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## **Standing Committee on Public Accounts**

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**EVIDENCE**

**Tuesday, December 13, 2016**

—  
**Chair**

**The Honourable Kevin Sorenson**



## Standing Committee on Public Accounts

Tuesday, December 13, 2016

• (1530)

[English]

**The Vice-Chair (Mr. David Christopherson (Hamilton Centre, NDP)):** I now declare this 39th meeting of the Standing Committee on Public Accounts in order. Colleagues, you will note that we have the “Report of the Auditor General of Canada to the Board of Governors of the International Development Research Centre—Special Examination Report—2016”.

We have with us representatives from the Office of the Auditor General, as well as a representative from the International Development Research Centre.

I would ask you to introduce yourselves before you speak. We will give both offices an opportunity for opening remarks, and we'll begin with the assistant auditor general.

You have the floor, sir.

**Mr. Sylvain Ricard (Assistant Auditor General, Office of the Auditor General of Canada):** My name is Sylvain Ricard.

[Translation]

Thank you, Mr. Chair, for this opportunity to discuss our special examination report on the International Development Research Centre.

I am accompanied today by Lissa Lamarche, the principal responsible for this audit.

As you know, a special examination seeks to determine whether the crown corporation's systems and practices provide reasonable assurance that its assets are safeguarded and controlled, its resources are managed economically and efficiently, and its operations are carried out effectively.

Our examination covered the period between August 2015 and March 2016.

Overall, the centre had in place good corporate management practices for governance, strategic planning and risk management, and performance measurement and reporting. However, our examination identified a significant deficiency in the centre's board of governors' complement. We found that the board did not have enough members to ensure it maintained the statutory quorum of seven members, despite the centre's efforts to proactively identify to the minister the skills gaps created by the departure of particular governors, as well as potential candidates with the necessary profile. This threatened the board's ability to validly conduct business, repeatedly putting at risk its ability to fulfill its oversight and decision-making responsibilities.

[English]

As noted in our report's subsequent event section, in June 2016, the Minister of International Development and La Francophonie announced the appointment of a new chairperson and six new governors to the board. The new board complement of 12 members will help the board ensure and maintain a quorum, and thus validly conduct business.

We also found that there was room for improvement in the centre's management practices. We noted that the centre was inconsistent in integrating project-level activities into corporate-level activities. Specifically, the performance measures it used at the project level did not align with or adequately inform the measurements at the level of strategic objectives. Further, projects did not have clearly defined implementation activities to support the centre's strategic objectives.

We found that the centre managed its research projects and donor agreements well. However, we noted that, for its new area of parallel funded partnerships, the centre was still developing its systems and practices. We found that in engaging with these potential parallel partners, the centre did not have a systematic approach to assessing partners and the risks that it might be exposed to from these parallel partner agreements.

The centre agreed with all of our recommendations and prepared an action plan in response to our concerns. However, because our audit work was completed in March 2016, I cannot comment on any measures the centre has taken since then. The committee may wish to ask the centre's officials to clarify what measures the centre has taken in response to our recommendations.

Mr. Chair, this concludes my opening remarks. We would be pleased to answer any questions the committee may have.

Thank you.

• (1535)

**The Vice-Chair (Mr. David Christopherson):** Very good, *merci*.

Mr. Lebel, you have the floor.

[Translation]

**Mr. Jean Lebel (President, International Development Research Centre):** Mr. Chair, honourable members, good afternoon.

My name is Jean Lebel, and I am the president of the International Development Research Centre, or IDRC. It is my pleasure to appear before you today on behalf of the centre.

Thank you for the opportunity to discuss the Auditor General of Canada's special examination of IDRC. This special examination has provided the centre with valuable strategic insights, and we were pleased by the report's constructive findings. Where the report provided recommendations, we accept them and have a plan in place to implement the necessary changes. I will outline that plan in a moment.

[English]

First, I would like to provide a brief overview of IDRC, including our mandate, our legislative obligations, and how we report to Parliament. This is important within the context of the special examination.

IDRC was established as a crown corporation in 1970. It reports to Parliament through the Minister of International Development and La Francophonie and is part of Canada's foreign affairs and development efforts. The centre is required to report to Parliament through an annual report, tabled before Parliament by the minister. The centre also responds to questions from Parliament on an ongoing basis.

IDRC's vision is knowledge, innovation, and solutions to improve the lives of people in the developing world. The centre's current five-year strategic plan was introduced in 2015. It guides IDRC's work through three strategic objectives: to invest in knowledge and innovation for large-scale positive changes, to build the leaders in research for today and tomorrow, and to be the partner of choice for greater impact. These strategic objectives drive the decisions we make on a daily basis about the people, projects, and institutions we support worldwide.

[Translation]

Let me give you a few examples.

In Colombia, research has resulted in fortified potatoes that are more nutritious, produce higher crop yields, and are more resistant to disease.

Other projects are economically empowering women, such as one in India that is connecting women-owned local businesses with global supply chains.

Innovations are improving access to education, such as a project that is using digital tools and resources to improve the accessibility and quality of education for Syrian refugee and host community children.

Those are just a few examples of the new and ongoing projects we support each year.

Regarding the special examination report, its findings confirm that IDRC has in place good corporate management practices for governance, strategic planning and risk management, and performance measurement and reporting.

In total, the report found that 17 of 20 systems and practices met the applicable criteria. Two were found to meet the criteria, with improvement needed. The report found one significant deficiency in relation to appointments to the board.

The report concluded that there were no significant deficiencies in IDRC's systems and practices for corporate management and the management of research projects and donor agreements.

● (1540)

[English]

The report did make three recommendations. IDRC has implemented an action plan in response to these recommendations.

First, the report found a "significant deficiency...related to the ongoing delays in Board of Governor appointments over which the Centre did not have control." The report found that IDRC has in place the processes to assess skills and competency gaps in the board, as well as to proactively identify and communicate needs and upcoming vacancies and propose potential candidates to the minister.

IDRC accepts this recommendation. Action was taken to address this issue in June 2016, when a new chairperson and six new governors were appointed through the Government of Canada's new open, transparent, and merit-based appointments process. I should add that this was the first time this process was used. This brings the number of our governors to 12, thereby ensuring quorum.

[Translation]

The second recommendation is that IDRC should put in place a systematic approach to integrate its strategic direction, risk management, and performance measurement and reporting with the centre's project planning and monitoring.

IDRC accepts this recommendation. All research projects supported by the centre must speak to one or more of the centre's strategic objectives, which I mentioned earlier, as mandated by existing centre systems and processes. Failing this, the projects are not funded.

The coordination and reporting of program intentions and results against strategic objectives can always be further improved. IDRC management developed new processes and systems in 2016 that better allow data to be gathered, tracked, and studied against the strategic objectives.

This systematic approach means data can continue to be gathered efficiently over the course of the five-year strategic plan, so until 2020. These changes have been incorporated into the centre's annual performance report submitted to the board of governors.

Regarding risk, an external assessment was done in 2015 on the centre's integrated risk management program. The assessment recognized many good risk management practices, but it also identified areas for improvement.

As a result, management drafted an action plan, which was presented to the finance and audit committee of the board of governors in February 2016.

Specifically, the action plan focuses on further strengthening the integrated risk management approach by establishing a more robust methodology, improving the process of identifying risk, and ensuring appropriate communication channels exist.

This work is on track and is expected to be completed by the end of 2018.

[English]

The third recommendation is that IDRC should establish a systematic approach to assessing risk associated with parallel partnerships prior to entering into agreements. We also accept this recommendation.

One of IDRC's strengths is that it can mobilize other institutions and funds toward meeting common goals, thereby increasing the impact of Canada's aid efforts. IDRC has a rigorous risk assessment process already in place for partnerships where IDRC receives funds from third parties. However, we are more and more entering into what we call parallel partnerships, where we work alongside partners to achieve common goals, but where IDRC does not administer the funds. For example, IDRC and Tim Hortons are working together on the common goal of increasing coffee farmers' ability to adapt to the effects of climate change, based on new research.

Working alongside partners in this way, including the private sector, requires thorough risk assessment. That is why IDRC has recently reviewed and strengthened its parallel partnership risk assessment and authorization systems, processes, and controls. This objective was completed in September 2016.

• (1545)

[Translation]

Mr. Chair, honourable members, I hope you have found these remarks informative. We are pleased with the results of the special examination.

Thank you for the opportunity to be here today, and I look forward to your questions.

[English]

Thank you very much, Mr. Chair.

**The Vice-Chair (Mr. David Christopherson):** Thank you. You'll hear from colleagues that we appreciate your being here.

Here are two quick things before we start, if I may. One, I note that neither the chair nor the vice-chair is here. Is there any particular reason?

**Mr. Jean Lebel:** As stated in the IDRC Act, the president of IDRC is responsible for the running of the day-to-day operations and is accountable on the running of the centre and its financial system as well as its operational system. Therefore, I am the public officer, VC of the organization, and I represent the organization on these matters. The chair is chair of the board of governors, but by the IDRC Act of 1970, I am the one who has the authority to speak at the committee.

**The Vice-Chair (Mr. David Christopherson):** I'll leave it to colleagues if they want to make an issue of that. I recognize your role, but normally the idea is that the top of the house is here to answer. Chairs are usually accountable, and so we look for that. You could have been in their place. I leave it to colleagues. It's unusual. Normally we have a chair or a vice-chair here to be accountable because they are on the flow chart at the top of the house.

The second thing is that I wanted to give you a compliment, to thank you for the action plan to the extent that it got here in good time before the meeting. We like to emphasize that it is appreciated.

With that, we'll begin the regular rotation and go over to the government members. I understand they are splitting time between Monsieur Lefebvre and Madame Shanahan.

Monsieur Lefebvre, you have the floor, sir.

[Translation]

**Mr. Paul Lefebvre (Sudbury, Lib.):** Thank you, Mr Chair.

I am going to echo Mr. Christopherson's comment. We are very glad to have you with us, but it would have been nice to have someone from the board of governors appear before the committee.

That said, I would like to congratulate you. According to the Auditor General's report, you've done a good job leveraging your strengths and capacities.

One of the major deficiencies pertains to board of governor appointments, and that has been addressed. It should be noted that you are not the one responsible for appointments; the government is. We therefore understand that there have been delays.

I want to commend you for your strategic plan. You addressed the recommendations with some fairly swift measures.

I have a question about your new action plan. You said the plan had been presented to the finance and audit committee of the board of governors in February 2016, but you didn't say whether they had accepted or rejected it. Was the plan approved?

**Mr. Jean Lebel:** It was actually the risk management plan that was presented to the finance and audit committee in February 2016. They accepted it. It sets out, in sequence, the activities that will be carried out until 2018. You may wonder why they are coming to an end in 2018.

**Mr. Paul Lefebvre:** I'd like you to clarify what the outcome of the action plan will be. Could you also explain why it is ending in 2018?

**Mr. Jean Lebel:** Thank you, Mr. Lefebvre. That's a great question.

In 2015, IDRC had an external assessment of its entire risk management system done.

We reviewed our risk management system. Under our previous system, risks were relatively buried in a countless number of risks that we would add up year after year. Now we have a much more robust method based on a handful of risks. Five were identified and approved by the board of directors.

This is a model that requires constant consideration by the centre's management. The vice-president of corporate strategy and communications is in charge of that, and an executive committee addresses risk management on an ongoing basis.

Twice a year, we conduct a risk assessment, and we evaluate our risk tolerance as well as related mitigation measures.

Although the responsibility falls on the executive committee, all centre employees have to contribute, given the activities we carry out in developing countries.

Our basic approach to projects has always incorporated risk management, but now, we do a much better job of addressing it. That is true for project risk management right through to corporate risk management. It's a continuum that is rooted in a whole. It requires training and involves technical knowledge, such as how to build risk registers and track risks.

It may seem like a lengthy process, but the finance and audit committee considered it to be a robust plan. The committee accepted the plan, which is currently being put in place.

Thank you.

• (1550)

**Mr. Paul Lefebvre:** Thank you.

[English]

**The Vice-Chair (Mr. David Christopherson):** Madam Shanahan, you have about three and a half minutes.

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Thank you, Chair.

Thank you very much for being here today. I just want to pick up on the deficiency regarding the board complement. I realize the problem has been resolved, but I am still intrigued to know how long this problem existed, because the gap seems to have been for several years. So I'm asking Monsieur Ricard and Madame Lamarche if you did any investigation as to how long this gap existed on the board.

[Translation]

**Mr. Sylvain Ricard:** We know exactly how long it existed.

Before I forget, I'd like to mention something that may not be obvious in relation to the appointment problem.

There is a challenge we face. Unlike the practice in most crown corporations, when the term of a board of governors member is up, the member cannot stay on the board until a replacement is found. That is the case for IDRC and a few other crown corporations.

Under the Financial Administration Act, in most crown corporations, when the term of a board of governors member is up, the member can stay on until a replacement is found. That is an added challenge that IDRC and a few other crown corporations face when it comes to the timely replacement of board members.

**Mrs. Brenda Shanahan:** I see. That's very interesting. It's a problem IDRC could face systematically.

Mr. Lebel, could you elaborate on that a bit? I don't want to see it happening to you anymore.

**Mr. Jean Lebel:** The gap existed from November 2012 until this past June. Over the past four years, we lost our quorum three times. We had to get rather creative in delaying board of governors meetings until the appointments were made.

[English]

We have competency skills for the governor, according to our mandate and the legislation. We provide, on a regular ongoing basis,

information to the minister's office on the need for these nominations. Ultimately, they make the decision. Over the years, these decisions have always come to us for maintaining a minimum quorum, but that has not been seen as an optimal governance situation by the Auditor General. It's resolved now, and I think with the new nomination process that has been announced by the government last February, I believe—and we have been the first agency to go through this system—it's a robust system to nominate people to agencies and crown corporations. We will see with time if this is effective, but for the moment I can tell you that we are in ongoing conversations with the minister's office, as well as with the bureaucracy, and I consider this no longer to be an issue.

**Mrs. Brenda Shanahan:** That's very reassuring.

Chair, do I have any more time?

**The Vice-Chair (Mr. David Christopherson):** You're right on the money. I appreciate that. Thank you very much.

Mr. McColeman, you now have the floor, sir.

**Mr. Phil McColeman (Brantford—Brant, CPC):** Thank you, Chair.

First, I want to start with underscoring the chair's concern. The concern is that when you have a governance board, there's a person in the chair for the governance board, who I believe—even though you are the top paid management CEO of the organization—has the power to carry forward the board's directives in terms of implementation. Am I correct in assuming that? Or do you have a veto power over the board?

• (1555)

**Mr. Jean Lebel:** The act states that the board—and I have the board charter here—is responsible for the normal board duties and the oversight in terms of strategic direction and advice to management. I am the implementer of the advice provided by the board. I am accountable, whether it is on finance or whether it is on the operational day-to-day business.

**Mr. Phil McColeman:** Okay. So you're accountable to the board?

**Mr. Jean Lebel:** Absolutely.

**Mr. Phil McColeman:** Then that answers the question of the chair, which is, the chair of the board should be here. We will expect that, sir, if we have follow-up with you, because that is the individual who represents the governance of your organization at the highest level.

**Mr. Jean Lebel:** I'm also appointed by an order in council.

I accept this, and I will carry it forward to our chair, Margaret Biggs. When we received the invitation, I was advised by the secretary of the board and our legal counsel that I should appear. If we made a mistake there, I'm sorry about it. We will definitely address it. Thank you for this comment.

**Mr. Phil McColeman:** Okay.

Moving into the auditor's special report, I go to page 1, item four. I'll read it:

As at 31 March 2015, the Centre employed over 380 people. Of these, 28 percent worked in four regional offices, each serving one of the world's main developing regions....

It goes on to describe those: Cairo, Egypt, the Middle East, North Africa, Nairobi, Kenya, etc., and a number of other countries. Where are the other 72% located?

**Mr. Sylvain Ricard:** They're in Ottawa.

**Mr. Phil McColeman:** Okay. So in Ottawa, it's 72% administrative in working here to implement programming.

**Mr. Jean Lebel:** Administrative programs also: we are structured with program officers who are based in Ottawa, and that's our base, also in our region.

**Mr. Phil McColeman:** I'll go on to item six on the same page:

In the 2014-15 financial year, the Centre's parliamentary appropriation was \$190 million. Revenues from other sources amounted to \$68.8 million, including \$66.8 million from donor contributions.

Who are the donors?

**Mr. Jean Lebel:** We currently have a set of five or six large donors: the Department for International Development of the U.K. government, Australian Aid, and Norway's government, through their development agency, as well as large philanthropic ones, the Bill and Melinda Gates Foundation and the Hewlett foundation.

**Mr. Phil McColeman:** Okay. I just want to make sure I understand this conceptually. There are other countries that are donating to your organization specifically, to the work of your organization.

**Mr. Jean Lebel:** In the way we do our funding, first we have the parliamentary allocation. We use the parliamentary allocation to do our programming, but also as a lever to do joint activities with other agencies, based on our mandate and our strategic plan.

We don't accept money without contributing. If DFID were to come to us from the U.K. and say "we want you to do this" and we were not ready to invest our money, we wouldn't do it. When we do these partnerships, it's always on the basis that it fits with our strategic planning, that it's going to help to achieve our objective, that it fits in with the broader international affairs family of Canada, and that it gives us an opportunity to deliver a greater impact with resources that are channelled together within IDRC.

**Mr. Phil McColeman:** Okay.

When I read the report, I didn't get a full grasp of the scope of the projects you do. How small and how large? Can you give me the two extremes?

**Mr. Jean Lebel:** The average size of our funding currently for this year is about \$700,000 for a project that will last between three and five years. That's the average. What are the lower and the higher ends? The lower end might be a grant of \$5,000 or \$10,000. They are relatively small in number. Often, they support participation by a researcher in a group meeting and things like this.

At the higher end, we have significant grants. Probably the largest that we currently have is for \$15 million allocated to a consortium of five institutions working on the adaptation to climate change in Africa or Asia. There are four of those consortia. It's a carbon copy of a model that has been used in Canada and that we have adapted to developing regions of the world. Five institutions are brought together to absorb this money to do programming in a large territory with a number of institutions. These institutions would do a full segment of operations, from providing support to conduct the

research, to providing grants to students to complete a master's or a Ph.D., to developing policy work in order to take the research results to influence policy, and have a lasting change in the life and livelihood of people.

• (1600)

**Mr. Phil McColeman:** On the one deficiency that was brought out, it is a weakness about setting performance expectations.

Describe, in terms of your day-to-day operations, why that didn't exist previously?

**Mr. Jean Lebel:** It has always existed, but it was not systematic. We have left copies of the strategic plan on your table that describe the process. Now, prior to the approval of the grant, we establish the parameters for reporting by the people conducting the research, our grantees, therefore, absorbing this information, using it, and matching it with the implementation plan of each of the teams. This is a deficiency that was noted and was resolved very rapidly after the examination. It was scheduled to take place. Those implementation plans for each of our programs described indicators of performance relative to the three strategic objectives. They also describe development outcomes that need to be achieved, which is on the higher end, like the reduction of poverty, the health of women, and economic growth.

Now that we have documentation from the project to the corporate objectives, we have the system in place to document how we're going to achieve that. Prior to that, we had it at the project level and we had it at the corporate level, but there was a gap between the two. It was more instinctive than robust, as it is right now.

**The Vice-Chair (Mr. David Christopherson):** Thank you.

We'll move to Mr. Chen. You now have the floor, sir.

**Mr. Shaun Chen (Scarborough North, Lib.):** First, I want to compliment our guests today and thank them for being here. I'd like to remark that we've seen special examination reports from the Auditor General before and I'm very pleased to see so many green check marks in this report talking about how well the centre is running. The report has stated that the board is competent, independent, and well-structured. It is providing the broad oversight that the centre requires and that there are good management practices happening at the centre, in spite of a few things that have been mentioned.

I want to echo the comments made earlier by my colleagues that the report does indeed praise the board for being independent of management. That's why I believe it's also very important for us to extend that practice when the centre appears before the committee, so that the board is represented as an independent body.

With that said, there is one issue here, in terms of the performance expectations, that was identified by the AG as one of the weaknesses:

The Centre did not integrate performance expectations into projects. Its project performance indicators were not aligned with corporate performance indicators.

I know there are responses from management in the report. In the broad sense, can I hear from you how you will move forward to make sure that those performance expectations that are set at the corporate level are reconciled with those set at the project level?

**Mr. Jean Lebel:** That is an excellent question. When I started my mandate as president of the organization in 2013, we were on the edge of getting a new strategic plan. I've been working for 20 years at IDRC. I indicated to the senior management team that it was time to refresh our vision of the future as well as to integrate the best in terms of deliverology and monitoring ourselves against expectations.

For the strategic plan, this is not a glossy brochure. This is not a pamphlet. This is a strategic plan that was approved by the board. It is simple. It is crisp. It is clear. It's for people to be in their office and to know why they are coming to IDRC to work. They all know why. They have this soft spot. They want to make a change in the world. With this document, you can ask almost any employee at IDRC about the strategic objective. The employee knows it's about impact, it's about leadership, and it's about partnership.

How do you translate this? That was in the making as the special examination took place between August 2015 and March 2016. We had just rolled out our strategic plan in April. We were developing the implementation plan for each team with the indicator that fit with the work that they have to conduct and with the strategic objective. Now if you go to the IDRC implementation plan for each of our programming teams, whether it's on agriculture; climate change; maternal, newborn, and child health; reproductive health; economic growth; science, technology, engineering, and mathematics, all of these teams have a quite elaborate set of indicators and targets.

The issue is discussed on at least a yearly basis with the board. In fact, it's discussed on an ongoing basis. We have an annual performance report that is tabled with our board and a report on the progress that we have made on our objectives.

I'll give you an example. On partnership, we have a target to leverage \$450 million over the next five years. In the last five-year period, we were able to fundraise \$352 million. It's quite ambitious because with the economic turnover, the change of governance and all of this, we need to be nimble and flexible. We need to be able to maintain this relationship with our favoured partners.

Over the first year of the strategic plan, we fundraised \$47 million. You say, Jean, \$450 million divided by five, that's \$90 million a year. You're short on your target. Yes, we are. This is exactly why there is a target. It gives us the opportunity to say, okay, what are we going to be doing now in order to raise our...to pass these...with these partnerships. That then drives some operational decisions, and we might fail to meet the target but we will know why. I think that's why indicators, targets, and delivering results towards measurable impacts are important. I hope we won't fail.

•(1605)

**The Vice-Chair (Mr. David Christopherson):** Mr. Chandra Arya.

**Mr. Chandra Arya (Nepean, Lib.):** Thank you, Mr. Chair.

I concur with the views of our chair and Mr. McColeman on the absence of your chair. In fact, I had a relevant question that can be answered only by your chair, but not by you.

My question would have been, is this idea still relevant today after 46 years? That was my question. Maybe we will wait for the next time.

How many projects have you been doing in partnership with CIDA?

**Mr. Jean Lebel:** CIDA doesn't exist anymore. It is Global Affairs Canada.

**Mr. Chandra Arya:** I know. We still have the Minister of International Development.

**Mr. Jean Lebel:** Yes, true. I couldn't give you the exact number but I'm going to give you the largest....

**Mr. Chandra Arya:** No. Approximately what percentage of your funding goes jointly with the other arms of the Canadian government?

**Mr. Jean Lebel:** I would say that currently.... I'm looking to my colleague.

It's probably in the vicinity....

**Mr. Chandra Arya:** I have very few seconds. Let me go to the next question.

You mentioned in your speech that the project in India is connecting women-owned local businesses with global supply chains. I'm originally from India, and if this is the project that you have shown here, about empowering women in India, this project is totally different from what you're seeing here. That is point number one.

Number two, on your highlighted project that talks about domestic violence, education, child marriage, you are evaluating a program that is funded by the Government of India. As you may know, the Government of India has stopped accepting international aid. Why are we spending Canadian dollars there when other regions of the world are ready to be much more relevant?

•(1610)

**Mr. Jean Lebel:** On what I explained in my talk about the economic growth.... It's with the WEConnect program, and it's currently linking 6,000 businesswomen to global supply chains, including big retailers like Walmart. These are poor women who have the opportunity to participate in global economic growth.

In terms of—

**Mr. Chandra Arya:** If I may—

**Mr. Jean Lebel:** May I answer?

**The Vice-Chair (Mr. David Christopherson):** Mr. Arya, you went a little longer, as it was. Mr. Lebel, you may finish, but he may not ask another question.

Please, continue.

**Mr. Jean Lebel:** Thank you very much.

On the fact that India does not accept international aid.... We are a research-based agency, and we are funding research. We are providing support towards the development of research capacity in regions of the world that the mandate of the centre describes in its act, and we are providing those funds to researchers and institutions.



Specifically, in this brochure.... By the way, this is not an IDRC brochure. *Canadian Geographic* publishes in an electronic version a series of stories of IDRC projects for kids in grades 9 and 10. What you have there is about a project that we have been supporting towards the elimination of violence against women in India, following the very publicized case of a rape of a woman in a bus. It was work that we were already engaged in, and it has led to a number of actions.

I'll give you two very illustrative cases.

**The Vice-Chair (Mr. David Christopherson):** Very quickly, please.

**Mr. Jean Lebel:** In Mumbai, every police station is now trained to receive cases of rape.

Secondly, on the forensic tool kit, India was using the two-finger test, measuring the entry of the vagina to determine if this was a case of rape. This is now out, because this test is irrelevant. Plus, for women, it's quite disturbing. There are other methods present, far more modern and effective, to establish if you have been a victim of rape. Our research has contributed to this in India.

**The Vice-Chair (Mr. David Christopherson):** Given the subject matter, I wanted to offer an opportunity for a fulsome answer.

Mr. Arya, you'll have the floor next, after Mr. McColeman, so I'll be coming right back to you, sir, and you can pick up on any line of questioning you wish at that time.

It's now time to move back to Mr. McColeman, who now has five minutes.

**Mr. Phil McColeman:** When you fund research projects, who owns the research after the project is completed?

**Mr. Jean Lebel:** The research is always owned by the researcher. IDRC helped to build the platform. Our researchers, whom we are supporting—we're saying "our researchers", but they are researchers of their own institution—are delivering the keynotes. They are using the research in order to find the best way to have an influence on public policy to improve the life and livelihood of people.

**Mr. Phil McColeman:** Is all the research you're funding in the public realm?

**Mr. Jean Lebel:** Absolutely. It's all available freely and openly on our website and various platforms.

**Mr. Phil McColeman:** Is that a condition of getting a grant? Do you call them grants when you fund a project?

**Mr. Jean Lebel:** Yes, it's a research grant.

**Mr. Phil McColeman:** Is that a condition of getting a grant, that the research be available?

**Mr. Jean Lebel:** Absolutely.

**Mr. Phil McColeman:** That's good to know.

Obviously, you scored very well on the audit, and I'll echo that from other members. It's very difficult to get an actual grasp—I'll speak for myself—of the impact of the types of things you've described—the partnership with Tim Hortons in terms of helping to mitigate climate change where they buy their product from.

Give us one or two more highlights—or maybe three, if we have time here—of a very small project that had a huge impact. You mentioned you've been with the agency for 22 years or...

**Mr. Jean Lebel:** Twenty years.

**Mr. Phil McColeman:** You've seen it. You know what this is all about and how important it is.

What are three that stick at the top of your mind: small, medium, and large scale?

• (1615)

**Mr. Jean Lebel:** On a small scale, through a grant of \$200,000, we helped Mexico get DDT eliminated from their malaria control program through the parallel agreement of NAFTA on the environment at the end of the 1990s. The model we used in Mexico that worked with the researcher there was translated for the entire Central America region with the elimination of DDT for malaria control. That's a very good example.

When the Ebola vaccine happened, IDRC had been funding research on emerging and re-emerging diseases for over 15 years. When the Ebola crisis happened, we knew that the Public Health Agency of Canada had the vaccine. The Canadian Institutes of Health Research was ready to fund a vaccine trial. IDRC had the contact in the field in Guinea, and we were in a network with WHO and other agencies with Global Affairs to launch the testing of the Ebola vaccine in Guinea and to get a 100% success rate in eliminating the transmission of Ebola.

Is it over? No, because this vaccine needs to be tested in different conditions under different regimes, and that's the nature of research. That's an investment of \$7 million for Canada altogether, I believe, that makes a very big change in the world.

I will give you another example that I don't often use, but one that tells a lot about the work of IDRC. When Nelson Mandela became the ANC chief, he came to Canada—under I think it was the Mulroney government—and asked for help for the transition to an anti-apartheid system without bloodshed. The government asked IDRC what we could do.

We said we would sponsor research with researchers from South Africa who were part of the diaspora or who were in South Africa, to look at the justice system, institutions, government, urban design, and research design. The research system is the same as Canada with NSERC and SSHRC, the granting councils.

Nelson Mandela was elected. Over half of his cabinet was composed of ministers who had received grants from IDRC in their careers. This is an impact for me that we don't measure. We cannot predict this, but the influence it has is still lasting, because any time there's a South African delegation in town, they come to IDRC, and we work with them. We don't interfere with their business, but we provide support in places where they feel there is a need, and our Canadian taxpayers' money makes a difference in the lives of these people.

**Mr. Phil McColeman:** One last question, quickly. How much of your budget is available for grants?

**Mr. Jean Lebel:** The budget currently is \$138 million. From the parliamentary allocation, there is \$100 million that goes straight into research grants.

**The Vice-Chair (Mr. David Christopherson):** Thank you.

Over to Mr. Arya. You have the floor again, sir, for five minutes.

**Mr. Chandra Arya:** Thank you, Mr. Chair.

I knew David Malone when he was the president of IDRC. I even gave him an award. Since then, my question of whether IDRC is still relevant remains.

You mentioned the rape issue in India to sensationalize your work being done in India, but this project does not deal with that. It's a three-year evaluation study, but anyway we'll come to that within the limited time.

With your funding, when you talked about the joint activities, or the parallel, or whatever you call it, raising about \$450 million, who manages the money? Suppose you got some funding from the Bill and Melinda Gates Foundation and you are a partner there. Who is the dominant partner who manages that money?

**Mr. Jean Lebel:** The money that flows through IDRC is accountable to the IDRC board and through the Parliament of Canada. It's in our annual report.

**Mr. Chandra Arya:** It is not that your money goes to the Bill and Melinda Gates Foundation?

**Mr. Jean Lebel:** No.

**Mr. Chandra Arya:** For all the joint activities, the money comes to you, and you manage it.

**Mr. Jean Lebel:** Yes, and we have a governance structuring order to provide representation of every partner at the table.

**Mr. Chandra Arya:** How frequently do you use Canadian consultants or Canadian small businesses in executing these projects?

**Mr. Jean Lebel:** It's very limited, because we don't work with consultants. Research relies on the capacity of researchers who are in the field, and our money goes to the researchers. We bring consultants in sometimes for very specific issues, but most of our work is based on building up the capacity of researchers. We do it often through joint programs with Canadian institutions, but we are not a consultancy-based organization. We are a research-based organization.

• (1620)

**Mr. Chandra Arya:** I understand you're a research-based organization, but whenever somebody does research, we need to monitor and evaluate how that research has been done, and we have consultants, small businesses, in Canada that have expertise and have worked extensively in this field with CIDA for so many years.

**Mr. Jean Lebel:** Well, you know, this is something we are doing.

A project can be evaluated in various ways. At the project level, we are providing support for self-evaluation as well as funding evaluation with expertise that is present at the national level in these countries, expertise that IDRC has built. When it comes to large programs, we often bid for external firms to do external reviews, and we often work with evaluation companies based in Canada.

**Mr. Chandra Arya:** I still don't understand.

Seventy-two percent of your staff is in Ottawa. You want to build up the expertise of researchers in various countries. How does it happen? What do the people do here in Ottawa?

**Mr. Jean Lebel:** They travel around the world to deliver the services. They use technology in order to meet with people on a very regular basis, and they provide capacity at the technical level to guide the research, and at the networking level to make those connections—south-south, north-south, and south-north. They are also responsible for monitoring whether the project gets completed according to the project objectives.

**The Vice-Chair (Mr. David Christopherson):** You have a minute and a half.

**Mr. Chandra Arya:** Okay.

Coming back to India, how much has IDRC spent in India in the last five to 10 years?

**Mr. Jean Lebel:** I could not answer that specifically now, but I will provide you with the answer.

**Mr. Chandra Arya:** You mentioned rape, and how rape is getting checked at the police stations, etc.

What is your role in changing the culture of the 1.2 billion population there?

**Mr. Jean Lebel:** It's not our role to change the country. Our role is to fund the research that brings evidence that other things can be done. Then it's for the Indian researchers and the public authorities to take that information and move it the way they want in order to correct the situation.

**Mr. Chandra Arya:** In your opinion, India still needs funding from organizations like yours?

**Mr. Jean Lebel:** India still needs funding from organizations like ours.

**Mr. Chandra Arya:** That's where I have to disagree.

My colleague has a question.

**The Vice-Chair (Mr. David Christopherson):** You still have a minute if you want it.

**Mr. Chandra Arya:** Okay, thank you so much.

**Mr. Jean Lebel:** May I add to my answer?

I'll give you an example of why we still need to provide support. Small millet is a cereal that was almost eliminated in India after the green revolution and introduction of dwarf wheat and maize. About four or five years ago, we started working on new crops that are more tolerant to heat stress and water stress. Small millet became one of the cereals that showed not only good yield under these conditions, but also proved to be more nutritious from a protein standpoint than maize and rice together. We helped the Indian agricultural researchers in Bangalore to put together a program to reintroduce millet. The Government of India has put \$60 million on the table to bring small millet to the national level. We provided only small funding. The Indian government is providing it. We have provided an incentive to look at this.

**The Vice-Chair (Mr. David Christopherson):** Go ahead, for a quick follow-up.

**Mr. Chandra Arya:** I'm from Bangalore. I know the organizations. I don't know this particular organization, but trust me, whatever you are putting in there, the Government of India is capable of doing that. I think our money should be diverted to the more deserving countries in Africa and other parts of Asia.

Thank you, Mr. Chair.

**The Vice-Chair (Mr. David Christopherson):** You're very welcome.

**Mr. Jean Lebel:** The research from India is now being used in Africa.

**The Vice-Chair (Mr. David Christopherson):** Thank you.

We have an opportunity for Mr. Harvey, for a full five minutes, if he wishes.

**Mr. T.J. Harvey (Tobique—Mactaquac, Lib.):** Thank you, Mr. Chair. I won't need the full five, but I want to make a couple of comments.

Following up on Mr. McColeman's starting comment on the chair appearing before the committee, I just want to clarify that I don't think any of us here believe that you shouldn't be here today. It was just that normally we would like to have both here at the same time.

• (1625)

**Mr. Jean Lebel:** We will. The point is very well taken. My apologies. This is the first time I've appeared in front of public accounts. You know, I have nothing to hide, and neither does our board. We will correct this deficiency, Mr. Chair.

**Mr. T.J. Harvey:** I think you're more than capable of answering the questions, and I appreciate your professionalism and the candour with which you addressed the committee today. We've seldom had people in front of public accounts in the last year who answered the questions with such vigour and provided a lot of insight into the questions that were being asked of them.

I wanted to touch a bit on measurability of fundraising effectiveness. I was impressed with the idea of setting goals that are indeterminately high, possibly, but possibly obtainable as well.

In your strategic plan going forward, does it continue in the same pattern? How do you intend to continue that cycle? Do you intend to keep trying to set goals that are higher than what you believe you can attain, or do you believe that, in the long term, you'll actually get to the level that you originally stated?

**Mr. Jean Lebel:** That's a very good question. I'm going to be very humble and honest. Now that we have targets and indicators, it's always a challenge on how to establish that. I can tell you with all our board of governors, we have numerous conversations with our staff. Because there was no baseline, you have to set one. You set one from evidence that you have or evidence that is out there, but you really aren't sure. In the last year at the performance management report session that we had, we already saw that there were some indicators that we are really overshooting, and to four, five, six times what we were expecting. Does it mean that we're performing very well? No. That means that maybe it's the wrong indicator or the information gathered has a bias, so we're working on this.

Fundamentally, we want to make sure that the targets that we set for ourselves at a corporate level are reasonable—according to our opinion, the opinion of our board, and experts—to be accomplished over a five-year period. If we miss them, we want to make sure we understand why. This is why this plan is flexible enough to have course correction. Let's say that a program is not performing at all because of conditions in the field, because it is simply not the right approach. We can pull the plug. We can say, "let's use the resources towards this strategic plan because it's not delivering."

We have a system in place that is an ongoing live system that tracks where we are and gives the opportunity to do course correction in order to maximize the chances to attain our goal.

**Mr. T.J. Harvey:** I have just one other question—

**The Vice-Chair (Mr. David Christopherson):** Mr. Saini, I want to take the opportunity to welcome you. You're not a regular member of the committee.

You get a whole minute to make your point, sir.

**Mr. Raj Saini (Kitchener Centre, Lib.):** I'll ask it very quickly. Thank you very much for coming here, Mr. Lebel.

You mentioned in your opening comments two types of funding models, the co-funding model and a parallel program. Would the parallel program be when the other organization is going to be spending money, money you will not have but they will have to spend the money on their own?

What is the guarantee that when you have a program, they'll actually come forward with that program? Also, the OAG mentioned something about reputational risk and that you were going to put together a study group by the end of September 2016.

**Mr. Jean Lebel:** It has been done.

**Mr. Raj Saini:** If you can just comment on those two. Thank you.

**Mr. Jean Lebel:** Okay. These are very good questions. The parallel agreement means that we have a common program or project, we're putting both our resources on the table, and we have mechanisms to track this, but the money is not blended.

The Tim Hortons case I brought up in my presentation is quite simple. Tim Hortons came to IDRC and said, "We have a challenge with our coffee crop in Colombia both in quality and in quantity, and we think that it's related to climate change." IDRC said, "We have programs that we have been funding with two universities that could help you." We are funding the research for new farming techniques, new crops of coffee, new processes in light of climate change adaptation, and we're pushing this to the co-op farmers association of Colombia of coffee farmers.

Tim Hortons is bringing its resources to the co-op in order to enhance their ability to seize the opportunity of the research.

There's nothing more difficult than to change the habit of a farmer. You know this. If he loses his crop, he loses his revenue and he's in a dramatic situation. Through this enhancement and push from the coffee buyers, Tim Hortons, the farmer has an opportunity to say if Tim Hortons is pushing us to take this technology, and this technology has been validated to be effective, we have a better chance to improve our supply, improve quality, and increase the revenue of the farmer in Colombia.

• (1630)

**The Vice-Chair (Mr. David Christopherson):** We'll conclude with that good question to a great answer. Thanks for keeping it tight.

Colleagues, if you'll indulge me two minutes for Monsieur Godin, that will ensure that everyone on the committee has had an opportunity to have their say.

With your indulgence, I'll turn to Monsieur Godin, and give him two minutes on the clock.

[*Translation*]

**Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC):** Thank you, Mr. Chair.

Thank you, fellow members.

Ms. Lamarche, Mr. Ricard, and Mr. Lebel, thank you for taking part in this exercise.

Mr. Lebel, there's something I'd like to come back to. You help businesses and communities with development. I'd like to know when your involvement ends.

You have had success stories, but you have no doubt had experiences where you realized that the project was a lost cause, that you had poorly assessed the situation for whatever reason, be it the specific circumstances or a geopolitical change. There can be 56 perfectly good reasons why a project does not work out, and that's entirely valid.

When does your involvement end, in both good and bad projects?

**Mr. Jean Lebel:** I'm going to give you a very tangible example of a good situation.

For 15 or so years, the centre provided research funding for community-based approaches to natural resource management. Despite being very conducive to success, the initiative was carried out on what I would call a microscopic level, involving a few villages and communities. The research showed that it was very difficult to apply the model to a regional or national level, because the methods and approaches used were not suitable. Furthermore, the civil society sector is doing tremendous work on this front and is much better-equipped than IDRC. Consequently, we gave up completely on that research dimension, having gone through the entire cycle and proven its effectiveness. There were, however, many examples of situations where things didn't work. All of that knowledge was passed on.

We are not involved in setting up aid programs either. That isn't our mandate; rather, it is Global Affairs Canada's. For instance, the department can use the research to shape development plans, and it's doing that more and more.

I'll give you an example. Right now, we are working on the development of livestock vaccines. Livestock animals are often seen as four-legged banks, so to speak, that can help cover education and health care costs. Through a partnership that brings together South Africa, Kenya, and Canada, we are working in Alberta on a vaccine against five common livestock diseases in Africa, one that is resistant to heat and requires no boosters, in other words, one that can be administered in a single dose. The vaccine could be ready in five years. That is the research component. If we want it to have a wider reach, however, development agencies will need to take the vaccine to another level.

You asked me to give you an example of a situation in which we withdraw from a project when things aren't going well.

We withdraw from a project in countries plagued by conflict, for instance, when the safety of the researchers whose work we are funding is in jeopardy.

We also withdraw from a project when research teams repeatedly come up with little in the way of results. We do recognize that, in research, a certain degree of learning has to happen and a group may not meet its objectives. In such cases, we endeavour to figure out why the group failed to meet its objectives, and we try again taking into account what we've learned. We do not tolerate an endless string of failures, though.

In addition, very seldom are we involved in non-research projects. In fact, that's in our risk management plan. It may seem trivial, but our offices receive a phenomenal number of ideas in the course of a year. Some hold tremendous potential, but when we take a closer look, we see that they do not constitute research, and we therefore do not fund them.

• (1635)

[*English*]

**The Vice-Chair (Mr. David Christopherson):** Very good, *merci*.

That concludes the time for this hearing.

On behalf of the committee, we appreciate you being here today. We very much appreciate that you understand our point regarding the chair. I think we got off to a little bit of rocky start in terms of your response, but you quickly understood where we were going and the reason for our concern. We very much appreciate that understanding.

I would also underscore the remarks of my colleague Mr. Chen, who went out of his way to say that, as these things go, this is a pretty good report.

Oftentimes, it must feel to some departments like it's a no-win situation in front of public accounts because it's never perfect. Given some of the things that we deal with, things can get pretty hairy in this place, but the idea is that we're trying to change behaviour at the end of the day.

Believe it or not, we're not looking for headlines. We use these reports to bring matters to full light. I'm speaking as much to the rest of the government as I'm speaking to you. Our point is to change behaviour.

In a perfect world, we would love to have reports like this get even better every time. There will always be a few things, but in the main, given how harshly we hold people to account who are way off where they should be in terms of how they do things, when we get a department or an entity that comes in and for the most part is doing a pretty good job, that needs to be recognized. That's what we are all about. That's why I wanted to underscore Mr. Chen's comments, who by the way is the newest member of this committee, and quickly understood the culture here and what we're trying to achieve.

On behalf of my colleagues and this committee, thank you so much for your appearance. We will be issuing a report, and if we

have any follow-up business with you, you'll hear from us in that regard.

Unless there's any other business to come before us in the matter of this chapter, I will suspend the committee as we prepare to go into our business session.

Thank you again.

*[Proceedings continue in camera]*

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