



International Development Research Centre  
Centre de recherches pour le développement international

91030  
IDRC-Lib

**NOTES FOR REMARKS**  
**TO THE**  
**STANDING COMMITTEE ON EXTERNAL AFFAIRS**  
**AND INTERNATIONAL TRADE**



**ALLOCUTION**  
**AU**  
**COMITÉ PERMANENT DES AFFAIRES ÉTRANGÈRES**  
**ET DU COMMERCE INTERNATIONAL**

**BY / PAR**  
**KEITH A. BEZANSON**  
**PRESIDENT / PRÉSIDENT**

**24 MARCH 1992**  
**24 MARS 1992**

ARC 44  
BEZANS  
no. 04

Mr Chairman, distinguished Members of Parliament:

May I begin, Mr. Chairman, by stating how pleased I was to receive the invitation by this Committee to appear before you today. I know that you wish to examine the implication of the change in the legal status of IDRC which was announced in the 1992-93 budget statement of February 25. We, at IDRC, are fully aware of the special interest in the well-being of the Centre that members of this Committee have held for over two decades.

Au début de 1970, le comité qui a précédé ce comité-ci s'est vu confier par la Chambre des communes le mandat d'examiner une proposition visant la création du Centre de recherches pour le développement international. Votre comité a ensuite établi un sous-comité qui a commandé et reçu des études portant sur la structure qu'il conviendrait de donner au CRDI, qui était encore à l'état de projet; il a aussi entendu des témoins du Canada et de l'étranger et a procédé à des consultations et examens approfondis, aussi bien au niveau canadien qu'au niveau international. Le projet de loi C-12, duquel a

émané la loi adoptée par le Parlement et portant création du CRDI, a été élaboré au sein de ce comité avant d'être adopté le 13 mai 1970. Le statut juridique du CRDI n'a fait l'objet d'aucune modification depuis. Le changement mentionné dans le budget du 25 février dernier représenterait la première modification du genre depuis l'adoption de la loi par le Parlement en 1970.

The Budget Statement regarding IDRC reads as follows:

**:"The International Development Research Centre (IDRC) was created by Act of Parliament in 1970 with a mandate to support research into the problems of developing countries. IDRC has a well-deserved international reputation for excellence in research. The government will introduce legislation to change the IDRC's legal status to that of a departmental corporation. This will bring its administrative regime into conformity with that of the rest of the public service, while maintaining the Centre's distinctive research function and its international board."**

The questions which arise logically from this statement are:

**What exactly will change in converting IDRC into a departmental**

**corporation? and,**

**What will the conversion mean for the mandate, mission, functioning and effectiveness of IDRC?**

I have been advised that it is these questions which this Committee wishes to address, particularly given your authorship of the 1970 Act of Parliament. Allow me to make some comments related to these two questions and to share with you the information which we have gathered and the nature of current discussions with the responsible authorities involved in working out the details of the proposed change. Let me make clear before doing so, however, that we cannot provide definitive answers at this time, given the fact that the details of change are under discussion. The fact that the budget statement refers specifically to preservation of IDRC's distinctive research function and its international board suggests strongly that the proposed change can be effected without compromising either IDRC's traditional effectiveness or the recently announced reforms and strategic choices.

Le Parlement du Canada a jugé essentiel de créer un organisme indépendant du gouvernement, et la Loi sur le CRDI fait état de cette indépendance. Ainsi, lorsque la législation visant les sociétés d'État est entrée en vigueur en 1984, le CRDI a été

spécifiquement exempté de l'application de ses dispositions. La principale caractéristique qui définit le statut du CRDI, c'est que ce dernier n'est pas assujéti aux principes directeurs de la Loi sur la gestion des finances publiques (LGFP) du Canada. Vous savez sans doute que ce statut de « société d'État exemptée » n'a pas été attribué par hasard. C'est à la suite de consultations avec, entre autres, le Brookings Institute de Washington, des représentants de haut niveau des Nations Unies à New York et bon nombre d'établissements canadiens que le comité parlementaire de 1970 avait conclu que, pour être en mesure de réaliser son mandat et sa mission, le Centre devait être:

**"libre et indépendant de toute autre entité gouvernementale, et libre de choisir....."**

During almost 22 years, the Centre has been operating without **being required** to follow the the Financial Administration Act. In carrying out its fiduciary responsibilities, however, our Board of Governors has demanded the very highest standards of public accountability and **many of our financial practices are already very much in the spirit of the FAA, although adapted to the innovative nature of international research.** Moreover from the inception of the Centre and in order to obtain independent verification of its stewardship, the Board of Governors has invited and welcomed the Auditor General of Canada to examine our procedures and operations. In 1981-82, a full, comprehensive

audit was conducted on the Centre by the Auditor-General. For 20 years, no serious negative observations have been raised by Canada's chief public auditor. In addition, you may be aware that the Auditor General tabled a report to Parliament in December, 1988, titled "Well-Performing Organizations". Among the 8 organizations selected as "well-performing" by the Auditor-General, IDRC was included. The Auditor-General had the following to say about IDRC in that report:

**"IDRC is considered worldwide to be one of the best organizations of its kind. Its high performance is based on a number of elements: people who are competent, committed and value-driven; continuity of leadership; a clear and strong sense of mission and purpose; a strong client focus; autonomy and flexibility at all levels; risk-taking and innovation; freedom from political and central agency interference; tailor-made internal regulations and requirements; and continual self-scrutiny of strategies and activities."**

Le Conseil des gouverneurs et nous tous au CRDI sommes convaincus que ces éloges sont dues en partie à la rigueur de la gestion financière du CRDI, tout en sachant être flexible. Tel qu'indiqué auparavant, notre régime d'administration financière est semblable ou dérivée de la loi sur la gestion des finances publiques (LGFP) du Canada.

Il est à noter aussi que ce gouvernement, depuis les années 1970 a pris plusieurs mesures pour incorporer plus de flexibilité et d'autonomie dans la gestion financière de ses ministères. Les propositions présentées plus récemment dans le cadre de « Fonction publique 2000 » en font cas.

In stating the above (that much of what we do in financial administration is already entirely consistent with the FAA and that the manner in which the FAA may be applied is subject to greater flexibility today compared with 1970), I do not wish to create the impression that IDRC is not concerned about the proposed change to bring us under the FAA. The Centre is governed by 21 Governors comprising 11 Canadians and 10 non-Canadians. The Board of Governors met only last week and the proposed change was discussed extensively. Governors concluded that the legal incorporation of IDRC under the FAA need in no way diminish the effectiveness of the organization PROVIDED THAT DUE ATTENTION, APPROPRIATE FLEXIBILITY AND ADEQUATE DELEGATION OF AUTHORITY ARE ACCORDED IN ORDER TO MAINTAIN THE POLICY, STRUCTURAL AND ADMINISTRATIVE FEATURES REQUIRED FOR CONTINUING EFFECTIVENESS.

Some of the principal features which are determinants of IDRC's effectiveness may be summarized in the following outline:

## THE IDRC EFFECTIVENESS CHAIN

The ability of IDRC to contribute effectively to Canadian interests and objectives depends on certain policy, structural and administrative features it has acquired from the IDRC Act and from 22 years of experience. The strategic sequence to follow in working towards the objective flows from

- (1) the identification of development requirements and Canadian interests to which IDRC is relevant, to
- (2) IDRC structures and policies which add unique value to IDRC as an expression of Canadian values and interests, to
- (3) financial and administrative features which enable an efficient and effective response.

### IDRC's Financial & Administrative Features

### IDRC's Structural & Policy Features

### Canada's Foreign Policy Interests

- 
- manages its own funds
    - receives outside funding
    - its own bank accounts
    - its own spending authorities
  - its own regional offices
  - enters into agreement with foreign governments and organizations
  - hires the most competent scientists be they Canadian or non-Canadian
  - independently publishes and disseminates research information
  - untied aid
- 
- international decision-making Board
  - vital component of ODA Policy
  - intellectual partnership with LDCs
  - knowledge broker on development
  - entrepreneurial style
  - risk-taking and innovation
  - open information management and sharing
  - strong client focus
- 
- sustainable development in LDCs
  - effective use of ODA
  - good standing with foreign governments and international organizations
  - access to and influence with decision-makers
  - rapid response to new situations
  - greater competitiveness for Canada in a global economy and opportunities for Canadians



Since the budget statement of February 25, we have consulted extensively with representatives of Treasury Board and the Privy Council Office. We have drawn to their attention the factors outlined above. A working group has been established comprising senior personnel from the Administrative Division of the Centre and representatives of Treasury Board. Both management and our Board of Governors have been encouraged by discussions to date. The approach by representatives of Treasury Board is characterized generally by the seeking of arrangements and interpretations within the broad framework of the FAA to guarantee the continued effectiveness of IDRC. Discussions are ongoing and many details remain to be addressed before a final determination can be made of the impact of the proposed change.

In addition, I was pleased to report to IDRC's Board of Governors that the Secretary of State for External Affairs, the Hon. Barbara McDougall, through whom the Centre reports to Parliament, has informed us of her understanding that the changes required to incorporate formally our financial administration into the FAA must be structured in such a way as to ensure that there is no loss in effectiveness or in the distinguishing characteristics of IDRC. The SSEA has also requested that I keep her informed of negotiations with Treasury Board on the details of the change.

On November 26th of last year, accompanied by the Chairman of our Board of

Governors, Dr. Janet Wardlaw, I was pleased to brief this Committee on certain strategic changes that were planned or ongoing in IDRC. I also apprised the Committee at that time of plans to effect a major internal reorganization and a streamlining of our operations, including a downsizing of 20% of total staff. Many of those changes are now either completed or well on their way to completion. The principal objective of this strategic realignment was to improve IDRC's efficiency and enhance our effectiveness in addressing the challenges of the 1990's and beyond. The strategic directions which we have started to pursue and the streamlining of our operations have earned high praise for IDRC and Canada. That praise has come from many quarters, Canadian and non-Canadian.

We are both hopeful and encouraged that the proposed change in the legal status of IDRC will be managed and interpreted in such ways as to ensure that we remain a strong and vital instrument of international development and a continuing global credit to values and traditions that are distinctly and proudly Canadian.

March 1992