

# IDRC AT A GLANCE

The International Development Research Centre is a public corporation created by the Parliament of Canada in 1970 to help developing-country scientists and communities do research to find solutions to their social, economic, and environmental problems.

# IDRC MANDATE 200te

To initiate, encourage, support, and conduct research into the problems of the developing regions of the world.

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# Institutional Highlights

Dr Gordon S. Smith, former Deputy Minister of Foreign Affairs, was appointed Chairperson of IDRC's Board Of Governors in June of 1997 by the Prime Minister, the Right Honorable Jean Chrétien. Dr Smith takes up his office after 31 years in the public service and, at the same time, begins his posting as Senior Fellow to the newly created Liu Centre for International Studies at the University of British Columbia and as advisor on globalization to the President of the University of Victoria.

 A short biography of Dr Smith can be found at http://www.idrc.ca/media/news-07\_e.html

Marie Ann Battiste, associate professor in the Indian and Northern Education Program of the University of Saskatchewan and Executive Director of the Apamuek Institute in Eskasoni, Nova Scotia, has been named to the IDRC Board of Governors. This past year also saw another new appointment to the Board, Paulynn Sicam, of the Peace and Human Rights Desk of the Benigno Aquino Foundation in the Philippines. All of IDRC's senior officials are profiled on pages 42 and 43.

 For details of the individual appointments, see http://www.idrc.ca/media/newsarch\_e.html In 1997, the International Network for Bamboo and Rattan (INBAR) left IDRC's New Delhi office to become the first international development and research organization headquartered in China. The treaty-signing ceremony in Beijing was the culmination of more than 15 years of research funding by IDRC and other donors. Chinese Prime Minister Li Peng looked on as signatories from Bangladesh, Canada, China, Indonesia, Myanmar, Nepal, Peru, the Philippines, and Tanzania signed the treaty into life.

 The INBAR website is located at http://www.idrc.org.sg/inbar/index.html



Dr Ferdinand Bonn, a Canadian professor and founder of the Centre d'applications et de recherches en télédétection (centre for applications and research in remote sensing) of the Université de Sherbrooke, was awarded the Friendship Medal by the Government of Viet Nam. The second Canadian to receive this honour, Dr Bonn was given the award for his work with a team of Vietnamese researchers to develop an environmental information system for Viet Nam's economically vital Red River Delta.

 A report on this IDRC-funded project can be found in IDRC's online webzine, Reports, at http://www.idrc.ca/reports/ read\_article\_english.cfm?article\_num= 169

 $\int$ n 1997, IDRC officially launched its year 2000 (Y2K) project to deal with problems confronting computer systems as we approach the end of the 20th century. The project covers all of IDRC's offices and has two foci:

- To assess all the systems in use and replace or repair all components of critical business processes that will not function correctly after 1 January 2000 and
- To have contingency plans in place for its critical business functions, those that, if they are not available, would cause considerable hardship to the Centre or to its recipients.

The latter is particularly important for Y2K issues that are outside of the Centre's control, such as international communications. The largest undertaking for IDRC is the replacement of its financial system by 31 March 1999.



# Program Highlights

Mexican Environment Minister, Julia Carabias, and the President of IDRC, Maureen O'Neil, signed an agreement in 1997 to create Mexico's third model forest, the Monarch Butterfly Model Forest. Covering 795 000 hectares in the states of Michoacan and Mexico, it is located in one of the poorest regions of the country. "Sustainable management of this new model forest is aimed at protecting an environment that provides sustenance not only to the monarch butterfly but also to nearly a million people," said Mrs Carabias. For more information on the model forest approach to sustainable development, see pages 35–37.

Researchers working on a project to track mercury contamination in the Amazon are forcing health authorities the world over to re-evaluate the notion of a "safe level" of mercury contamination. The project found villagers suffer neurological damage at concentrations of mercury previously considered acceptable. See "Exposing mercury" on pages 15–17 for a more detailed account of the project findings.

Hilipino researchers working on a project funded by IDRC's MIMAP initiative were asked to apply their expertise to help the Government of the Philippines respond to the worsening Asian economic crisis. Close collaboration between decision-makers and researchers is a key component of the MIMAP program. To learn more about how the MIMAP initiative is helping developing countries reduce the harmful effects of economic stabilization and structural adjustment programs on vulnerable groups, see "Adjusting the Economy, Protecting the Poor" on pages 27–29.

The hillsides, highlands, and forest margins of Central and South America are some of the most sensitive and threatened ecosystems in this hemisphere. But the Consortium for the Sustainable Development of the Andean Ecoregion (CONDESAN) has developed a novel approach to research and development that promises to reduce the desperate poverty in mountain communities by restoring the damaged environment. For details, see "Moving Mountains" on pages 19–21.

"Doing more with less" is easy to say, but hard to put into practice. an IDRC secretariat, Bella*net*, is helping development donors "work smarter" using information and communication technologies to reduce program duplication and forge partnerships. Bella*net*'s global development connections are highlighted on pages 31–33.

Research networks play an increasing role in IDRC's everyday work life. But are they effective? This is the very question IDRC's Evaluation Unit attempted to answer in a recent study. To see what the results mean to the way IDRC carries out its work, see "Networks: A Strategic Evaluation Improves Effectiveness" on pages 39–41.

One of the greatest threats to this planet's biodiversity is the loss of the indigenous knowledge systems that have helped sustain it for millennia. Through its support of the Indigenous Knowledge Program, IDRC is helping indigenous peoples validate that knowledge and benefit economically from its use and preservation. IDRC's recent efforts in preserving indigenous knowledge and supporting intellectual property rights are summarized on pages 23–25.

1997's aw the launch of a new initiative to support research on mining and sustainable development in the Americas. Its goal is to contribute to public- and private-sector policy on mining while protecting community interests and limiting ecosystem damage. The initiative is guided by a team representing the mining industry, environmental groups, international development interests, and researchers from Canada and Latin America.

 IDRC's interest in mining issues is outlined in the Mining Policy Research Initiative website. at http://www.idrc.ca/mpri/index.html

Mow can information and communication technologies (ICTs) improve the lives of communities in sub-Saharan Africa? In 1997, IDRC launched the Acacia initiative, a Canadian–African partnership, to try to answer this question. Initially, Acacia will target four countries: Mozambique, Senegal, South Africa, and Uganda.

 To see why IDRC believes ICTs have a critical role to play in African development, visit the Acacia website at http://www.idrc.ca/acacia/index.html

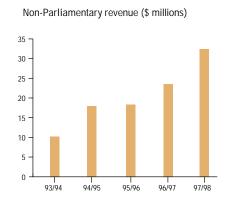


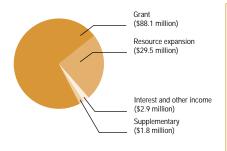
# **OPERATIONAL HIGHLIGHTS**

IN 1997/98, THE CENTRE CONTINUED TO REDUCE ITS OPERATING COSTS AND INCREASE ITS REVENUE TO COMPLEMENT ITS YEARLY PARLIAMENTARY GRANT. CONTINUED GROWTH IN RESOURCE-EXPANSION ACTIVITIES TOGETHER WITH EFFORTS TO STREAMLINE ITS OPERATIONS HAVE ALLOWED THE CENTRE TO MAINTAIN A HIGH LEVEL OF PROGRAM EXPENDITURES.

### REVENUE

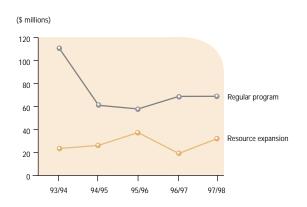
The Centre's resource-expansion activities reached a new high of \$29.5 million in 1997/98. This figure is \$9.0 million, or 43.8%, more than last year and helped to offset an \$8.0 million reduction in the Parliamentary grant. Also, by managing and administering funds on behalf of other organizations, there was significant growth in the resources available for research support.

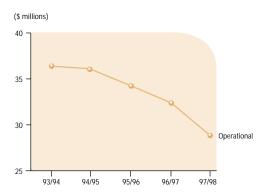




# PROGRAM AND OPERATIONAL APPROPRIATIONS

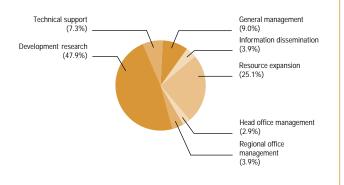
Appropriations for new research partnerships reached \$32.0 million in 1997/98, thanks to the steady growth in resource-expansion activities. At the same time, operational appropriations declined. Appropriations for operational, regular program, and resource-expansion activities are illustrated in the accompanying graphs.

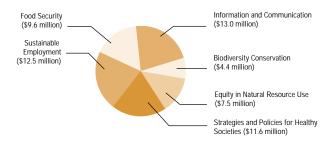




#### **EXPENSES**

Total expenses declined from \$119.0 million in 1996/97 to \$117.7 million this fiscal year. The relative amount the Centre spends on research and research-related expenses, compared with its administrative expenses, continues to increase because of the growth in resource-expansion activities and decreasing costs of operations. Over the past 5 years, the Centre has been able to achieve a 23% reduction in its cost of operations.





# RESEARCH APPROPRIATIONS BY PROGRAM

IDRC spent a total of \$58.6 million on development research, a 2.6% increase from the 1996/97 level of \$57.1 million. The accompanying graph shows the amounts spent in each of the six themes that constitute the Centre's programing framework.

# DISTRIBUTION OF RESEARCH APPROPRIATIONS IN THE SOUTH



### Information Systems and Technologies

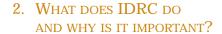
Information systems and technologies (IS/IT) are playing an ever greater role in the Centre's operations and in the research it funds. To make allocating resources to the many and diverse IS/IT requests more systematic and more transparent, senior management approved a 3-year corporate IS/IT plan. The plan addresses the Centre's key business priorities and ensures that the need for, and appropriateness of, any proposed IS/IT investment fits with those priorities. Given a growing reliance on information systems and technologies, the plan will ensure that IDRC is well positioned and equipped to support current and future program and operational needs.

# Frequently Asked Questions

#### 1. Why was IDRC created?

IDRC was created because a group of Canadians, led by Lester B. Pearson, believed that the gap between the world's rich and poor should be lessened. The Centre's architects understood that people build their own futures, and they believed that science and technology had a role to play in that development process. The solution they proposed was an organization that would help developing countries build applied research capacity to meet the needs of their own people. Twenty-eight years after its creation, the notion of an international development agency funded by a national government but taking its lead from foreign researchers is still a radical concept. Perhaps this is why IDRC was the first institution of its kind and remains among the few that exist. Canada's willingness to embark on such a bold experiment and its continued support of Southern science has won the country a great deal of respect and goodwill.

 A copy of the IDRC Act can be found at http://www.idrc.ca/institution/eact.html



IDRC's main objective is to assist scientists in developing countries to identify and conduct research into long-term, practical solutions to their development problems. Given the increasingly global nature of these problems, helping developing countries in their search for solutions now is preferable to the greater and more frightening costs of remedial action later.

 For more detail on IDRC and its program of research support, see http://www.idrc.ca/institution/eprogram.html





# 3. WHAT ARE THE SOURCES OF IDRC FUNDING?

The core of IDRC's funding is a yearly grant from Parliament. In 1997/98, this was \$88.1 million, or 4.2% of Canada's international assistance envelope. While IDRC's yearly grant is critical to the work it does, provisions in the IDRC Act allow the Centre to pursue other sources of funding. Cofunding ventures with other donors have proven a successful means for IDRC to leverage its financial contributions and pursue a more ambitious program of research. Included in this report are two examples of successful programs funded in partnership with other donors: the Consortium for the Sustainable Development of the Andean Ecoregion (CONDESAN; see pages 20 and 21) and the Indigenous Knowledge Program (see pages 23–25).

IDRC also continues to pursue contract research opportunities in collaboration with the private sector. These efforts are limited to a supporting role in the bidding process and to areas within IDRC's program priorities in which it has recognized expertise.

 To find out about IDRC's core competencies, see http://www.idrc.ca/institution/ecompet.html

# 4. How is IDRC different from other government agencies and departments involved in international development?

IDRC's mandate — "to initiate, encourage, support, and conduct research into the problems of the developing regions of the world" — is also its defining characteristic. To meet the challenges of its mandate, IDRC's founders felt it necessary to grant it a degree of autonomy not normally associated with crown corporations. The IDRC Act states that the Centre is "not an agent of Her Majesty." Therefore, IDRC is not strictly bound by the government's foreign policy and has, at times, used this autonomy to further Canadian causes. For example, IDRC was able to help the democratic movement in apartheid South Africa before the Canadian government could officially become involved.

Despite this measure of political autonomy, IDRC remains accountable to the Parliament of Canada. The Centre's operations are audited annually by the Office of the Auditor General. For the past 3 years, IDRC has won or been named a finalist in the Auditor General's Award for Excellence in Annual Report by Crown Corporations.

Another feature that is unique to IDRC is its governance structure. IDRC is led by a 21-member international Board of Governors. Eleven governors, including the Chairperson, are from Canada. Of the remaining 10, historically, 8 or 9 have usually come from developing countries and the others from developed countries. Governance and the Centre's senior officials are highlighted on pages 42 and 43.

# 5. WHAT HAS BEEN IDRC'S IMPACT ON RESEARCH AND DEVELOPMENT IN THE SOUTH?

IDRC is well known in the developing world for its capacity-building efforts. It has provided training for thousands of Southern researchers and helped to create a critical mass of skilled personnel who employ their talents locally, regionally, and globally. Beyond this, IDRC has created opportunities for individuals to gain valuable work experience and make connections that have enhanced their reputations at home and abroad. It is not uncommon for IDRC-supported researchers to assume influential roles outside the research system. In Chile, for example, three cabinet ministers were former IDRC-funded researchers.

On the research side, IDRC has supported the development of many innovative technologies by Southerners: insecticideimpregnated bednets that reduce the incidence of malaria and cheap fertilizer processed from local, phosphate-laden rock are but two examples. Centre support for policy research has also found success. In South Africa, for example, IDRC's work with the democratic movement from 1991 to 1995 is now the basis for national policies on the environment and science and technology and has influenced national urban and economic policies. IDRC's initiative on the Micro Impacts of Macroeconomic and Adjustment Policies (MIMAP), highlighted on pages 27–29, is a more recent example of how IDRC has made policy research an integral part of its program. MIMAP aims to reduce the negative impacts of economic stabilization and structural adjustment on the poor.

IDRC has also made its mark on the way research is conducted in the developing world. The Centre's support for multidisciplinary, participatory research, which takes into account gender considerations, has helped promote newer more inclusive methodologies among its partner institutions in the South. These approaches bring together researchers, local communities, and decision-makers, thus increasing the likelihood that the research will be relevant to local needs and that the results will influence the policymaking process. From its start, IDRC has also promoted research networks as a way to share results and knowledge and to end the isolation of developing-country researchers. New information and communication technologies make this process easier, but they are not a substitute for the personal contact IDRC continues to support. Gauging the impact of IDRC's programs is the preoccupation of the Evaluation Unit. It is profiled on pages 39-41.

 For more examples of the technologies IDRC has supported, see http://www.idrc.ca/nayudamma/index\_e.html

IDRC's work with the democratic movement in apartheid South Africa is profiled in the four-volume Building a New South Africa, at http://www.idrc.ca/books/785.html





# 6. How do researchers apply for IDRC funding?

Before approaching IDRC with a project, researchers should ensure that there is a fit between IDRC's current programing and the researchers' area of interest. Once that has been determined, researchers typically approach the IDRC program officer whose field of expertise most closely matches their own. The Centre's regional offices often help with this process, as they are key entry points for developing-country scientists wishing to contact IDRC.

Whether they are located in a regional office or at IDRC's Ottawa headquarters, program officers can quickly assess the likelihood of IDRC supporting a given idea. If the idea seems promising, the researcher seeking funding will be asked to submit a one-to three-page summary that will be reviewed by other program staff. If approval in principal is granted, the researcher seeking funding may be asked to submit a full research proposal. These are comprehensive documents, and program officers often help in their development to ensure that all the necessary criteria are met. Depending on the funding level sought, review and approval of a proposal may take several months.

 For complete information on how to obtain funding from IDRC and the criteria used to evaluate proposals, see http://www.idrc.ca/institution/proposition\_e.html or request a copy of the brochure How to Apply for IDRC Funding from any IDRC office.

# 7. How does IDRC encourage the active participation of Canadians?

IDRC's primary objective is to assist scientists in the developing world. Canadian scientists, academics, nongovernmental organizations (NGOs), and private-sector companies have always played a role in this process. Canadians have been consultants, trainers, and project collaborators, providing expertise and experience not found in developing-country partners.

In 1980, at the request of the Canadian government, IDRC created a program to support collaborative research between Canadian and developing-world scientists. IDRC's Canadian Partnerships Program still honours that commitment. Young Canadian researchers interested in development research, at the master's and doctorate level, are supported through the Centre's Training and Awards Program. Canadian journalists, both anglophone and francophone, have the chance to work with two news agencies that specialize in development issues. IDRC also collaborates with Canadian companies and development organizations that wish to make use of the Centre's broad contacts and particular expertise. Underpinning these ventures is the desire to improve the well-being of the men, women, and children of the South.

 For more about IDRC's Training and Awards Program, see http://www.idrc.ca/awards/index.html. Canadian researchers interested in exploring collaborative projects with IDRC will want to read our Guide for Canadian Researchers at http://www.idrc.ca/ institution/guide\_index\_e.html



# President's Message

"...THE BEGINNING WAS HARDEST, THEN WHAT THEY MADE WAS MADE OUT OF WHAT THEY HAD BEGUN. NO MATTER. THE PRESENT IS SHAPED OUT OF THE FIRST SHAPED STONES..."

- Louis Dudek, "From Europe" (Penguin Books, Toronto, Canada, 1971)



As IDRC approaches its 30th anniversary, the words of Canadian poet Louis Dudek capture an image of IDRC today, near the start of the new millennium.

These "stones" were laid as early as 1967, when then Prime Minister Lester B. Pearson spoke of a new initiative to establish a research centre for international development. He envisioned it as a Canadian contribution to the world community, bringing scientific and technological progress to bear on social and economic problems. With the founding of IDRC 3 years later, Pearson became the Chairman of its first Board of Governors. Since then, IDRC has worked in 142 countries, creating an impressive network of some 20 000 researchers, scientists, and policymakers. It has financed more than 6 300 projects and 2 600 institutions. Despite an erosion in official development assistance, the Centre has remained true to its original mandate: helping people in the developing world to improve their lives through the acquisition of knowledge and the application of research.

These "first shaped stones" provide a foundation in this critical year in which the Centre finds itself standing firmly on solid ground after several years of balancing on shifting sands. IDRC has emerged from a difficult period of downsizing, reorganization, and reorientation. Now it is in a position to look forward and to explore new opportunities with confidence.

As IDRC moves ahead, it is guided by a 3-year Corporate Program Framework (CPF). This framework concentrates the Centre's resources in six critical areas that directly target poverty alleviation and sustainable and equitable development. These areas are food security, equity in natural resource use, biodiversity conservation, sustainable employment, strategies and policies for healthy societies, and information and communication. The choice of these themes merges IDRC's experience and expertise with priorities identified by developing-world researchers and institutions.

The CPF recasts the Centre's structure to reflect this emphasis on specific development problems. In the past, IDRC was set up much like a university with departments or divisions representing specific disciplines. Today, multidisciplinary teams are organized into program initiatives, which are the driving force of the Centre's programing. There are currently 14 program initiatives that fund research projects within the six thematic areas. The four program initiatives highlighted in this report illustrate the trajectory from theory to impact through defined research objectives, extensive networks among researchers, and a willingness to embrace ingenuity in solving development problems.

Each program initiative produces a regular series of reports that are part of a comprehensive system of planning, reporting, review, and evaluation. While these reports meet the Centre's needs for information and accountability, their most important function is to monitor whether programs are responsive to evolving development priorities — a major and ongoing challenge.

The Centre strives to respond to research issues as defined by its developing-world partners. Results are only useful if research is connected to real needs. But a balance must be struck between results-based projects undertaken with established scientists and those that build the capacity of emerging researchers. Two examples show how the Centre is striking that balance. This year, the Ecosystem Approaches to Human Health initiative requested proposals for research on improving human health in agricultural ecosystems. The request is aimed specifically at international agricultural research institutions so that they, with the enlistment of local research partners, can integrate health issues into existing projects. On its own, IDRC can only make a small contribution to this new and evolving area of research. But by using its resources to influence a larger research agenda, the Centre magnifies its impact while ensuring that a project carried out by an international agency is more relevant to local needs.

Small grants programs form a mechanism that the Centre uses to identify new researchers. One such program, the Using Agricultural Diversity Award, is helping local groups in South Asia to conduct grassroots research and conservation work to protect agricultural biodiversity. Researchers with one of these groups, the Deccan Development Society in Andhra Pradesh, India, are working with low-caste Dalit women to document their perception of diversity of the lands on which they work as labourers.

These initiatives underscore the fact that the Centre can continue to be imaginative and resourceful within its Corporate Program Framework. Although the CPF acts as our compass, we are still free to venture onto new paths. In September, for example, the Centre

announced a new initiative to support research on mining and sustainable development in the Americas. As mining booms throughout the region, people want to avoid the environmental destruction and community dislocation that have characterized mining operations in the past. IDRC will fund research to inform private- and public-sector policies so that mining contributes to, rather than compromises, sustainable development. A unique team comprising

researchers from Canada and Latin America and representatives of the mining industry, environmental groups, and international development interests will guide the research agenda of this new initiative.

The Global Access to Information and Communication Technologies (GAIT) program is another potentially groundbreaking initiative. Within 3 years, it is predicted that information and communication technologies (ICTs) will become the world's largest industry, generating staggering revenues of (US) \$3.5 trillion each year. It is fast becoming an economic and social imperative to ensure that developing countries can take full advantage of the opportunities and benefits offered by ICTs. GAIT proposes the creation of an international network to work toward securing universal access to ICTs through such activities as advocacy, research, policymaking, and capacity building. IDRC is currently working with governments, multilateral and bilateral development agencies, the private sector, international foundations, and NGOs to explore whether this grand vision can be translated into reality.

As the Centre seeks out new partners through these initiatives, it is demonstrating the importance of collaboration in development research. Fostering cooperation among development organizations meets three critical needs: it maximizes impact, avoids duplication, and reduces costs. IDRC's secretariats, which are research consortia made up of several donors, are one of the Centre's key vehicles for achieving this cooperation. Just as IDRC brings together many disciplines to focus on a problem, so it coordinates multiple donors to work toward common goals. The International Model Forest Network, for example, encourages the sustainable development of forest resources through the collaboration of donors in five countries. Bella*net* helps development organizations make "knowledge connections"

through the use of ICTs. Both of these secretariats are described in this

report.

Bellanet's leadership in building links in the development community reinforces a recommendation of the report Connecting with the World: Priorities for Canadian Internationalism in the 21st Century. The product of an IDRC-funded task force headed by Maurice Strong, the report reflects on Canada's contribution to the global development challenges that lie ahead. As one of these contribu-

tions, the report recommends that information-based networks be created among institutions to build partnerships around issues of international concern.

This report is another echo of IDRC's present being shaped by the "stones" of its past. Maurice Strong played a key role in the conception of IDRC and served on its original Board of Governors. His influence continued to be felt with the commission of a study by Howard Clark, an eminent scientist who, until last year, was the President of Dalhousie University. The study amplified a key theme of Connecting with the World: that Canada's future prosperity and role in world affairs would rely on the production of knowledge. Howard Clark examined the success of the Networks of Centres of Excellence (NCEs) funded by the Social Sciences and Humanities Research Council (SSHRC), the Medical Research Council, and the Natural Sciences and Engineering Research Council. He determined that their uniqueness represents a real Canadian innovation that can be used to enhance this country's international standing in scientific



research. IDRC is now exploring the possibility of linking the work of the NCEs with the Centre's extensive international networks.

Another attempt to connect domestic with international interests is a new awards program between IDRC and SSHRC. The Canada in the World Grants will enable Canadian researchers to examine issues that will affect our relationship with Asia and Latin America in the years to come. As the lines blur between international and domestic policy, this joint awards program recognizes that Canada must generate first-class research to remain an important player in international affairs.

In considering Canada's international role, IDRC occupies a unique place in the Canadian foreign policy family. Its special status and autonomy allow it go where Canada has a limited official presence. In the past, this has meant support for social scientists at risk because of their independent views in the former dictatorships of Argentina and Chile. IDRC also bolstered the democratic forces in apartheid South Africa, helping the African National Congress to elaborate important economic, urban planning, and environmental policies before it came to power. Today, the Centre continues to be active in sensitive areas, namely the fragile, war-torn countries of Laos and Cambodia. In an effort to restore the key natural resource sectors of these poor economies, IDRC is supporting research to improve sustainability and to broaden community participation in natural resource management. With its ability to work directly with local groups and institutions, the Centre's reach extends from the grassroots, where the need for assistance is often most acute, to the intellectual leaders who shape a country's development ideas.

At the same time, many of the Centre's programs and activities are an expression of Canadians' desire to create a more secure world. The Peacebuilding and Reconstruction





initiative makes a direct and obvious contribution to global stability. IDRC's range of projects and research that address environmental degradation, the management of water resources, food security, improved human health, and the disparity between rich and poor all serve to reduce and, in the long term, to remove the threat of conflict.

IDRC's approach to research, with its emphasis on gender equity and the full participation of people affected by research, reflects a second cornerstone of Canadian foreign policy — the projection of Canadian values. Respect for human rights is also implicit in the Centre's work. The publication of this annual report coincides with the 50th anniversary of the Universal Declaration of Human Rights, which has a particular Canadian history. John Humphrey, a law professor at McGill University, played a pivotal role in drafting the declaration and urging its adoption by the United Nations General Assembly. The declaration stresses the indivisibility of civil, social, political, and economic rights. By supporting research that promotes progressive change in these areas, IDRC is helping to build an environment in which human rights and democracy can take root and flourish. Although the Centre does not have a specific mandate to fund human rights research, it nevertheless has had an impact on researchers by sheltering them from repression and reprisal by tyrannical regimes.

Canadians should be proud of the country's tradition of development assistance and IDRC's place in it. In the upcoming years, the Centre will strive to inform Canadians about how we are building on the "stones" of Lester B. Pearson's legacy and vision of IDRC as a Canadian contribution to the community of nations.

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Maureen O'Neil

President

# From Words to Work

# **M**ANDATE

To initiate, encourage, support, and conduct research into the problems of the developing regions of the world.

# CORPORATE OBJECTIVES

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



# **THEMES**

- Biodiversity Conservation
- Equity in Natural Resource Use
- Food Security
- Information and Communication
- Strategies and Policies for Healthy Societies
- Sustainable Employment

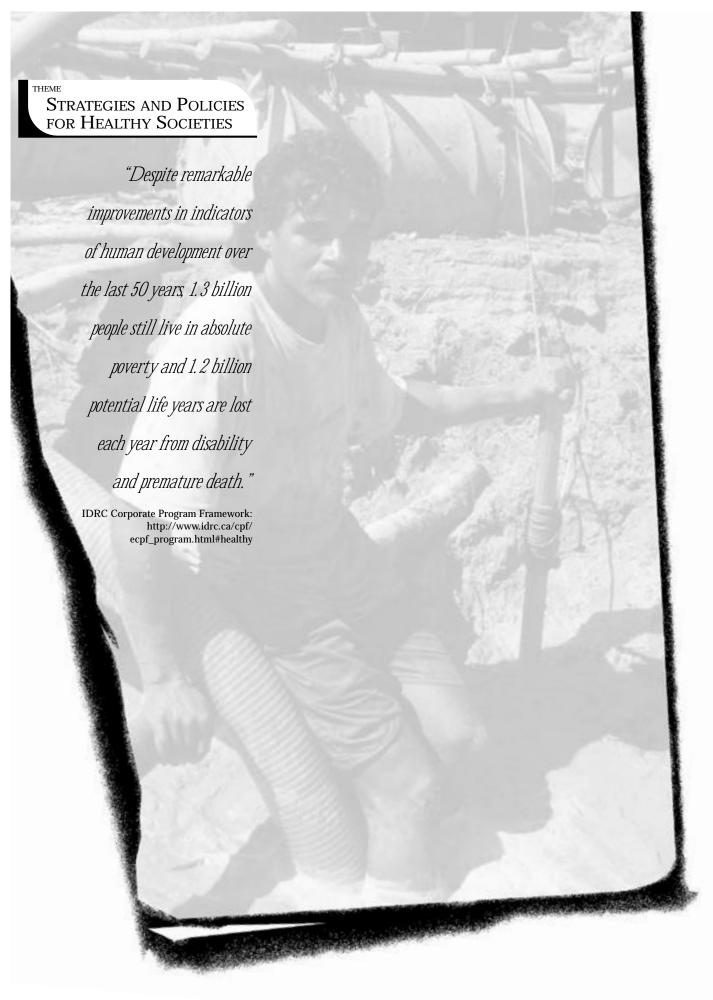
# PROGRAM COMPLEMENTS

- Canadian Partnerships
- Evaluation Networks: A Strategic Evaluation (see pages 39–41)
- Gender and Sustainable Development
- Partnership and Business Development Office
- Program Support
- Public Affairs
- Publishing
- Research Information and Management Service
- Training and Awards

# PROGRAM INITIATIVES, SECRETARIATS, AND OTHER RESEARCH ACTIVITIES

- Acacia: Communities and the Information Society in Africa
- · Africa Technology Policy Secretariat
- · Assessment of Social Policy Reform
- Bellanet Partnership for Information and Communication Technologies in Africa (see pages 31–33)
- Cities Feeding People
- Community-based Natural Resource Management
- Economy and Environment Program for Southeast Asia
- Ecosystem Approaches to Human Health
   Mercury Contamination in the Amazon (see pages 15–17)
- Environment Management Secretariat
- Essential Health Intervention Project
- Foodlinks
- International Model Forest Network Secretariat — Mexico's Model Forests (see pages 35–37)
- International Network for Bamboo and Rattan
- International Tobacco Initiative
- Learning Systems (Africa)
- Micro Impacts of Macroeconomic and Adjustment Policies — MIMAP-Philippines (see pages 27–29)

- Minga: Alternative Approaches
  to Natural Resource Management
  in Latin America and the Caribbean
   Consortium for the Sustainable
  Development of the Andean
  Ecoregion (see pages 19–21)
- Mining Policy Research Initiative
- Micronutrient Initiative
- National Environment Policy Transition Project
- Office for Central and Eastern Europe Initiatives
- Pan Networking
- · Peacebuilding and Reconstruction
- · People, Land, and Water
- Strategy for International Fisheries Research
- Small, Medium, and Micro Enterprise Innovation, and Technology
- Sustainable Use of Biodiversity
   Indigenous Knowledge Program (see pages 23–25)
- Sustainable Economic Development in Viet Nam
- Trade, Employment, and Competitiveness
- Trade and Industry Policy Secretariat
- Unganisha



# ECOSYSTEM APPROACHES TO HUMAN HEALTH

### **CONTEXT**

Think of an egg. If the white is spoiled, the whole egg is inedible. So it is with people and the surrounding ecosystem. If the physical and living environment is disrupted or damaged, then human health and well-being are bound to suffer.

Canadian researchers have done groundbreaking work on the relationship between health and ecosystems. IDRC's initiative on Ecosystem Approaches to Human Health, or Ecohealth, is now applying this concept to solving health problems in the developing world. Instead of focusing on one specific problem, the ecosystem approach looks at a spectrum of related research issues from multiple points of view. For example, the Lushoto District in Tanzania is one of the few places in the world where endemic plague, transmitted by rodents and fleas, remains a major health problem. Conventional health research might concentrate solely on the disease. Ecosystem research adds an extra dimension — it looks at how environmental factors and people's behaviour can influence the disease's spread. The Ecohealth initiative uses creative research strategies such as these to help people lead healthy and productive lives within thriving ecosystems.



#### **OBJECTIVES**

IDRC's Ecohealth initiative aims to

- Explore the relationship between human health and surrounding ecosystems;
- Describe, develop, and test new and improved research tools and methods based on the ecosystem health concept;
- Develop and test ways with a focus on local community involvement — to manage ecosystems so that people's health is improved; and
- Popularize the idea that healthy, sustainable ecosystems support healthy human populations.

#### EXAMPLES OF PROJECTS

- Canadian and Brazilian researchers work with communities in the Amazon to reduce mercury exposure.
- The West Africa Rice Development Association studies whether cultivation practices in lowland rice fields increase the rates of malaria and schistosomiasis among smallholder farmers.
- A research network in South America looks at the impact of economic development on the environment and health of people living in the Amazon.
- Researchers at the University of Guelph assess the sustainability of agricultural ecosystems in 14 farming communities in Kenya.

1997/98 APPROPRIATION: \$2.3 million

eople living along the Tapajós River in Brazil are suffering from mercury poisoning at levels of exposure that were previously considered safe. The source of the mercury was thought to be gold mining activity. But Canadian and Brazilian researchers have shown that deforestation contributes to the problem by causing the release of mercury-laden soil into the waterways, contaminating the fish. They are now working with local communities to reduce the amount of mercury in their diet.

Some 12 years ago, a gold miner walked into the clinic of Brazilian cardiologist, Fernando Branches. Although the miner complained about his heart, Dr Branches could find no cardiovascular problems. Puzzled by the ailment, he searched for other culprits. Branches knew that the miner was one of an estimated 1 million Brazilians panning

for gold in the Amazon. He also knew that mercury was used to extract the ore from river sediments. Dr Branches suspected that exposure to mercury vapours might be causing his patient's health problems. Further research confirmed his diagnosis; the miner was suffering from mercury poisoning.

Dr Branches' pioneering efforts to track the health effects of mercury contamination in the Amazon became the basis of a full-fledged study by researchers from the Université du Québec à Montréal (UQAM) and Brazil's Universidade Federal do Pará and Universidade Federal do Rio de

Janeiro. In 1993, they began to study the consequences of mining along the Tapajós River, a gold-rich tributary of the Amazon. To better gauge mercury's impact, they broadened the study beyond the health risks associated with mercury exposure and examined the extent of mercury contamination in the surrounding environment. The team they assembled included a range of specialists: biogeochemists, nurses, community health workers, a cytogeneticist, soil scientists, environmental health experts, a neurophysiologist, a fish scientist, and of course, Dr Branches. Their 3-year project has generated several scientific firsts and shed new light on mercury's toxic effects.

The researchers began their investigation around two riverside villages downstream from gold-mining activities. Each year, operations like these release approximately 130 tonnes of mercury into the surrounding environment. Almost half of it ends up in the Amazon's waterways, where temperature,

acidity, and a high level of organic matter create ideal conditions for the bacteria that transform this inorganic mercury into highly toxic methyl mercury. In this form, mercury easily enters the food chain. From bacteria to fish and finally to humans, it accumulates in tissues in ever greater amounts.

The Brazilian studies did indeed reveal widespread contamination. Mercury was present in river sediments, in every fish caught in the researchers' nets, and in people living beside the river. The researchers found that 97% of the villagers had concentrations of mercury in their hair averaging 15 milligrams per gram — well under the World Health Organization's threshold of 50. But even at this level, people showed a decline in manual dexterity and certain visual functions, such as the ability to distinguish contrasting lines.

The study is the first to show the harm-

ful effects of low-level exposure so clearly. "Most of the earlier studies focused on individuals exposed to high concentrations of mercury for short periods of time," says Dr Jean Lebel, then a UQAM doctoral student on the project, now an IDRC program officer. "In this case, the exposure was relatively weak, but it lasted for several decades."

This long-term exposure underscores another important, and unexpected, finding.

The studies showed virtually no difference in mercury exposure levels between villagers living 100 kilometres downstream and those residing 300 kilometres away from the gold-mining areas. "To our surprise, the contamination does not seem to be caused by the mercury used in gold mining but rather mercury in the soil," says Dr Donna Mergler, one of the project's leaders and a research scientist at UQAM.



LONG-TERM, LOW-LEVEL EXPOSURE TO "SAFE" LEVELS
OF MERCURY IS CAUSING NEUROLOGICAL DAMAGE IN
VILLAGERS LIVING ALONG BRAZIL'S TAPAGÓS RIVER.



Over the last 40 years, massive deforestation has stripped the riverbanks of their trees. The resulting erosion is washing soil loaded with mercury that has accumulated over millenia into the river. The project also showed that people are exposed to more mercury during the rainy or high-water season, when large carnivorous fish with the highest concentrations of mercury in their flesh are most abundant and accessible. The villagers of Tapajós prefer these fish to the herbivorous fish that have lower mercury concentrations.

These important results would not have been possible without the full participation of the villagers themselves. Everyone was interested in the study says Dr Mergler. "We talked to people and listened to what they had to say."

Researchers worked in close collaboration with community leaders, local health care workers, fisherfolk, and schoolteachers. Villagers also willingly gave hair and blood samples and provided important insights on the local ecosystem. For example, villagers told the researchers that fish consumption varied by season, information that helped researchers link fluctuations in the river's water levels to mercury exposure. The research team shared their findings with the villagers and discussed ways to reduce mercury exposure by eating more herbivorous fish, for example. This advice that was repeated back to them during a visit to a local school. Enthusiastic children greeted researchers with: "Eat fish that don't eat other fish!"

## Resources

- Working website: http://www.idrc.ca/ecohealth/index.html
- Reports webzine, "Investigating the Health Effects of Low-level Exposure to Methyl Mercury": http://www.idrc.ca/ reports/read\_article\_english.cfm? article\_num=168
- Reports webzine, "Mercury Contamination in the Amazon": http://www.idrc.ca/ books/reports/1997/19-01e.html

## **Future Directions**

he mercury project is beginning a second 3-year phase. Researchers will work with local people to minimize their consumption of mercury by focusing on dietary changes, fishing and agricultural practices, and reforestation efforts. Human exposure to mercury and ecosystem contamination will be monitored to allow researchers to track changes over 6 years and to assess the effectiveness of any new strategies to reduce mercury exposure. As well, the second phase will validate a simple test for coordination and dexterity, developed by Dr Branches, that helped researchers detect motor problems among villagers. Says Dr Lebel: "This is the type of grassroots knowledge that is built and systematized in a research project that can then be used in other studies." The test has been used in Canada where it has helped to show that people who are heavy consumers of fish caught in the St Lawrence River suffer neurological damage.

Exploring the relationship between human health and the surrounding ecosystem is still a novel area for research. The initiative will support small-scale research, workshops, and seminars to promote the concept and to stimulate scientific debate on the subject. In the future, it will look to disseminate the results of its research projects to larger international meetings and symposia.





# MINGA: Alternative Approaches to Natural Resource

## MANAGEMENT IN LATIN AMERICA AND THE CARIBBEAN

### **CONTEXT**

In rural areas throughout the world, sowing, harvesting, and home building are communal enterprises. In the Quechua language of the Andes, there's a word for this collaboration: <code>mingk'a</code>. This word not only inspires the name of this IDRC initiative, it also underscores the need for full participation by all members of society to address the problems of environmental degradation and poverty in Latin America and the Caribbean.

These problems have been exacerbated by globalization, structural adjustment, and democratization, which have fundamentally changed economic development in Latin America and the Caribbean. They have reduced the role of the state, on the one hand, and enhanced the role of multinational corporations, international agreements, and certain parts of civil society, on the other. At the same time, however, the growth of democratic institutions has lagged behind the pace of economic change. This means that the most vulnerable — the poor, women, and indigenous people — are left out of decisions being made increasingly by large-scale users of natural resources, such as agribusiness, forestry and mining companies, and hydroelectric corporations. These decisions often lead to resource degradation and impoverishment, conditions particularly evident on the hillsides, highlands, and forest margins of Central and South America.

The aim of the Minga initiative is to promote sustainable and equitable natural resource management in these fragile ecosystems by making information more available to inhabitants and by encouraging greater participation in decision-making on issues affecting their lives.



#### **OBJECTIVES**

IDRC's Minga initiative seeks to

- Identify methods and approaches for generating information and enhancing its use in natural resource management;
- Improve decisions affecting the rural poor by incorporating a broader, more inclusive approach to decision-making processes; and
- Assess the impact of these processes on the fairness, efficiency, and effectiveness of natural resource management.

#### EXAMPLES OF PROJECTS

- An Andean research consortium serves as a model for reducing poverty in fragile ecosystems.
  - http://www.idrc.ca/minga/97-8754\_e.html
- Agricultural production systems that are both sustainable and commercially viable improve the lives of poor hillside farmers and their families in Latin America. http://www.idrc.ca/minga/96-8756\_e.html
- A study focuses on a 25-year-long conflict between a small community on the Caribbean coast of Costa Rica and conservation agencies over a national park. http://www.idrc.ca/minga/97-0016\_e.html
- A University of Guelph researcher works with poor farmers in Honduras to find alternatives to slashand-burn agricultural practices. http://www.idrc.ca/minga/97-1001\_e.html

1997/98 APPROPRIATION: \$ 2.4 million

research consortium in the Andes represents the "next generation" of research and development programs on natural resource issues, combining a multidisciplinary approach with the broad participation of individuals and institutions. Some 60 partners in the Consortium for the Sustainable Development of the Andean Ecoregion plan a range of projects and activities in benchmark sites in Bolivia, Colombia, Ecuador, and Peru. Their ultimate goal is to reduce the desperate poverty in mountain communities and to restore the damaged environment.

The story is a familiar one in the mountains of the High Andes. The hillsides rising above the town of Cajamarca in northern Peru are stripped of trees and topsoil, leaving behind scrub and bedrock. Local youth have defaced the landscape and, on the outskirts of town, livestock and crops compete on exhausted

land where farmers struggle to earn \$400 to \$2 000 a year.

Thanks to a wide-ranging research and development program, however, this litany of problems is being replaced by a catalogue of successes. Farmers are building terraces to conserve soil and water as they diversify their crops by exchanging plant varieties in an annual seed fair. A food processor will soon produce an enriched flour for undernourished children. Researchers have identified simple techniques using locally available

materials to improve crop yields. And scientists meet monthly with municipal authorities, NGOs, educational institutions, and farmers associations in *mesas de concertación* — roundtable discussions to review development activities and plan future projects.

These activities are all taking place in the Cajamarca watershed. Along with similar initiatives in Bolivia, Colombia, and Ecuador, they are part of the Consortium for the Sustainable Development of the Andean Ecoregion (CONDESAN), a 60-member network committed to improving the lives of rural people in the Andes. More than 80% of the region's agricultural land rises up steep slopes, characterized by a broad range of soils and variable patterns of climate and water supply. Food production systems vary by country, altitude, and latitude. Common to all, however, are poverty and the degradation of natural resources.

Previous development efforts in the region were narrowly focused within a single discipline or on a specific agricultural commodity. But the complexity of mountain environments meant that they had little impact. CONDESAN represents a more holistic approach to development that actively involves local people in diagnosing problems and determining their solutions. Research in the high Altiplano of Bolivia and Peru illustrates this approach. In one community, a project with farmers helped to build rustic greenhouses and install systems for drip irrigation and for the collection and storage of runoff water. These practical measures boosted fruit and vegetable production, enabling farmers to increase their income by 25% over 5 years by selling their produce in nearby markets.

In the 6 years since its creation, CONDESAN has become recognized as an important mechanism for collaboration in research and information sharing on

natural resource management issues of the Andes. Its members make effective use of scarce resources by working together to plan and monitor projects. Boutros Boutros-Ghali, the former Secretary General of the United Nations, singled out the Consortium as providing a "novel approach to mountain research and development by looking at ecoregional issues in a comprehensive way and by being open



IN BENCHMARK SITES THROUGHOUT THE ANDES, CONDESAN OFFERS FARMERS ALTERNATIVES TO NONSUSTAINABLE, POVERTY-DRIVEN RESOURCE USE.

Elias Mujica, CONDESAN's

to a variety of partners."

deputy director, elaborates: "In a traditional network, each institution does its own project and they share results. What we do is strategic alliances with different kinds of institutions — NGOs, universities, private sector, governments — to do one specific project." Membership in the Consortium is flexible, adds Mujica. "Anyone can participate. The only obligation is to share — resources, programs, solutions, and money."



CONDESAN's work is concentrated in six benchmark sites — one of which is the Cajamarca watershed — that represent the various features of the Andean ecoregion. Activities include projects on biodiversity, pastures and livestock, computer simulation models of crop systems based on indigenous knowledge, natural resource economics, community development, and the application of information and communication technologies. The involvement of local communities is a key feature of the work at all sites. The mesa de concertación process reflects this broad participation. At one meeting in the town hall of la Encañada in Cajamarca, 20 delegates agreed to coordinate activities to improve children's nutrition and to promote integrated pest-control programs. Delegates included farmers and representatives of the organizations associated with the benchmark site. It has been estimated CONDESAN's investment in Cajamarca is multiplied some 10 times over by investments provided by the local institutional partners.

Important work takes place beyond the benchmark sites, such as the collection and conservation of Andean roots and tubers. Several projects focus on safeguarding the genetic diversity of these crops, which are of great economic and nutritional importance to Andean farmers. Another major initiative is Infoandina, the Consortium's communications network that supports the exchange of information among CONDESAN partners, including the publication of an electronic newsletter and the organization of electronic conferences.

## Resources

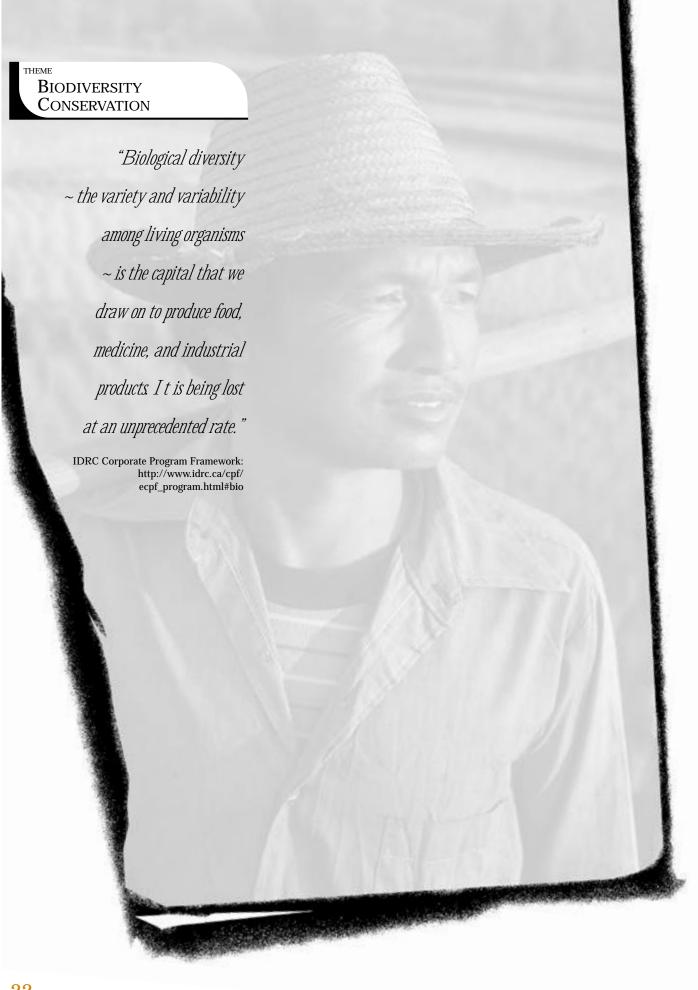
- Working website: http://www.idrc.ca/minga/ index\_e.html
- CONDESAN website: http://www.condesan.org/ index.htm
- Reports webzine, "Improving Natural Resource Management in Cajamarca, Peru": http://www.idrc.ca/reports/read\_article\_english. cfm?article\_num= 165
- *Reports* webzine, "Andean Farming for Present and Future": http://www.idrc.ca/books/reports/09highla.html
- Cover Crops in Hillside Agriculture: Farmer Innovation with Mucuna, edited by D. Buckles, B. Triomphe, and G. Sain (IDRC/CIMMYT 1998): http://www.idrc.ca/books/focus/841/index.html

## **Future Directions**

The role of Infoandina will be expanded as CONDESAN looks ahead to the next 5 years. Tentative plans include the establishment of a new benchmark site in Venezuela. As it strengthens relationships with existing partners, CONDESAN will work to increase private-sector participation in the Consortium. Already successful in translating research and development into policy (the development master plan for Cajamarca province is largely built on CONDESAN work), the Consortium wants to increase its impact on political decisions. Finally, it will explore new lines of research, such as agrotourism, and try to accelerate the research process. In the face of such pressing development problems, Mujica says: "We need to find answers in less time."

From 1997 through to the year 2000, the Minga initiative plans to support between 15 and 20 research projects in the four ecoregions where it is concentrating its resources: coastal zones, the Andean highlands, the Central American hillsides, and the Amazonian lowlands. It is expected that this support will strengthen the natural resource management skills of decision-makers in these regions, thereby helping them to use development resources more effectively





# Sustainable Use of Biodiversity

### **CONTEXT**

Indigenous knowledge is increasingly seen as vital for human survival. According to a study commissioned by the United Nations Development Programme (UNDP), without the indigenous knowledge about plants, animals, insects, microbes, and farming systems, possibly two-thirds of the world's people could not feed itself. There is therefore an urgent need for dialogue and cooperation to preserve biodiversity, avoid conflict, and ensure that the fruits of human ingenuity serve the common human good.

### **OBJECTIVES**

IDRC's Sustainable Use of Biodiversity initiative aims to

- Promote the use, maintenance, and enhancement of the knowledge, innovations, and practices of indigenous and local communities that conserve and use biodiversity sustainably;
- Support the creation of models for policy and legislation that recognize the rights of indigenous and local communities to genetic resources and to the benefits derived from those resources through intellectual property regimes;
- Develop incentives, methods, and policy options that facilitate community participation in the design and implementation of strategies for the conservation and development of agricultural and aquatic biodiversity; and
- Support the development of sustainable livelihoods and incentives for the sustainable use of natural products, especially medicinal plants.



### **EXAMPLES OF PROJECTS**

- Through the Indigenous Knowledge
   Program, indigenous groups do research,
   build capacity, and influence national
   and international policy on indigenous
   knowledge and biodiversity.
- IDRC's program for the Protection and Promotion of Biodiversity and Community Rights supports research that influences dialogue at the Food and Agriculture Organization of the United Nations (FAO) and other international fora.
- A South Asian research network awards research funds to groups and institutions to encourage them to study how agricultural diversity meets the needs of farm households while protecting the environment.
- A research network based in South America enables countries in the southern cone of that continent to cooperate on programs and activities relating to medicinal plants.

1997/98 APPROPRIATION: \$ 3.8 million

### MUTUAL RESPECT ENSURES MUTUAL SURVIVAL

ot long ago, indigenous peoples were seen as impediments to development. Today, they speak on equal terms with state representatives at international gatherings. The Indigenous Knowledge Program, hosted by a small organization in Ottawa, is helping to accelerate this change in Africa, Asia, and the Americas. The Program enables indigenous groups and individuals, often for the first time, to do research and contribute to national and international thinking on conservation and related issues.

A November 1997 workshop on biodiversity in Madrid began with a prayer ceremony led by representatives of indigenous peoples. Then the meeting got down to business. Indigenous leaders participated on equal terms with diplomats and experts from 62 states around the globe and cochaired a number of working groups.

This event signals a break in the historical relationships between indigenous and nonindigenous peoples. The new atmosphere of cooperation exists thanks, in part, to the coming into force of the Convention on Biological Diversity. The Convention asks states to respect indigenous contributions to conservation efforts. In a modest office about 15 minutes from downtown Ottawa, the Indigenous Knowledge Program (IKP) is doing its part to build respect for the indigenous viewpoint. IKP supports research,

advocacy, and grassroots action among indigenous groups.

IDRC's support for IKP is low in cost but high in value. Centre funds go mainly to IKP's small grants program to finance projects that average about \$17 000 each. Individually, each project supports concrete community-level activities. Globally, they promote research and capacity building and have the potential to influence national and international policies. A project of the Federation of Indigenous Peoples of the State of Bolivar in Venezuela serves as a good example.

The research involved a review and analysis of Venezuelan laws. The purpose was to determine what protection is accorded to biodiversity and the rights and interests of indigenous peoples. The Federation will use the results to try to increase the influence of Venezuela's indigenous peoples in the making of relevant policies and law such as recent draft legislation related to access to biological diversity.

It is designed to establish guiding principles for the study, conservation, and sustainable use of Venezuela's biological diversity. Project leaders note that indigenous peoples were not consulted on the draft legislation. The Federation contends that this lack of consultation shows how undervalued the knowledge harboured by the country's 28 indigenous peoples remains.

In its final report, the Federation is especially critical of legislation dealing with indigenous peoples. The researchers find current Venezuelan law incoherent: "Its usefulness is limited in guaranteeing the respect of the fundamental rights of the indigenous as different peoples and different cultures." The researchers say that despite all the legal instruments to protect indigenous rights, including the Convention on Biological Diversity, Venezuela's indigenous peoples are legally like

orphans with "nonexistent rights." They

feel this way because of what they called "the absence of coherent and specific legislation that permit the indigenous population, in conditions of equality, to enjoy and exercise their territorial and other fundamental rights."

The report also concludes that Venezuelan law reflects an implicit commitment to the conservation of biological diversity. The country "has a good series of juridical instruments in the environmental field that, if applied correctly, would guarantee the preserva-

tion and conservation of the environment and of biodiversity." But, says the Federation, researchers were surprised at the failure to implement many of them. In some cases, relevant international conventions are not ratified.

Just as important as the formal research and the report it generated was the subsequent, ongoing consultations with indigenous communities undertaken by the Federation. A national workshop of indigenous leaders was the centrepiece of this consultation. Its insights are reflected in the final report.



GOING, GOING, GONE? INDIGENOUS KNOWLEDGE OF OUR PLANET'S BIODIVERSITY IS AS ENDANGERED AS MANY OF THE PLANTS, ANIMALS, AND PROCESSES IT DOCUMENTS.



According to Mr Jose Luis Gonzales, Director of the Federation, this ensures that recommendations for action coincide with the wishes of indigenous organizations. Consultations on the research also help them prepare for further dialogue on these issues at the national and international levels.

The Venezuelan example illustrates a key aim of IKP: to build the capacity among indigenous groups to plan, conduct, and manage research. IKP's project-selection process itself facilitates capacity building. Projects are approved — usually about half of those submitted — by a five-person selection committee: three from IKP's steering committee, which is made up of indigenous people from the major regions of the world, and two from the advisory committee, which includes representatives of donor agencies, like IDRC, as well as experts, scientists, and indigenous representatives. According to Andrea Lindores, the Administrative Coordinator of IKP, this method combines the grassroots knowledge of IKP's regional staff with the projectapproval savvy of the donor agency representatives. Each group learns from the other.

Ms Lindores said IDRC was particularly helpful during IKP's transformation from an applicant for project funds to a fund-granting body. IDRC accepted responsibility for the organization's administration. This was important in leveraging funds from other donors. "In financing, IDRC is not by any means the largest donor," she said. "But it is definitely the biggest in technical support." IKP now has about 35 projects in various stages of development or implementation. And it has developed an efficient administrative system of its own.

## Resources

- Working website: http://www.idrc.ca/biodiversity/ index\_e.html
- Reports webzine, "Recognizing Traditional Environmental Knowledge": http://www.idrc.ca/books/reports/v211/ trad.html
- Reports webzine, "Protecting Biodiversity: Toward the Fair and Equitable Sharing of Genetic Resources": http://www.idrc.ca/books/reports/1997/24-01e.html
- Convention on Biological Diversity: http://www.biodiv.org/convtext/cbd0000.htm
- Enclosures of the Mind: Intellectual Monopolies

   A Resource Kit on Community Knowledge,
   Biodiversity, and Intellectual Property (Rural Advancement Foundation International,
   Winnipeg): http://www.rafi.ca/eotm/index.html

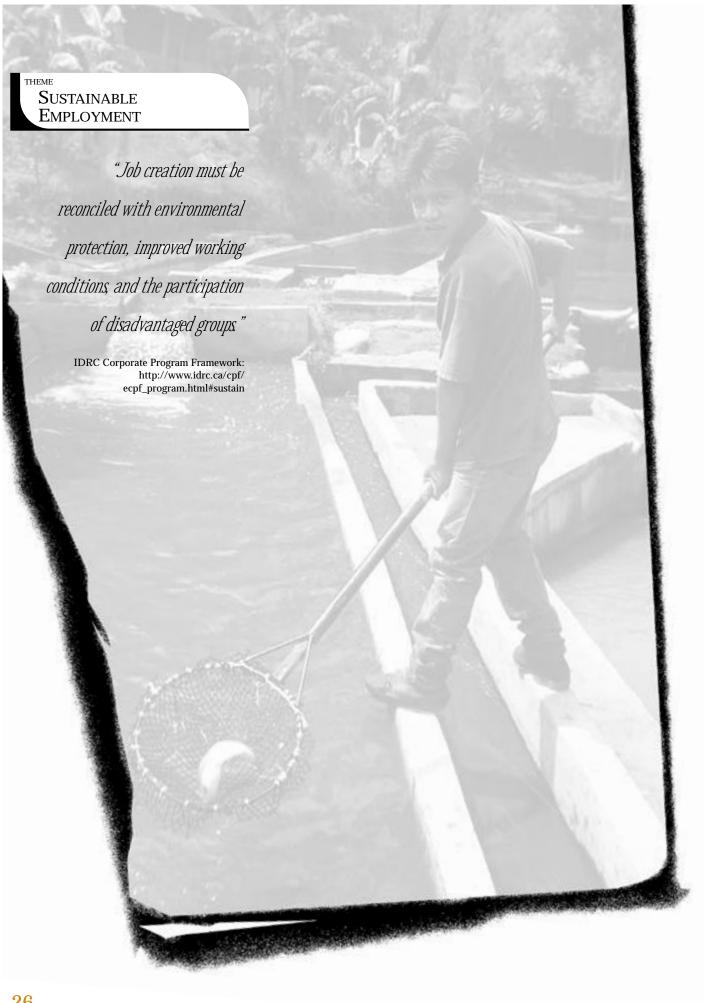
## **Future Directions**

s IKP's first round of projects comes to a close, it is apparent that most will require follow-up in the form of community action, further research, or policy initiatives. In Venezuela, Mr Gonzales sees the need for further research and advocacy to persuade the government to establish effective mechanisms to protect indigenous knowledge. IKP will be seeking new funding sources to support such follow-up while taking part in the global effort to define more clearly the rights of indigenous people under the Convention on Biological Diversity.

Increasingly, the Sustainable Use of Biodiversity initiative will unite people from different disciplines both in the definition of research problems and in the actual conduct of the research. The initiative will continue to support research networks and efforts to maximize their effectiveness. To ensure that the results of the research it supports are used, the initiative will include the participation of a wide range of stakeholders in the particular issues being studied. The initiative will also intensify implementation of a dissemination strategy directed at many audiences including local communities, researchers, and Canadian partners. Dissemination efforts will also involve players in the areas of environmental policy, development assistance, and the NGO community.



- Working with Indigenous Knowledge: A Guide for Researchers, by Louise Grenier (IDRC 1998): http://www.idrc.ca/books/847.html
- Beyond Intellectual Property: Toward Traditional Resource Rights for Indigenous Peoples and Local Communities, by Darrell A. Posey and Graham Dutfield (IDRC 1996): http://www.idrc.ca/books/799.html
- People, Plants, and Patents: The Impact of Intellectual Property on Trade, Plant Biodiversity, and Rural Society, by The Crucible Group (IDRC 1994): http://www.idrc.ca/books/725/725.html
- Traditional Ecological Knowledge: Concepts and Cases, edited by J.T. Inglis (IDRC 1993): http://www.idrc.ca/books/683.html
- Lore: Capturing Traditional Environmental Knowledge, edited by Martha Johnson (IDRC 1992): http://www.idrc.ca/books/644.html



# Micro Impacts of Macroeconomic Adjustment Policies

#### **CONTEXT**

Economic stabilization and structural adjustment came to the fore in the 1970s as the answer to severe economic imbalances in developing countries. Measures such as currency devaluation, import cuts, and reduced social spending were introduced. It soon became clear, however, that societies' most vulnerable bore the brunt of these changes. By 1987, the United Nations Children's Fund (UNICEF) was one of many national and international organizations calling for "adjustment with a human face." Despite the plea, policymakers were at a loss to find alternatives that would improve their country's economic outlook while minimizing the negative impact of adjustment measures. In 1989, IDRC launched the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) initiative to help the Government of the Philippines pursue economic stabilization and adjustment while softening the impact on the poor. Since then, MIMAP has launched projects in some 10 countries in Asia and Africa.

### **OBJECTIVES**

IDRC's MIMAP initiative seeks to

- Enhance the capacity of developing countries to analyze the impact of macroeconomic policies on their citizens;
- Provide new instruments for policy design and analysis by developing rigorous analytical tools and povertymonitoring systems;



- Strengthen the ability of policymakers to negotiate with international players, such as the banks and other multilateral and bilateral organizations;
- Bring together researchers, politicians, government officials, and NGOs in policy dialogue at the national and regional levels; and
- Promote the exchange of research results and policy dialogue among countries.

### EXAMPLES OF PROJECTS

- Filipino agencies look at the development of an integrated poverty-monitoring and indicator system, a key component in helping policymakers see more clearly the impact of policy on marginalized groups. http://pdfi.pids.gov.ph/mimap/index.htm
- Pilot project develops a set of multidimensional indicators of poverty and suggests a methodology for regular monitoring of poverty and the impact of macro policies by national institutions in Bangladesh. http://www.panasia.org.sg/mimap/bd/index.html
- Research results used by National Planning Commission of Nepal in designing that country's Ninth Five-Year Plan.
- MIMAP launches project to reinforce Viet Nam's capacity to analyze programs aimed at combating poverty.
- New approach based on data collected from rural agricultural households in Benin and Burkina Faso may prove valuable in many countries.

1997/98 APPROPRIATION: \$ 2.6 million

### ADJUSTING THE ECONOMY, PROTECTING THE POOR

ilipino policymakers in the 1980s lacked the tools to analyze and predict the impact of the strict macroeconomic policies on the poor and vulnerable. In 1989, policymakers, researchers, and community leaders joined forces, with IDRC support, to produce those tools. During December's Southeast Asia financial crisis, this bold research effort was able to provide some of the advice the Philippine government needed to help prepare national emergency economic plans.

Late December 1997, Philippine economist Celia Reyes was enjoying her 1-week Christmas vacation. As she relaxed, she kept an eye on Southeast Asia's worsening financial crisis. Then a telephone call on Boxing Day ended her vacation and, for a few days at least, the crisis was "job one" in her professional life.

Dr Reyes was asked to use models developed during the previous 8 years as part of an IDRC-funded project to help the Government of the Philippines find answers to its economic troubles. She is the project's director and this type of collaboration between researcher and policymaker was exactly what the creators of the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) initiative had envisioned.

MIMAP was born in 1989 in the Philippines. The country was then experiencing painful economic adjustment. It was negotiating old

debt and new credit. From the 1970s, economic stabilization and structural adjustment policies were used to restructure economies in the South and improve long-term economic outlooks. Reducing public expenditure and opening up local economies to foreign competition were among the chosen methods. The effects of these measures were most keenly felt by the country's poor.

In its report, *Adjustment with a Human Face*, UNICEF asked the new post-Marcos government of the Philippines to initiate an economic recovery program that emphasized both structural adjustment and improved human conditions. According to Dr Ponciano S. Intal, then with the country's National Economic and Development Authority (NEDA), policymakers focused on macroeconomic issues "partly because of a lack of data on actual impact on the poor." IDRC program staff and Filipino specialists, including Dr Intal, saw the need to consider the impact of these policies at the "micro" (family, firm, or individual) level. They devised an approach that

combined sound economic research with policy effectiveness. Dr Intal now heads the Philippine Institute for Development Studies, host of the MIMAP-Philippines project.

In addition to the Philippines, there are now MIMAP programs in nine other Asian and African countries. To be selected, countries must have significant experience in implementing structural adjustment. Also, micro-level issues must be identified (for example, the impact of structural on women or its effects on the nutritional status of poor families). And there must be local research capacity and meaningful links between researchers and policymakers. The problem must also have significance for the rest of the region.

Each program attacks the problem on three fronts. First, it develops economics models. These help in understanding

and assessing how, and how much, macro or national-level policies

affect firms, families, and individuals.

Second, a MIMAP program develops systems to monitor poverty, mainly through new indicators of well-being. These indicators go beyond traditional ones such as income and expenditure levels. In some communities, access to land and water is more important than income. In the Philippines, indicators include the prevalence of malnutrition and illiteracy. They also include

such empowerment issues as participation in elections and membership in community groups. Security issues like the incidence of armed encounters are also important.

The third component is a series of focus studies. These help to fill important blanks in the poverty picture within a particular country. However, some issues are common and lead to "thematic networks" within MIMAP. Two thematic networks are being supported, one on the environment, the other on health.



DR REYES (SECOND FROM RIGHT) AND PART OF HER MIMAP TEAM ARE HELPING TO TAKE THE STING OUT OF ECONOMIC REFORMS THAT, IN THE PAST, DISPROPORTIONATELY HURT THE FILIPING POOR



MIMAP research would not be half as valuable if it were not policy effective. True, MIMAP researchers are careful not to claim that their studies have had an impact on policy. But, whereas the Philippine government was inclined to respond to the Asian crisis with a very high fiscal surplus of some 16 billion pesos (\$600 million), the MIMAP computerized model indicated a lower surplus. At the time of writing this report, the government seemed to favour a surplus of about 1 billion pesos (\$37 million).

Dr Intal notes that MIMAP works closely with, and is often consulted by, NEDA, the Presidential Commission to Fight Poverty, the Department of Social Welfare and Development, and the National Statistics Office. Members of both the executive and legislative branches of the government are included on MIMAP–Philippines Policy Advisory Committee.

MIMAP-Philippines also maintains contacts with NGOs and the general public. It does so with the help of bulletins and the Internet. And Dr Reyes and other researchers regularly hold meetings to, and obtain feedback from, community leaders and marginalized groups. Recently, a survey was done of the 104 households in the *barangay* (village) of Real de Cacarong. It was part of a pilot test of a community-based poverty-monitoring system. The survey was conducted by researchers like Dr Reyes, but they were aided by local government officials and leaders of women's and other community groups.

## **Future Directions**

n MIMAP-Philippines, the link between researcher and policy-maker will pay off when responsibility for using the model to find answers to the Philippines' problems is transferred to NEDA. Researchers will continue developing the model so it could answer questions not even considered when MIMAP was designed.

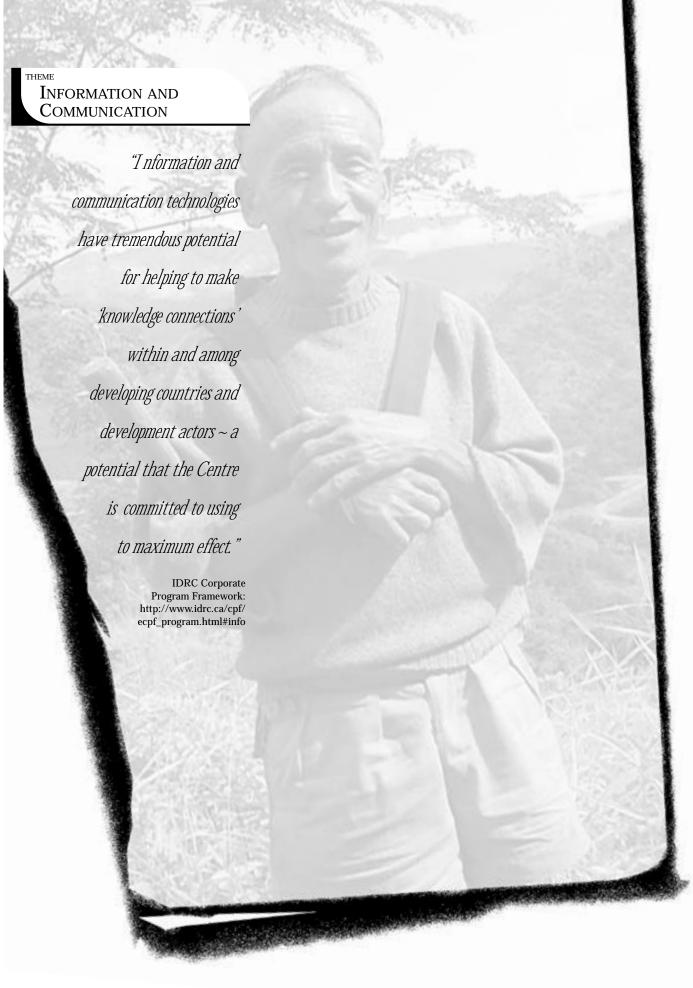
A program run by Université Laval and the Canadian Centre for International Studies and Cooperation will provide training and support on MIMAP-related methods of assessing poverty impact and monitoring poverty. Trainees will improve their knowledge of poverty monitoring and the use of economic models to understand and predict economic impact. Training will be available to all MIMAP countries: Bangladesh, Benin, Burkina Faso, India, Laos, Nepal, Pakistan, the Philippines, Sri Lanka, and Viet Nam. Three new national projects — in Ghana, Morocco, and Senegal — will come on stream in the 1998/99 fiscal year.

A third thematic network, dealing with gender, will be supported during fiscal year 1998/99. Also, a thematic network is being planned on the issue of adjustment and the financial crisis in Southeast Asia. It will study how economic adjustment could worsen or help correct the region's economic collapse. Within weeks, this crisis had cost about \$100 billion in loans and grants, with at least \$2 billion coming from Canada. Undoubtedly, MIMAP researchers could not have prevented the collapse, but they may yet help governments prevent the fallout from landing on those least able to bear it.

## Resources

- Working website: http://www.idrc.ca/mimap/index\_e.html
- Nayudamma Information Bank, "MIMAP: Economic Policies for All": http://www.idrc.ca/nayudamma/ mimap\_e.html
- Nayudamma Information Bank, "Computer Model for Analysing Third World Economies": http://www.idrc.ca/nayudamma/computer\_101e.html
- Environment, Poverty, and Implications for Sustainable
   Development in Bangladesh (Centre for Integrated Rural
   Development for Asia and the Pacific, Bangladesh, 1994):
   http://www.cirdap.org.sg/index.htm
- Poverty, Growth and the Fiscal Crisis, by Emmanuel S. de Dios et al. (Philippine Institute for Development Studies (PIDS), Philippines, 1993): http://www.pids.gov.ph/ special\_pubs.html





#### **CONTEXT**

The Bella*net* Secretariat was established to support collaboration within the development community through the use of information and communication technologies (ICTs). It grew out of a series of meetings in Bellagio, Italy, in 1993 and 1994, at which donor agencies discussed how ICTs could help them work together more effectively by reducing duplication and costs.

Bella*net* sees ICTs as tools that, by providing better ways to communicate and share information, can help organizations to build partnership — for example:

- Through electronic mailing lists, a planning committee spanning three continents overcomes constraints of time and space to communicate;
- People without full access to the Internet get webpages through email; and
- Various development organizations feed data about their activities into one website and then carry on electronic discussions based on this information.

By helping organizations make "knowledge connections," Bella*net* allows them to bring their combined strengths to solving critical development problems.

The Bella*net* Secretariat is funded by IDRC, the Canadian International Development Agency (CIDA), UNDP, The Rockefeller Foundation, The John D. and Catherine T. MacArthur Foundation, the Swedish International Development Cooperation Agency, and the Netherlands Directorate General for International Cooperation.



#### **OBJECTIVES**

The Bellanet Secretariat aims to

- Build the capacity of development organizations to use ICTs for information sharing and collaboration;
- Identify and solve problems that hinder effective collaboration;
- Help developing-country institutions acquire the ability and expertise needed to use ICTs in collaborative activities; and
- Identify, share, and apply lessons learned and "best practice" uses of ICTs for development.

#### EXAMPLES OF PROJECTS

- Web-based data-management system that provides up-to-the-minute information on ICT activities in Africa serves as a model for a larger global initiative. http://www.bellanet.org/partners/picta/ index.html
- A website and electronic mailing lists offer a forum for government ministers and development agencies in Africa to discuss education programs on the continent. http://www.bellanet.org/partners/adea/index.html
- infoDev, a program managed by the World Bank to help developing economies benefit from ICTs, puts its proposals and approved projects on the Internet. http://www.bellanet.org/partners/infodev/index.html

1997/98 APPROPRIATION: \$ 64 thousand

lmost by definition, corporate databases are closed to outsiders. As part of its mandate to promote the open exchange of information for international development, Bella*net* is helping organizations make information about their activities fully searchable over the Internet through a database-management system. First developed for agencies involved in information and communication technologies in Africa, the system is now going global.

Africa is plagued with the world's most pressing development problems: dire poverty, low life expectancy, disease, illiteracy. Against this backdrop, it may be hard to imagine how villagers living in rural Côte d'Ivoire or Kenya can benefit from information and communication technologies (ICTs). But ICTs have the potential to change the way international development works in Africa. By offering the tools to share information, ideas, and experiences,

ICTs are helping donor agencies design better development programs — programs that can deliver clean water, improved health, educational resources, and job opportunities to those same African villagers.

Among these tools is an innovative database system developed by Bella*net* for the Partnership for Information and Communication Technologies in Africa (PICTA), an informal group of donors and development agencies organized around ICT activities. These orga-

nizations each have their own corporate databases that are normally impenetrable to outside users. Using a commercial software package, Bellanet developed a way for PICTA members to manage their data directly online and display it on the PICTA website. Thanks to the African ICT–Activity Information Management System (AI–AIMS), PICTA members can now share information on project proposals, programs, planned projects, and meetings. By making such information easily and widely accessible, AI–AIMS is an important means for collaboration on development projects in Africa.

"AI–AIMS is a working tool," says Nancy Hafkin, head of the Economic Commission of Africa's team promoting information technology for development. "Before starting a project, you go there first to find out what's going on. Then you go to further communication with people already working in that area."

Hafkin adds that before Bella*net*'s involvement with PICTA, there was significant duplication of programs amongst development agencies — a problem that Africa can ill afford. "It is a cliché that collaboration and information sharing are necessary but Bella*net* is one of the few organizations that helps people do it," she says.

Bellanet is now applying this model on a larger scale through its participation in the Global Knowledge Partnership. This is a group of development agencies that is carrying on the work of GK-97, the Global Knowledge Conference held in Toronto in June 1997. GK-97 was organized by the World Bank and the Government of Canada to explore the vital role of knowledge and information in supporting and promoting sustainable development. "It was recognized that the G-7 countries and the rest of the developed world were evolving

into information societies and that the

chasm between North and South would be even bigger than the economic one," says Jean Bourassa, the officer responsible for the Global Knowledge Partnership at the Department of Foreign Affairs and International Trade (DFAIT). "That was deemed unacceptable."

This view coincided with Bellanet's objectives, which point to ways to close the information gap through collaboration. "The goals of GK-97 and Bellanet's own mandate are complementary: the

promotion of partnerships, transparency of action, and the use of emerging technologies to change the way development is approached, " says David Balson, Bella*net*'s Executive Director.



THE GOAL OF BELLANET IS BETTER DEVELOPMENT PROGRAMS, INCLUDING THOSE THAT IMPROVE THE STANDARD OF FOLICATION



Participation in GK-97 gave Balson and his Bellanet colleagues an opportunity to highlight their work, including AI–AIMS. Subsequently, members of the Global Knowledge Partnership asked Bellanet to develop a database of worldwide resources on ICT activities and programs based on the AI–AIMS model. As in AI–AIMS, participating agencies will update their information online and make it part of a common site, in this case the Global Knowledge–Activity Information System (GK–AIMS). It will comprise several elements, including profiles of organizations involved in ICT programs, projects — past, present, and proposed — of each organization, and an online repository for full-length documents. All this information will be just a point and click away on the Internet.

Bella*net* will demonstrate GK–AIMS at a meeting of the Global Knowledge Partnership in June 1998 and publically launch it soon after. In addition to Bella*net* and the Global Knowledge Partnership, GK–AIMS is supported by the infoDev program and the Economic Development Institute of the World Bank. "GK–AIMS is one of the basic products that is going to be necessary for these agencies to work more closely together to exchange information about their programs, their projects, and their pipeline activities." says Balson. "Without that knowledge, the building of partnerships is greatly hampered."

## **Future Directions**

GK–AIMS represents a significant advancement in information management, but Bella*net* sees it only as an interim step. It is working to make it even easier for organizations to make their data more accessible, thus ensuring the sustainability of global information sharing. It aims to develop a mechanism by which organizations would maintain information on their own websites without contributing to an outside database like GK–AIMS. This would involve organizations updating their data in a standardized format. Then a web crawler could search the sites and generate a comprehensive package of information tailored to any organization's or user's stated needs.

In 1997, Bella*net* underwent a midterm review that confirmed an earlier decision to change its strategy for increased impact. Bella*net* is focusing less on specific development issues and more on working with development partners that are committed to the idea of collaboration and that are open to experimenting with ICTs to reach their goals. Bella*net* has posted its "report card" on its website as part of its efforts to promote transparency (see http://www.bellanet.org/partners/ldia/bellanet/index.html).

## Resources

- Bellanet website: http://www.bellanet.org/ index.html
- Partnership for Information and Communication Technologies in Africa (PICTA), including information resources grouped under AI–AIMS: http://www.bellanet.org/partners/picta/ index.html
- Global Knowledge–Activity Information System (GK–AIMS): http://resources.bellanet.org/ gkaims/index.cfm
- From Workplace to Workspace: Using Email Lists to Work Together, by Maureen James and Liz Rykert (IDRC 1998): http://www.idrc.ca/books/ 848/index\_e.html





# THE INTERNATIONAL MODEL FOREST NETWORK

#### **CONTEXT**

The critical environmental, social, and economic role of forests is well documented. So too is the fact that they are disappearing at an alarming rate. Given this understanding, the notion of a "model forest" likely conjures up images of pristine forests and preserved areas far from the intrusion of people. In reality, however, model forests are about people and how they use and interact with the forest ecosystem and the many resources linked to it, such as soil, water, and wildlife. Many include preserved areas such as parks together with lands used for other production purposes such as agriculture.

Model forests are also about community-based partnerships and about people learning to make decisions together. Local partnerships try to bring together all the players who see value in forests: industries, environmental groups, community associations, indigenous peoples, landowners, and governments. Working together, the partnership develops a common vision of sustainable development and of sustainable forest management.

A model forest is therefore a process in which the community decides how to use the forest and its related resources to best meet its needs. The International Model Forest Network (IFMN) allows local partners to share their knowledge with others. Indeed, networking is an essential part of the model forest picture. IMFN acts as the pipeline that links model forest practitioners with each other, with relevant international bodies, and with policy discussions at the global level.

IMFN currently includes the countries of Canada, Chile, Japan, Malaysia, Mexico, Russia, and the United States.



The Network is funded by IDRC, CIDA, DFAIT, and the Canadian Forest Service of Natural Resources Canada. Together, these partners provide approximately \$1.3 million per year to assist those countries within the Network and support those countries interested in joining the Network.

#### **OBJECTIVES**

The IMFN Secretariat fosters cooperation and collaboration in advancing management, conservation, and sustainable development of forest resources through a worldwide network of working model forests. Specifically, the Secretariat

- Encourages international cooperation and exchange of ideas relating to sustainable forestry;
- Supports international cooperation in critical aspects of forest science and social science that underlie the search for new models of forest management; and
- Supports ongoing international discussions on the criteria and principles of sustainable development.

## MODEL FORESTS AROUND THE WORLD

- Mexico Calakmul Model Forest,
   Chihuahua Model Forest, Monarch Butterfly
   Model Forest
- Canada Fundy Model Forest, Waswanipi Model Forest, Eastern Ontario Model Forest, Manitoba Model Forest, Foothills Model Forest, Long Beach Model Forest (five others)
- Russia Gassinski Model Forest
- United States Cispus Model Forest, Applegate Model Forest, Hayfork Model Forest

1997/98 APPROPRIATION: \$ 4.0 million

atural resources are often a source of conflict. The International Model Forest Network brings together forest users of all stripes to form partnerships and develop a sustainable resource-management plan that all parties can support. In Mexico, model forests have become a dynamic force for community development that is wholly endorsed by the central government. Each model forest responds to the particular needs of the communities living within its boundaries. To ensure that the lessons learned in Mexico are shared, networking on a local, regional, and international scale is a priority.

"The model forest concept is simple in theory but complex in its application," says Fred Johnson, the Executive Director of IMFN. "Each player in the model forest partnership uses the forest and its related resources in a variety of ways. Each

comes to the table with expectations and demands on the forest ecosystem that are driven by social, economic, and environmental viewpoints that are often in conflict. The challenge is therefore to bring balance into these competing demands and to understand the consequences and trade-offs of actions and activities so that informed decisions can be made."

The challenge is there in every model forest, for each is unique. The partnership and the activities within each model forest must reflect the differences in the social, cultural,

economic, and political setting of each model forest area.

Although they are structured and operate within their particular context, each model forest has the common attribute of a partnership with the desire to share experiences and information through networking. Each model forest also covers a range of activities, including research, education, and economic diversification.

Model forests in Mexico are an excellent example of the diversity and range of activities that can occur within different locales. Like all model forests, they are large-scale experiments that cover a land base of significant size, such as a watershed. The Chihuahua and Calakmul model forests were created in 1993. A third, the Monarch Butterfly Model Forest, was added in 1997. Each present a different story of how people can work together to recognize and enhance the economic, social, and environmental values of the forest.

#### Calakmul Model Forest, Campeche State, Mexico

Education is of particular importance to the wise management of the Calakmul Model Forest. Of the 16 000 or so people living in the model forest area, half are under the age of 15 years. The young and women, two of the most marginalized groups in the region, are the targets of education efforts.

Environmental education programs are a means to integrate local populations in plans to manage sustainably the region's resources. They are the key to shifting attitudes and behaviours toward the use of the natural resource base. A wide range of tools are used, including

- Workshops and training courses (for women's groups, school teachers, children, students, and others);
  - Community meetings to exchange information and experiences on the use of tropical forest plants and wild game as food sources; and
  - Video presentations to attract attention and lead public discussion on key environmental issues such as the importance of forests in terms of the food chain and its ecology, fauna, flora, and importance to a family's needs and values.



MODEL FOREST PROGRAMS EXPAND THE LIVELIHOOD
OPTIONS FOR LOCAL PEOPLE AND REDUCE THE CONFLICT
OFTEN ASSOCIATED WITH COMPETING RESOURCE USES.

#### Chihuahua Model Forest, Chihuahua State, Mexico

In any model forest, knowledge about the state of the local resources is essential for making informed management decisions. Without reliable, up-to-date information, decisions on how to exploit or conserve natural resources will occur within a vacuum, and the positive or negative results of the management decisions cannot be accurately assessed. Research into the development of tools, such as resource inventories, to provide base information is critical if the partners are to develop and elect the strategies that best meet their social, environmental, and economic objectives.

For the Chihuahua Model Forest, research has helped develop a geographic information system (GIS) that maps and analyzes the 110 100-hectare model forest. This computerized tool allows partners to examine different management and development scenarios that take into account social, economic, and environmental dimensions and impacts.

The program will develop a series of thematic maps on climatic data, infrastructure and roads, human settlements, tourism activities, soil and vegetation, forest productivity, wildlife and habitat, and specific tree species distribution, all within a single database. Partners can easily see the possible effects of their proposed decisions.

#### Monarch Butterfly Model Forest, Mexico and Michoacan states. Mexico

Model forests play an important role in addressing local needs such as food security and alternative economic development. Traditionally, forests have been managed mostly for timber or cut to clear land for farming. Economic diversification addresses the potential benefits of other uses for the model forest.

The Monarch Butterfly Model Forest has embarked on an economic diversification program to reduce the pressure its 900 000 inhabitants exercise on the land and its resources. This program is designed to provide alternative income-generating options, such as tourism, to the local communities.

From October to March every year, millions of monarch butterflies find refuge in the forested mountains of the states of Michoacan and Mexico. Thanks to this spectacular migration, and other attractions in the region, tourism has become increasingly important for many of the 22 municipalities that lie within the model forest. The local partnership will mobilize communities, other organizations, and institutions to improve tourism facilities and overall forest management, thereby generating additional income for the local people while preserving the habitat of the monarch butterfly.

### Resources

- Working website: http://www.idrc.ca/imfn/index.html
- IMFN Annual Report, 1996–1997: http://www.idrc.ca/imfn/ar9697\_e/index.html
- Model Forest Media Kit: http://www.idrc.ca/media/for-index\_e.html
- Reports webzine, "Protecting Mexico's Tropical Forests: The Calakmul Model Forest Program": http://www.idrc.ca/books/reports/1996/23-01e.html
- Leads 9(2), "A Forest Grows in Chile: An Island in Chile is Home to the Newest Model Forest": http://www.idrc.ca/media/Lds-9-2.html#Forest
- John G. Bene Fellowship in Social Forestry Research (focus: Jean-Philippe Linteau): http://www.idrc.ca/awards/elint.html

### **Future Directions**

he creation of the Monarch Butterfly Model Forest is an important step toward developing a Mexican model forest network and a national strategy to implement sustainable management policies at the local level. Given that 80% of the forested lands in Mexico are community owned, this local component is vital to any future plans to develop the country's forest resources sustainably.

In late 1997, the Canadian partners supporting IMFN assessed that their experience with the Network had been very positive, both in Canada and internationally. They indicated to members of the Network and to other interested countries that they would continue their support for IMFN and its secretariat to March 2000. They stated, however, that Canada was looking for partners to collectively chart the future of IMFN and define a process to truly internationalize it. In an informal meeting held during the World Forestry Congress in Antalya, Turkey, agreement was reached amongst 12 countries on a process to achieve this goal. Negotiations are now underway.





### **EVALUATION**

#### **CONTEXT**

IDRC's challenge is increasingly one of ensuring that development research achieves results. Pressure on official development assistance funds and greater demand for public accountability have put IDRC's performance as a development agency under scrutiny as never before. The Centre's resultant commitment to being a results-oriented organization has led to the decentralization of program responsibilities and a shift to programs that cut across sectors and academic disciplines. Such innovations increase the need to monitor performance and measure program achievements. So, a separate Evaluation Unit was created in 1991, a decade after the evaluation function was established within IDRC as part of the former Office of Planning and Evaluation.

#### **OBJECTIVES**

The evaluation function is decentralized throughout IDRC. The Evaluation Unit, in its coordinating role, has four major objectives:

- To develop and coordinate IDRC's evaluation activities and systems;
- To strengthen the capacity to do evaluation;
- · To improve evaluation tools and methods; and
- To promote the dissemination of evaluation information and its use for decision-making by IDRC, its recipient institutions, and other agencies concerned with research for development.





#### **EXAMPLES OF ACTIVITIES**

- The Evaluation Unit supported a review of IDRC-funded networks and their place in development programing.
- The unit contributes to IDRC's accountability by integrating project-, program-, and corporate-level evaluations into the Centre's overall reporting and decision-making cycles.
- Evaluation's capacity building within IDRC includes secondments, technical support, and specialized training.
- A project jointly funded with the World Conservation Union has developed tools and training materials for assessing whether a program is making progress toward sustainable development.

1997/98 APPROPRIATION: \$ 0.8 million

### NETWORKS: A STRATEGIC EVALUATION IMPROVES EFFECTIVENESS

nowing the value of networks in development research, IDRC established a network project on regional development and indigenous minorities in Southeast Asia. The research conducted has great merit. However, the networking component has proven a failure. Rather than hiding this failure, IDRC, through its Evaluation Unit, drew valuable lessons from it.

"Despite the clear merit of the initiative, the consensus is that, as a network, the project failed." These words, contained in a paper commissioned by IDRC, were used to describe the IDRC-supported Regional Development and Indigenous Minorities in Southeast Asia (RDIMSEA) Network. That commissioned paper formed part of an overall review of the Centre's experience with networks. The candour of the paper and of the entire review reflects the importance IDRC attaches to evaluation and

to learning both from success and from error.

Shortly after the review was completed, in late 1996, the Centre made networks a key feature of the strategy guiding its work for the rest of the century. The Centre aims to consolidate or establish at least 15 major regional and interregional research networks as well as 12 multidonor consortia or secretariats by 2000.

Networks are not new to IDRC. For every dollar spent by the Centre, about 30 cents helps support a

research network. This emphasis grew spontaneously out of IDRC's relations with researchers in the South. It has become increasingly formalized in recent years. "The network review," says Director of the Evaluation Unit, Terry Smutylo, "was ready just in time to buttress and inform our making networks even more formally a part of programing at IDRC in the period leading up to 2000." Previous evaluations had examined networks, but only as they related to a specific project. This study extended this earlier work and sought to generate suggestions on how IDRC could improve the overall use of networks in its programing strategy.

Coordinated by Dr Anne K. Bernard, the network review supports the growing recognition that networks are indispensable to efficient scientific research and technology adaptation. However, the RDIMSEA Network failed because

- The need for a network in this case was not clearly established:
- The groups involved showed no excitement for being part of the network;
- There was no success in overcoming the divisions between the academics and the activists or in addressing cultural, linguistic, religious, political, and economic differences among the researchers; and
- Active participation of indigenous minorities in the research process and in decision-making was not clearly addressed in the project.

Indeed, the central message of the network review is that IDRC and other donors should nourish the relationships within networks and should maintain

"contact, but not control."

The review suggests four key factors in successful networks. The first is ownership. Unless members of a network are interested enough to accept responsibility for its success, the network is not likely to survive after donors withdraw.

The second success factor is learning through diversity. Networks, according to the study, need to allow and encourage the effective use of the variety of experiences, insights, and interests of their members.

Networks therefore have the potential for new learning, new ideas, and new skills. However, as shown in the case of the Southeast Asian network, they also need to find ways to avoid or overcome the conflicts that can arise from these differences.



UNDERSTANDING WHAT WORKS AND WHAT DOESN'T IN DEVELOPMENT RESEARCH IMPROVES IDRC PROGRAMING AND ULTIMATELY BENEFITS PEOPLE IN THE DEVELOPING WORLD.



The third factor, also necessary for success, is the creation of shared goals and aspirations. Goals should be clear enough to encourage informed participation. They should also be flexible enough to allow for changes. This leads to the fourth success factor identified by the review: the ability to manage change. Evolution and adaptation are to be expected. They can be well managed if blessed with continuity of membership, coordination between a network and its donors, and the development of negotiation, communication, and management skills.

The study also outlines the risks associated with networks. For example, the very flexibility that makes networks valuable can make them difficult to monitor or control. Also, they give few early warning signs of impending problems. And they require a high level of commitment of time and energy and do not generally produce quick results. "It is estimated," the review states, "that a network can take 5–7 years to gain the necessary legitimacy to influence policy."

### Resources

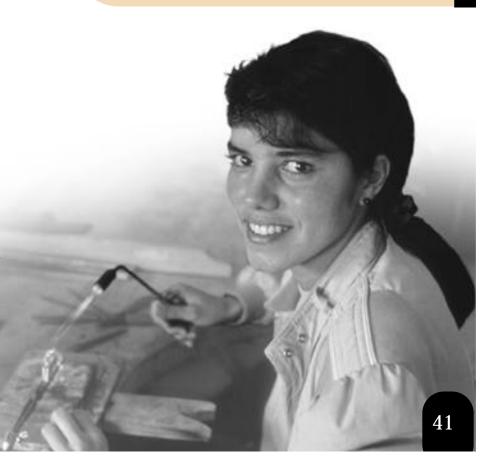
- Evaluation Unit website: http://www.idrc.ca/evaluation/index\_e.html
- Reports webzine, "Project Leader Tracer Study Reviews IDRC's Performance": http://www.idrc.ca/books/reports/1996/ 14-01e.html
- Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC's Research Partners (IDRC 1995): http://www.idrc.ca/books/focus/771/ index.html
- An Approach to Assessing Progress Toward Sustainability: Tools and Training Series (IUCN, Switzerland, 1997): http://www.iucn.org/index.html
- In Person: Profiles of Researchers in Africa, Asia, and the Americas (IDRC 1995): http://www.idrc.ca/books/738/738.html

### **Future Directions**

IDRC will support more and more projects grouped together as networks. This responds to recipients' interests in overcoming the isolation that many of them feel and to their peers, who could use the results of IDRC-supported research. But as the network review shows, networks are not a panacea. The choice of the manager or coordinator is crucial. He or she must have the time and resources to build up the network and establish its objectives and modus operandi in ways that ensure ownership by all the participants. IDRC's Program Branch and Evaluation Unit will work with staff over the coming year to maintain and improve the networks the Centre funds.

Both within IDRC and in the world of development-research evaluation as a whole, the future is likely to see greater movement toward participatory approaches. The Centre will explore new ways to enhance the participation of recipient institutions and the beneficiaries of programs in design, data collection, analysis, and interpretation of findings. Research organizations will also be encouraged to build evaluation into their projects and programs from the beginning. In this way, evaluation will be seen increasingly as a management tool used by the organization rather than appearing to serve a policing function.

Already, IDRC program teams establish performance targets as part of a work plan or prospectus that is approved by the Board of Governors. Program leaders and their teams assume responsibility for monitoring progress toward the achievement of those targets. This system of evaluation against agreed targets will receive greater emphasis in the future.



# GOVERNANCE UITCES

### LEADERSHIP FROM THE SOUTH

To adequately reflect the priorities of the developing world, the IDRC Act called for an international Board of Governors. Its members are appointed because of their concern for, and expertise in, development issues. They oversee all of IDRC's activities and are responsible for ensuring that the Centre fulfils its mandate.

The 21 governors are appointed by the Governor-in-Council on the advice of the Minister of Foreign Affairs. Its chairperson, vice-chairperson, and nine others must be Canadians. In practice, seven of the remaining governors are internationally known researchers from developing countries. The final three are from industrialized countries. The chairperson is appointed for a term not exceeding 5 years and other governors for terms not exceeding 4 years.

Translating the direction set by the Board of Governors into the daily operations of the Centre requires a variety of policy, executive, administrative, and service functions. These functions are discharged by the personnel within the President's Office, the regional offices, and the Centre's three branches: Program, Corporate Services, and Resources.

IDRC's staff are also a reflection of the communities they serve. They come from more than 50 countries, speak more than 60 languages, and have earned hundreds of university degrees, diplomas, and certificates. Together, the staff and governors of IDRC are proud products of the North and the South.

#### **BOARD OF GOVERNORS**

Gordon S. Smith, Chairman, Board of Governors, Victoria, Canada

Former Deputy Minister of Foreign Affairs and the Prime Minister of Canada's personal representative (Sherpa) for economic summits

The Honorable Flora MacDonald, Chairwoman, Board of Governors, Ottawa, Canada\* Former Member of Parliament and Cabinet Minister

Maureen O'Neil, President, IDRC, Ottawa, Canada Former President of the North–South Institute and Chair of the International Centre for Human Rights and Democratic Development Marie Ann Battiste, Saskatoon, Canada Associate Professor, Indian and Northern Education Program, University of Saskatchewan, and Executive Director of the Apamuek Institute in Eskasoni, Nova Scotia

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

José J. Brunner, Santiago, Chile Minister of the Presidency, Office of the Minister Secretary-General of Government, Chile

Albert J. Butros, Jubeiha, Jordan Professor of English, University of Jordan, former special advisor to HRH Crown Prince Hassan of Jordan, and former Jordanian ambassador to the United Kingdom

Jocelyne Côté-O'Hara, Ottawa, Canada\*\*

President and Chief Executive Officer, Stentor Telecom Policy Inc.
(a Canadian telecommunications company)

Brian A. Felesky, Calgary, Canada\* Lawyer, tax specialist, and senior partner, Felesky Flynn Barristers

Joan E. Foley, Toronto, Canada Professor of Psychology, University of Toronto

Jacques Gérin, Montréal, Canada Consultant, Hatch & Associés, inc., former Deputy Minister for the environment, and former Vice-President of the Canadian International Development Agency

Jon K. Grant, Toronto, Canada Chair, Ontario Round Table on Environment and Economy, and former President and Chief Executive Officer of Quaker Oats

Donna S. Kaufman, Toronto, Canada Barrister, solicitor, and consultant

Huguette Labelle, Ottawa, Canada President, Canadian International Development Agency

Miguel de la Madrid Hurtado, Mexico City, Mexico Director, Fondo de Cultura Economica and former President of Mexico

Dan M. Martin, Chicago, USA
Director, World and Environment Resources Program, The John D.
and Catherine T. MacArthur Foundation

Ivy F. Matsepe-Casaburri, Bloemfontein, South Africa Premier, Free State of South Africa, and former Chair, Board of the South African Broadcasting Corporation

Jean-Guy Paquet, Québec, Canada President and Chief Executive Officer, National Optics Institute, and former President of the Université Laval and Chief Executive Officer of Laurentian Life Inc.

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

Sir Shridath Ramphal, Guyana

Co-chairperson, Commission on Global Governance, and former Commonwealth Secretary-General

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

Paulynn Sicam, Makati City, Philippines Peace and Human Rights Desk, Benigno Aquino Foundation, and former Commissioner in Charge of Education and Information, Philippine Commission on Human Rights

Olav Slaymaker, Vancouver, Canada Professor of Geography, University of British Columbia

Note: One vacancy as of 31 March 1998.

- \* term ended June 1997.
- \*\* term ended March 1998.

### SENIOR MANAGEMENT COMMITEE

Maureen O'Neil, President

Former President of the North–South Institute and Chair of the International Centre for Human Rights and Democratic Development

Ray Audet, Vice-President, Resources, and Chief Financial Officer

Joined IDRC, from Canadair Ltd, in 1971 as Comptroller, became Vice-President, Resources, in 1983 and Chief Financial Officer in 1995

Pierre Beemans, Vice-President, Corporate Services Development expert and former Director General of the Canadian International Development Agency Caroline Pestieau, Vice-President, Program

Economist, permanent member of the now disbanded Economic

Council of Canada, and former Research Director and Head

of the Montréal Office of the C.D. Howe Institute

John Hardie, Director, Policy and Planning Former agricultural economist with the Overseas Development Administration (UK) and Agriculture Canada

Roger Finan, Regional Director, South Asia Regional Office Chartered management accountant with broad international experience acquired in the private and public sectors of Europe and the developing world

Eglal Rached, Regional Director, Regional Office for Middle East and North Africa

Renewable resources and agriculture specialist with research interests in dryland water management and desertification

Eva M. Rathgeber, Regional Director, Regional Office for Eastern and Southern Africa

Former Research Fellow, Centre for Developing Area Studies, McGill University, Montréal, Canada

Randall W. Spence, Regional Director, Asia Regional Office Former senior economist, Government of Kenya

Carlos Seré, Regional Director, Regional Office for Latin America and the Caribbean

Agricultural economist and former senior economist in the Tropical Pastures Program of the International Institute for Tropical Agriculture

Sibry Tapsoba, Regional Director, Regional Office for West and Central Africa

Former Professor, Institut des sciences de l'éducation, University of Ouagadougou, and instructor at l'École nationale d'administration et de magistrature, Burkina Faso

Marc Van Ameringen, Regional Director, Regional Office for Southern Africa

Former consultant and market researcher, Investment and Hotel Consultants Inc.

# How to Reach Us 11 CeS

#### ON THE INTERNET

World Wide Web: http://www.idrc.ca/index\_e.html

Email: info@idrc.ca (to get general information)

reference@idrc.ca (to reach library reference desk)

order@idrc.ca (to order books or subscribe to Reports webzine)

pub@idrc.ca (to get information on IDRC publications)

mag@idrc.ca (to send a letter to the editor of Reports webzine)

Telnet: ddbs.idrc.ca (to access library catalogues and databases)

#### **HEAD OFFICE**

PO Box 8500, Ottawa, ON, Canada K1G 3H9

Street address:

250 Albert Street, 5th floor, Ottawa, ON, Canada K1P 6M1

Phone: (+ 1-613) 236-6163 Fax: (+ 1-613) 238-7230

#### **AFRICA**

#### Regional Office for Eastern and Southern Africa

PO Box 62084, Nairobi, Kenya

Street address:

Liaison House, 2nd and 3rd floors, State House Avenue, Nairobi, Kenya (please address all mail to the IDRC

Regional Director)

Phone: (+ 254-2) 713160/1, 713273/4, 713355/6,

713578/9, 713690/1, 713699

Fax: (+ 254-2) 711063 Email: chunja@idrc.ca

#### Regional Office for the Middle East and North Africa

PO Box 14 Orman, Giza, Cairo, Egypt

Street address:

3 Amman Square, 5th floor, Dokki, Cairo, Egypt

Phone: (+ 20-2) 336-7051/52/53/54/57

Fax: (+ 20-2) 336-7056 Email: ckameel@idrc.ca

World Wide Web: http://www.idrc.ca/cairo/index\_e.html

#### Regional Office for Southern Africa

PO Box 477, WITS 2050, South Africa

Street address: Braamfontein Centre, 9th floor, 23 Jorissen Street, Braamfontein, Johannesburg 2001

South Africa

 Phone:
 (+ 27-11) 403-3952

 Fax:
 (+ 27-11) 403-1417

 Email:
 hpapacon@idrc.ca

World Wide Web: http://www.idrc.org.za/index\_e.html

#### Regional Office for West and Central Africa

BP 11007, CD Annexe, Dakar, Senegal

Street address:

Avenue Cheikh Anta Diop, Angle Boulevard de l'Est,

Dakar, Senegal

Phone: (+ 221) 8244231, 8240920 Fax: (+ 221) 8253255

Email: kndiaye@idrc.ca

World Wide Web: http://www.idrc.ca/braco/index\_e.html

#### **A**SIA

#### Asia Regional Office

Tanglin PO Box 101, Singapore 912404, Republic of Singapore

Street address:

30 Orange Grove Road, 7th floor, RELC Building, Singapore 258352, Republic of Singapore

 Phone:
 (+ 65) 235-1344

 Fax:
 (+ 65) 235-1849

 Email:
 asro@idrc.org.sg

World Wide Web: http://www.idrc.org.sg/index\_e.html

#### South Asia Regional Office

17 Jor Bagh, New Delhi 110003, India

Phone: (+ 91-11) 461-9411/12/13
Fax: (+ 91-11) 462-2707
Email: postpe10@idrc.ca

#### LATIN AMERICA AND THE CARIBBEAN

#### Regional Office for Latin America and the Caribbean

Casilla de Correo 6379, Montevideo, Uruguay

Street address:

PZA. Cagancha 1335, Piso 9, 11100 Montevideo, Uruguay

Phone: (+ 598-2) 902-20-31 to 34, 902-20-37 to 43

Fax: (+ 598-2) 902-02-23 Email: lacroinf@idrc.ca

World Wide Web: http://www.idrc.ca/lacro/index.html



## HIGHLIGHTS hlights

#### PARLIAMENTARY GRANT

Because of a postbudget increase in the international assistance envelope, IDRC's Parliamentary grant for 1998/99 will be \$86.1 million, significantly more than the expected level of \$80.9 million.

#### **OPERATIONAL COSTS**

IDRC has achieved a 23% reduction in its cost of operations over the last 5 years through a combination of cost reduction and cost recovery.

#### IS/IT PLAN

1997/98 was the 1st year of a 3-year corporate plan in information systems and technologies that will better integrate financial, project-management, travel, and human-resource systems.

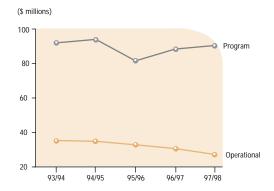
#### RESOURCE EXPANSION

Resource-expansion revenues reached a new high of \$29.5 million, \$9.0 million more than in 1996/97.

## INTRODUCTION duction

In response to the federal government's deficit-reduction program, IDRC continued its efforts during the year to reduce operational costs. Since 1993/94, IDRC has reduced its administrative costs by 23.0%. During this period, IDRC has been able to maintain a high level of program expenditures because of the growth in resource-expansion activities. Program and operational expenditures over the last 5 years are illustrated in Figure 1.

Figure 1 Program and operational expenditures: 1993/94 to 1997/98



The Centre's relatively new experience in resource expansion has shown that it stimulates innovative thinking, increases options for adaptive behaviour, and keeps the Centre in the forefront of institutions dealing with research and knowledge for development. It is also a means by which the Centre can maintain its ability to provide support to its current and future recipients. To assist in this effort, an interbranch working group was established to ensure a coordinated corporate approach to resource expansion.

IDRC has been a leader in the emerging field of information technology (IT) for development. Some major IT-intensive initiatives have been launched. There is a need for the Centre to ensure that it is adequately equipped to support these high-profile efforts and that it invest wisely in IT to strengthen its underlying operations. Some of these investments are necessary to avoid year 2000 problems; others will provide the infrastructure necessary to improve communication, including that between headquarters and the regional offices. For these reasons, senior management approved a 3-year corporate business plan in information systems and technologies (IS/IT) in July 1997.

#### **REVENUE**

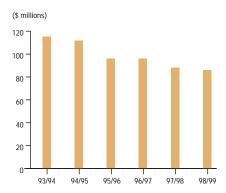
Table 1 Revenue (\$000) for 1997/98 and 1996/97.

		1997/98				
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)	
Total revenue	\$118 501	\$122 278	3.2%	\$121 115	1.0%	
Parliamentary appropriation (grant) Regular Supplementary	88 111 4 950	88 111 1 800	0.0% -63.6%	96 100 1 427	-8.3% 26.1%	
Resource-expansion activities	22 380	29 487	31.8%	20 512	43.8%	
Investment income	2 260	1 832	-18.9%	2 046	-10.5%	
Other income	800	1 048	31.0%	1 030	1.7%	

For the reporting period, revenues were \$122.3 million, representing a slight increase of \$1.2 million (1%) from the previous year's total of \$121.1 million.

IDRC's primary source of revenue is its Parliamentary grant. For 1997/98, the grant was \$88.1 million, representing a reduction of \$8.0 million (8.3%) from the 1996/97 level. IDRC was expecting a further reduction of \$7.2 million for 1998/99, bringing the grant level to a 10-year low of \$80.9 million. A postbudget change to the international assistance envelope, however, resulted in a significantly lower reduction for IDRC. For 1998/99, the grant will be \$86.1 million. Figure 2 illustrates the decline in the Parliamentary grant since 1993/94.

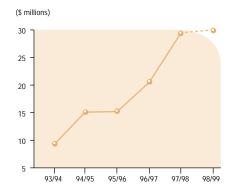
Figure 2 Parliamentary grant: 1993/94 to 1998/99.



In 1993/94, IDRC received a supplementary grant of \$15.0 million to carry out a health-support initiative in Africa. This activity was ongoing during 1997/98, with revenues of \$1.8 million recorded. The unspent portion of this grant is reported as deferred revenue on the balance sheet.

As the Parliamentary grant continued to decline in recent years, IDRC remained vigilant in its efforts to diversify its revenue base. Resource-expansion activities include all funds managed or administered by IDRC on behalf of other organizations for projects that fall within the Centre's mandate. This includes activities such as cofunding of projects, administering of secretariats, and the contracting of IDRC staff to administer or conduct development research on behalf of other organizations. To 31 March 1998, these revenues and expenditures totaled \$29.5 million, an increase of \$9.0 million (43.8%) over last year. Of this amount, \$18.0 million was for the Micronutrient Initiative. For 1998/99, IDRC estimates a revenue of \$30.0 million for resource-expansion activities. Figure 3 illustrates the growth in resource-expansion revenue over the last 5 years, with a projection for 1998/99.

Figure 3 Resource-expansion revenue: 1993/94 to 1998/99 (projected).



#### **EXPENSES**

Table 2 Expenses (\$000) for 1997/98 and 1996/97.

	1997/98		1996/97		
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)
Total expenses	\$117 349	\$117 671	0.3%	\$119 033	-1.1%
Research activities and related expenses	5				
Development-research activities	61 387	56 381	-8.2%	63 174	-10.8%
Resource-expansion activities	22 380	29 487	31.8%	20 512	43.8%
Technical support	9 351	9 063	-3.1%	9 983	-9.2%
Regional office management	5 235	4 816	-8.0%	6 026	-20.1%
Information dissemination and library	4 763	4 569	-4.1%	4 693	-2.7%
Head office management	3 664	3 623	-1.1%	3 912	-7.4%
Administration	11 767	11 188	-4.9%	12 400	-9.8%
Overhead recovered on resource-expansion activities	(1 680)	(1 456)	-13.3%	(1 667 )	-12.7%
Special operational fund	482	_	-100.0%	_	_

Total expenditures for 1997/98 amounted to \$117.7 million, compared to \$119.0 million in 1996/97.

**Development-research activities** — Development-research expenses reflect the direct costs of all scientific and technical research projects supported by IDRC. These activities are the focus of IDRC's mandate. They include program activities that are identified, developed, and managed by developing-country researchers and projects that are supported by the Centre. For 1997/98, development-research activities totaled \$56.4 million, or 47.9% of total expenditures. This is down \$6.8 million (10.8%) from the level reported last year because of lower than expected expenditures on IDRC's project portfolio and supplementary grant. For 1998/99, IDRC plans to disburse \$63.3 million on development research.

Resource-expansion activities — Resource-expansion expenses reflect the direct costs of research activities managed or administered by IDRC on behalf of other organizations for projects that fall within the Centre's mandate. It includes such activities as the cofinancing of projects, administering of secretariats, and contracting of IDRC staff to administer or conduct development research on behalf of other organizations. For 1997/98, resource-expansion expenses totaled \$29.5 million, \$9.0 million (43.8%) higher than the amount reported last year. This increase is primarily due to a high level of expenditures for the Micronutrient Initiative.

**Technical support** — Technical support expenses represent the cost of program personnel whose role is to assist in the development of new projects, to monitor ongoing research projects, and to provide specialized support to recipients. For 1997/98, these expenses amounted to \$9.1 million, \$0.9 million (9.2%) less than last year.

Regional office management — IDRC's regional offices play an important role in enhancing the effectiveness of the support the Centre provides to research activities in developing countries. IDRC's field presence fosters special knowledge and awareness of developing-world research and development conditions. The overseas offices are situated in Egypt, India, Kenya, Senegal, Singapore, South Africa, and Uruguay. For 1997/98, the cost of operating these offices was \$4.8 million, \$1.2 million (20.1%) less than last year.

**Information dissemination and library** — The dissemination of information and the maintenance of a specialized development research library are an important part of IDRC's role in promoting research. In addition to being an excellent research tool for employees, the library is open to the public. The costs of operating the library and disseminating information were \$4.6 million in 1997/98, \$0.1 million (2.7%) less than 1996/97.

**Head office management** — The role of head office management is to provide support and guidance to IDRC's program of work. These expenses amounted to \$3.6 million, \$0.3 million (7.4%) below the amount reported last year.

**Administration** — To support its overall operation and corporate responsibilities, IDRC requires policy, executive, administrative, and service functions. These functions are discharged by the Board of Governors, the President's Office, and Resources Branch. Administration expenditures for the year totaled \$11.2 million, \$1.2 million (9.8%) below the amount reported last year.

Overhead recovered on resource-expansion activities — IDRC recovers its indirect administrative expenses on resource-expansion activities by charging a percentage on expenditures incurred. This year, overhead costs recovered totaled \$1.5 million. The comparative figure for 1996/97 was \$1.7 million.

**Operations** — Table 3 displays the relative share of program and operating expenditures for the last 5 years. The program to operations ratio has steadily improved over the years because of the growth in resource-expansion activities and the decrease in IDRC's costs of operations.

Table 3 Program and operational expenditures (\$000): 1993/94 to 1997/98.

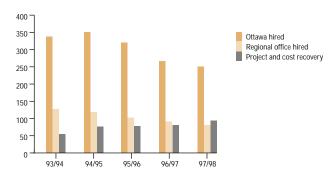
	1997/98	1996/97	1995/96	1994/95	1993/94
Program	90 437	88 379	81 530	93 989	91 950
% of total	76.9%	74.2%	71.3%	72.9%	72.2%
Operational*	27 234	30 654	32 828	34 865	35 346
% of total	23.1%	25.8%	28.7%	27.1%	27.8%

<sup>\*</sup> Net of overhead recovered on resource-expansion activities. Note that operational expenditures include technical support, regional office management, head office management, and administration and exclude the transition costs incurred in 1995/96.

#### **HUMAN RESOURCES**

As at 31 March 1998, IDRC employed a total of 251 Ottawa-hired, 81 regional office-hired, and 94 project and cost-recovery staff. Over the last 5 years, IDRC has seen a significant reduction in its workforce.

Figure 4 Staffing levels: 1993/94 to 1997/98.



#### **APPROPRIATIONS**

Table 4 Appropriations (\$000) for 1997/98 and 1996/97.

		1997/98				
	Revised budget	Actual	Variance from budget (%)	Actual	% change (actual)	
Total appropriations	\$134 499	\$129 530	-3.7%	\$120 218	7.8%	
Regular program	70 000	68 887	-1.5%	68 784	0.2%	
Resource-expansion activities	34 000	31 952	-6.0%	19 113	67.2%	
Operational*	30 499	28 691	-5.9%	32 321	-11.2%	

<sup>\*</sup> Excluding cost recovery.

For the year ending 31 March 1998, IDRC's total appropriations were \$129.5 million, up \$9.3 million from last year.

IDRC's appropriations to regular programs represent the value of funding for activities approved during the fiscal year. Disbursements on these activities may extend 5 or more years into the future. Regular program appropriations are reported at \$68.9, slightly higher than last year. Senior management delayed approval of some program activities in the last quarter of the fiscal year in anticipation of the decline in the Parliamentary grant for 1998/99. Next year, the regular program appropriation level is set at \$72.2 million. Figures 5 and 6 show research appropriations by region and by program theme for 1997/98.

Figure 5 Research appropriations by region for 1997/98.

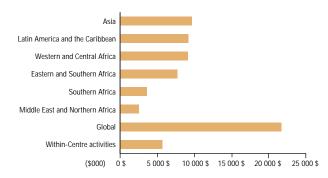
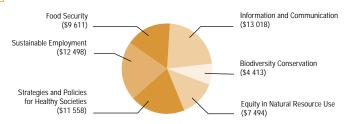


Figure 6 Research appropriations (\$000) by program theme for 1997/98.



During the year, IDRC signed agreements with other donor agencies to administer a total of \$32.0 million. This amount includes \$19.5 million for the Micronutrient Initiative. The duration of these activities may also extend several years into the future. In dollar terms, about 30% of IDRC's total program portfolio is for resource-expansion activities. Next year, IDRC expects to sign \$38.9 million in new resource-expansion agreements.

Operational appropriations, which cover the cost of IDRC's operations, totaled \$28.7 million for 1997/98.

#### RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

Maureen O'Neil

President

Raymond J. Audet Vice-President, Resources and Chief Financial Officer

Ottawa, Canada 24 June 1998

# BALANCE SHEET 19hts

	1998	1997
ASSETS		
Current		
Current Cash and short-term investments (Note 3)		
Unrestricted	13 162	13 229
Restricted	20 575	20 153
Accounts receivable (Note 4)	4 989	14 535
Prepaid expenses	5 035	1 377
	43 761	49 294
Long-term investments (Note 5)	7 079	_
Capital assets (Note 6)	4 554	3 631
Recoverable deposits	153	161
Endowment funds (Note 7)	348	202
	55 895	53 288
LIABILITIES		
Current		
Accounts payable and		
accrued liabilities (Notes 4 and 8)	6 925	7 271
Restructuring liability (Note 9)	562	1 550
Deferred revenue (Note 10)	24 417	24 356
	31 904	33 177
Deferred revenue long term (Note 10)	6 394	7 774
Accrued employee termination benefits	2 808	2 575
Deferred rent — head office	662	388
Endowment funds (Note 7)	348	202
	42 116	44 116
EQUITY	13 779	9 172
	55 895	53 288

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

Approved on behalf of the Board:

President

Vice President, Resources, and Chief Financial Officer

# STATEMENT OF OPERATIONS TEMESTS for the year ended 31 March 1998 (\$000)

	1998	1997
REVENUES		
Parliamentary appropriation (grant)	88 111	96 100
Supplementary Parliamentary appropriation (grant) (Note 11)	1 800	1 427
Funding for resource-expansion activities (Note 12)	29 487	20 512
Investment income	1 832	2 046
Other income	1 048	1 030
	122 278	121 115
EXPENSES		
Research activities and related activities		
Development-research activities	56 381	63 174
Resource-expansion activities (Note 12)	29 487	20 512
Technical support	9 063	9 983
Regional office management	4 816	6 026
Information dissemination and library	4 569	4 693
Head office management	3 623	3 912
	107 939	108 300
Administration	11 188	12 400
Overhead recovered on resource-expansion activities (Note 12)	(1 456)	(1 667)
	117 671	119 033
Excess of revenues over expenses	4 607	2 082

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

# STATEMENT OF CHANGES IN EQUITY COLD for the year ended 31 March 1998 (\$000)

	Invested in capital assets	Unrestricted	Total 1998	Total 1997
Balance, beginning of the year	3 631	5 541	9 172	7 090
Excess of revenues over expenses Net investment in capital assets	— 923	4 607 (923)	4 607 —	2 082 —
Balance, end of year	4 554	9 225	13 779	9 172

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

## STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended 31 March 1998 (\$000)

	1998	1997
Cash flow from operating activities		
Excess of revenues over expenses	4 607	2 082
Items not affecting cash		
Amortization of capital assets	1 267	2 544
Gain on disposal of capital assets	(118)	(27)
Employee termination benefits	489	341
Amortization of deferred rent	274	(6)
	6 519	4 934
Net change in working capital other than		
cash and short-term investments	4 367	(2 305)
Changes in deferred revenue, long-term	(1 380)	(4 258)
Net cash generated through (use in) operating activities	9 506	(1 629)
Cash flow from investing activities		
Additions to capital assets net of		
proceeds on disposal of equipment	(2 072)	(1720)
Purchase of long-term investments	(7 079)	_
Net cash used in investing activities	(9151)	(1 720)
Net increase (decrease) in cash	355	(3 349)
Cash and short-term investments, beginning of the year	33 382	36 731
Cash and short-term investments, end of the year	33 737	33 382

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

### NOTES TO FINANCIAL STATEMENTS A Statements

All values are in thousands of dollars unless otherwise stated.

#### 1. AUTHORITY AND OBJECTIVE

The International Development Research Centre (the Centre), a corporation without share capital, was established in 1970 by the Parliament of Canada through the International Development Research Centre Act. The Centre is funded mainly through an annual appropriation (grant) received from the Parliament of Canada. For purposes of the Income Tax Act, the Centre is deemed to be a registered charitable organization.

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

#### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### RECOGNITION OF REVENUE

The annual Parliamentary appropriation (grant) is recorded as revenue during the fiscal year for which it is approved. Parliamentary appropriations for specific projects and funds received or receivable in respect of resource-expansion activities are deferred and recognized as revenue when the related project expenses are incurred. All other revenues are recorded on the accrual basis of accounting.

#### AMORTIZATION

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

Computer equipment3 yearsSoftware application systems3 or 5 yearsOffice furniture and equipment5 yearsVehicles3 yearsTelephone system5 years

Leasehold improvement Remaining term of lease

#### **INVESTMENTS**

Investments are recorded at the lower of cost and market value.

#### **ENDOWMENT FUNDS**

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

#### FOREIGN-CURRENCY TRANSLATION

Foreign-currency transactions are translated into Canadian dollars either by the use of an average exchange rate that closely approximates the rate in effect at the transaction date or the actual rate in effect at the transaction date. Monetary assets and liabilities are adjusted to reflect the rate of exchange in effect at year-end. Exchange gains and losses are included in operations for the current year.

#### ACCRUED EMPLOYEE TERMINATION 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.

#### 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 participate in the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from the employees and the Centre. These contributions represent the total pension obligations of the Centre and are recognized in the accounts on a current basis. The Centre is not required under current legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

#### 3. CASH AND SHORT-TERM INVESTMENTS

	1998	1997
Cash	2 193	(3 516)
Short-term investments		
Canadian chartered banks	17 515	20 844
Commercial companies	13 889	13 897
Foreign-owned banks	140	2 157
	33 737	33 382

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

As at 31 March 1998 the average yield of the portfolio was 4.83% (1997, 3.12%) and the average term to maturity was 76 days (1997, 82 days). The fair market value of the investment portfolio as at 31 March 1998 approximates the net book value.

Of the total cash and short-term investments, \$20 575 (1997, \$20 153) is restricted for specific research activities as follows:

	<u> 1998</u>	1997
Resource expansion activities Health support — Africa	14 440 6 135	8 121 12 032
	20 575	20 153

## 4. ACCOUNTS RECEIVABLE AND PAYABLE AND PAY

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and noninterest bearing. The carrying amounts of each approximate fair value because of their short maturity. A significant portion (21.6%) of accounts receivable is due from the Canadian International Development Agency (CIDA) and does not present a significant credit risk. Of the total accounts receivable, \$3 417 (1997, \$13 585) is restricted for resource-expansion activities.

#### 5. LONG-TERM INVESTMENTS

These funds are invested in bond market instruments. The investment instruments consist of Government of Canada bonds.

As at 31 March 1998, the average yield of the portfolio was 5.63% and the average term to maturity was 4.6 years. The fair market value of the investment portfolio as at 31 March 1998 is \$7 279.

Of the total long-term investments, \$4 096 is restricted for "health support — Africa" research activities.

#### 6. CAPITAL ASSETS

	Cost		Accumulated amortization		Net book value	
	1998	1997	1998	1997	1998	1997
Computer equipment	6 904	6 968	4 738	4 793	2 166	2 175
Leasehold improvements	1 710	1 793	854	908	856	885
Software application systems	555	_	_	_	555	_
Office furniture and equipment	1 604	1 475	1 226	1 235	378	240
Telephone system	1 273	995	900	849	373	146
Vehicles	826	866	600	681	226	185
	12 872	12 097	8 318	8 466	4 554	3 631

During the year, the Centre began capitalizing the costs for its software application systems. The amortization of these costs will commence in the year the systems become operational. Amortization expense for the year is \$1 267 (1997, \$2 544).

#### 7. 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. The Centre administers this fund as well as other endowment funds such as the Governor's Fund and the AIDS Fund.

	1998	1997
Balance at the beginning of the year	202	208
New contributions	142	_
Interest income	10	8
Expenses	(6)	(14)
Balance at the end of the year	348	202
John Bene	287	159
Other	61	43
Total endowment funds	348	202

#### 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	1998	1997
Accrued liabilities — projects	2 122	2 016
Trade payables	1 996	2 416
Accrued annual and other leave benefits	1 882	1 814
Other	925	1 025
	6 925	7 271

#### 9. RESTRUCTURING LIABILITY

During the year ended 31 March 1996, the Board of Governors approved a restructuring of the Centre's programs and operations at its head office and regional offices. The total cost of this restructuring, which included severance packages paid to employees under the special compensation and assistance program and other related costs, was estimated at \$5.5 million. As at 31 March 1998, an amount of \$0.6 million (1997, \$1.5 million) remains outstanding. A total of \$0.9 million (1996, \$2.5 million) was paid during the year.

### 10. DEFERRED REVENUE to Financial Statements

Deferred revenue includes the unspent portion of funds received, or receivable on resource-expansion activities, as well as the portion of the supplementary Parliamentary appropriation (grant) received in March 1994 that has not yet been used as at 31 March 1998. Details of these balances are as follows:

	1998	1997
Current		
Resource-expansion activities	20 579	20 098
Supplementary Parliamentary appropriation (grant)		
Health support — Africa	3 838	4 258
	24 417	24 356
Long term		
Supplementary Parliamentary appropriation (grant)		
Health support — Africa	6 394	7 774
Total	30 811	32 130

Of the total deferred resource-expansion activities, an amount of \$15 285 (1997, \$3 517) was received from CIDA and an amount of \$1 078 (1997, \$12 147) is receivable from this organization at year-end. A further amount of \$3 600 (1997, nil) is also recorded as a prepaid expense.

#### 11. SUPPLEMENTARY PARLIAMENTARY APPROPRIATION (GRANT)

In March 1994, the Centre received a supplementary Parliamentary appropriation (grant) of \$27 million. This money was restricted as follows: \$15 million to underwrite a health-support package in Africa and \$12 million for the Micronutrient Initiative. Whereas the portion relating to the Micronutrient Initiative was fully spent in 1995/96, the activity pertaining to the health-support package in Africa is still ongoing. For the fiscal year under review, revenue recognized on this activity amounted to \$1.8 million (1997, \$1.4 million). The remaining unspent portion of \$10.2 million (1997, \$12 million) is reported as a deferred revenue (see Note 10).

#### 12. RESOURCE-EXPANSION ACTIVITIES

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

	1998	1997
CIDA	24 399	11 053
Other agencies	4 345	6 112
Other Government of Canada entities	743	3 347
	29 487	20 512

The Centre recovers overhead on resource-expansion activities. This amounted to  $$1\ 456\ (1997,\ $1\ 667)$  of which  $$1\ 000\ (1997,\ $735)$  was recovered from CIDA.

#### 13. OPERATING LEASE COMMITMENTS

The Centre has entered into various lease arrangements for staff accommodation in various countries and for office premises and equipment in Canada and abroad. The Centre's lease agreement for premises at its head office expires in 2007. The total minimum annual payments under various lease arrangements will be as follows:

1998/99	5 144
1999/00	4 893
2000/01	4 660
2001/02	4 683
2002/03	4 784
2003–07	24 361
Total	48 525

### 14. CONTRACTUAL COMMITMENTS — PROJECT GRANTS AND PROJECT DEVELOPMENT

The Centre is committed to make payments up to \$135.3 million during the next 4 years subject to funds being provided by Parliament or external partners and subject to compliance by recipients with the terms of project agreements. The Centre has also submitted formal grant offers to prospective recipients totaling \$1.7 million and is awaiting acceptance of these offers.

#### 15. RELATED PARTY TRANSACTIONS

In addition to those related party transactions disclosed elsewhere in these financial statements, the Centre is related in terms of common ownership to all Government of Canada created departments, agencies, and Crown corporations. The Centre enters into transactions with these entities in the normal course of business.

#### 16. CONTINGENCY

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

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

#### 17. COMPARATIVE FIGURES

Certain 1997 comparative amounts have been reclassified to conform to the financial-statement presentation adopted in 1998.

