, including 30 000 women, and 65 new businesses have been created.

AFRICA

Currently, there are more than 140 soybean-related products being produced in Nigeria for human and animal consumption. This success has motivated IDRC to fund a third phase, this time oriented toward the introduction of soybeans in Ghana and Côte d'Ivoire. Research funding in Nigeria is continuing with World Bank support.

Objective

To help national policymakers and local communities to combine their efforts to prevent disease and promote better health.

Progress Achieved

- A \$17 million IDRC initiative in East Africa could lead to an innovative worldwide approach to health that is effective, community-based, and inexpensive. The project is testing a World Bank idea that the burden of disease in developing countries could be reduced considerably by using a mix of preventive health measures at the national level and low-cost treatments mainly at the local level. Now being tested in Tanzania, the approach involves a major shift of resources and decision-making from the capital to the district. IDRC has been assigned responsibility to manage the project, including its research component. Partners include CIDA, WHO, UNICEF, the Edna McConnell Clark Foundation, the Government of Tanzania, and the World Bank.

Objective

To support research into incentives to encourage people to maintain biodiversity.

Progress Achieved

- People in poor communities will not sustain animal and plant biodiversity unless they are able to support themselves. The Elangata Wuas Ecosystem Management Program, based among the Masai people in Kajiado District, Kenya, illustrates that when economic incentives exist, local communities willingly cooperate in the sustainable use of natural resources.

This program involved research work among a population of 10 000 people, mainly livestock farmers, in an area with highly variable rainfall and serious wind and water erosion. Plentiful wildlife exists, including wild dogs, impalas, lions, and ostriches, and there is a wide variety of indigenous plants. Working with men and women of all ages, the project provides opportunities for people to use their environmental understanding to generate income through activities like ecotourism, efficient charcoal making, ostrich rearing, and arts and crafts. As well, there are activities designed to improve housing and offer education programs for local youth. This is one of several IDRC projects jointly funded with the Ford Foundation.



IDRC: Denis Marchand

REGION



Sara Moore

Objective

To strengthen links between researchers and policymakers to make research more relevant to policy development.

Progress Achieved

- In South Africa, IDRC assisted the Government of South Africa to formulate policy on information management and telecommunications. A national mission on the environment, using both South African and international experts, resulted in a set of environmental policy recommendations that were accepted by President Nelson Mandela. Assistance was provided to the Government of South Africa to help draft its Reconstruction and Development Programme White Paper and to develop a policy position supporting small- and medium-sized enterprises.

IDRC also had a key role in establishing a national science and technology forum that resulted in several important initiatives concerning education policy, public-sector reform, and formulation of national and regional economic and trade policy. Funding for this project was provided by CIDA.

Objective

To support environmentally safe technologies and small- and medium-sized enterprises.

Progress Achieved

- In the Middle East and North Africa, IDRC supported the development of an appropriate technology to use the waste materials pruned from date palms to produce useful construction materials such as compressed wood boards. This technology led to reductions in expensive imported woods, and it increased local, rural manufacturing capabilities by using technology that does not damage the environment.

Objective

To help African states contribute to negotiations for the United Nations Convention to Combat Desertification.

Progress Achieved

- The Pan-African Initiative on Desertification assisted African NGOs to contribute toward the negotiating process for the United Nations Convention to Combat Desertification, signed in Paris in September 1994. Three workshops, which addressed the complex relationship between desertification and local indigenous knowledge, land tenure systems, and economic and trade policies, were organized in Cairo, Dakar, and Nairobi.

A Convention resolution identified IDRC as one of the international organizations that had contributed significantly to efforts to combat desertification. Capacity-building efforts have begun in the five selected NGOs, and this should put them in a good position to work effectively with local populations to implement the provisions of the Convention by the time IDRC support comes to an end in three years.

Canadian Collaboration

In many of IDRC's African programs, Canadian technical expertise is used from scientists located in university, private, or government research centres. In East Africa, Forintek, a Quebec-based wood products research firm, is assisting in the production of wood adhesives in Tanzania. But this is only one example. Forintek is also collaborating in a project on the production of starch adhesives in Malawi. In the Copperbelt Province of Zambia, researchers from the Environmental Health Directorate of Health Canada are assisting in an analysis of water quality. In Tanzania, researchers from McGill are helping us to understand how indigenous knowledge can be used in natural resource management. And, in Zimbabwe, researchers from Techno-Tan Inc., a small Ottawa-based firm, are assisting in a study of rural cottage tanneries.

In West Africa, the Centre des technologies textiles (Quebec) is helping to improve traditional production of fabric dye. The Université de Montréal has helped establish a regional training program in health services administration and has helped train a number of students from Senegal, Mali, and Benin. Researchers from McGill University are involved with a malaria-prevention program in Benin.

In the Middle East and North Africa, the University of British Columbia and Guelph University are contributing to studies on water and land management in the semi-arid northwest region of Egypt; Agriculture Canada has helped in the production of natural pesticides (*Bacillus thuringiensis*); and a project between the newly created industrial support unit in Egypt and the Canadian industrial technology assistance network is increasing the flow of technologies from Canada to Egypt. IDRC worked closely with CIDA and the Department of Foreign Affairs on the Middle East Peace Process (MEPP) project.

In South Africa, IDRC has been instrumental in helping the Government of South Africa proceed to rebuild the country's economic, environmental, and technological capacity. IDRC's solid reputation there has helped ensure Canadian access to senior political circles in the southern African region, with likely future economic and foreign policy benefits to Canada.

Future Directions

After three decades of independence, Africa still faces the challenges posed by persistent imbalances in economic, social, and political sectors. On a more positive note, Africa has a growing critical mass of educated people, and the past few years have witnessed the flourishing of NGOs and activist groups dedicated to democratic participation in the continent's development processes. This will pose exciting challenges and opportunities well into the next century.

IDRC's future work in Africa will be characterized by a more holistic and focused approach and will concentrate on research issues of relevance at the continental level. There will be more involvement in research related to employment and income generation, the strengthening of civil society, food security, and environmental sustainability. Moreover, there will be increased collaboration with other funding agencies to enhance the impact of the work undertaken and to promote more coordination of donor investment in Africa.

IN BRIEF AFRICA

In South Africa, IDRC is helping the new democratic government through policy-research assistance in areas of the environment, science and technology, and information and communication

Following the outbreak of violence in 1994 in Rwanda, IDRC helped provide seeds to destitute farmers and lent assistance to Rwandan researchers wishing to continue research and analysis into education, agriculture, income generation, small enterprise, and other sectors critical to national reconstruction.

In the Middle East, in response to political developments related to the peace process, IDRC provided assistance to Palestinian people during the transition period to self-government.

In North Africa, IDRC funded research into the sustainable use of land, effective water management, and the establishment of business enterprises in this economically depressed region.

APPROPRIATION: \$19.0 MILLION

REGION

ASIA

CONTEXT

The Asian economy has experienced dynamic growth in recent years; however, rapid growth and modernization are driving many countries in this region further into poverty. Serious damage is being done to the environment, and this could have an adverse effect on the quality of life, income, and future well-being of millions of people living in this region.

In Asia, IDRC concentrates on assistance to poor countries being damaged or bypassed by economic transformation. There is a strong need for research to help communities solve problems in areas of biodiversity conservation, natural resources management, health systems, economic and social change, and adoption of new technologies.

IDRC's niche in Asia lies in developing regional coalitions drawn from all sectors, tackling increasing environmental and social problems, and supporting the engagement of Canadian expertise. Revenue diversification is an important aim in this strategy, and electronic networking is emerging as a key tool.

New Strategy for Asia

Because of the unique opportunities and conditions in Asia, IDRC's Board of Governors adopted a specific Asia Strategy and Program in October 1994. Its strategic aims are:

- To strengthen the Centre's role in Asia as a networker and knowledge broker;
- To develop more partnerships with Asian institutions, other donors, and Canadian research and policy communities;
- To attract increased external funding from private and Asian government sources;
- To explore the establishment of an Asian Development Research Centre; and
- To concentrate on the following areas: pan-Asian networking; biodiversity conservation and sustainable use; community-based natural resource management; managing social and economic change; healthy communities; sustainable technologies; and Cambodian human and natural resources.

A representative was located in Cambodia for the first time to monitor the special IDRC project there. IDRC regional offices in Singapore and New Delhi were combined under a single Regional Director to achieve better cost effectiveness, and staffing levels were reduced.



IDRC: Neill McKee

Sustainable use of natural resources is key to agriculture in Asia

Objective

To support projects that offer practical solutions in the areas of improved farming systems, agroforestry, nutrition, and income opportunities for local farmers.

Progress Achieved

- In Viet Nam, where farming practices are changing to allow farmers to diversify beyond rice crops alone, an IDRC-funded farming systems project is training a large cadre of researchers to do on-farm research. Farmers themselves are involved as active evaluators of the new farming systems. This research will help farmers adopt environmentally friendly farming practices while improving rural incomes and nutrition.
- In China, an evaluation of the economic benefits of an IDRC-sponsored farm-forestry program revealed that the project had brought income gains and natural resource conservation benefits to farmers throughout China. The project is the most comprehensive of its kind ever carried out in China. It involved interplanting fast-growing *Paulownia* trees with farm crops; over 1.3 million hectares in China have been interplanted with *Paulownia*. China's State Science and Technology Commission has promised additional local funding to extend the impressive research results more widely in rural areas.
- IDRC's International Network on Bamboo and Rattan has created commercial markets for rattan and bamboo products and has strengthened the preservation of Asia's diminishing tropical forests by preserving the trees around which the rattan vines grow. Additional funding for this initiative was received from the International Fund for Agricultural Development.

Objective

To integrate environmental and economic policies, through capacity building and the creation of a regional environmental economics network.

Progress Achieved

- The Viet Nam-Indochina sustainable economic development program has supported over 40 projects concerned with the establishment of shareholding companies, rural credit, legal reform, and environmental impact assessment. IDRC assisted Viet Nam in the drafting of its domestic investment law, helped the country prepare its own national environmental action plan, and assisted Cambodia to establish its Ministry of the Environment.
- In the Philippines, IDRC's program contributed to formulation of economic policy for the incoming Ramos administration. Recommendations were adopted in 1994 by the Presidential Commission on Combatting Poverty. Parallel projects in India and Bangladesh have begun to produce policy results.

ASIA



IDRC: Denis Sing

REGION

Objective

To provide access to technologies for small- and medium-sized enterprises.

Progress Achieved

- Technical collaboration between QNX Software Systems Ltd, one of Canada's premier firms in the area of real-time operating systems, and Eutech Cybernetics Pte. Ltd, a Singapore-based firm, has resulted in the development of process-control technology that will enable manufacturing firms to operate more efficiently, reduce waste of energy and raw materials, improve quality control, and facilitate recycling.

Objective

To improve the access of developing countries to relevant information and communication systems to close the widening "information gap."

Progress Achieved

- In Viet Nam, electronic mail to the outside world has, until now, totaled less than 100 messages per month. Many individuals in the North send that many in a single day. The Pan-Asia Networking Program, launched in early 1995, will strengthen the electronic networking infrastructure in less advanced countries. It will expand Internet access to remote areas in the region and will improve the flow of scientific and technical information. Links with Canadian research and development institutions are a priority. Sponsors include Sun Microsystems, the Asian Development Bank, the United Nations Environment Programme (UNEP), and several of Asia's leading research and documentation centres. The partners will help with the provision of equipment, technical assistance, and training.



Roger Lemoyne



IDRC: Neill McKee

Cottage industry benefits from access to new technology

Canadian Collaboration

- Simon Fraser University researchers are helping Chinese firms improve production capacity through the creation of local technologies for the textile, mechanical, and electrical industries in China. The project is also helping the Chinese to better adapt technologies purchased from other countries such as Canada.
- Researchers from the Halifax-based Lester B. Pearson Institute for International Development are helping communities in the Philippines preserve marine resources such as fish and coastal reefs.
- Canadian researchers from the University of British Columbia are helping the Chinese build better harbours that do not destroy the coastal ecosystem.



IDRC: Chris Mayo

Future Directions

Helping solve Asia's environmental and social problems before they undermine the region's growth will be a priority for IDRC in the next few years. In 1994–1995, just over one-half of IDRC's new appropriations in Asia were financed by external collaborators. Because most collaborators are still other international donor agencies, the major challenge is to engage Asian interests. An Asian Development Research Centre that will concentrate on issues of governance, peace, and security appears possible with IDRC and Canadian support and participation.

A second major direction is to accelerate the development of collaborative arrangements with Asian and Canadian private sectors in ways that contribute to social and environmental aims as well as commercial, trade, and investment interests.

A third challenge is to develop more efficient modes of operation. Electronic networking provides one of several possible avenues toward more efficient support for "empowerment through knowledge."

IN BRIEF ASIA

IDRC's Pan-Asia Networking Program is bridging the global "information gap" by bringing electronic links to developing countries and by providing Canadian businesses and governments with the most up-to-date information on Asian countries.

IDRC is helping the rapidly growing countries of Asia to protect their forests, water, and wildlife resources against short-term economic exploitation.

Viet Nam, China, and other Asian countries are achieving greater agricultural output by using environmentally sustainable methods developed with IDRC support.

APPROPRIATION: \$9.1 MILLION

REGION

CONTEXT

Latin America and the Caribbean comprise a host of countries with highly diverse economies and societies. This diversity is increasing as the region continues to face economic uncertainty and social instability. A major trend affecting the impact of IDRC's work in the region is the continued fiscal difficulties of most governments and the resulting reduction in resources for social programs, research, and higher education. Research funds are needed particularly in the area of the environment and sustainable development.



IDRC: Denis Marchand

LATIN AMERICA AND THE CARIBBEAN

Objective

To strengthen the ability of developing countries to create their own locally developed economic and social policies.

Progress Achieved

- The University of Havana, in association with Carleton University, has developed a Master of Economics Program for Cuban students. The teaching staff will include Canadians as well as Latin Americans. This program will prepare a new generation of Cuban decision-makers to meet the challenges facing this country. It will provide a cadre of well-trained economists in Cuba and will build that country's competence in international economic negotiations and national policy reform.

Objective

To fund research to determine the physical, chemical, environmental, and social factors affecting human health.

Progress Achieved

- An examination into how well the health system responds to the changing social structure in Brazil, Argentina, Uruguay, and Chile is being funded by IDRC. There are two research activities designed to improve health services for rural residents, who have traditionally had poorer services than city dwellers. The first project is a community-based program to control malaria. The second will examine the use of mercury in gold mines in the Amazon region of Brazil, where the poison is having a serious impact on the health of miners and downstream communities.

Objective

To identify how natural resources can be exploited wisely and used to create jobs for poor people in indigenous communities.

Progress Achieved

- Several projects supported by IDRC are enabling local communities to classify and develop local resources: the development of a new inventory of resources by the Pirakua in the Mato Grosso; the development of a new network in Central America that records, compares, and evaluates medicinal plants; and an examination of wild plants species in Nicaragua and their contribution to income generation for local people. Research is examining how certain national policies can affect the environment in the Andes.

- A major push to link biotechnology companies in Latin America with companies in Canada is being coordinated by the Technology Innovation Center of the National Autonomous University in Mexico. It will help develop joint market opportunities for Canada and Latin American countries. IDRC funding to CONDESAN, a network coordinated by the International Potato Center in Peru, will investigate sustainable land use and production in the High Andes.
- IDRC is helping to link research initiatives by contributing to ELADA 21, an electronic atlas specifically focusing on biodiversity. IDRC is funding the information and communication system of the Earth Council, which has its headquarters in Costa Rica, and is supporting the development of the MINISIS resource centre in Latin America, which is being managed by the Centro de Información Científica y Humanística in Mexico.

Canadian Collaboration

- There is growing interest in the Latin American region by Canadian professionals, universities, private companies, and NGOs. The Canadian Council on International Cooperation and the Association of Universities and Colleges of Canada carried out exploratory missions to this region during the past year, and the Centre approved a project linking Canadian and Latin American NGOs in financial year 1994–1995.
- Researchers from Guelph University worked in collaboration with scientists from the Secretaría de Planificación (SECPLAN) in Honduras to analyze the biodiversity of that region. Canadian researchers at Memorial University in Newfoundland worked with researchers in Belize to help the local government train psychiatric nurse practitioners. The University of Ottawa, in association with the Catholic University of Rio de Janeiro, helped with research on scrap tires used for earthworks. The Master of Economics Program at the University of Havana was developed with the help of Carleton University. The Université du Québec à Montréal has contributed to research on mercury contamination in Brazil.

Future Directions

IDRC's priorities in the near future will be research into sustainable environments, social and economic policy, and improved income opportunities in poor regions. Diffusion of research results is an important IDRC goal in the region. In 1994, IDRC launched a new bimonthly information bulletin in Spanish, *Compartimos*, to share information and improve communication among partners in Latin America and the Caribbean.

IN BRIEF LATIN AMERICA AND THE CARIBBEAN

A Master of Economics Program was created at the University of Havana to train a new generation of skilled economists and policymakers who are vital to Cuba's future prosperity.

To fight deadly malaria, IDRC is supporting research in Colombia into the best methods to control the disease through local community participation.

Research into mercury poisoning, which affects workers in the gold-mining regions of the Amazon, is just one example of IDRC research into occupational health and safety in the region.

APPROPRIATION: \$12.8 MILLION

GLOBAL ACTIVITY

CONTEXT

Canada and Third World countries benefit when their researchers work together. IDRC's Canadian Partnership program fosters this kind of cooperation. The program has received greater emphasis and has been increasingly fruitful in recent years.

GLOBAL ACTIVITY

CONTEXT

The Third World needs well-trained, experienced researchers. Canadian researchers and other professionals wishing to work in developing countries need to understand the situation in those countries. IDRC supports activities designed to meet both needs.

Canadian Partnership

Objectives

To encourage a two-way flow of knowledge between Canadian and Third World researchers.

Progress Achieved

- The Quebec university community will benefit from a Chair for International Development Research that IDRC plans to establish in that province. The Centre also provided funds to help the Canadian Association for Studies in International Development (CASID) to increase its membership and publish a high-quality bilingual, multidisciplinary journal. Meanwhile, IDRC is making it easier to involve Canadian researchers in its projects. A grant to the Association of Universities and Colleges of Canada (AUCC) will provide information to IDRC about the research and training capacities of Canadian universities.

Training and Awards

Objective

To provide training, orientation, and fellowships to researchers, professionals, and students from Canada and the developing world.

Progress Achieved

- Two Canadian journalists spent three months each reporting from developing countries as a result of IDRC awards. First, however, one of the journalists was attached to Gemini News Service, a London-based Third World news agency, and the other was attached to l'Agence Periscope in Montpellier, France.
- Eleven Canadians from different fields contributed their knowledge to IDRC under its Internships Program. With IDRC program officers as their mentors, the interns acquired new expertise in their areas of interest.
- A book on changes in NGOs, *The Alms Bazaar: Nonprofit Organizations and International Development*, a result of a fellowship given to Ian Smillie, will soon be published by IDRC.

GLOBAL ACTIVITY

CONTEXT

International development experts have noted that “women in development” programs are often dismissed as “a woman’s thing” and not treated seriously. IDRC bases its work on the idea that the problem of gender and development is everybody’s problem.

GLOBAL ACTIVITY

CONTEXT

Utilization of results is the ultimate proof of the effectiveness of research for development. The Centre has a special program to promote utilization. The use to which results can be put is now considered every time a new IDRC project is planned.

Gender and Development

Objective

To encourage the participation by young people and Third World women in the preparations for the United Nations Fourth World Conference on Women to be held in Beijing in September 1995.

Progress Achieved

- IDRC contributed to discussions on the United Nations World Conference on Women during the Third International Youth Forum in Toronto. The Centre funded a workshop on the subject held as part of the Forum. IDRC also funded the participation of the Asia-Pacific Youth Consultation in a meeting held in Jakarta to prepare the Asian position for the Beijing Conference.

Research Utilization

Objective

To link the utilization of research results to the Centre’s search for new sources of revenue and to private-sector development.

Progress Achieved

- IDRC took steps to market the results of 110 of its most successful projects. It will make the technologies from these projects known to the private sector and other potential users in Canada and abroad. A new environmentally friendly banana developed with IDRC funding is likely to be grown commercially by farmers in Costa Rica, the Dominican Republic, and St Vincent and the Grenadines.

GLOBAL ACTIVITY

CONTEXT

In any organization, evaluation is vital to accountability. During the past two years, IDRC has been developing a new evaluation system. The system is expected to improve the quality and management of IDRC's programs and projects.

GLOBAL ACTIVITY

CONTEXT

Many groups and individuals interested in international development need reliable, up-to-date information on development research. The IDRC Library provides this information.

Evaluation

Objective

To improve the quality, management, and accountability of Centre-funded research through accurate and credible evaluation.

Progress Achieved

- A corporate reporting system that complies with the requirements of the Auditor General of Canada was implemented during financial year 1994-1995. For the first time, reports to the Board of Governors on all program activities were based on objectives and results. The Board also reviewed and approved the first annual Centre-wide evaluation report.

Information About Development

Objective

To provide the Canadian public with access to information about international development.

Progress Achieved

- Using the Centre's new gopher, the Library has made its databases available on the Internet. IDRC, which has exchange agreements with universities and research institutions worldwide, maintains numerous databases, some of them in conjunction with other international organizations. These include the Development Data Bases Service (DDBS). Through DDBS, users have access to the Centre's 70 000 titles as well as information on research projects of IDRC and five other development agencies that support research activity. They can also consult the library catalogues of several United Nations agencies and of USAID.
- IMAGES, a bank of thousands of recent slides, mainly from Centre projects, is available for use by the public. The Centre provides searches on IMAGES, slide-duplication services, and colour printouts. IMAGES is also available through the Internet.

GLOBAL ACTIVITY

CONTEXT

There is a growing demand from students, the media, Members of Parliament, the academic and NGO communities, and, increasingly, the private sector, for information on IDRC's activities. As an accountable, publicly funded organization, IDRC provides full access to this information through its Public Affairs and Publishing programs.

Information About IDRC

Objective

To broker IDRC's knowledge with policymakers, researchers, private-sector interests, and other constituencies so that they can become better aware of IDRC, its relevance, and the results of its research activities.

Progress Achieved

- The role of Viet Nam as an emerging economy and the potential for joint ventures with Canadian business were among matters discussed during a tour by four Vietnamese professionals to Canada. The tour was organized by IDRC in 1994. It was undertaken in cooperation with the Canadian Boards of Trade in four cities across Canada: Montreal, Ottawa, Toronto, and Vancouver. The Vietnamese delegates were chosen for their key roles in the environmental, economic, social, and business sectors. They met with over 1 000 business people and others interested in links with Viet Nam. Two of the delegates had been IDRC-funded researchers.
- During the year under review, IDRC published 63 new titles to respond to the broader public interest in the Centre and the research it supports. These publications include *Watershed*, which deals with the role of fresh water in the Israeli-Palestinian conflict; *Off Course*, which contains ideas on how to restore the balance between Canadian society and the environment; and *L'égalité devant soi*, which contains the proceedings of a meeting at Laval University on issues relating to gender, social relations, and international development. Sales of IDRC publications have increased by 90% over the last three years. The quarterly *IDRC Reports* disseminated research results to an audience of 150 000 readers worldwide.
- It is now possible to "visit" IDRC on the Internet. The Centre has set up its own gopher server. This permits anyone with connection to the Internet to obtain information on IDRC research and programs. Users can obtain copies of workshop proceedings, research papers, and speeches. Information on how to order IDRC books, a full list of the electronic mail addresses of staff members, and even the Centre's quarterly magazine are available on-line. In the coming year, IDRC will launch its presence on the World-Wide Web.

INTERNATIONAL SECRETARIAT

CONTEXT

Conversation in the “global village” still originates almost entirely from the privileged “villagers” of the North. WETV, a network initiated by IDRC, is being developed as an innovative approach to television programming. It promises to make a major contribution to balancing the flow of information. It will transmit the authentic voice of people, regardless of nationality, culture, or gender, to express seldom-heard perspectives, especially those of the developing world. It will also combine engaging entertainment with information and discussion on the issues and happenings that concern our common future. These goals will be achieved by creating a unique formula for a global television network that will combine the strength and innovation of a wide spectrum of public- and private-sector partners.

WETV: The Global Access Television Service

Objective

In collaboration with public- and private-sector partners, to reach a worldwide audience with balanced programming that respects cultural diversity and raises awareness of issues of environment and development.

Progress Achieved

- Following a two-year research and development stage, the pilot launch of WETV will take place at the United Nations Fourth World Conference on Women in Beijing, China, in September 1995. The network will provide broadcasters worldwide with low-cost, interesting, and culturally relevant programs. As the network builds its audience and partners during its first year, it will have a potential reach of hundreds of millions of people.

Response to the initiative from organizations in both the North and the South has been heartening. The \$1 million grant originally provided by IDRC has been matched by public- and private-sector partners. Support has come from CIDA, Heritage Canada, the World Bank, Unesco, Teleglobe Canada, and others. Among countries expected to be part of the original launch are Australia, Canada, China, India, Mexico, Norway, Russia, and South Africa. In some countries, WETV's material will be incorporated into the programs of existing stations. In other countries, including the Ukraine, the network may have its own channel. Starting with a limited number of hours of programming, WETV expects to become a 24-hour service by the year 2000. The initiative has received favourable reviews from the Canadian media.

Future Directions

WETV's activities in 1995 will include creating a not-for-profit WETV Corporation, raising \$10 million in start-up funds, and establishing the programming and technical arrangements for the pilot launching in September.

INTERNATIONAL SECRETARIAT

CONTEXT

Fisheries provide a livelihood for 100 million of the world's people. It is the main source of animal protein for more than a billion people. Efforts to halt the depletion of the resources of the seas calls for in-depth, well-coordinated research for improved management and sustainable development. This is why the Strategy for International Fisheries Research (SIFR) was established with funding from IDRC, the World Bank, and UNDP. Located at the IDRC Head Office in Ottawa, SIFR benefits from IDRC's experience in fisheries research and seeks opportunities to improve global coordination of donor support in fisheries.

SIFR: The Strategy for International Fisheries Research

Objective

To contribute to efforts to overcome the poor rate of success of fisheries development projects and the lack of coordination among donors in the area of fisheries through mechanisms to match developing-country research priorities with donor interests; support for strategic fisheries research through the Consultative Group on International Agricultural Research (CGIAR); and support for applied research and building the capacity of research institutions working in fisheries in developing countries.

Progress Achieved

- Better fisheries management is expected to follow improved fisheries information resources in Asia. According to recent SIFR studies, these resources are almost nonexistent in Indochina. Most countries in South Asia have programs and libraries for fisheries statistics that need to be strengthened. SIFR is encouraging donors to support efforts to fill the information gap.
- The number of agencies coordinating their activities with SIFR continues to increase. Originally, SIFR was supported by 17 public-sector donors and a private fisheries association. The last Fisheries Development Donors Consultation was attended by about 40 donor organizations, NGOs, and private-sector agencies. Support for most of SIFR's research activities goes directly to the concerned projects. These are executed by agencies such as FAO, the International Center for Living Aquatic Resources Management, and the Southeast Asian Fisheries Development Center.
- SIFR's recent research activities have focused on:
 - A regional series of demand-led studies to set priorities in fisheries management, aquaculture, postharvest activities, and socioeconomic policy and information; and
 - A series of cofunded research projects in topics such as integrated coastal area management, aquaculture genetics, aquaculture biodiversity, shrimp disease, management of Lake Victoria, and fish oil for infant nutrition.

Future Directions

The Strategy for International Fisheries Research will continue to pursue research activities to meet the needs of developing countries in all regions.

INTERNATIONAL SECRETARIAT

CONTEXT

Thousands of people, particularly children and women, die every year because of the absence of three micronutrients in their diets. Almost every government in the world has formally committed itself to achieving, by the year 2000:

- The virtual elimination of iodine-deficiency disorders;
- The virtual elimination of vitamin A deficiency and the blindness and other problems it causes; and
- The reduction of iron-deficiency anemia in women by one-third of the 1990 levels.

The Micronutrient Initiative, housed at IDRC's Ottawa headquarters, was established in 1992 to coordinate efforts toward achieving these goals. IDRC, CIDA, the World Bank, UNDP, and UNICEF sponsor the Initiative.

Micronutrient Initiative

Objective

To help eliminate micronutrient malnutrition by supporting effective programs that can sustain themselves after donor funding comes to an end.

Progress Achieved

- Millions of young children in Africa, Asia, and Latin America will increase their intake of vitamin A through funds provided by CIDA. The Initiative committed \$11.5 million to support UNICEF's efforts to make more vitamin A available through a number of cost-effective approaches. Innovative programs to supplement the use of vitamin A among preschool children are being developed and implemented with the participation of local communities.

Future Directions

During 1995–1998, the Micronutrient Initiative will strengthen its links with donors, policymakers, and the food industry.



IDRC: Jaime Rojas

A nutritious diet is beyond the means of many in the South



FINANCIAL REPORT

1994–1995

INTERNATIONAL
DEVELOPMENT
RESEARCH
CENTRE

FINANCIAL OVERVIEW

Introduction

The efforts of the Canadian government to reduce the deficit, through reductions in program expenditures, have had a direct impact on IDRC. During fiscal year 1994–1995, the Centre's annual grant was again reduced. The final amount for 1994–1995 was \$111.9 million. In nominal terms, this is slightly greater than the \$108.1 million granted in 1987–1988. In constant-dollar terms, however, it is much less.

Such financial constraints are expected to continue in the foreseeable future. The Centre is scheduled to receive a Parliamentary grant of \$96.1 million in 1995–1996, a reduction of \$15.8 million from the level received this fiscal year. This will mean that over the last six years the Parliamentary grant has been reduced, in nominal terms, by \$18 million. In real terms, this is a reduction of close to 35%. Fortunately, the Centre had anticipated the latest reductions and had introduced, during the latter part of the year, the following contingency measures:

- A significant reduction (over 30%) in the 1994–1995 program appropriation budget; and
- A freeze on all hiring activities not approved by IDRC's Senior Management Committee.

FINANCIAL HIGHLIGHTS: 1994–1995

- Contract research revenues increased by 63.5% from the 1993–1994 level.
- IDRC signed \$26.2 million in new contract research activities. This significant growth will help mitigate the expected cuts in the Parliamentary grant over the next three years.
- Investment and other income reached \$2.9 million, well over the budgeted value of \$2.1 million and more than three times the \$0.8 million generated in 1993–1994.
- In December 1994, IDRC management reduced the regular program appropriations budget by 31.5% to cover the expected reduction in the federal grant for 1995–1996. Regular program expenditures decreased as a result of this cut.
- Operational expenditures continued their downward trend, decreasing by \$0.7 million.
- Overhead costs recovered from contract research activities increased to \$1.4 million from the 1993–1994 level of \$0.6 million.
- The program to operational expenditure ratio has improved steadily. In 1990–1991, program and operational expenditures accounted for 66 and 34%, respectively. By 1994–1995, program expenditures had increased to 73%, and operational expenditures had dropped to 27%.

FINANCIAL OVERVIEW

In addition to the Parliamentary grant, the total revenue figure of \$131.0 million includes contract research and interest and other income. These amounted to \$16.2 million and \$2.9 million, respectively. Contract research revenue registered an impressive increase of 63.5% over the figures reported last year. This major influx is a testimony to the efforts deployed by management and program staff to leverage the diminishing resources of the Centre.

The year 1995 marks the 25th anniversary of IDRC. The Centre continues to undergo significant changes to its methods of operation and procedure. The time of secured and growing access to generous funding is no more. The Centre will have to continue to work on two fronts: revenue generation and reducing its operational costs.

In response to the new Canadian realities, the Centre's management has, for the last three years, tried to reposition IDRC strategically by modifying its program and cost structures. Since 1991–1992, the results included a reduction of staff and senior managers by about 20 and 50%, respectively. The program to operational expenditure ratio has changed steadily and significantly. In 1990–1991, 66% of expenditures was for programs and 34% was for operations. During 1994–1995, the percentage spent on programs increased to 73% while operations accounted for only 27%. A new ratio of 80:20 has been set as a target for 1998–1999.

IDRC's other big challenge is to expand and diversify its financial base. In 1994–1995, the Centre established the IDRC Services unit. The unit identifies and coordinates initiatives for revenue generation to supplement IDRC's Parliamentary grant.

Although under no obligation to do so, the Centre again initiated a second comprehensive audit in 1994–1995. This particular audit was innovative in nature. This time, unlike the first in 1982, IDRC participated collaboratively with the Office of the Auditor General (OAG) using self-evaluation as part of the audit. The audit's collaborative process meant that IDRC was able to respond during the course of the audit on the themes of accountability and cost awareness. The Centre will be moving forward in 1995–1996 on the recommendations made by the OAG.

FINANCIAL OVERVIEW

Revenue

Total revenues for 1994–1995 amounted to \$131.0 million, a decrease of \$21.8 million, or 14.2%, from the previous year's total of \$152.8 million (Table 1). Revenues consisted of the Parliamentary grant of \$111.9 million, contract research revenues of \$16.2 million, and interest and other income of \$2.9 million. Figure 1 illustrates the Centre's efforts during the last five years to fill the gap created by the continuous cuts to the regular Parliamentary grant.

The Centre had to absorb a series of cuts imposed throughout the year by the Canadian government's expenditure-restraint program. These cuts reduced the grant level to \$111.9 million. This was significantly below the level for 1993–1994 when the Centre received a record amount of \$142.0 million. This latter amount comprised the regular grant of \$115.0 million and a supplementary grant of \$27.0 million to finance the Micronutrient Initiative and a health-support package in Africa. IDRC is scheduled to receive a grant of \$96.1 million in 1995–1996, a reduction of \$15.8 million, or 14.1%, below the 1994–1995 level.

Table 1
Revenue (\$000)
for 1994–1995 and 1993–1994

	1994–1995			1993–1994	
	Revised	Actual budget	Variance from budget (%)	Actual	% change (actual)
Total revenue	\$128 263	\$131 047	2.2	\$152 759	– 14.2
Parliamentary grant					
Regular	112 100	111 908	–0.2	115 000	– 2.7
Supplement	—	—	—	27 000	– 100.0
Contract research	14 000	16 254	16.1	9 938	63.5
Investment and other income	2 163	2 885	33.4	821	251.4

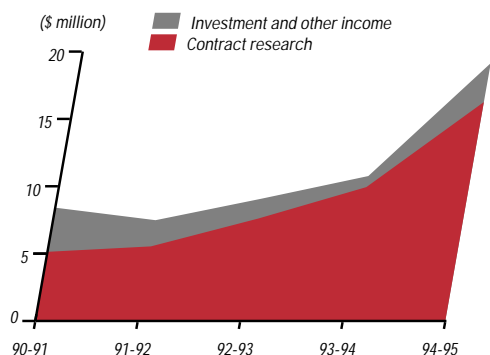


Figure 1
Revenue from non-Parliamentary
sources: 1990–1991 to 1994–1995

Contract research revenues represent the value of research activities pursued on behalf of other donor agencies. For 1994–1995 the Centre is reporting \$16.2 million, a significant increase over the \$9.9 million achieved in the previous year and 16.1% over the budgeted level for 1994–1995. The growth in contract research revenues confirms the Centre's commitment to leveraging its resources. IDRC anticipates \$26.6 million in revenues from contract research in 1995–1996.

The \$2.9 million in interest and other income for 1994–1995 amounted to a significant increase of 251.4% from the 1993–1994 level. Two factors contributed to these favourable results in the current year: higher interest rates and a sharp increase in the average investment portfolio during the reporting period. The Centre is projecting for 1995–1996 interest and other income earnings of \$2.8 million.

FINANCIAL OVERVIEW

Expenditures

Expenditures for the fiscal year ending 31 March 1995 totaled \$129.9 million (Table 2). This amount is comparable to the levels reported in 1993–1994. When compared with targets for 1994–1995, total expenditures were well below the anticipated \$141.2 million. This reduction of \$11.3 million, or 7.9% is, to a large extent, attributed to lower expenditures on development-research activities. This was due in part to management's decision to cut significantly the program appropriation budget for 1994–1995, as previously explained.

Table 2
Expenditures (\$000)
for 1994–1995 and 1993–1994

	1994–1995			1993–1994	
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)
Total expenditures	\$141 166	\$129 951	– 7.9	\$127 890	1.6
Development-research activities	99 406	89 946	– 9.5	86 745	3.7
Research-related activities	18 039	17 515	– 2.9	18 397	– 4.8
Research operational support	11 126	11 046	– 0.7	10 744	2.8
General management	13 813	12 886	– 6.7	12 966	– 0.6
Cost recovery	(1 218)	(1 442)	18.4	(962)	49.9

Table 3
Actual program and operating
expenditures (\$000): 1990–1991 to
1994–1995

Table 3 displays the relative share of program and operating expenditures by major line item for the last five years. The program to administration expenditure ratio has steadily increased from 66:34 in 1990–1991 to the current level of 73:27. This continuous improvement was achieved by improving the cost structure of the Centre and transferring the savings in operational expenditures to program. For 1995–1996, a ratio of 75:25 is projected.

	1994–1995	1993–1994	1992–1993	1991–1992	1990–1991
Program	95 352	92 544	88 206	88 596	78 288
% of total	73.4	72.4	71.0	66.3	66.3
Operational	36 041	36 308	36 913	45 346	39 710
% of total	27.7	28.4	29.7	33.9	33.7
Salaries and benefits	22 654	22 519	22 969	25 735	25 910
Relocation	337	372	553	258	395
Professional and special services	1 246	1 389	1 415	778	684
Accommodation and depreciation	5 620	5 814	5 761	5 795	5 678
Travel	2 786	2 894	2 832	3 405	3 175
Communications	1 271	1 237	1 220	1 307	1 293
Other	2 127	2 083	2 163	2 264	2 575
Restructuring program	—	—	—	5 804	—
Cost recovery	(1 442)	(962)	(902)	(215)	—
% of total	– 1.1	– 0.8	– 0.7	– 0.2	—
Total program and operational expenditures	129 951	127 890	124 217	133 727	117 998

FINANCIAL OVERVIEW

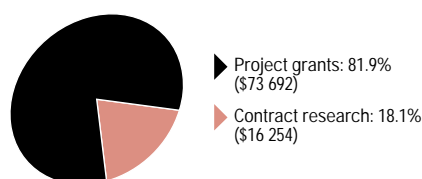


Figure 2
Expenditures: development-research activities (\$000)

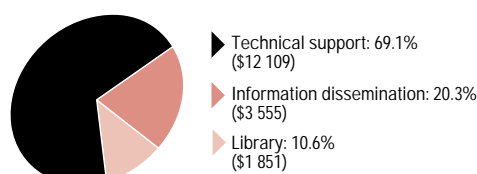


Figure 3
Expenditures: research-related activities (\$000)

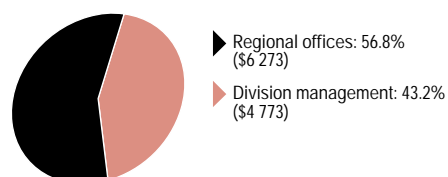


Figure 4
Expenditures: research operational support (\$000)

Development-research activities

Development-research activities reflect the direct costs of all scientific and technical research projects financed by IDRC in the developing world (see Figure 2). These represent the main focus of the Centre's mandate. This category of expenditures includes program activities that are identified, developed, and managed by developing-country researchers; projects that are supported by the Centre and international research networks; and contract research projects that IDRC manages on behalf of other donor agencies.

For the year ending 31 March 1995, expenditures under this category amounted to \$89.9 million, or 69.2% of total expenditures, compared with \$86.7 million and 67.8% reported last fiscal year. For 1995-1996, the Centre is projecting \$100.9 million, or 71.3%.

Research-related activities

The bulk of research-related activities consist of technical support and activities related to the dissemination of information or the application of the results of research (see Figure 3). These activities also include maintaining a specialized development-research library, which serves both the Canadian development community and IDRC staff.

Technical-support expenditures represent the cost of program personnel, whose role is to assist in the development of new projects, monitor ongoing research projects, and provide technical support to recipients. In 1994-1995, technical-support expenditures totaled \$12.1 million, a small decline from the levels reported in 1993-1994. For 1995-1996, the Centre expects to spend \$11.6 million on technical support

Research operational support

Regional offices — The Centre's regional offices play an important role in enhancing the effectiveness of the support IDRC provides to research activities in developing countries. They facilitate contacts with grant recipients and improve the Centre's ability to respond to the needs of developing regions of the world. The main overseas offices are situated in Egypt, India, Kenya, Senegal, Singapore, South Africa, and Uruguay. The combined cost of operating these offices in 1994-1995 was \$6.3 million, slightly more than the \$6.2 million budgeted (see Figure 4). The increase can be attributed mainly to a weak Canadian dollar. This cost the Centre approximately \$0.6 million in exchange losses.

Division management — In 1994-1995, expenditures for division management totaled \$4.8 million, slightly higher than the level reported last year but below the budgeted level of \$4.9 million (see Figure 4). For 1995-1996, expenditures of \$4.6 million are planned under this heading.

FINANCIAL OVERVIEW

General Management

To support its overall operations and corporate responsibilities, the Centre requires a wide variety of policy, executive, administrative, and service functions. These functions are discharged by the Board of Governors, the Executive Office, and the Finance and Administration Division.

Expenses — Collectively, general management expenditures were \$12.9 million, just below the level achieved last year and representing a 6.7% saving from the current year's budget.

Cost recovery — In 1994–1995, the Centre recovered \$1.4 million under contract research and foreign-currency transactions. This represents an increase of more than 50% over the amounts collected last year. It is also 18.4% over the 1994–1995 budget.

Human Resources

For the year ending 31 March 1995, the Centre had 351 Ottawa-hired staff and 119 staff hired by the regional offices. The corresponding levels in the 1994–1995 budget were 352 and 128, respectively. The 1994–1995 budget for Ottawa-hired staff was up three positions over what was reported last year. This increase was due to the creation of the IDRC Services unit. The 1995–1996 budget includes provision for 349 Ottawa-hired staff and 122 staff hired by regional offices.

In December 1994, a freeze on staffing was imposed in anticipation of a reduction in the Centre's grant level for 1995–1996. Procedures were also implemented to ensure that no contract renewals beyond six months were made without senior-management approval. Table 4 displays the personnel strength and vacancies for the period under review.

Table 4
Staffing levels for
1994–1995 and 1993–1994

	1994–1995		1993–1994
	Revised budget	Actual	Actual
Total head office hired staff	352	351	337
Technical support			
Head office	54	50	55
Overseas	34	33	29
Within-Centre activities	53	54	52
Regional office management	11	11	11
Division management	56	54	51
General management	144	149	139
Regional office hired staff	128	119	127
Total IDRC staff	480	470	464
Total vacant positions		10	24
Secondments		1	3

FINANCIAL OVERVIEW

Appropriations

For the year ending 31 March 1995, IDRC's appropriations totaled \$123.2 million (Table 5). This was a 14.1% reduction from last year, when the total reported was \$143.5 million, excluding the supplementary grant. The lower level can be attributed to the reduction in the regular program appropriation budget.

Of the \$123.2 million appropriated, \$87.2 million, or 70.8%, was allocated for program appropriations. The level would have been significantly higher were it not for management's actions in anticipation of a reduced Parliamentary grant for 1995–1996. These actions included a significant reduction in the regular program appropriation budget, from \$89 million to \$60.9 million. If the supplementary grant of \$27.0 million (which was appropriated in full last year) is excluded, the Centre appropriated \$83.8 million for the regular programs in 1993–1994. The amount is set at only \$55.0 million for fiscal year 1995–1996.

Figure 5 depicts the allocation of program appropriations for 1994–1995 by geographic region. Figure 6 displays program appropriations in accordance with the Centre's corporate program framework. The targets are as follows: 50% for Agenda 21 themes (food systems under stress, etc.); 40% for initiatives related to sustainable and equitable development; and 10% for new initiatives.

Table 5
Appropriations (\$000)
for 1994–1995 and 1993–1994

	1994–1995			1993–1994	
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)
Total appropriations	\$113 290	\$123 248	8.8	\$170 490	– 27.7
Regular program	60 971	61 031	0.1	110 775	– 44.9
Contract research	15 000	26 176	74.5	23 407	11.8
Operational (excluding cost recovery)	37 319	36 041	– 3.4	36 308	– 0.7

FINANCIAL OVERVIEW

During the year, the Centre signed new contract research agreements valued at \$26.2 million. These new appropriations exceeded budget forecasts by a significant 74.5%. This major growth in contract research activities was due to the ongoing efforts marshaled by management and program staff to leverage IDRC's diminishing resources.

A bold target of \$50.0 million in contract research appropriations has been set for 1995–1996 to offset the significant drop in the Parliamentary grant, which has had a negative effect on the level of our regular program appropriations.

For 1995–1996, the total program and operational appropriation level (including cost recoveries) is forecast at \$140.3 million, an increase of 14.0% over last year.

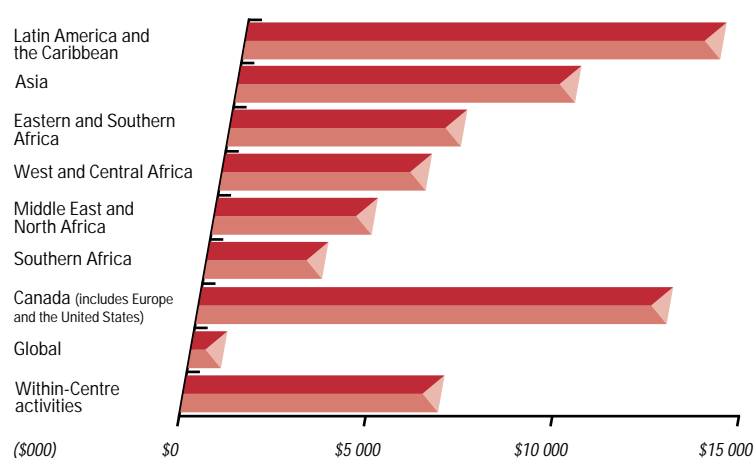


Figure 5
Program appropriations (actual) by region for 1994–1995
(excluding contract research)

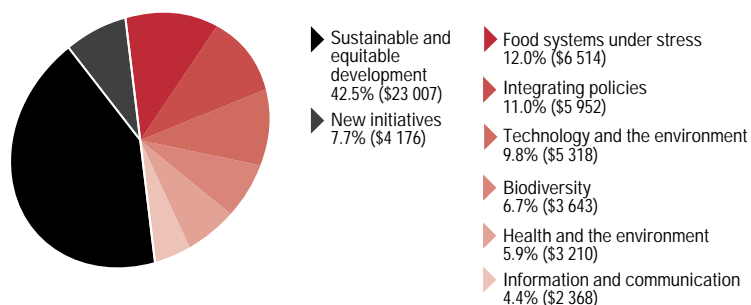


Figure 6
Program appropriations (\$000, actual) by area of research for
1994–1995 (excluding within-Centre activities and contract
research)

FINANCIAL OVERVIEW

Financial Indicators and Trends

The Centre will continue to leverage its resources by establishing partnerships with other institutions. It will continue to ensure that the bulk of its funds go directly to supporting research in developing countries. The new target is to achieve a program to operations ratio of 80:20 by 1998–1999. This will entail a 20% reduction in our operational expenditures through a combination of cost reduction and cost recovery.

The Centre also remains committed to the effective use of technology and advanced information systems to capitalize on potential cost savings throughout its operations. Table 6 displays the main financial targets for fiscal year 1995–1996 and a review of operations for the last five years.

Table 6
Financial indicators
and trends (\$000)

	Budget	Actual				
	1995–1996	1994–1995	1993–1994	1992–1993	1991–1992	1990–1991
Appropriations	140 252	121 806	169 528	127 145	135 509	114 700
Program	51 398	52 699	96 923	75 107	80 190	66 512
Research-support activities	3 602	8 332	13 852	10 129	8 111	6 485
Contract research	50 000	26 176	23 407	5 898	2 077	1 993
Operational*	35 252	34 599	35 346	36 011	45 131	39 710
Revenue	125 500	131 047	152 759	126 157	123 282	122 541
Parliamentary grant						
Regular	96 100	111 908	115 000	114 074	114 800	114 130
Supplementary	—	—	27 000	3 000	1 000	—
Contract research	26 600	16 254	9 938	7 605	5 537	5 133
Investment and other income	2 800	2 885	821	1 478	1 945	3 278
Expenditures	141 440	129 951	127 890	124 217	133 727	117 998
Development-research activities	100 872	89 946	86 745	81 525	82 985	66 925
Research-related activities	17 361	17 515	18 397	18 720	20 336	24 532
Research operational support	11 510	11 046	10 744	11 219	11 107	15 024
General management	13 687	12 886	12 966	13 655	13 710	11 517
Restructuring program	—	—	—	—	5 804	—
Cost recovery	(1 990)	(1 442)	(962)	(902)	(215)	—
Equity	9 800	26 029	24 933	64	(1 876)	8 569
Average appropriation per program officer	1 054	893	1 124 **	896	740	596
Outstanding commitments	139 900	135 500	143 700	104 400	105 000	105 200
Head office hired staff (no.) †	349	352	361	361	435	444
Regional office hired staff (no.) †	122	128	127	125	157	165

Note: 1991–1992 has been restated to be consistent with 1992–1993. Other figures remain as previously presented.

* Includes cost recoveries.

** Excludes supplementary grant.

† Budgeted levels.

FINANCIAL OVERVIEW

Financial Position

Assets

At \$34.8 million, the level of short-term deposits is significantly higher than the norm. Of this amount, \$20.8 million was provided through supplementary estimates and is earmarked for the Micronutrient Initiative and the health-support package in Africa; \$4.2 million represents funds received from other donors for contract research activities.

Liabilities

Current liabilities increased by \$1.3 million, resulting from increases to accounts payable and contract research liabilities.

Long-term liabilities decreased by \$0.4 million, primarily because of a reduction in deferred rent at IDRC's Ottawa headquarters. Any rent-free period or other benefits associated with long-term leases are deferred and amortized over the term of the lease on a straight-line basis.

Equity

As of 31 March 1995, the equity level stood at \$26.0 million compared with the \$16.4 million target. Two factors explain this unusually high level. The first is the 31.5% reduction in the regular program appropriation budget, with the resultant drop in disbursements on new projects. The second is a much slower rate of expenditures on the supplementary grant received in 1993–1994. For 1995–1996, the equity level is expected to drop to \$9.8 million.

Capital Expenditures

Capital expenditures for 1994–1995 totaled \$1.2 million, a reduction of 33% from the 1993–1994 level of \$1.8 million. The targeted level for 1995–1996 is \$1.1 million. The largest allocation of capital purchases is still earmarked for upgrading the Centre's computer hardware. Table 7 reflects IDRC's capital investments for the fiscal years 1994–1995 and 1993–1994.

Table 7
Capital expenditures (\$000) for
1994–1995 and 1993–1994

	1994–1995			1993–1994	
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)
Total capital expenditures	\$1 103	\$1 191	7.3	\$1 792	– 33.9
Computer hardware	728	725	– 0.4	1 209	– 40.0
Vehicles	250	173	– 30.8	166	4.2
Furniture and equipment	59	99	67.8	133	– 25.6
Leasehold improvements	46	179	289.1	183	– 2.2
Telephone system	20	15	– 60.0	101	– 92.1

Five-Year Review

The Centre experienced significant changes over the past five years.

- 1990–1991: After years of enjoying regular and predictable growth, the Centre entered an era where Parliamentary funding was declining or, at best, frozen. Management's challenge was not only to cope with uncertainty and lower projections; it was also to continue its drive to improve the Centre's cost structure to accommodate the new realities of fiscal restraint.
- 1991–1992: The Board of Governors approved a new strategy for IDRC. This strategy acknowledged sweeping global changes. It also reflected continuing financial pressures on Canada's official development assistance (ODA) budget. Accordingly, the Centre entered a two-year transition period. This involved a substantial restructuring of program directions. It required a 20% reduction in the number of employees. It also required a further decentralization of program and administrative accountability to IDRC staff and the Centre's research partners. The cost of restructuring was \$5.8 million.
- 1992–1993: At the United Nations Conference on Environment and Development (the "Earth Summit") in Rio de Janeiro, the Prime Minister announced that IDRC would become an Agenda 21 organization and that Canada would continue to contribute \$115.0 million a year to the Centre's work on sustainable development.

In March 1993, the Board of Governors approved a new three-year program framework for the Centre. Over the next three years the Centre would dedicate 50% of its program funds to six environmental themes, 40% to other initiatives related to sustainable and equitable development, and 10% to new initiatives.

The Centre also opened a small regional office in Johannesburg, South Africa, to deliver and support its research program in that country.

- 1993–1994: IDRC received a supplementary grant of \$27.0 million. Of this amount, \$12.0 million was earmarked for the Micronutrient Initiative. The balance was used to underwrite a health-support package in Africa.
- 1994–1995: As a result of the Centre's concerted effort to secure strategic partnerships, contract research revenue increased by \$6.3 million, or 63%, from the 1993–1994 level. The IDRC Services unit was created to serve as a focal point for issues related to revenue diversification.

The Centre has realized a considerable improvement in the program to administrative expenditure ratio over the last five years. The ratio improved from 66:34 in 1990–1991 to 73:27 in 1994–1995. As a result of the restructuring undertaken in 1991–1992, operational costs (including cost recoveries) have decreased by almost \$5.0 million or about 12.0%.

FINANCIAL OVERVIEW

Responsibility for Financial Statements

The financial statements have been prepared by management in accordance with generally accepted accounting principles appropriate in the circumstances. Management also assumes responsibility for all other information in the annual report, which is consistent — where applicable — with that contained in the financial statements. In support of its responsibility, management maintains financial systems and practices to provide reasonable assurance as to the reliability of financial information and that assets are safeguarded and the operations are carried out effectively. 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 and expresses his opinion on the financial statements. His examination includes appropriate tests and procedures to enable him to report whether the financial statements are presented fairly. The external auditors have full and free access to the Finance and Audit Committee of the Board.



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 1995 and the statements of operations, equity and changes in the financial position 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 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in dark ink, appearing to read 'D. Meyers'.

D. Larry Meyers, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
9 June 1995

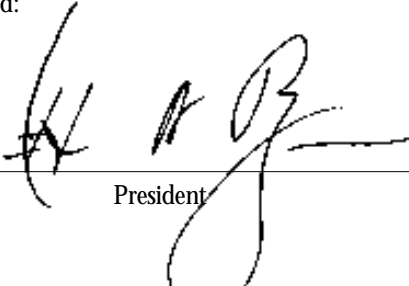
FINANCIAL STATEMENTS

Balance sheet


as at 31 March 1995 (\$000)

	1995	1994
Assets		
Current		
Cash and short-term deposits (Note 3)	\$35 290	\$33 367
Accounts receivable	966	939
Prepaid expenses	1 602	1 362
	37 858	35 668
Other assets		
Capital assets (Note 4)	5 049	5 279
Recoverable deposits	165	113
Endowment funds (Note 5)	202	201
Total assets	\$43 274	\$41 261
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	\$9 440	\$8 816
Contract research (Note 7)	4 217	3 528
	13 657	12 344
Other liabilities		
Accrued employee separation benefits	3 023	2 797
Deferred rent — head office	363	986
Endowment funds (Note 5)	202	201
Total liabilities	17 245	16 328
Equity (Note 8)	26 029	24 933
Total liabilities and equity	\$43 274	\$41 261

Approved:



President



Treasurer

FINANCIAL STATEMENTS

Statement of operations

for the year ended 31 March 1995 (\$000)

	1995	1994
Revenue		
Grant from Parliament of Canada	\$111 908	\$142 000
Investment and other income	2 885	821
Contract research (Note 7)	16 254	9 938
Total revenue	131 047	152 759
Expenses		
Development research activities		
Project grants	73 692	76 807
Contract research (Note 7)	16 254	9 938
	89 946	86 745
Research-related activities		
Technical support	12 109	12 598
Information dissemination	3 555	3 893
Development-research library	1 851	1 906
	17 515	18 397
Research operational support		
Regional offices	6 273	6 172
Division management	4 773	4 572
	11 046	10 744
Total research and support expenses	118 507	115 886
General management expenses	12 886	12 966
	131 393	128 852
Costs recovered (Note 9)	(1 442)	(962)
Total expenses	129 951	127 890
Excess of revenue over expenses	\$1 096	\$24 869

FINANCIAL STATEMENTS

Statement of equity

for the year ended 31 March 1995 (\$000)

	<u>1 9 9 5</u>	<u>1 9 9 4</u>
Balance at the beginning of the year	\$24 933	\$64
Excess of revenue over expences	<u>1 096</u>	<u>24 869</u>
Balance at the end of the year	<u>\$26 029</u>	<u>\$24 933</u>

FINANCIAL STATEMENTS

Statement of changes in financial position

for the year ended 31 March 1995 (\$000)

	1995	1994
Operating activities		
Cash provided by (used in) operations		
Excess of revenue over expenses	\$1 096	\$24 869
Items not affecting cash		
Amortization of capital assets	1 390	1 541
Provision for restructuring program (adjustment)	(2)	163
Provision for employee separation benefits	319	347
Loss (gain) on disposal of capital assets	(18)	119
Amortization of deferred rent	(623)	(411)
	2 162	26 628
Changes in noncash operating assets and liability		
Accounts receivable	(27)	(105)
Prepaid expenses	(240)	9
Recoverable deposits	(52)	24
Accounts payable and accrued liabilities	681	(4 000)
Employee separation benefits	(148)	(517)
Contract research liability	689	2 781
	903	(1 808)
Cash provided by operating activities	3 065	24 820
Investing activities		
Additions to capital assets	(1 191)	(1 755)
Proceeds on disposal of capital assets	49	91
Cash used by investing activities	(1 142)	(1 664)
Increase in cash	1 923	23 156
Cash and short-term deposits at the beginning of the year	33 367	10 211
Cash and short-term deposits at the end of the year	\$35 290	\$33 367

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

1. Authority and objective

The International Development Research Centre, a corporation without share capital, was established in 1970 by the Parliament of Canada through the International Development Research Centre Act. The annual grant received from the Parliament of Canada is pursuant to Foreign Affairs Vote 45 for the year ended 31 March 1995.

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.

On 12 June 1992, the Government of Canada announced that the mandate of the Centre would be broadened so as to deal specifically with the environment and related concerns.

2. Significant accounting policies

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

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives. Leasehold improvements are amortized over the terms of the respective leases. The methods and rates used to provide for the amortization of capital assets are:

	Method	Rate (%)
Computer equipment	Straight line	20
Leasehold improvements	Straight line	5-50
Office furniture and equipment	Diminishing balance	20
Vehicles	Diminishing balance	30
Telephone system	Straight line	20

Recognition of revenue

Parliamentary grants are recorded as revenue on an accrual basis. Revenue in respect of contract research is recognized at the time the related project expenses are incurred. Contract research funds received in excess of expenses are included in current liabilities.

Accrued employee separation benefits

Employees are entitled to specified termination 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.

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

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.

Pension costs

Employees are covered by 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 liability 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.

Income taxes

The Centre is exempt from all income taxes.

Foreign-currency translation

Foreign-currency transactions are translated into Canadian dollars by the use of an average exchange rate that closely approximates the 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.

3. Cash and investments

	1995	1994
Cash	\$535	(\$18)
Short-term deposits		
Canadian banks	19 114	13 621
Commercial companies	7 393	6 941
Federal and provincial governments	5 683	12 823
Foreign-owned banks	2 565	—
	<u>\$35 290</u>	<u>\$33 367</u>

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

4. Capital assets

	1995			1994
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$7 565	\$4 765	\$2 800	\$3 016
Leasehold improvements	1 770	751	1 019	973
Office furniture and equipment	1 545	966	579	615
Vehicles	1 002	511	491	477
Telephone system	1 004	844	160	198
	<u>\$12 886</u>	<u>\$7 837</u>	<u>\$5 049</u>	<u>\$5 279</u>

Amortization for the year ended 31 March 1995 amounted to \$1 390 (1994, \$1 541).

5. Endowment funds

In 1987, the estate of the late John Bene established a fund to provide a postgraduate fellowship in the field of social forestry. During the same year, a former member of the Board of Governors of IDRC established a fund for applied or mission-oriented research. In 1990, the Centre received a contribution from the V International Conference on AIDS, which was used to establish a fund for the purpose of AIDS research in the Third World.

	1995	1994
Balance at the beginning of the year	\$201	\$229
Interest income	10	9
Expenses	(9)	(37)
Balance at the end of the year	<u>\$202</u>	<u>\$201</u>
John Bene	\$155	\$152
Governor	24	23
AIDS	23	26
Total endowment funds	<u>\$202</u>	<u>\$201</u>

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

6. Accounts payable and accrued liabilities

	1995	1994
Accrued liabilities — projects	\$4 673	\$4 655
Other	3 392	2 729
Accrued annual and other leave benefits	1 375	1 432
	<u>\$9 440</u>	<u>\$8 816</u>

7. Contract research

Contract research relates to research conducted or managed by the Centre on behalf of other organizations. These are funded by other international agencies, CIDA, and other federal government entities.

Contract research expenses of \$16 254 (1994, \$9 938) include \$9 703 (1994, \$7 969) expended on behalf of CIDA. In addition, the Centre received \$740 (1994, \$492) as an administration fee from CIDA. Contract research current liabilities of \$4 217 (1994, \$3 528) include \$3 047 held on behalf of CIDA (1994, \$2 300).

8. Equity

In March 1994, the Centre received a supplementary grant of \$27 million; \$12 million was earmarked for the Micronutrient Initiative; the balance was to underwrite a health-support package in Africa. As of 31 March 1995, \$20.8 million remained unspent from this supplementary amount.

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

9. Costs recovered

Overhead fees

The Centre charges an overhead fee to recover the indirect administrative expenses on its contract research activities that are wholly or partly funded by outside organizations.

	1994–1995	1993–1994
CIDA	\$740	\$492
Other	623	102
	<u>\$1 363</u>	<u>\$594</u>

Foreign-currency transactions

The Centre has received \$79 (1994, \$368) on foreign-currency transactions.

10. 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. In December 1993, the Centre entered into a new lease agreement for its head office premises in Ottawa. This new lease will commence in November 1995 and expire in October 2007. The total minimum annual payments under various lease arrangements will be:

1996	\$5 718
1997	5 280
1998	4 944
1999	4 909
2000	5 002
2001–2007	<u>40 988</u>
Total	<u>\$66 841</u>

11. Contractual commitments — project grants and project development

The Centre is committed to make payments up to \$136 million during the next four years subject to funds being provided by Parliament or external donors and subject to compliance by recipients with the terms of project agreements. The Centre has also submitted formal grant offers to prospective recipients totaling \$3.1 million and is awaiting acceptance of these offers.

NOTES TO FINANCIAL STATEMENTS

31 March 1995 (\$000)

12. 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 its normal course of business.

13. Contingency

A claim of approximately \$800 (thousand) relating to a leased property was filed. Management, based on advice of legal counsel, believes that payment of this liability is unlikely.