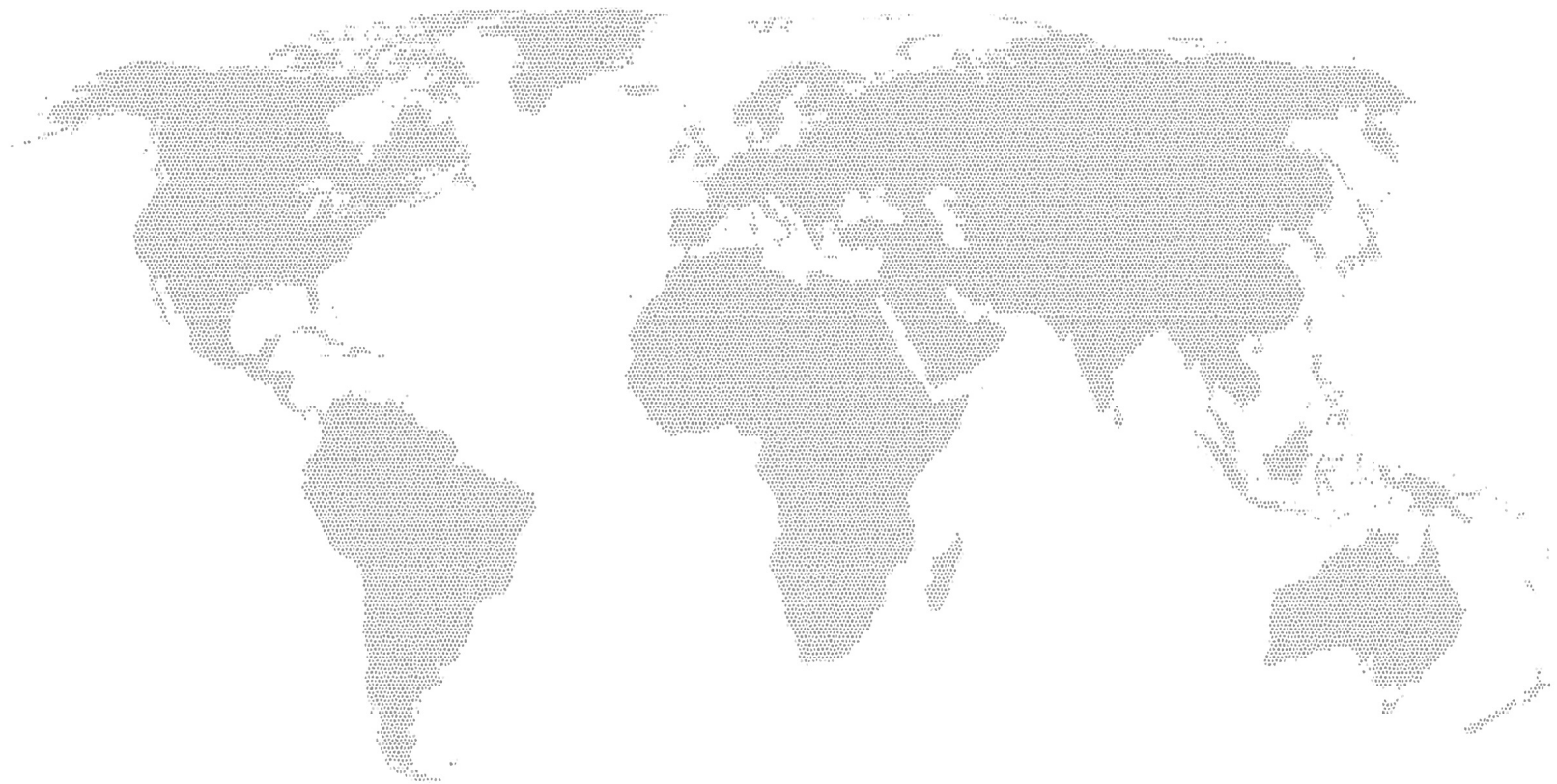


Canada's International Development Research Centre

# Improving lives and livelihoods

**Annual Report** 2013-2014



# Improving lives and livelihoods | 2013–2014

at March 31, 2014

**\$262.0** million in revenues

- \$202.9 million from Parliament
- \$58.2 million from donor contributions
- \$0.9 million other revenue

**4%** of Canada's international assistance

**\$158.3** million for new research projects

**11** donor partners

**798** research projects, **121** in Canada

**674** institutions supported, **111** Canadian

**218** individual awards

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A key part of Canada's foreign policy efforts, IDRC supports research in developing countries to promote growth and development. The result is innovative, lasting solutions that aim to improve lives and livelihoods.

All monetary amounts in this Annual Report are in Canadian dollars unless otherwise stated.

# Contents

2	Message from the Acting Chairperson
3	Message from the President
4	Putting research to work to improve lives and livelihoods
5	Summary of operations
8	<b>CONTRIBUTING TO CANADIAN PRIORITIES</b>
	■ Securing the future of children and youth
	■ Increasing food security
	■ Stimulating sustainable economic growth
	■ Advancing democracy; Ensuring security and stability
16	Engaging Canadians in development research
17	IDRC grantees win awards and recognition
19	Corporate governance
21	<b>MANAGING AND MEASURING OUR PERFORMANCE</b>
	■ Stewardship and accountability
25	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>
42	Financial statements
61	How to reach us

## Message from the Acting Chairperson

I was honoured to assume the role of Acting Chairperson of the IDRC Board in January 2014. In five years as an IDRC Governor, I have seen the Centre make tremendous contributions in areas such as food security, sustainable economic growth, and maternal and newborn child health. Through IDRC, Canada is a leading supporter of practical international research and innovation responding to urgent global challenges such as these. It is inspiring to see the positive changes that can be made in people's lives when resources are invested in an intelligent way.

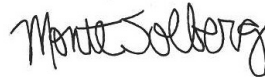
This is an exciting time for IDRC as we prepare to launch the Centre's next five-year strategic plan in 2015.

Extensive consultations inside and outside of IDRC, in the public and private sectors in Canada and internationally, have been at the heart of the planning process. More than ever, the Centre will sharpen its focus on results and invest in knowledge and innovation that promise to improve lives. We will identify the successful ideas, breakthroughs, and business models emerging from IDRC-funded research that can be rolled out on a broader scale for greater impact. Our new road map will focus on people, networks, and solutions, and position IDRC to remain at the forefront of research for development that enhances global prosperity and security.

This has been a banner year for donor partnerships. In recent years, IDRC has seen a substantial increase in the value of these collaborations with like-minded organizations. The Centre's strong track record of support for research that achieves concrete results has been critical to this growth. A number of large multi-funder programs were renewed this year, including the Canadian International Food Security Research Fund and the Think Tank Initiative.

Some remarkable new programs were also launched. For example, Growth and Economic Opportunities for Women — funded by the UK's Department for International Development, The William and Flora Hewlett Foundation, and IDRC — aims to generate new evidence that furthers both gender equality and economic growth in low-income countries. Cultivate Africa's Future, a collaboration with the Australian Centre for International Agricultural Research, seeks to combat hunger in sub-Saharan Africa through funding innovations by and for small-scale farmers, most of whom are women.

I feel confident that IDRC, guided by a robust new strategic plan, will continue to advance Canada's international assistance and foreign policy priorities and to add unique value to our presence on the world stage. By helping to build leaders in research, government, and business across the developing world, the Centre forges privileged relationships for Canada. And by supporting the efforts of exceptional individuals and organizations to spur social and economic progress in their societies, IDRC helps to create a more secure and prosperous world for all.



**The Honourable Monte Solberg, P.C.**  
Acting Chairperson

# Message from the President

As we prepare to embark on a new strategic plan that will chart our path in 2015-2020, I am optimistic about the opportunities ahead for IDRC and for our research partners. A rigorous planning process has allowed us, together with our Board of Governors, to think through how IDRC programming can make a tangible difference around the world. In a changing international landscape, our new plan will guide us as we adjust our business model to ensure the continued relevance, value for money, and impact of IDRC programs. The strength of our partnerships with other donors, a tribute to the expertise of IDRC staff, stands us in good stead as we explore new opportunities for collaboration.

IDRC is a world leader in development research, but uses only a small portion of Canada's aid budget. We leverage our Parliamentary appropriation to attract partnerships with other government donors and private foundations, and multiply the impact of Canada's investment. In this way, IDRC makes effective use of Canadian resources to develop innovative ideas, and test them. This sets the stage for those ideas to be taken further, with partners in the public and private sector, to improve lives. For example, one of our new research partnerships with the UK's Department for International Development — the Collaborative Adaptation Research Initiative in Africa and Asia — aims to build the resilience of people and their livelihoods in vulnerable regions, consistent with Canada's support for climate adaptation research.

This year, I had the privilege of presenting some remarkable results from other IDRC research partnerships to the Governor General of Canada, His Excellency the Right Honourable David Johnston, during his state visits to Africa and India. In Bangalore, for example, His Excellency met researchers who are helping to reintroduce nutritious small millets to India, improve their processing, and develop new economic opportunities for women.

The multidisciplinary research team from Canada, India, Nepal, and Sri Lanka is easing women's workload with a simple, efficient, electric-powered dehuller that could more than double the income that smallholder farmers earn from hardy, neglected small millets. This work is supported by the Canadian International Food Security Research Fund, a key pillar of Canada's strategy to combat chronic hunger and malnutrition in the developing world.

In a thoughtful speech at IDRC's head office in April 2013, World Food Prize laureate Daniel Hillel, the pioneer of drip irrigation, argued passionately for more international and interdisciplinary teamwork to confront increasingly complex global environmental challenges. It was a clarion call for more of what IDRC does best: bringing together researchers and institutions, across national borders and scientific disciplines, to tackle issues of common concern.

Dr Hillel, who received IDRC support early in his career, represents another facet of IDRC's impact. We work with talented researchers, from Canada and developing countries, some of whom go on to assume leadership positions in their countries. IDRC builds future leaders, for today and tomorrow, and global networks of influence for Canada. Partnering with developing countries to build their research capabilities and promote economic growth is an investment in a more prosperous and equitable world, and in Canada's own future.



**Jean Lebel, PhD**  
**President**

*“IDRC’s work is based on the conviction that knowledge and innovation can effect positive change in the social, economic, environmental, and political conditions of the poor, marginalized, or otherwise excluded people of developing countries.”*

— IDRC Strategic Framework 2010-2015

## Putting research to work to improve lives and livelihoods

### Our mandate

*The International Development Research Centre Act (1970)* directs the Centre “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.” To fulfill our mandate, IDRC encourages and supports researchers from developing countries to conduct research in their own institutions and regions.

### Our business model

In carrying out our mandate, we

- provide financial support to researchers in developing countries for applied research on the problems that they identify as crucial to their communities;
- engage with researchers throughout the research process;
- connect Canadian and developing-country experts;
- promote networking among our grantees; and
- facilitate access to research materials and services, as well as to other researchers and policymakers.

### Our objectives

This was the fourth year of operation under IDRC’s *Strategic Framework 2010-2015*, which establishes three goals:

- To build new knowledge on the following themes:
  - agriculture and environment
  - health and health systems
  - science and innovation
  - social and economic policy

- To build capacity to carry out research, especially in developing countries
- To enable our grantees to influence policy and practice.

Our *Program of Work and Budget 2013-2014* (PWB) forecast that 92% of the budget would be spent on development research programming, while the balance (8%) would be allocated to administrative costs. Within development research programming, the PWB anticipated a slight decrease in spending on research projects (73% from 77% in 2012-2013) and an increase on capacity-building activities (19% from 15%). All our activities seek to build new knowledge.



In pursuing these goals through our program activities, IDRC makes every effort to contribute to major Canadian government initiatives, as well as to international development priorities.

# Summary of operations | Corporate profile

A Crown corporation, IDRC funds research in developing countries to promote growth and reduce poverty. We support innovators and their colleagues in Canada and around the world who generate new ideas to advance knowledge and solve practical challenges, making a real difference to people's lives.

This year was the fourth under our *Strategic Framework 2010-2015*. This guiding document sets directions to ensure that our programming responds to the priorities of Canada's international development assistance and science and technology agendas, as well as to evolving needs in developing countries.

Our programs promote innovation to increase food security; stimulate economic growth; secure the future of children and youth, notably by improving health; ensure

stability and security; and advance democracy, as well as science and innovation. Woven through these fields of inquiry is a focus on gender issues, ensuring that men and women can contribute equally to the search for solutions and benefit from advances.

Programs reviewed and approved by the Board of Governors on a rolling basis, and described in IDRC's *Strategic Framework 2010-2015*, are fully operational and in different stages of delivering their work. The exception is the Innovation for Inclusive Development program that was terminated in 2012-2013 as part of the Budget 2012 Spending Review. The strategic plan and framework for 2015-2020 will outline our new programming structure.

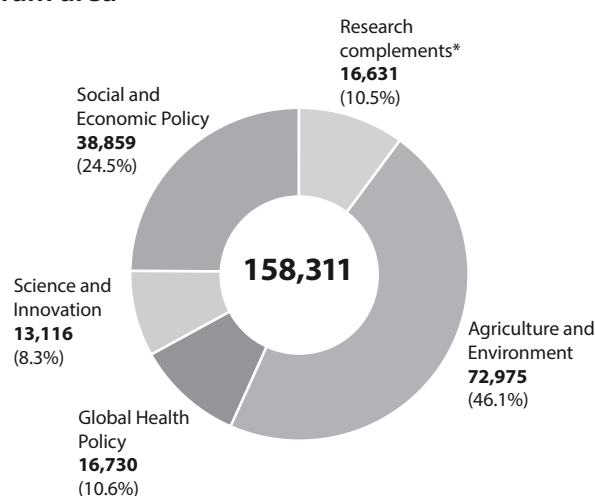
## PROGRAMS

Agriculture and Environment	Global Health Policy	Science and Innovation	Social and Economic Policy
<ul style="list-style-type: none"> <li>Agriculture and Food Security – includes the Canadian International Food Security Research Fund</li> <li>Climate Change and Water – includes the Collaborative Adaptation Research Initiative in Africa and Asia</li> <li>Ecosystems and Human Health</li> <li>Environmental Economics</li> </ul>	<ul style="list-style-type: none"> <li>Development Innovation Fund</li> <li>Global Health Research Initiative</li> <li>Governance for Equity in Health Systems</li> <li>Non-Communicable Disease Prevention</li> </ul>	<ul style="list-style-type: none"> <li>African Institute for Mathematical Sciences</li> <li>Research Partnerships Challenge Fund</li> <li>Information and Networks</li> </ul>	<ul style="list-style-type: none"> <li>Governance, Security, and Justice</li> <li>Supporting Inclusive Growth</li> <li>Think Tank Initiative</li> </ul>

## Allocations by program area

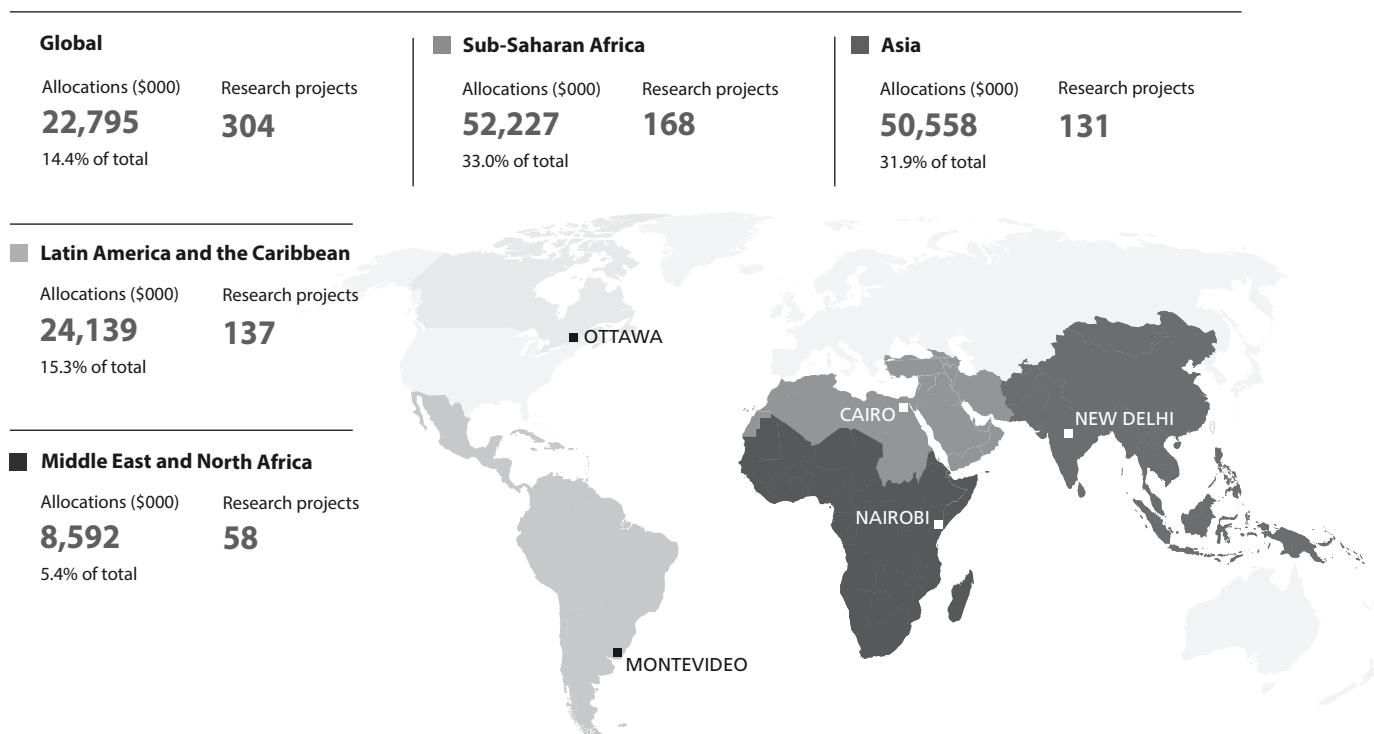
2013-2014 (\$000)

\* Research complements include Special Initiatives; Evaluation program; the Communications program; and the Regional Activity and Forward-Planning Funds.



## IDRC offices and allocations by region

IDRC supports research in all of Canada's international assistance focus countries, as well as in others. Our head office is in Ottawa. In 2013-2014, we maintained four regional offices across the developing world.



## Our funding

During the past year, total revenues from Parliament amounted to \$202.9 million. This represented 77.5% of our 2013-2014 revenues and 4% of Canada's international development assistance.

As of March 31, 2014, IDRC was involved with 11 donor partners in 28 contribution agreements worth \$411.4 million. During 2013-2014, IDRC signed nine new multi-year co-funding agreements with a total donor contribution of \$124.9 million. The largest contribution was the Canadian International Food Security Research Fund

Phase 2 (CIFS RF 2) to which Foreign Affairs, Trade and Development Canada (DFATD) is contributing \$50 million (see also page 22.) Seven of IDRC's 14 programs are now engaged in contribution agreements that augment our Parliamentary funding: one appropriation dollar leverages four to five donor dollars. One other program is currently negotiating a new co-funding partnership.

Canadian organizations play a large role in the delivery of co-funded research programs, representing 39% of the research grantees supported with the expanded funding.

<b>Key financial highlights</b> For the year ended 31 March 2014 (in thousands of dollars)	<b>2012–2013</b>	<b>2013–2014</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Revised budget</b>
<b>Revenues</b>			
Parliamentary appropriation	157 455	202 944	202 486
Donor contributions	42 304	58 163	51 390
Investment and other income	1 743	853	758
	201 502	261 960	254 634
<b>Expenses</b>			
Development research programming			
Research projects	226 247	192 559	181 305
Capacity building	44 790	44 145	46 208
	271 037	236 704	227 513
Corporate and administrative services	22 147	20 809	21 012
	293 184	257 513	248 525
<b>Net results of operations</b>	(91 682)	4 447	6 109
<b>Equity</b>			
Unrestricted	–	214	1 504
Internally restricted	1 171	1 117	1 169
Net investments in capital assets	10 275	10 688	11 302
Reserved	706	4 580	4 286
<b>Expense ratio</b>	92/8	92/8	92/8
<b>Program allocations</b>			
Funded by Parliamentary appropriation	121 667	96 279	95 003
Funded by donor contributions	40 335	62 032	59 021
	162 002	158 311	154 024

#### Notes:

- The Parliamentary appropriation represents 77.5% of total revenues.
- The expenses for development research programming represent 91.9% of total expenses.

For further information on these key financial highlights, please refer to Management's Discussion and Analysis on page 25.

## Sharing knowledge for development

Research results and documents generated by IDRC-supported projects, IDRC recipients, and IDRC staff are a tangible intellectual output of the Centre's mandate.

Our digital library helps developing-country researchers engage in the international dialogue on important development issues and increases the impact of their research. This repository of knowledge provides free and global access to more than 50,000 documents. In addition, the IDRC Development Research Information System (IDRIS+) offers access to all of IDRC's project descriptions and research outputs.

IDRC also provides free full-text digital editions of scholarly works we co-publish in collaboration with presses around the world. We added 20 titles to our collection in 2013-2014. Work was also completed this year on the development of an Open Access policy for IDRC staff and grantees.

In January 2014, IDRC published its first data files compatible with the International Aid Transparency Initiative. In doing so, IDRC joined a large community of donor agencies that have committed to regularly publish aid information. It is thus contributing to the Government of Canada's Open Data initiative, which aims to enhance public access to government data.

*“...program choices will be congruent with the priorities of Canada’s international development, innovation, and science and technology (S&T) agendas.”*

— IDRC Strategic Framework 2010-2015

## Contributing to Canadian priorities

IDRC’s *Strategic Framework 2010-2015* sets us on the path to our current priorities and programming. It also remains the touchstone for our funding and programming decisions. In adopting this strategy in October 2009, IDRC’s Board of Governors approved programming that takes into account Government of Canada international assistance priorities, its innovation agenda, and flagship government initiatives, such as the Canadian International Food Security Research Fund and the Development Innovation Fund.

Our programming is also based on a number of other considerations, however, not least the needs identified in the developing regions where we work, by researchers and decision-makers in those countries. We also consider the capacity of our partners on the ground and the contribution we can make to boosting the skills and knowledge of researchers, institutions, and networks.

Finally, we consider our position relative to other funders. Funding partnerships provide opportunities to extend our programming reach and impact, increase resources for our grantees, and influence policy development.

Our contributions are readily apparent in our programming on food security, for instance, on economic growth, and on securing the future of children and youth. The Canadian government’s efforts to advance democracy and promote security are reflected in our work on open government and support for transitions to free societies. Our work on climate change adaptation dovetails with Canadian interests in sustainable economic growth and environmental sustainability, as well as food security. These themes are discussed in the following pages.

IDRC enhances Canada’s innovation agenda through such activities as the International Research Chairs Initiative and the pairing of Canadian researchers with international researchers in a number of our programs.

All of our work promotes gender equity.

Through all of our programs and the activities we support, we seek to meet our three corporate objectives of building new knowledge, increasing skills to carry out research, and enabling our grantees to influence policy and practice.

## Securing the future of children and youth

While the populations of Canada and other industrial nations are aging, the face of the developing world is growing younger. The least developed countries, with the youngest populations, face a growing crisis in meeting the needs of their children and youth.

The well-being of children and youth is a Canadian aid priority. IDRC contributes to this effort across the spectrum of research we support. We invest in health systems to give children a strong start in life, while improving their nutrition through innovations in agriculture. We promote research on information technologies to overcome barriers to education in remote and rural communities, as illustrated below in Mongolia. And through our Supporting Inclusive Growth program, we are ramping up research to foster private sector development and job creation, particularly for women, youth, and other marginalized groups.

In a number of priority areas, we partner in co-funding with other donors. For example, we continue to expand the network of the African Institute for Mathematical Sciences (AIMS), with funding from the Government of Canada and the UK Department for International Development (DFID). AIMS was recently lauded by Canada’s Governor General, the Right Honourable David Johnston, as part of an “African renaissance in learning” for its work in extending excellence in advanced mathematics across the continent.

This year, the multi-funder Think Tank Initiative (TTI) commissioned an independent review of its work in building policy research centres. External reviewers noted its success in improving the organizational effectiveness, policy influence, and research quality of its grantees. Among their research activities, TTI-supported think tanks are raising youth concerns in Bangladesh and helping to control tobacco use in West Africa.

Finally, as set out in IDRC’s *2013-2014 Program of Work and Budget*, a new program on maternal and child health was launched this year through the Global Health Research Initiative — co-funded with contributions from

DFATD and the Canadian Institutes of Health Research. The Innovating for Maternal and Child Health in Africa program, described below, was officially announced by the Minister of Health, the Honourable Rona Ambrose, on behalf of the Honourable Christian Paradis, Minister of International Development and La Francophonie, at the World Health Assembly in Geneva on May 21, 2014.

### **In Africa: Innovating for maternal and child health**

Half of the world's maternal, newborn, and child deaths occur in sub-Saharan Africa. Most of these deaths could easily be prevented — by strengthening health systems on the frontlines, where primary health care is provided.

The \$36 million Innovating for Maternal and Child Health in Africa program, funded through the Global Health Research Initiative, reflects Canada's sustained commitment to improving maternal and child health and curtailing preventable deaths. First calls for research proposals were launched in March 2014.

The program brings together leading African and Canadian researchers with decision-makers to find solutions that improve health outcomes for mothers and children. It aims to evaluate technologies and services within communities; ensure that clinic and hospital staff members are delivering quality care; and help those who fund and manage health systems to make well-informed choices.

The seven-year program of research will support about 20 teams in Canada, Ethiopia, Ghana, Malawi, Mali, Mozambique, Nigeria, Senegal, South Sudan, and Tanzania. Through on-the-ground collaboration with those delivering health services, it will have a lasting impact on the lives of mothers and children.

### **In Mongolia: Bringing education online**

Many in rural Mongolia still live a semi-nomadic pastoral life. Achieving a good education is difficult under these conditions, and the country's lack of infrastructure compounds the challenge.

IDRC has worked since the 1990s to promote and support digital infrastructure in Mongolia, helping the country establish an information economy and address its pressing health and education needs. Recent IDRC-supported research by Datacom, a local telecommunications service, has led to new government investments in distance education, using freely available, open access software.

Building on this research, the Government of Mongolia has committed 1 billion Tugriks (about \$620,000) to implement the Open Network Education (ONE) project. Through the ONE initiative, more than 150 Mongolian video lessons adapted from the internationally acclaimed Khan Academy tutorials and a comprehensive Mongolian

dictionary are available online. Schools and universities are using classroom tools powered by Google Education, without the cost and complexity of maintaining hardware and software. Through Creative Commons licensing, these resources have been adapted for local use and are available for free.

Enkhbold Gombo, who led the Datacom research effort that prepared the groundwork for ONE Mongolia, has been invited to serve as Advisor to the Minister of Education and Science, while the project administrator, Burmaa Baasansuren, will lead the new ONE project.

### **Across Africa: AIMS turns 10**

IDRC implements Canada's \$20 million contribution to the Next Einstein Initiative (NEI), which is expanding the African Institute for Mathematical Sciences (AIMS) network. Canada's lead investment is helping to fund new AIMS centres across Africa. In addition to the original centre in South Africa (2003), three have since opened: AIMS-Senegal (2011), AIMS-Ghana (2012), and AIMS-Cameroon (2013).

Canada's contribution has also led to additional donations: as of March 31, 2014, AIMS-NEI had leveraged more than \$US13 million from foundations, the private sector, and governments. This includes actual transfers or signed commitments from the governments of South Africa, Senegal, and Cameroon. These African contributions speak to the uptake of the AIMS model on the continent, which is essential for its sustainability.

The UK's Department for International Development will match up to \$29 million in contributions over five years to the initiative. These funds will be managed by IDRC and used to establish two additional centres, as well as provide consolidated funding for existing centres.

This year, AIMS marked its 10th anniversary with its first global reunion of alumni in Cape Town, South Africa. We also celebrated AIMS here in Canada. At a public panel moderated by columnist Paul Wells in November 2013, Ottawa audiences met some remarkable scholars, including Martial Loth Ndeffo Mbah. A 2005 AIMS graduate, Dr Ndeffo Mbah is now an associate research scientist at the Yale School of Medicine, where he conducts research on the relationship between *schistosomiasis*, malaria, and HIV in Africa.

Since the first centre opened, 559 students from 39 African countries have graduated, one-third of them women. More than 87% have entered advanced master's and doctoral programs, with 55% now completed. Many AIMS alumni families have survived poverty, civil war, and even genocide. These scholars are now giving back, applying their expertise in university faculties, software development, health research, and engineering — across Africa and beyond.

### **In Bangladesh: Putting youth on the public agenda**

Bangladesh has one of Asia's youngest populations, yet the needs of youth have been largely overlooked by decision-makers. A national survey by the Institute of Governance Studies (IGS) aimed to put youth concerns on the agenda, and the findings are now creating ripples across the region.

In 2011, IGS initiated the Bangladesh Youth Survey: Giving Youth a Voice, supported by the Think Tank Initiative, the United Nations Development Programme, and the Swiss Agency for Development and Cooperation. This first-ever nationwide survey of youth captured their concerns on a host of issues. The findings show that youth consider education, improved services, and jobs to be the most important tasks for government. IGS published these findings, and has continued to promote youth issues through a national network of experts, development partners, and Bangladeshi ministries with responsibilities for youth.

Even as its advocacy is helping spur national action, the success of IGS in Bangladesh has inspired wider efforts. Two regional conferences on governing youth in South Asia were held in Nepal this year, bringing together experts, development practitioners, and policymakers from across Asia and Europe to critically assess youth policies in their respective countries. The success of these policy conferences helped generate funding from a German donor to carry out a series of national youth surveys across South Asia from 2014 to 2017.

### **In West Africa: Curbing tobacco use through tax reform**

As smoking rates decline in the developed world, tobacco companies seek new customers in developing countries. In West Africa, smoking is on the rise, with youth the most vulnerable. Countries struggle to control this surge with little national data and a lack of synergy between research, advocacy, and policies on tobacco.

Since 2010, the Think Tank Initiative-supported Consortium pour la recherche économique et sociale (CRES) has aimed to fill this gap. Informed by its research and advocacy, Senegal adopted a new law in March 2014 limiting the production, sale, and use of tobacco products. CRES' latest efforts, with additional support from IDRC's Non-Communicable Disease Prevention program, are making a difference across the region. Building on earlier research on tobacco taxes in the 15 member-countries of the Economic Community

Of West African States (ECOWAS), CRES is now helping to shape new ECOWAS and West African Economic and Monetary Union directives on tobacco taxation.

If adopted this year, the new directives will result in yearly increases in tobacco prices — with the potential to reduce tobacco consumption while generating much needed revenues.

### **In Pakistan and around the world: Meeting grand challenges in health**

Organic baby clothes manufactured in Hong Kong are helping save the lives of newborns in remote regions of Pakistan where the infant mortality rate is one of the highest in South Asia. For every item purchased from Baby Hero, the fair trade company donates a clean birth kit to an expectant mother in Pakistan and life-saving medical products to her baby. These items will help the mother survive her delivery and help prevent infections in her newborn, giving him or her a greater chance at life.

The clean birth kit is part of a portable neonatal toolkit developed by Dr Shaun Morris of the Hospital for Sick Children in Toronto. Dr Morris received a 2013 Stars in Global Health grant from Grand Challenges Canada (GCC). Working with Aga Khan University, the toolkit is being distributed and tested by community health workers. The goal: reduce newborn deaths by 40% in a cost-effective way. This project is one of close to 300 funded through the GCC Stars in Global Health program over the past four years, including 83 announced in November 2013.

The Stars program is one of four led by GCC. The others are Saving Lives at Birth, Saving Brains, and Global Mental Health. Dr Morris is also a principal investigator of a Saving Brains award investigating the impact of these neonatal toolkits alone or in combination with child stimulation training on child cognition and development in Kenya, moving beyond saving lives to saving brains.

The Government of Canada funds GCC through the Development Innovation Fund (DIF), established in 2008. A three-party consortium oversees the \$225 million fund, and is made up of IDRC and the Canadian Institutes of Health Research and GCC, which was created in 2010 to implement and manage projects supported by the DIF.

As of March 2014, GCC has approved the funding of more than 500 innovations, representing a commitment of more than \$145 million, which has leveraged more than \$170 million in additional funds. For more information on the DIF, see page 29 of Management's Discussion and Analysis.

## Increasing food security

According to the UN Food and Agriculture Organization, in 2011-2012, about one in eight people worldwide still suffered from chronic hunger, despite global progress.

IDRC plays an integral role in Canada's Food Security Strategy, providing leadership on research that links agricultural and environmental management to human development and economic growth. At the same time, we promote efforts to confront the rising tide in developing countries of non-communicable diseases linked to poor nutrition.

One of our key contributions is through the Canadian International Food Security Research Fund (CIFSRF). Launched in 2009 with Foreign Affairs, Trade and Development Canada, CIFSRF twins Canadian and developing-country expertise to promote innovations in agriculture and nutrition, especially those that benefit women and smallholder farmers. This year, the Fund issued two new calls for research after receiving an additional \$50 million in funding from the Government of Canada for a second phase, to which IDRC contributed \$12.5 million.

Projects already underway show many promising results. In Africa, for example, progress is being made on livestock vaccines. Kenyan and Canadian researchers have joined forces to fight *Contagious bovine pleuropneumonia* — also known as lung plague — a highly contagious cattle disease that threatens millions of livelihoods. And a Canadian and South African team led by the University of Alberta's Dr Lorne Babiuk, an international leader in vaccine research, is developing an inexpensive, single-shot vaccine that protects against five common animal diseases and does not require refrigeration.

In India, CIFSRF grantees welcomed Canada's Governor General, the Right Honourable David Johnston, on his state visit in February 2014. The Governor General and Mrs Sharon Johnston joined IDRC President Jean Lebel at the University of Agricultural Sciences in Bangalore to learn about work by scientists from Canada, India, Nepal, and Sri Lanka to reintroduce nutritious small millets and develop a simple dehuller to ease women's workloads.

A new co-funding partnership forged this year by IDRC and the Australian Centre for International Agricultural Research confronts hunger in Africa by supporting innovation by smallholders, most of whom are women. Cultivate Africa's Future — a four-year, \$15 million research program administered by IDRC — funds applied research to enhance long-term food security in 10 eastern and southern African countries.

Healthy diets are another IDRC priority. Researchers in Peru and Central America are exploring the links between health and nutrition as rates of non-

communicable disease increase rapidly in the region. In Ethiopia, pulse crops are proving a means to boost both crop yields and family nutrition. IDRC-funded research is also helping developing countries prepare for the impacts of climate change on agriculture and food security. In Egypt, for example, research on sea-level rise shows that small investments can help stem agricultural losses. This project is described in more detail below.

### In Peru: Promoting healthy diets

Non-communicable diseases are now the number one cause of premature death and disability in Latin America. In Peru, as elsewhere, diets and lifestyles are changing. People are eating more refined sugar, saturated fat, and salt. As a result, obesity is on the rise, along with chronic diseases such as diabetes and hypertension.

Social inequality plays a significant role in the health of Peru's large indigenous population. In parts of the high Andes and Amazonia, child mortality is more than twice the national average. New research launched this year looks at cultural diversity and social exclusion in health programs for and by indigenous people. One study, led by the Peruvian Centre of Indigenous Cultures and supported by an IDRC grant, hopes to improve nutrition in the Ayacucho region among children, mothers, and the elderly by reclaiming local food culture and promoting biodiversity. It aims to guide the rollout of policies that support indigenous health and promote the consumption of sustainably produced, native Andean foods, a source of food security.

Nationwide, community kitchens first established by low-income women in the 1970s have become a lifeline for families living in poverty. In Lima, they provide more than 500,000 lunches a day for less than 85 cents each. But menus are high in starches and low in fruits and vegetables. With kitchens run by volunteers, using no standard measurements, it is difficult to monitor or control fat and salt levels. Researchers from the Universidad Peruana Cayetano Heredia are exploring ways to improve nutrition, while keeping meals affordable and appealing to those who rely on them.

### In Central America: Building expertise in non-communicable disease

In Central America, governments lack the knowledge and tools to effectively respond to the rise in non-communicable diseases. In 2013, IDRC launched a new fellowships program to encourage scholarship in this important field.

Three grantees have been selected to date. In Honduras, Dr Lyda Nuñez is studying dietary and biological causes that underlie complicated cases of diabetes. In Nicaragua,

psychologist Juan Morales is exploring the promotion of healthy diets and physical activity at primary healthcare clinics. In Guatemala, Jessica Castañeda is investigating disease risk in peri- and post-menopausal women.

Led by the Institute of Nutrition of Central America and Panama, this four-year program offers funding, training, and mentoring to graduate and postgraduate students. It aims to equip a new generation of researchers and medical practitioners to shape public health measures that prevent and control non-communicable disease.

### **In Ethiopia: improving soils, crops, and diets**

In rural Ethiopia, 52% of rural people do not get the basic nutrition they need. Diets depend heavily on cereals and root crops that are low in protein and essential micronutrients, such as zinc and vitamin A. In the highlands of southern Ethiopia, nearly half of all child deaths stem from malnutrition.

Since 2010, researchers from the University of Saskatchewan and Ethiopia's Hawassa University have been testing innovations in plant breeding and soil management to nourish poor soils, enrich people's diets, and boost food security. Their latest phase of research, supported through the Canadian International Food Security Research Fund, combines agricultural research with nutrition education. By fortifying pulse crops — mainly chickpeas and haricot beans — that fix nitrogen in the soil, they are boosting yields of nutritious crops while enriching soils.

The project trains smallholders in farming practices that protect against erosion, improve soil fertility, and increase harvests. Involving women is crucial, as their farming and cooking practices shape family nutrition. Teaching mothers how to process and prepare meals with pulses is improving their children's health. A comparative study showed that infants of mothers who took part in nutrition counselling gained more weight than their peers.

Family incomes are also rising, as soil-nourishing pulses allow farmers to grow an extra crop, while boosting the productivity of other crops grown on the same land. Not surprisingly, farmers welcome these new practices. Ethiopia is looking to scale up the innovations to strengthen agriculture and tackle malnutrition country-wide.

### **In Egypt: Reducing crop losses from sea-level rise**

Successive UN climate change reports have underscored the threat to global food security as crop yields and food production suffer from floods, droughts, changing rainfall patterns, and other impacts.

In 2011, the Alexandria Research Centre for Adaptation to Climate Change was established in Egypt, funded

through Canada's fast-start financing. Its research is shedding light on agricultural losses that may result from flooding and saltwater contamination of groundwater linked to sea-level rise in the Nile Delta.

Findings published this year suggest that between 22% and 49% of land in the Delta could be lost to flooding and inundation by 2100. In the coastal region of Damietta, this would trigger crop losses worth more than \$1 billion this century, while hurting secondary industries linked to agriculture. But research also shows that relatively small investments could help stem these losses. The cost of constructing a drainage system and upgrading pumping stations to mitigate the effects of flooding would be about \$43 million — a small fraction of potential damage costs.

## **Stimulating sustainable economic growth**

A thriving economy is the best antidote to poverty, generating jobs and lifting incomes. Yet experience has shown that not all economic growth is equal in terms of how it benefits people, how well it endures through market cycles, and how it affects the environment.

IDRC research support promotes inclusive and sustainable economic growth, a Canadian government priority. It helps lay the foundations for well-regulated trade, investment, and business activity. It provides evidence to inform sound economic governance and strategies that extend opportunities to the poor and marginalized — especially women and youth, who face the greatest barriers.

For example, youth unemployment is one of the major challenges facing Africa, where close to 70% of its population is younger than 25. This year, we convened African think tanks, researchers, donor agencies, and government officials for an international conference addressing youth employment. The conference was a lead-in to a special session of the African Union's Conference of Labour Ministers, where ministers adopted a new declaration and action plan to promote jobs in Africa. This, in turn, is feeding into a summit of the African Union's heads of states in September 2014.

Through the Think Tank Initiative, a multi-funder program managed by IDRC, a growing network of independent policy research centres is helping guide economic decision-making in the developing world. In Asia, research and advocacy efforts by the Centre for Policy Dialogue (CPD) are helping to put economic integration on the policy agenda, promoting infrastructure, investment, and trade links between Bangladesh, China, India, and Burma (Myanmar).

The four countries have since signed a Memorandum of Understanding and adopted a joint research plan on a new economic corridor uniting them. The Government of Bangladesh has recognized the CPD for its contributions to promoting ties.

Climate change may disrupt growth and undermine development in some of the world's poorest regions, where livelihoods depend on climate-sensitive activities such as farming and fishing. A new research partnership launched this year by IDRC and the UK Department for International Development, the Collaborative Adaptation Research Initiative in Africa and Asia, supports four cross-regional projects that focus on "hot spots" where large numbers of people and the livelihoods of the poor are most at risk. In semi-arid countries in Africa and Asia, for example, the project Pathways to Resilience in Semi-Arid Economies will identify economic threats and opportunities by looking at climate risk, markets, and institutional and regulatory frameworks.

As the examples below illustrate, IDRC-supported research is helping countries create the conditions for inclusive and sustainable economic growth. In South Africa, research has informed a new telecommunications policy that aims for universal broadband access. In South America, governments are receiving expert advice on how to get the most from their resource industries. And four countries in Francophone and North Africa will join a global effort shedding light on entrepreneurship.

We also launched two new partnership programs this year that further our goals of reducing poverty and inequality, and removing barriers facing women and other marginalized groups: Growth and Economic Opportunities for Women (GrOW) and Safe and Inclusive Cities.

### **In South Africa: Shaping broadband access for all**

Telecommunications access is crucial to economic development in an interconnected world. In South Africa, a new policy adopted this year — *South Africa Connect: Creating Opportunities, Ensuring Inclusion* — aims to provide universal and affordable access to broadband services. The goal: a seamless national information infrastructure by 2030 to meet the needs of business, government, and all citizens. South Africa's Minister of Communications directly credits Research ICT Africa, an IDRC-supported network of African scholars on ICT policy and regulation, for its expert contributions to the policy and action plan.

For more than a decade, IDRC-supported researchers have worked closely with telecom regulators in Africa, Asia, and Latin America to introduce policies that stimulate growth and increase productivity. Research has shown that widening access to digital technologies can

help reduce poverty. As a result, policy changes such as those in South Africa have a clear focus on ensuring more affordable access to technologies for the poor.

### **In South America: Sustaining commodity-based growth**

In recent decades South American economies have been fuelled by a boom of exports in commodities such as metals, minerals, and natural gas. Research launched this year by the Mercosur Economic Research Network (MercoNet) analyzes how small and medium enterprises (SMEs) might help sustain this growth and extend its benefits to more people.

Coordinated from Uruguay, the project explores the place of SMEs in commodity production chains, to help national governments and private sector organizations expand economic opportunities. SMEs make up 90% of the region's businesses, employ more than 65% of workers, and are an important source of jobs for women. But these firms are poorly placed to take advantage of the new forms of production and technologies this boom has brought.

Research teams in 12 countries are examining how SMEs are integrated into commodity value chains as direct exporters or suppliers of inputs and services, and how they can take advantage of the commodities boom. They are also looking at how current economic growth patterns affect employment for men and women, and whether they can be more environmentally sustainable. Studies, news, and data on commodity-based growth will be widely shared in the region through policy dialogues and an online Observatory on Natural Resources.

### **In Africa and South Asia: GrOWing opportunities for women**

In many societies, women face discriminatory laws and social norms that limit their economic opportunities. This holds women back and stymies growth by wasting precious human capital.

In 2013, IDRC partnered with the UK's Department for International Development and The William and Flora Hewlett Foundation to launch Growth and Economic Opportunities for Women (GrOW), a five-year research program. GrOW focuses on women's participation in labour markets, entrepreneurship, and the care economy, and how gender equality affects growth in low-income countries.

Focused on sub-Saharan Africa and South Asia, the program studies three areas: barriers to empowering women in the economy and closing the gender gap in wages and productivity; patterns of growth and structural changes that affect women's economic role and gender equality; and how economic growth is in turn shaped by these gender factors.

Through new research and syntheses, GrOW will generate knowledge to influence policies that help women realize their full potential. As outlined in IDRC's *Program of Work and Budget* for this year, it will also strengthen research quality in this burgeoning field and build a cadre of researchers from across disciplines to shed light on gender and growth.

### **In Africa: Supporting entrepreneurship**

Business start-ups have been a springboard out of poverty for millions. Launched in 1999, the Global Entrepreneurship Monitor (GEM) is the world's longest continuous study of entrepreneurship. By shedding light on what makes entrepreneurs tick, GEM helps governments create a supportive business environment.

Since 2009, IDRC has supported GEM research in Africa, the Middle East, Southeast Asia, and the Caribbean. For the first time ever, in 2012 a GEM report gave countries in sub-Saharan Africa a firm base of evidence enabling them to compare their levels of entrepreneurial activity. This year, we extended support to bring Francophone and North Africa on board.

The Research Institute for SMEs at the Université du Québec à Trois-Rivières will link Canadian, Swiss, and African researchers to build knowledge and capacity on entrepreneurship in four countries. Cameroon and Burkina Faso will join the network first, with Senegal and Morocco joining in 2015. Through GEM's regional and international connections, these four will gain a platform for comparing their countries' business conditions within Africa and beyond. Ultimately, these studies will inform efforts to promote entrepreneurship and stimulate growth.

### **Advancing democracy; Ensuring security and stability**

Almost one-third of the world's population lives in conflict-affected countries, including under conditions of major wars and civil unrest. While low-income regions are most affected, conflict rages on all continents. Other forms of violence also take their toll: in many cities around the globe large-scale organized crime flourishes, and economic and social conditions worsen. Where governments are corrupt or unstable, criminal organizations thrive. This insecurity deepens human suffering and undermines decades of progress in all areas of development.

IDRC addresses insecurity as both a cause and a result of weak governance. Our approach is to strengthen institutions and build networks that link researchers, governments, and civil society in seeking ways to reinforce stability and security, and advance democracy.

Research in Latin America, for example, is looking at ways to improve citizens' confidence in state institutions and political parties.

Our support for research to strengthen democracy also focuses on the use of information technology to create more open and accountable governments. The implications of releasing vast amounts of government data are now being studied through a new network that seeks to inform local and global debates and promote effective policies and practices around the world.

IDRC has long supported research on governance in transition settings, in ways that allow for greater accountability and more meaningful citizen participation as countries move from armed conflict to peace and from authoritarian to more democratic rule. This past year, through our Governance, Security, and Justice program, we funded the development of the *Syria Transition Road Map*, which was officially endorsed by the Syrian National Coalition. This project is described below.

Research can also play a crucial role post-transition in shedding light on the underlying causes of conflict that may not have been considered during the peace agreement process, but are critical for sustainable peace. This is the thrust of a project launched this year in West Africa, where peace agreements have often been fragile and short-lived. Focusing on Côte d'Ivoire, Liberia, and Sierra Leone, researchers are investigating why peace agreements break down and what factors are needed for them to last. This project is part of a larger initiative funded by IDRC and the Carnegie Corporation of New York to build a database of knowledge on the most effective strategies for sustainable and inclusive peacebuilding and state rebuilding processes.

Leading security analysts believe that future conflicts will be fought in cities that are unable to absorb fast-rising populations. To address this growing challenge, IDRC has joined forces with the UK's Department for International Development on a \$11 million, five-year program of research that explores the links between urban violence, poverty, and inequality. Through the Safe and Inclusive Cities initiative, 15 research teams are studying 40 cities in 16 countries in Africa, Asia, and Latin America to identify the leading causes of violence and test the effectiveness of strategies to reduce it.

The examples below show some of the diverse ways in which IDRC is contributing to Canada's efforts to build a more secure, prosperous world; establish sound, accountable governance systems; and advance democracy.

## **In South America: Exploring the causes of political malaise**

In recent years, citizens of middle-income South American democracies have become increasingly dissatisfied with their institutions, politics, and political elites. Voter turnout is declining, traditional political parties are losing support, and new political movements are challenging the status quo. The legitimacy of the democratic institutions that were critical in Latin America's transition from dictatorship to democracy only decades earlier is being called into question.

Researchers in Argentina, Chile, and Uruguay are investigating the factors that give rise to this public distrust. They are exploring why disaffection for government is much lower in Uruguay than in Argentina or Chile — three countries with different histories, but similar social and economic conditions. One significant difference seems to be that Uruguay's institutional mechanisms deal with emerging social conflicts in a way that leads to non-violent outcomes.

After completing extensive public and expert surveys and detailed case studies, the researchers will propose policy reforms aimed at reversing the political malaise. Early results suggest a direct link between increased legitimacy of the state in the eyes of its citizens and the presence of effective institutions and political processes that promote broad public participation and help to defuse unrest.

## **On the Internet: Open data to improve lives**

In just a few years, open data has moved from being a niche interest to a global movement. Open data holds the promise of improving transparency, accountability, citizen participation, and economic opportunity. Citizens in Brazil, Nepal, and Nigeria are using publicly available data on government budgets to track and fight corruption, for example.

It is estimated that governments have already posted more than one million datasets on the Internet. And while just a small fraction are from developing countries, this is changing. Through the Open Government Partnership, governments from more than 50 countries, including Canada, have committed to make data freely available.

But it is not clear if open data initiatives are delivering on their promises. The Open Data in Developing Countries project, launched this year by IDRC and the World Wide Web Foundation, aims to understand the dynamics of open data policy and practice across the developing world, looking at positive impacts and unintended consequences.

Through 17 case studies in 14 countries, the project will identify the potential benefits and challenges of open data. This analysis will help project partners and stakeholders better engage policymakers and practitioners to increase the benefits citizens realize from open data initiatives.

## **In Syria: Detailed road map to democracy**

What are the building blocks of a democratic, pluralistic, post-conflict Syria? An IDRC-funded consensus-building initiative has laid the groundwork for more inclusive policies and institutions that can assist Syrian efforts to move from dictatorship to democracy.

The Syrian Center for Political and Strategic Studies (SCPSS) convened key experts and a broad spectrum of the fragmented opposition to engage in dialogue and come up with a common vision for building a democratic Syria. The result is the *Syria Transition Road Map*, which presents detailed plans for a future transition to democracy. The comprehensive report is the combined effort of about 300 opposition politicians, human rights activists, academics, judges, lawyers, and others grouped in the Syrian Expert House, which was founded by SCPSS at a 2012 conference in Istanbul.

The result of a remarkable series of workshops, the 238-page *Road Map* proposes constitutional, judicial, political, economic, and security-sector reforms. Specific recommendations include a parliamentary system with checks and balances, an independent judiciary, a restructured security services cleansed of corrupt officials, and a market-based economy. The document also charts a path to national reconciliation and justice for all victims of the war, noting "there is no place for the policies of revenge or retaliation."

## **In India and Sri Lanka: Safer cities for resettled communities**

Forced resettlement can perpetuate violence and poverty for those uprooted and the communities that absorb them. In post-conflict Sri Lanka, nearly 100,000 people remain internally displaced, mostly Tamil and Muslim minority groups who continue to face discrimination and are economically disadvantaged. Understanding the factors that feed conflict and inequality is key to developing policies that will restore livelihoods and security.

Sri Lanka's International Centre for Ethnic Studies and India's Centre for Development Studies are investigating resettled populations in three cities: Cochin in India's Kerala state, and Colombo and Jaffna in Sri Lanka. Their efforts are part of the Safe and Inclusive Cities initiative.

Researchers are looking at how resettled people are rebuilding — how they cope with finding housing, security, and new livelihoods, for example — and the impacts this has on their neighbours. By comparing communities in post-conflict Sri Lanka with those in Cochin, researchers hope to pinpoint how the causes of urban violence differ between postwar and more stable societies.

*“The Centre will continue its direct support to and maintain relationships with the Canadian constituency, focusing on organizations and activities engaged in knowledge-led work for international development.”*

— IDRC Strategic Framework 2010-2015

## Engaging Canadians in development research

IDRC supports collaboration between Canadian and developing-country researchers and builds relationships with Canadian academic, research, and civil society organizations engaged in international development.

Canadian organizations figure prominently among IDRC’s largest recipients, led by Grand Challenges Canada, the International Institute for Sustainable Development, and McGill University. Among the 674 recipient institutions at year end, 111 were Canadian: universities and colleges received 58% of IDRC’s funding in Canada.

IDRC also promotes and sustains linkages with Canadian institutions, particularly universities and civil society organizations, through a dedicated Canadian Partnerships program. This program seeks to stimulate interest in international development and increase the ability of the Canadian international development and research community to carry out research and knowledge-sharing activities related to IDRC’s mission and programs. During 2013-2014, IDRC funding through the Canadian Partnerships program totaled \$6.4 million.

### Launching and enhancing careers

Increasing the skills and knowledge of individual researchers is at the core of IDRC’s activities. We do so by providing opportunities to carry out research and develop appropriate methodologies. We also provide opportunities for researchers to pursue graduate degrees and undertake field work, both through projects and through our Corporate Awards and International Fellowships programs for emerging and mid-career researchers in Canada and in developing countries. These programs aim to build a critical mass of trained and experienced researchers in fields relevant to our thematic program areas.

In a tracer study of past award recipients, completed this year, 86% of respondents reported that the award had contributed to advancing their careers. Most work in universities and colleges. Three-quarters said receiving the award enabled them to develop networks and contacts in their field. These person-to-person connections often

became the basis of future collaborations between Canada and the rest of the world. The study also found that IDRC awards are highly regarded within the research community in Canada and abroad as a key source of research-specific funding for young scholars.

IDRC’s Corporate Awards and International Fellowships programs offer a number of individual awards through competitive processes to Canadian and developing-country graduate students: 218 such awards were approved in 2013-2014; 42 of these were to Canadians.

Our largest award program is the International Fellowships, through which we fund the training of graduate and postgraduate students and researchers. The awards are managed by institutions in sub-Saharan Africa, Asia, and Latin America and the Caribbean.

### Fellowships and Awards 2013-2014

Community Forestry: Trees and People – John G. Bene Fellowship	1
Awards for International Development Journalism	6
Doctoral Research Awards	39
International Fellowships Program – Doctoral Research Awards	34
International Fellowships Program – full-study master’s scholarships	71
International Fellowships Program – full-study PhD scholarships	20
International Fellowships Program – internships	4
International Fellowships Program – post-doctoral and other research awards	23
Research Awards	16
Sabbatical Awards to pursue advanced research at IDRC	1
Science Journalism Award	2
Professional Development Awards	1

*“The Centre has a long history of providing early support to promising researchers who go on to make substantial contributions to the scientific, policy, and practice communities.”*

— IDRC Strategic Framework 2010-2015

## IDRC grantees win awards and recognition

During the year under review, many of our past and present grantees — individuals and institutions — were recognized for excellence in their fields and for their contributions to science and to society. IDRC is proud of having helped advance the careers and important work of these talented researchers from Canada and developing countries and applauds the success of its research partners.

Public health economist **John Ataguba** from the University of Cape Town received a 2013 Claude Leon Merit Award for Lecturers. The annual awards recognize academic contributions by young South African scholars in natural and medical sciences and in engineering.

**André Bationo**, Chairman of the Africa Soil Health Consortium in Accra, Ghana, was awarded the 2013 Continental Edition of the Kwame Nkrumah Scientific Awards as African Outstanding Scientist. The award, offered by the African Union Commission, celebrates African achievement in science and promotes efforts to transform scientific research into economic growth.

IDRC grantee **Citizen Lab** was awarded the 2013 Canadian Library Association's Advancement of Intellectual Freedom in Canada Award for its work against Internet censorship and global abuses of cyber technology. Citizen Lab also became the first Canadian organization to win the 2014 MacArthur Foundation's Award for Creative and Effective Institutions.

Citizen Lab Director **Ron Deibert** is the 2013 recipient of the Partners in Research Technology Ambassador Award. This award recognizes his contributions to enhancing public understanding of the benefits of communications research and technology development.

Senegalese economist **Abdoulaye Diagne** has been awarded the inaugural Accomplished Educational Researcher Award under the Education Research in Africa Award program organized by the Association for the Development of Education in Africa and the African Development Institute, in collaboration with the Korea-Africa Economic Cooperation.

**Luz María Londoño Fernández** from the Institute for Regional Studies at the University of Antioquia (Colombia) won the Alcaldía de Medellín's Gold Medal for Female Merit, for the design of a research

methodology that allows the voice of victims of the armed conflict to be heard.

Delhi-based group **Jagori**, an organization working for women's empowerment, has won the Roland Berger Human Dignity Award for promoting and protecting human rights and dignity.

The Konex Foundation has named IDRC-supported researcher **Esteban Jobbágy** one of the top 100 individuals working in science and technology in the last decade in Argentina. Jobbágy is recognized in the agronomy, veterinary, and food category.

**Ronaldo Lemos**, Director of the Center for Technology and Society at the Getulio Vargas Foundation Law School in Rio de Janeiro and Director of Creative Commons Brazil, and **Laurent Elder**, Program Leader of IDRC's Information & Networks program, were among 25 experts named to the Global Commission on Internet Governance.

Canada Research Chair and International Research Chairs Initiative (IRCI) partner **Grace Marquis** of McGill University received an honorary doctorate from the University of Ghana for her contributions to higher education in the country. A joint effort of IDRC and the Canada Research Chairs Program, IRCI pairs top research talent from universities in Canada with their counterparts in developing countries to address key development challenges.

Renowned scientist and president of the Global Research Alliance **Raghunath Anant (Ramesh) Mashelkar** was awarded the prestigious Padma Vibhushan for his contribution to shaping India's science and technology policies. He has also made a notable contribution to raising awareness of the country's patents.

**Adriana Blanco Metzler** from the Costa Rican Institute for Research and Education on Nutrition was recognized by the World Hypertension League for her work on strategies to reduce salt intake in Costa Rica.

**Ajay Parida**, executive director of the M.S. Swaminathan Research Foundation, was awarded the Padma Shri for science and engineering. This is India's fourth-highest civilian honour.

Researcher **Joaquín Barnoya Pérez** is a winner of a Pan American Health Organization/World Health Organization 2013 World No Tobacco Day Award. Barnoya's research has raised public awareness and knowledge about tobacco consumption and health in his native Guatemala and across Latin America.

**Nelson K. Sewankambo**, the principal of the College of Health Sciences at Uganda's Makerere University and an International Research Chairs Initiative partner, received an honorary degree from the Johns Hopkins Bloomberg School of Public Health. The award recognizes his extensive contribution to public health.

**Lindiwe Majele Sibanda**, CEO of the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), was awarded the 2013 Yara Prize for an African Green Revolution for her commitment to generating knowledge, facilitating dialogue, and advocating for change in Africa's agricultural sector. FANRPAN is a long-standing IDRC partner.

**Neil Turok**, Director of Canada's Perimeter Institute for Theoretical Physics and founder of the African Institute for Mathematical Sciences, won the Lane Anderson Award for excellence in Canadian science writing for his CBC Massey Lectures, *The Universe Within: From Quantum to Cosmos*.

**Women in Cities International**, a Montreal-based non-profit network promoting gender equality and women's participation in development, placed first in the education category of the Women Transforming Cities Best Practices Awards.

# Corporate Governance

## The Board of Governors

IDRC's work is guided by a Board of Governors composed of up to 14 governors.

The *IDRC Act* provides that a majority of Board members, including the Chairperson and Vice-Chairperson, must be Canadian. The balance of members may be appointed from other countries.

The Chairperson of the Board reports to Parliament through the Minister of Foreign Affairs.

Board members are appointed by Canada's Governor in Council for terms of up to four years, and may be appointed for a further term.

## Key Board responsibilities

Key responsibilities of IDRC's Board are to

- establish the Centre's strategic direction;
- review and approve the Centre's budget and financial statements;
- assess and ensure that systems are in place to manage risks associated with the Centre's business;
- ensure the integrity of the Centre's internal control and management information systems;
- monitor corporate performance against strategic and business plans;
- monitor the performance of the President and Chief Executive Officer;
- ensure that the Centre has an effective communications strategy; and
- assess its own performance in fulfilling Board responsibilities.

## Board committees

The Board normally meets three times a year. There are also four standing committees of the Board. Committee composition, as of March 31, 2014, is as follows:

### Executive Committee

The Honourable Monte Solberg (Acting Board Chairperson and Committee Chairperson);  
Gordon Houlden; Sarah Fountain Smith; Jean Lebel;  
Xue Lan

### Finance and Audit Committee

Cindy Termorshuizen (Committee Chairperson);  
Nadir Patel; The Honourable Monte Solberg

### Governance Committee

The Honourable Monte Solberg (Committee Chairperson);  
Sarah Fountain-Smith; Nadir Patel

### Human Resources Committee

Gordon Houlden (Committee Chairperson);  
Sarah Fountain Smith; Jean Lebel; Xue Lan

## Compensation

Compensation for governors is set according to Government of Canada *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations*:\*

- Per diem for governors: \$390 – \$420
- Annual retainer for committee chairpersons: \$4,600 – \$5,400
- Annual retainer for the chairperson: \$9,200 – \$10,800

## The IDRC Board of Governors, April 2013 – March 2014

MARGARET BIGGS

Ottawa, Ontario

Then President, Canadian International Development Agency  
(until May 27, 2013)

L. DENIS DESAUTELS

Vice-Chairperson, Ottawa, Ontario

Director of several publicly traded corporations and board member of several not-for-profit organizations, including the University of Ottawa; former Chairman, Board of Directors, Laurentian Bank of Canada; and former Auditor General of Canada

(Acting Chairperson from December 3, 2012 until January 2, 2014)

SARAH FOUNTAIN SMITH

Ottawa, Ontario

Director General, International Organizations, Human Rights and Democracy Bureau  
Foreign Affairs, Trade and Development Canada

AHMED GALAL

Cairo, Egypt

Managing Director, Economic Research Forum  
(until July 13, 2013)

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\* Governors who are concurrently members of Canada's Public Service do not receive honoraria.

GORDON HOULDEN  
Edmonton, Alberta  
Director, China Institute and Professor of Political Science,  
University of Alberta

JEAN LEBEL  
President, IDRC  
Ottawa, Ontario  
Former IDRC Vice-President, Programs and Partnerships;  
former Director, Agriculture and Environment program;  
former team leader, Ecosystems and Human Health  
program; associate editor, *Ecohealth* journal.  
*(Appointed to serve as president by Board resolution  
from March 1, 2013 and appointed by Order in Council  
on May 1, 2013 to serve as president until such time as  
a new president is appointed.)*

FAITH MITCHELL  
Washington, DC  
President and CEO of Grantmakers In Health  
*(until May 27, 2013)*

ELIZABETH PARR-JOHNSTON  
Chester Basin, Nova Scotia  
Former President and Vice-Chancellor of the universities  
of New Brunswick and Mount Saint Vincent  
*(until May 27, 2013)*

NADIR PATEL  
Ottawa, Ontario  
Assistant Deputy Minister, Corporate Planning, Finance  
and Human Resources, and Chief Financial Officer,  
Foreign Affairs, Trade and Development Canada

GORDON SHIRLEY  
Kingston, Jamaica  
President and CEO, Port Authority of Jamaica  
*(until May 27, 2013)*

THE HONOURABLE MONTE SOLBERG  
Vice-Chairperson and Acting Chairperson, Calgary, Alberta  
Principal, New West Public Affairs Inc.  
*(Acting Chairperson from January 3, 2014)*

CINDY TERMORSHUIZEN  
Ottawa, Canada  
Foreign Affairs, Trade and Development Canada

XUE LAN,  
Beijing, People's Republic of China  
Dean, School of Public Policy and Management,  
Tsinghua University

## Senior Management Committee 2013-2014

(as at March 31, 2014)

FEDERICO BURONE  
Regional Director, Latin America and the Caribbean

SIMON CARTER  
Regional Director, Sub-Saharan Africa

DOMINIQUE CHARRON  
Acting Director, Agriculture and Environment

ANINDYA CHATTERJEE  
Regional Director, Asia

BRUCE CURRIE-ALDER  
Regional Director, Middle East and North Africa

NIKKI DIGNARD  
Director, Finance and Administration

SYLVAIN DUFOUR  
Vice-President, Resources and Chief Financial Officer

NASER FARUQUI  
Director, Science and Innovation

TRENT HOOLE  
Secretary and General Counsel

JEAN LEBEL  
President

STEPHEN MCGURK  
Acting Vice-President, Programs and Partnerships

ANNETTE NICHOLSON  
Vice-President, Corporate Strategy  
and Regional Management

LINE NOREAU  
Director, Human Resources

ANGELA PROKOPIAK  
Director, Communications and Parliamentary Affairs

SUE SZABO  
Director, Social and Economic Policy

LISA WOODWARD  
Director, Corporate Strategy and Evaluation

*“IDRC’s business model is rooted in its commitment to excellence in all spheres of its activities, including programming, staffing, outreach, management, and governance. At the same time, IDRC is committed to professional risk management and the highest standards of accountability, stewardship, and probity in using the public and private funds entrusted to it.”*

— IDRC Strategic Framework 2010-2015

## **Managing and measuring our performance**

### **Stewardship and accountability**

#### **22 Accountability**

- Internal audit

#### **22 Program support**

- Co-funding partnerships
- Evaluation
- Human resources
- Communications
- Information management  
and technology development

#### **25 Management’s discussion and analysis**

#### **42 Financial statements**

#### **61 How to reach us**

# Stewardship and accountability

## Accountability

IDRC is accountable to Parliament and to Canadians for our use of public resources. Our Board of Governors plays a key role by guiding the Centre in fulfilling its mandate and ensuring that the funds entrusted to IDRC are managed responsibly. IDRC's decentralized evaluation system fosters both accountability and transparency throughout the Centre, at the project, program, and corporate levels: all evaluations of IDRC's programming are publicly available through our Digital Library. We also provide open access to information on all research projects we fund, and to research outputs. All co-published books resulting from the research we fund are available free of charge, full-text on our website and on other platforms.

This past year we published our first data files compatible with the International Aid Transparency Initiative (IATI) standard, joining a large community of donor agencies committed to regularly publishing aid information. In doing so we are contributing to the Government of Canada's Open Data initiative that aims to enhance public access to government data, and to the Government's efforts to increase transparency as part of its Aid Effectiveness Agenda.

Here are some of the formal measures in place that help us meet or exceed the standards set by the Government of Canada for accountability and transparency in corporate governance:

- IDRC publishes quarterly financial statements on its website.
- IDRC's financial statements are audited annually by the Office of the Auditor General of Canada (OAG).
- IDRC is subject to both the *Access to Information Act* and the *Privacy Act*. Six requests were received under the *Access to Information Act* in 2013-2014. None were received under the *Privacy Act*.
- IDRC is also subject to the *Canadian Environmental Assessment Act*, 2012. Pursuant to IDRC's obligations under that *Act*, in 2013-2014 IDRC did not carry out or provide financial assistance to projects that it determined would be likely to cause significant adverse environmental impacts.
- IDRC publishes travel and hospitality expenses for its senior executives on its website.
- IDRC held its annual public meeting in November.
- In accordance with legislative requirements, IDRC submitted reports on its application of the *Canadian Multiculturalism Act*, the *Employment Equity Act*, and the *Official Languages Act*.

- IDRC's Senior Officer submitted her annual report on the *Public Servants Disclosure Protection Act*.
- IDRC contributed to the Government's report under the *Official Development Assistance Accountability Act*.

## Internal audit

Internal audit is a key element of IDRC's accountability structure. The Internal Audit work plan is closely aligned to the Centre's corporate risks and is designed to provide assurance on the effectiveness of key risk management processes, internal controls, and oversight mechanisms.

For more information on risk, see Management's Discussion and Analysis, p. 26.

## Program support

### Co-funding partnerships

IDRC works with a wide variety of organizations — government agencies, granting councils, the private sector, philanthropic foundations, and others. Co-funding partnerships are essential to IDRC's business model. We collaborate to learn from one another's experiences, extend the reach of the ideas we support, and bring innovations to scale. Partnerships build on the Centre's key strengths and pool technical, scientific, and financial resources to further a shared commitment to research in developing countries.

Canadian organizations have long played an important role in partnership arrangements. This year they accounted for 39% of the partnership portfolio.

As of March 31, 2014, IDRC was involved with 11 partners in 28 donor agreements worth \$411.4 million. During 2013-2014, IDRC signed nine new multi-year co-funding agreements with a total donor contribution of \$124.9 million. The largest was the Canadian International Food Security Research Fund Phase 2 (CIFSRF 2), to which Foreign Affairs, Trade and Development Canada is contributing \$50 million. (See also Management's Discussion and Analysis, page 25.)

New contribution agreements signed in 2013-14 include:

- Canadian International Food Security Research Fund Phase 2 with Foreign Affairs, Trade and Development Canada (\$50 million)
- Growth and Economic Opportunities for Women with the UK Department for International Development (\$11.2 million) and The William and Flora Hewlett Foundation (\$1 million)

- Cultivate Africa's Future with the Australian Centre for International Agricultural Research (\$7.5 million)
- Information and Networks in Asia and Sub-Saharan Africa with DFID (\$14.7 million)
- Think Tank Initiative Phase 1 with the Norwegian Agency for Development Cooperation (\$1.9 million)
- Think Tank Initiative Phase 2 with The William and Flora Hewlett Foundation (\$21.3 million) and the Bill & Melinda Gates Foundation (\$5.3 million)
- Innovating for Maternal and Child Health in Africa Program with DFATD (\$12 million).

During the year, the Canadian Institutes of Health Research agreed to transfer \$12 million of its appropriation to IDRC in support of this program. The appropriation transfer will occur over the program's seven-year lifespan.

## Evaluation

High-quality evaluation is an important tool for ensuring effective use of public funds and for documenting and assessing results. Our approach to evaluation is framed in terms of utility: evaluations should have a clear purpose and use, for learning, accountability, program improvement, and as input into decision-making. IDRC also works to strengthen evaluation practice within the Centre and internationally.

IDRC completed 15 evaluations during the year. The summative evaluation of the first phase of the Think Tank Initiative, a partnership between IDRC and the Bill & Melinda Gates Foundation, The William and Flora Hewlett Foundation, and the UK's Department for International Development, was completed this year. In addition, three health research initiatives — the Teasdale-Corti Global Health Research Partnership Program, the Africa Health Systems Initiative, and the Canadian International Immunization Initiative for Haiti — were evaluated in collaboration with Foreign Affairs, Trade and Development Canada and the Canadian Institutes of Health Research.

All IDRC programs are externally evaluated on a regular five-year cycle. Evaluations of IDRC programming are publicly available through our Digital Library.

IDRC continued its multi-phase strategic evaluation on research excellence. The project developed a framework to evaluate the applied research funded by IDRC: it considers research effectiveness (i.e., legitimacy, importance, and positioning for use) in addition to traditional research quality (i.e., scientific merit and integrity).

## Human resources

IDRC's success depends on its employees. The Centre has a highly qualified, international, multilingual workforce. Many possess specialized technical skills and extensive knowledge of particular geographic areas. This allows them to engage effectively with researchers in framing research problems, improving research design, and selecting and implementing research methods. Overall, the diversity of IDRC's workforce makes the organization better able to understand development challenges and to identify opportunities for innovation and impact.

In 2013-2014, IDRC continued to closely manage the impact on employees of the significant reduction in its Parliamentary appropriation. We focused on the three broad directions of our Human Resources Plan:

### *Find and grow talent globally*

During 2013-2014, IDRC refreshed its image as an employer through its online Careers pages and developed new advertising material to support specialized recruitment. A review of benefits and allowances provided to Ottawa-hired staff working in regional offices was undertaken and adjustments were made in light of comparator organization norms.

### *Provide a stimulating workplace*

IDRC's Wellness Committee organized events and activities for employees in Ottawa and in regional offices aimed at reinforcing healthy lifestyles and work habits. A new "Taking Strategy to Action" module in the Managers' Development Program was launched, and new coaching resources for managers were selected. The successful delivery of Mental Health Awareness sessions to all managers and employees further illustrates the importance placed by the organization on a healthy and supportive workplace. The high level of staff participation in consultations on the 2015-2020 strategic plan under development shows that personnel remain engaged and committed to advancing IDRC's mandate.

### *Enhance the Centre's capacity to manage human resources*

In 2013-2014, the Centre successfully launched a self-service module in its Integrated Payroll and Human Resources Management System, allowing managers and employees to access pay and benefits information online and to update personal information. This new capability paves the way for the introduction of the Time and Attendance Self-Service module in 2014-2015. These new tools provide timely, easily accessible human resources information for better decision-making.

## Communications

IDRC's *Communications Strategy 2010-2015* sets three objectives: building awareness of the Centre; promoting the uptake of IDRC-funded research results; and improving the ability of staff and grantees to communicate those results.

In 2013-2014, we focused on increasing awareness and building support for the Centre among our key audiences in Canada. For example, we organized a number of events to raise IDRC's profile, featuring such luminaries as World Food Prize laureate Daniel Hillel, diplomat Sir Ronald Sanders, and the University of Alberta's Dr Lorne Babiuk, winner of both the Gairdner and Killam awards. Other events included the 10th anniversary celebrations of the African Institute for Mathematical Sciences, at which His Excellency the Right Honourable David Johnston, Governor General of Canada, was guest of honour. The impacts of IDRC-supported research, as well as insights in international development, were presented at our annual public meeting in November.

While 750 people attended these events, they reached 4,200 people through webcasts and YouTube views. In addition, more than 550 students and faculty attended 17 events at 11 Canadian universities during a cross-country tour focusing on maternal and child health, co-hosted with Aga Khan Foundation Canada.

We also further engaged with official Canadian delegations. Notable among these was the participation of IDRC President Jean Lebel in the delegations accompanying the Governor General of Canada on state visits to Africa and India.

IDRC contributed to policy debates and engaged in national conversations on research, innovation, and development by communicating through many channels the results of the research we fund. In addition to an active social media presence, this outreach included our public website and e-bulletin, which counts more than 13,000 subscribers. We also shared research results through 20 new books co-published this year by IDRC and presses around the world. All co-published books are fully open access and available free of charge on our website.

## Information management and technology development

IDRC's Information Management and Technology Division champions and facilitates good information management practices, ensures the integrity of information and access to institutional information, and introduces and promotes the use of information technologies.

This year, we progressed in a number of key areas of information management and technology. In January 2014, IDRC published its first files compatible with the International Aid Transparency Initiative standard.

This past year, the Centre also continued the concerted digitization project initiated in 2012-2013, which resulted in cost savings on storage space in regional offices. By continuing to centralize the management of data backup services, other savings were achieved in overall IT operations.

Finally, a benchmarking review concluded that the level of resources allocated to information technology at IDRC is appropriate to the Centre's needs and is in line with the level of investment in similar organizations.

# Management's discussion and analysis

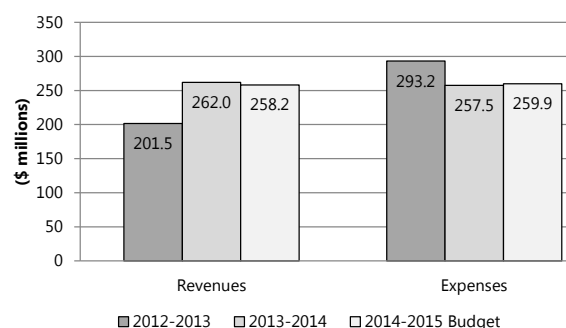
## SUMMARY OF RESULTS

- Revenues increased by 30% to \$262.0 million from \$201.5 million in 2012-2013. The 2013-2014 increase in revenues is primarily due to higher Parliamentary appropriation funding (included under Revenues for discussion purposes) for the Development Innovation Fund (DIF) as well as increased revenues from donor contributions, the latter having gone up \$15.9 million or 37.5% from 2012-2013. Details on page 28.
- Expenses decreased by 12.2% (\$35.7 million) to \$257.5 million from \$293.2 million in 2012-2013. Expenditures resulting from Canada's fast-start financing (under the Copenhagen Accord) caused the peak in 2012-2013. Expenses for the Development Innovation Fund also decreased significantly in 2013-2014. Details on page 32.
- The Development Innovation Fund spending was \$39.7 million, down from \$52.1 million in 2012-2013. The decrease in DIF spending was due, in large part, to the grant accrual recorded at the end of fiscal year 2012-2013. Details can be found in the *2012-2013 Annual Report*.
- As at 31 March 2014, total equity increased by \$4.4 million to \$16.6 million from \$12.2 million at 31 March 2013. This increase in equity was the result of replenishing the reserved equity, which the aforementioned accrual depleted. The unrestricted portion of equity is small (\$0.2 million). Details on page 40.
- Outstanding commitments for recurring activities funded by the Parliamentary appropriation amounted to \$138.1 million, a decrease of 12.0% during the year, while outstanding commitments funded by donor contributions increased by 57.2% as a result of the ramping up of a number of large co-funded programs. Details on page 37.
- Corporate and administrative services expenses remained stable at 8% of total 2013-2014 expenses. Details on page 34.

### Notes:

- All monetary amounts are in Canadian dollars unless otherwise stated.
- The Centre's basis of accounting is the set of International Financial Reporting Standards (IFRS). See Note 3, page 48 of the Notes to the Financial Statements.

**FIGURE 1: FINANCIAL HIGHLIGHTS**



## 2013-2014 BUDGET

The 2013-2014 original budget summary in Table 1 was presented in both the 2013-2014 *Program of Work and Budget* and in the *2012-2013 Annual Report*. The original budget was revised at mid-year to reflect the most current information available. The decrease in revenues relates to the actual project progress on which donor contributions are made. The expenses budget was also adjusted to reflect progress on the same projects. The prior year accrual of Development Innovation Fund (DIF) expenses also caused a significant revision in the expense forecast.

**TABLE 1: REVISED BUDGET**

	Original budget 2013-2014	Revised budget 2013-2014	Budget amendments
Revenues	54 636	52 148	(2 488)
Minus: Expenses	256 164	248 525	7 639
Cost of operations	(201 528)	(196 377)	5 151
Plus: Parliamentary appropriation	201 705	202 486	781
<b>Net results of operations</b>	<b>177</b>	<b>6 109</b>	<b>5 932</b>

## CORPORATE DEVELOPMENTS

### Developments relating to IDRC's Board of Governors

The term of L. Denis Desautels of Ottawa, Ontario, as a Governor came to an end on 2 January 2014.

The Honourable Monte Solberg of Calgary, Alberta, assumed the position of Acting Chairperson, in accordance with the provisions of the *International Development Research Centre Act (1970)*, on 3 January 2014.

On 1 May 2013, by Order in Council, Jean Lebel of Ottawa, Ontario, was appointed President of IDRC, to serve until such time as a new president is appointed.

## Other developments

The relocation of the Centre's Regional Office for Sub-Saharan Africa within the city of Nairobi, Kenya, has been successfully completed. The Australian Centre for International Agricultural Research has co-located with IDRC in the new facility.

The *Annual Report* lists the contribution agreements that IDRC has signed during 2013-2014 (see page 22).

## CORPORATE RISK

Risk management is a Centre-wide responsibility and is integrated into business processes. Responsibility is shared by the Board of Governors, the Board's Finance and Audit Committee, senior management and, ultimately, the Centre's work units. The areas of highest risk faced by the Centre at 31 March 2014 are listed below.

**Risk trend:** ↓ Decreasing → Stable ↑ Increasing

Key risk	Risk trend	Risk mitigation actions	Impact of risk mitigation actions
<b>Financial risks</b>  Uncertainty in donor contribution funding could impact financial resources available for programming.  The Centre faces uncertainty as to the level of future Parliamentary funding.	↑  ↑	The Centre continues to seek new co-funding opportunities through ongoing dialogue and engagement with key donors.  Senior management continues to communicate and engage with key decision-makers in the Canadian federal government, including International Assistance Envelope partners.  The Centre continues to identify and pursue opportunities for new funding of programs by the Government.	9 new donor contribution agreements worth \$124.9 million were signed in 2013-2014.  The Centre continues to explore possible collaborative projects and programs with other federal agencies. As an example, the Innovating for Maternal and Child Health in Africa program with the Canadian Institutes of Health Research (CIHR) was formalized in 2013-2014.
<b>Strategic risk</b>  The Centre may not secure alignment of its programming with Canadian international development priorities.  The Centre may have difficulty demonstrating its relevance and achievements to key stakeholder groups.	→  →	The Board and management continue to communicate and engage with the Government of Canada to ensure programs are aligned with federal priorities.  The Centre continues its efforts to reach Canadian decision-makers and other stakeholders through conferences and outreach activities, by contributing to policy debates relevant to Canada through print and e-publications, and by engaging in social media.  The Centre is complying with and implementing the International Aid Transparency Initiative Standard (IATI).	The Centre continues to demonstrate its commitment and contribution to federal priorities through such key documents as the <i>Program of Work and Budget</i> , <i>Annual Report</i> , program proposals, and in the development of the <i>2015-2020 Strategic Framework</i> .  The Canadian constituency remains a key target audience.  The Centre will continue to demonstrate the effectiveness of Canadian aid dollars through various outreach initiatives.

**Risk trend:** ↓ Decreasing → Stable ↑ Increasing

Key risk	Risk trend	Risk mitigation actions	Impact of risk mitigation actions
<b>Organizational risks</b>  The Centre has a number of vacant positions on its Board.  Recruiting and retaining a skilled workforce remains challenging.	→  ↓	Measures are in place to ensure that Centre business is carried out in the event of Board vacancies.  The Centre is enhancing its recruitment approaches by leveraging specialized networks of professionals related to the Centre's fields of expertise and through an increased use of Web advertising. The Centre is also providing a supportive work environment, attractive development opportunities, and flexible work policies to help retain its skilled workforce.	Once appointees are in place, the transitions are expected to proceed smoothly.  In nearly all its program areas, the Centre continues to attract and recruit people as well as retain current professionals needed to deliver on its objectives.
<b>Operating risks</b>  Larger investments in co-funded projects decreases the Centre's flexibility and ability to quickly exploit new opportunities consistent with the Centre's program strategy.  The Centre faces the risk that knowledge and learning is not effectively captured and disseminated.	↑  ↓	The Board reviews and approves large donor contribution agreements to ensure alignment with the Centre's program strategy.  The Centre is currently developing an inventory of existing practices related to knowledge management as well as offering training opportunities for employees. The inventory of practices will directly feed into the development of a digital road map that, once implemented, will support the Centre's <i>2015-2020 Strategic Framework</i> . The inventory will also allow good information and knowledge practices to be replicated.	Through its donor negotiation processes, the Centre continues to leverage additional funding from like-minded organizations in support of its program strategy.  The use of improved technologies combined with proven knowledge practices will facilitate interaction with grantees and partners and improve capture and dissemination of knowledge.
<b>External risks</b>  Staff safety and operations could be disrupted by unforeseen security situations.	↑	The Centre closely monitors and manages security situations in its regional office locations as well as in countries where the Centre is programming, through intelligence gathering, procedures, and preparedness plans.	Inherent risks remain.

## REVENUES

The Centre derives its revenues from a Parliamentary appropriation, donor contributions, and other sources (which include investment returns and other miscellaneous income). Of these, the Parliamentary appropriation is the most significant (see Table 2). Although the Parliamentary appropriation is included here with revenues for discussion purposes, on the statement of comprehensive income it appears singularly below the line following expenses, in the manner prescribed by International Financial Reporting Standards (IFRS).

TABLE 2: REVENUE DISTRIBUTION

	2012-2013 Actual	2013-2014 Actual
Parliamentary appropriation	78.1 %	77.5 %
Donor contributions	21.0 %	22.2 %
Investment and other income	0.9 %	0.3 %

TABLE 3: REVENUES

(\$000)	2012-2013	2013-2014			% change actual <sup>b</sup>	2014-2015
	Actual <sup>a</sup>	Revised budget	Actual	Variance		Budget
Parliamentary appropriation	157 455	202 486	202 944	458	28.9 %	188 020
Donor contributions	42 304	51 390	58 163	6 773	37.5 %	69 799
Investment and other income	1 743	758	853	95	-51.1 %	418
<b>Total revenues</b>	<b>201 502</b>	<b>254 634</b>	<b>261 960</b>	<b>7 326</b>	<b>30.0 %</b>	<b>258 237</b>

<sup>a</sup> For consistency of presentation, certain accounts were reclassified in accordance with the presentation adopted in 2013-2014.

<sup>b</sup> % change actual in 2013-2014 over 2012-2013.

## Parliamentary appropriation revenue

The Centre's Parliamentary appropriation allows us to deliver our mandate, which is included as part of Canada's International Assistance Envelope (IAE). The Centre's Parliamentary appropriation increased by 28.9% to \$202.9 million from \$157.5 million in 2012-2013, \$0.5 million higher than budgeted. The increase in

revenues was due primarily to the Development Innovation Fund (\$52.0 million in 2013-2014 versus zero dollars in 2012-2013). The overall increase in revenues was partially offset by the \$9.1 million reduction previously announced as part of the Government's Budget 2012: Economic Action Plan initiative.

TABLE 4: USE OF THE PARLIAMENTARY APPROPRIATION RECEIVED

(\$000)	2012-2013 Actual	2013-2014 Actual	2014-2015 Budget
<b>Total expenses</b>	<b>293 184</b>	<b>257 513</b>	<b>259 921</b>
Minus:			
Donor-funded expenses	42 304	58 163	69 799
	250 880	199 350	190 122
Replenishment of financial reserve	(5 771)	3 874	( 500)
Used for purchase of property, equipment, and intangibles	1 144	2 442	1 200
<b>Total funding requirement</b>	<b>246 253</b>	<b>205 666</b>	<b>190 822</b>
Parliamentary appropriation received	156 223	202 416	188 020
<b>Unused (shortfall) appropriation</b>	<b>(90 030)</b>	<b>(3 250)</b>	<b>(2 802)</b>

During the 2013-2014 fiscal year, the financial reserve was replenished to compensate for the depletion that occurred with the 2012-2013 year-end accruals of research project expenses. The total funding requirement for the 2013-2014 fiscal year therefore exceeded the Parliamentary appropriation received by \$3.3 million. This year's shortfall, like the one planned for 2014-2015, will be funded from other revenues generated by the

Centre as well as from reductions of the net book value of capital assets purchased in prior years.

The Parliamentary appropriation also included transfers from other federal agencies in support of the Centre's collaborative projects conducted with those agencies. Due to their fixed time frame, these transfers are excluded from the long-term recurring funding base.

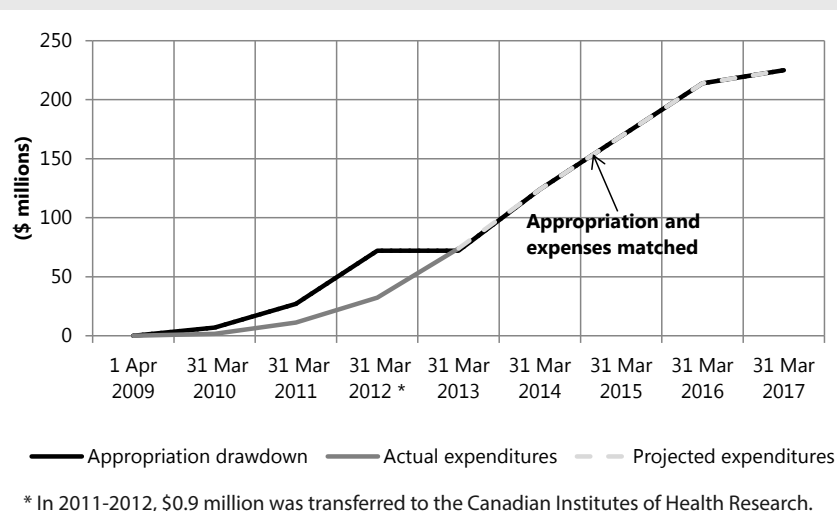
## Development Innovation Fund–Health (DIF–Health)

The federal budget tabled in February 2008 created the Development Innovation Fund to bring together Canadian and developing-country scientists, and the private sector, to tackle persistent health challenges facing poor countries. The DIF is overseen by a three-institution consortium which includes the Centre. The Centre has received and expended \$124.0 million

of the \$225.0 million fund since the inception of the DIF and to the period ended 31 March 2014.

A mid-term formative evaluation carried out in early 2013 found that the DIF's implementation has been relatively smooth and that the consortium concept has demonstrated progress. The evaluation report was presented to the Minister of Foreign Affairs.

**FIGURE 2: CUMULATIVE APPROPRIATION AND EXPENSES**



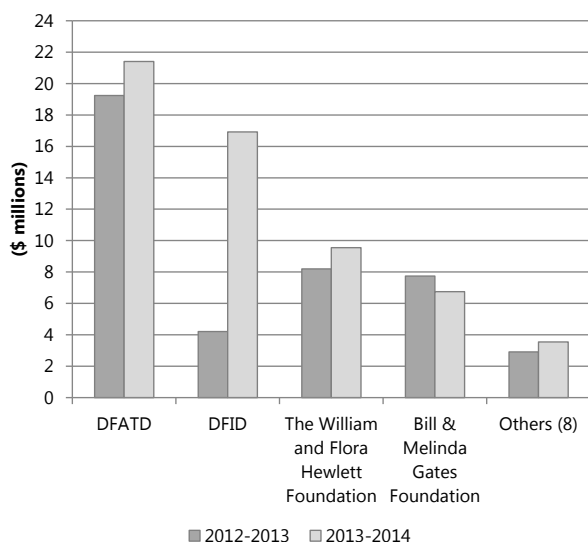
## Donor contribution revenues

Donors contribute to both programs and specific projects; however, funds received are not recognized as revenue until the related expenses are incurred. Consequently, the impact of donor contributions on the Centre's net results and year-end equity is limited to timing differences between the amount spent on indirect administrative costs and the administrative cost recovered (or not) from donors.

The budget for 2013-2014 anticipated an increase in revenues from the previous year as a result of the ramping up of a number of large co-funded programs.

Consequently, donor contribution revenues increased by 37.5% to \$58.2 million from \$42.3 million in 2012-2013, ending the year \$6.8 million higher than budgeted. The budget variance is due principally to good progress in the implementation of a few large programs — namely, the Think Tank Initiative, the African Institute for Mathematical Sciences (AIMS), and the Collaborative Adaptation Research Initiative in Africa and Asia (CARIAS). The donors who contributed the most funding, in dollar terms, are shown in Figure 3.

**FIGURE 3: REVENUES FROM DONOR CONTRIBUTIONS<sup>a</sup>**



<sup>a</sup> Expended on development research programming and administrative costs.

DFATD: Foreign Affairs, Trade and Development Canada

DFID: Department for International Development (UK)

Donor contribution revenues include the reimbursement received for indirect expenses incurred to enable capacity building and to provide internal services in support of the projects. The indirect expenses consist mostly of variable costs that can be apportioned among the Centre and donor shares of projects. The Centre does not include any of its Parliament-funded fixed corporate costs (i.e., overhead) in its cost recovery from donors.

The recovery rate of administrative costs is set between 10% and 12% of direct project costs, depending on the specific modalities of each donor contribution agreement. A slightly different scale applies to agreements signed with Canadian government departments. Management has concluded from its analysis that, during the year, donors paid a fair and proportionate share of total indirect project expenses.

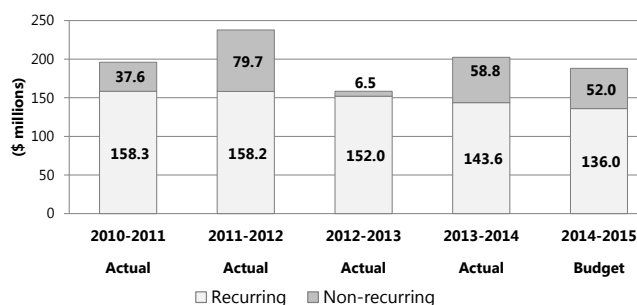
## Investment and other income

From time to time, the Centre temporarily invests, consistent with its investment policy, excess working capital in high-quality money market instruments. It also collects modest interest on the balance of its bank accounts. Other revenues are generated from conference management activities and other miscellaneous activities such as the sale of publications and the subletting of office space. Income from these sources decreased to \$0.9 million in 2013-2014 compared to \$1.7 million in 2012-2013 — the drop is entirely due to lower bank interest and investment income, which is a reflection of the decline of IDRC funds available for investment during the year (from \$95.9 million in 2012-2013 to \$24.9 million in 2013-2014).

## Revenue outlook

The Centre's appropriation from Parliament (also referred to as the reference level) is anticipated to be \$188.0 million in 2014-2015, a net decrease of \$14.9 million from 2013-2014. The decrease relates to two main factors: a reduction of \$7.7 million to reach the total planned cumulative reduction of \$23.0 million — as previously announced in the Government's Budget 2012: Economic Action Plan initiative; and a \$7.0 million decrease in the non-recurring Parliamentary appropriation related to the rescheduling of the DIF portion of the appropriation (\$45 million in 2014-2015 compared to \$52 million in 2013-2014). The changes in the Parliamentary appropriation are reflected in the recurring and non-recurring approved annual reference level amounts (see Figure 4).

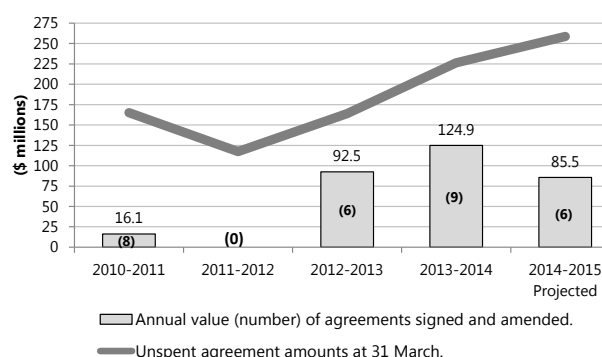
**FIGURE 4: RECURRING AND NON-RECURRING REFERENCE LEVEL**



Over the past two years, the Centre has entered into a number of significant co-funding agreements with donors funding entire programs rather than single projects. The implementation of these programs will continue during 2014-2015, increasing donor contribution revenues. Management also anticipates that the majority (81%) of the \$69.8 million in donor contribution revenue for research projects and capacity building will come from agreements signed and ongoing at 31 March 2014. The majority (94.8%) of the 2014-2015 donor contribution revenue will come from the UK Department for International Development (DFID), Foreign Affairs, Trade and Development Canada, the Netherlands Directorate-General for International Cooperation, The William and Flora Hewlett Foundation, and the Bill & Melinda Gates Foundation. The balance of donor contribution revenue will be sourced from new agreements signed with several other donors.

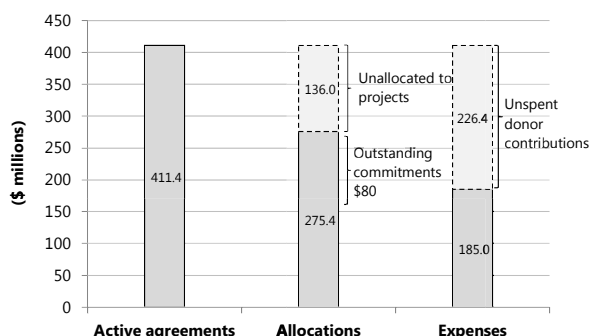
Co-funding partnerships are fluid and take time to negotiate. Although no new contribution agreements were signed in 2011-2012, the groundwork was laid for future substantial agreements that culminated in the increase of donor funding realized in 2013-2014. A similar trend is expected to continue into 2014-2015. Taking into consideration ongoing negotiations, management foresees the value of new contribution agreements signed in 2014-2015 to be approximately \$85.5 million (see Figure 5). As the Centre enters into new multi-year contribution agreements, the unspent agreement amounts typically increase significantly in the year following the signing of any agreements.

**FIGURE 5: PROFILE OF DONOR CONTRIBUTIONS**



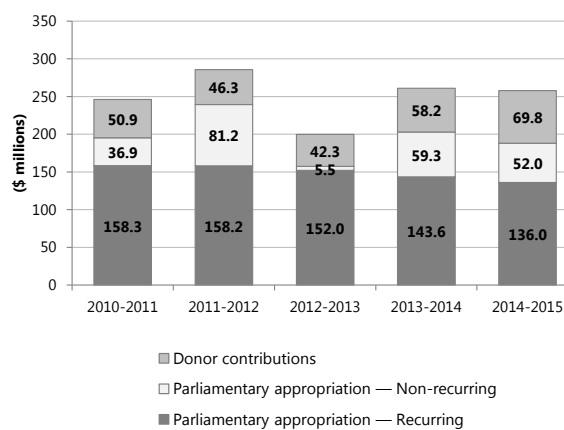
Of the \$411.4 million in active agreements at 31 March 2014, \$226.4 million is left to be spent over the remaining life of the agreements. Of this amount, and as per the agreed-upon work plans, \$136 million remains to be allocated to specific research projects (see Figure 6). Management expects to spend, and recognize as revenue, \$69.8 million of the unspent donor contributions during 2014-2015.

**FIGURE 6: DONOR FUNDING AS AT 31 MARCH 2014**



The Centre's Parliamentary appropriation is expected to decrease to approximately 73% of total revenues in 2014-2015 as a result of both the reduction in the recurring Parliamentary appropriation announced in the Government's Budget 2012: Economic Action Plan and the revised timing of the inflows relating to the DIF initiative that are expected to decline in 2014-2015, compared to 2013-2014. The proportion of donor contributions will increase to 27% while other revenue sources will remain relatively stable (see Figure 7).

**FIGURE 7: PARLIAMENTARY APPROPRIATION AND DONOR CONTRIBUTION REVENUE (ACTUAL AND PROJECTED)**



A reconciliation of the approved Parliamentary appropriation to the amount recognized in the statement of comprehensive income can be found under Note 14 of the Financial Statements (see page 56).

## EXPENSES

The Centre tracks expenses under two principal headings: development research programming and corporate and administrative services. Development research

programming is tracked in two business lines: research projects and capacity building.

TABLE 5: EXPENSES

	2012-2013	2013-2014				2014-2015
(\$000)	Actual	Revised budget	Actual	Variance	% change actual <sup>a</sup>	Budget
Development research programming						
Research projects						
Funded by Parliamentary appropriation	192 178	140 725	144 383	3 658	-24.9 %	133 083
Funded by donor contributions	34 069	40 580	48 176	7 596	41.4 %	59 078
	226 247	181 305	192 559	11 254	-14.9 %	192 161
Capacity building						
Enhancing research capabilities	35 798	36 800	34 960	(1 840)	-2.3 %	37 789
Research complements	8 992	9 408	9 185	( 223)	2.1 %	9 259
	44 790	46 208	44 145	(2 063)	-1.4 %	47 048
	271 037	227 513	236 704	9 191	-12.7 %	239 209
Corporate and administrative services	22 147	21 012	20 809	( 203)	-6.0 %	20 712
Total expenses	293 184	248 525	257 513	8 988	-12.2 %	259 921

<sup>a</sup> % change actual in 2013-2014 over 2012-2013.

### Development research programming expenses

Expenses for development research programming decreased by 12.7% in 2013-2014 to \$236.7 million, down from \$271.0 million in 2012-2013. Total expenses were higher (by \$34.3 million) in 2012-2013 for two reasons: first, expenses resulting from Canada's fast-start financing (under the Copenhagen Accord); secondly, higher spending for the DIF, as a result of a grant accrual recorded at the end of the fiscal year (see the *Annual Report 2012-2013*). Table 5 shows that total development research programming expenses are declining (from \$271.0 million in 2012-2013 to \$239.2 million in 2014-2015) while donor contributions are increasing (from \$34.1 to \$59.1 million). This means that the Parliament-funded portion of research project expenses is decreasing as planned.

**Research project expenses** are the direct costs of research projects and research support activities administered by the Centre as part of its ongoing programs. Projects are carried out by recipients with the aid of grants, as are most research support activities. A few of the latter are carried out or brokered internally. This category of expenses includes, in a small proportion, individual training grants, fellowships, internships, and research and research-related grants to individuals.

In 2013-2014, research project expenses funded by Parliamentary appropriation decreased by 24.9% (Table 5) to \$144.4 million from \$192.2 million in 2012-2013. As shown in Table 6, this year-over-year decrease results from the 2012-2013 disbursements of Canada's fast-start financing under the Copenhagen Accord (included in Table 6 under the Agriculture and Environment program) and lower expenses for the DIF (included in Table 6 under the Global Health Policy program). Research project expenses in 2013-2014 were higher than budgeted by \$11.3 million (see Table 5) as a result of remittances on co-funded research projects occurring sooner than foreseen. The 41.4% (\$14.1 million) year-over-year increase in research project expenses funded by donor contributions reached a total of \$48.2 million for the year. A variance against budget of \$7.6 million is evidence of the significant progress in the implementation of a few large programs (see details on page 29). The co-funding modality links the expense patterns of both the Centre's and donor's contributions.

**TABLE 6: RESEARCH PROJECT EXPENSES BY PROGRAM AREA FOR THE YEAR ENDED 31 MARCH 2014 (\$'000)**

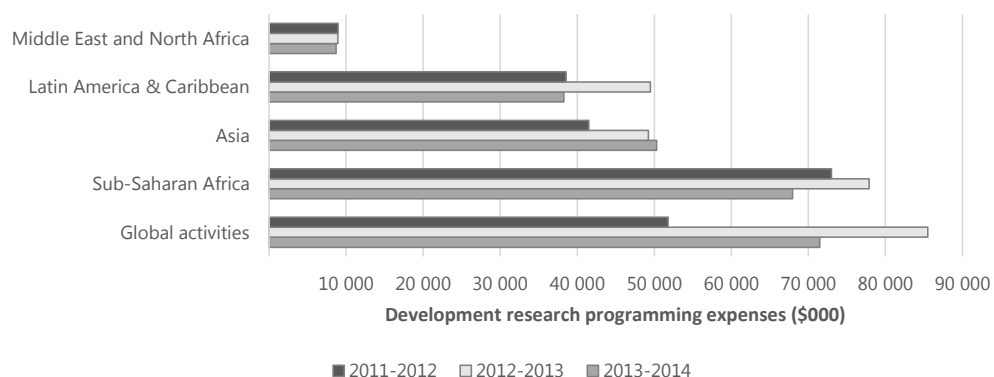
Program Area	2012-2013			2013-2014		
	Funded by Parliamentary appropriation	Funded by donor contributions	Total	Funded by Parliamentary appropriation	Funded by donor contributions	Total
Agriculture and Environment	63 329	11 692	75 021	25 975	20 681	46 656
Global Health Policy	63 228	6 338	69 566	51 810	5 159	56 969
Social and Economic Policy	21 353	15 754	37 107	30 044	18 620	48 664
Science and Innovation	24 789	241	25 030	17 304	3 707	21 011
Special Initiatives Division	19 479	44	19 523	19 250	9	19 259
<b>Total</b>	<b>192 178</b>	<b>34 069</b>	<b>226 247</b>	<b>144 383</b>	<b>48 176</b>	<b>192 559</b>

**Capacity-building** costs represent one of the main lines of the Centre's business in the developing regions of the world. As outlined in the *IDRC Act*, the advisory and knowledge brokerage functions of the Centre are central to the business model and to overall corporate performance. Capacity-building costs are further broken down into "enhancing research capabilities" and "research complements." Actual capacity-building expenses decreased by 1.4% to \$44.1 million in 2013-2014 from \$44.8 million in 2012-2013; actuals were \$2.1 million lower than budgeted (see Table 5). A portion of both sub-categories of capacity-building expenses is funded both directly through donor contributions and indirectly through administrative cost recoveries from donors. The rest is funded by Parliamentary appropriation and is subject to the Government expense reduction directives contained in Budget 2012. The increase in donor-funded expenses counterbalances the reduction in expenses funded by Parliamentary appropriation. The 1.4% reduction relative to the previous year is therefore greater

(3.4%) when excluding expenses associated with donor-funded programs. The budget variance in expenses reflects, among other things, fewer professional services and less travel than originally planned, and lower salaries and benefits due to staffing gaps.

The Centre supports research that has development impacts in a number of countries and regions around the world. Figure 8 depicts development research programming expenses by specific geographic area of impact (Middle East and North Africa, Latin America and Caribbean, Asia, sub-Saharan Africa). Global activities include research project expenses that ultimately affect more than one region. The distribution of the development research programming expenses between the regions has been relatively consistent over the years. However, small variations are normal. For example, the 2012-2013 data was skewed by expenses made as part of Canada's fast-start financing (under the Copenhagen Accord).

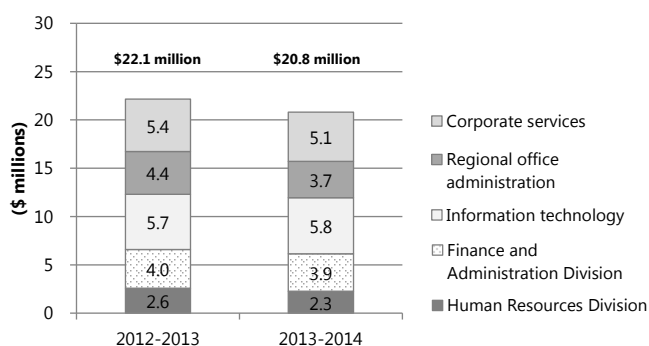
**FIGURE 8: GEOGRAPHIC AREAS OF IMPACT OF DEVELOPMENT RESEARCH PROGRAMMING**



## Corporate and administrative service expenses

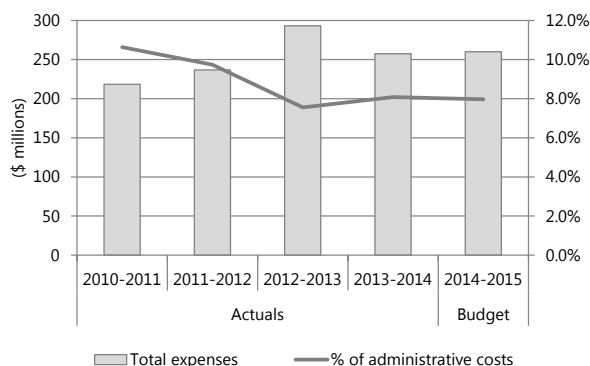
Corporate and administrative services provide a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and the meeting of corporate responsibilities. Subject to the expense constraints mentioned earlier, these expenses decreased by 6.0% to \$20.8 million from \$22.1 million in 2012-2013, virtually as budgeted (see Table 5), and consistent with management's continued efforts to reduce expenses while maintaining an efficient, competent administrative function. Spending by function decreased year-over-year with the exception of a very small increase in information technology (see Figure 9).

**FIGURE 9: CORPORATE AND ADMINISTRATIVE SERVICES EXPENSES**



As shown in Figure 10, corporate and administrative services decreased from 10.6% of total expenses in 2010-2011 to 8.1% in 2013-2014 (budgeted at 8.5% for 2013-2014), demonstrable results of the Centre's effort to reduce administrative costs relative to total spending.

**FIGURE 10: CORPORATE AND ADMINISTRATIVE SERVICES**



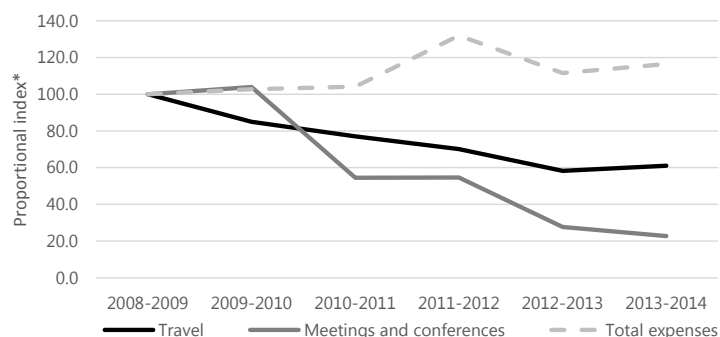
## IDRC's contribution to the Government of Canada's cost containment measures

Further to the Government's Economic Action Plan, the Centre contributed to the strengthening of the Government's financial and expenditure management in support of value for money, ongoing cost containment, and increased operational efficiency. Management implemented ongoing cost reductions to maximize development research programming expenses while maintaining administrative expenses at an effective level.

The downward trend in targeted expenses (Figure 11) is due particularly to the decrease in travel expenses by 39%

from the 2008-2009 level and now representing less than 2% of total expenses. When combined with the reduction in travel grants (reported under grants), travel-related expenses finished the year at approximately 50% of the 2008-2009 total for the category. The reduction in travel expenses became possible as new ways of communicating with recipients were introduced, such as voice-over-IP services. Meetings and conference expenses for research dissemination were also reduced significantly (by 77%), closing the year at \$0.5 million or 0.2% of total expenses.

**FIGURE 11: IMPROVEMENT IN EFFICIENCY FOR TARGETED EXPENSES**



\*2008-2009=100%

The majority of the Centre's employees are covered by the Public Service Pension Plan. Their contribution, as well as the Centre's contributions into the pension plan, are prescribed by Treasury Board's directives. Non-Canadian employees based overseas are offered a defined contribution plan, which, by definition, does not create long-term obligations for the Centre.

The Centre is closely following the evolution of proposed changes to the Government's short-term disability plan and is conducting parallel analysis of sick leave usage by Centre employees. The average number of sick days used in 2013-2014 was 6.4 per employee, steady over the years and one day less than the non-unionized employee average reported by the Conference Board of Canada in 2013.

The Centre's total staff complement was reduced by 17% over the 2011-2012 level of 480 FTEs. The 2014-2015 staff complement will stand at 393, a small reduction from 2013-2014. The overall staff reduction of 87 positions since 2012 includes 74.7 positions that are part of the Budget 2012 implementation and a further 12.3 positions as part of streamlining and the planned sunsetting of co-funded projects and programs. Nevertheless, we continue to monitor the competitiveness of salaries and benefits for the Centre's employees to maintain an appropriate balance between our ability to attract the right people and the resulting costs of doing so.

## Expenses outlook

In 2014-2015, management will continue to monitor the implementation of Year 3 of the Centre's expense reductions mandated by the Government's Budget 2012: Economic Action Plan. Additionally, the Centre will contribute to the Government of Canada's goal of reducing the size and cost of government through the freeze of the federal operating budget effective with the 2014-2015 fiscal year. As such, the cost of appropriation-funded development research programming and the cost of the related internal services will remain at the same level through to 2016-2017. Any increase in expenses in the foreseeable future will be funded by donor contributions only.

The focus will be on continuous improvement and efficiency, within the context of limited resources. Total expenses will reach \$259.9 million during 2014-2015, a modest 0.9% increase from \$257.5 million in 2013-2014.

Development research programming expenses are expected to increase by 1.1% to \$239.2 million as compared to actual expenses of \$236.7 million in 2013-2014. Pursuant to the signature of several new co-funding agreements during 2013-2014, donor contributions will

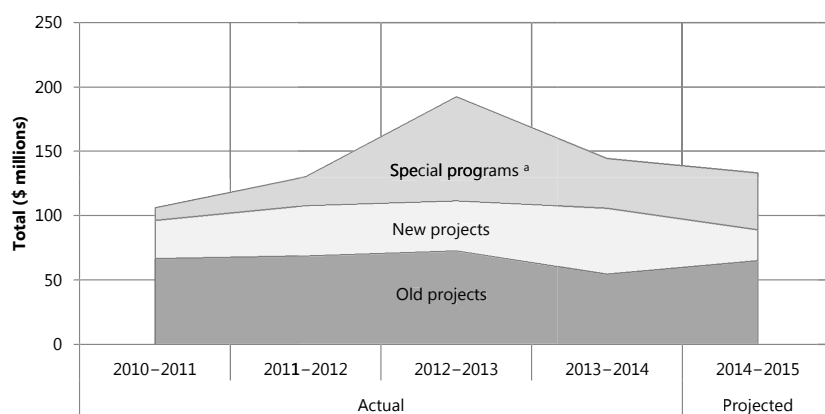
fuel a significant increase in expenses during 2014-2015. A significant part of that increase will be counterbalanced by the reduction in parliamentary funding.

The corporate and administrative services budget is expected to decrease from \$20.8 million to \$20.7 million as management reduces expenses while maintaining an efficient and competent administrative function.

The 2014-2015 Parliament appropriation-funded expenses from projects approved in prior years (i.e., expenses on "old" projects), excluding special programs, will reach \$65 million in 2014-2015 (see "old" projects in Figure 12). This amount represents approximately 73% of the funding available for projects during the year. Funding available for new projects will decrease from \$35.6 million in 2013-2014 to \$24 million in 2014-2015 as a result of a lower project allocations.

The appropriation for the DIF is expected to increase to \$44.1 million in 2014-2015. DIF expenses, shown under "Special programs" in Figure 12, are technically "old" project expenses, but contribute significantly to total future project expenses.

**FIGURE 12: PARLIAMENTARY APPROPRIATION-FUNDED PROGRAM EXPENSES**

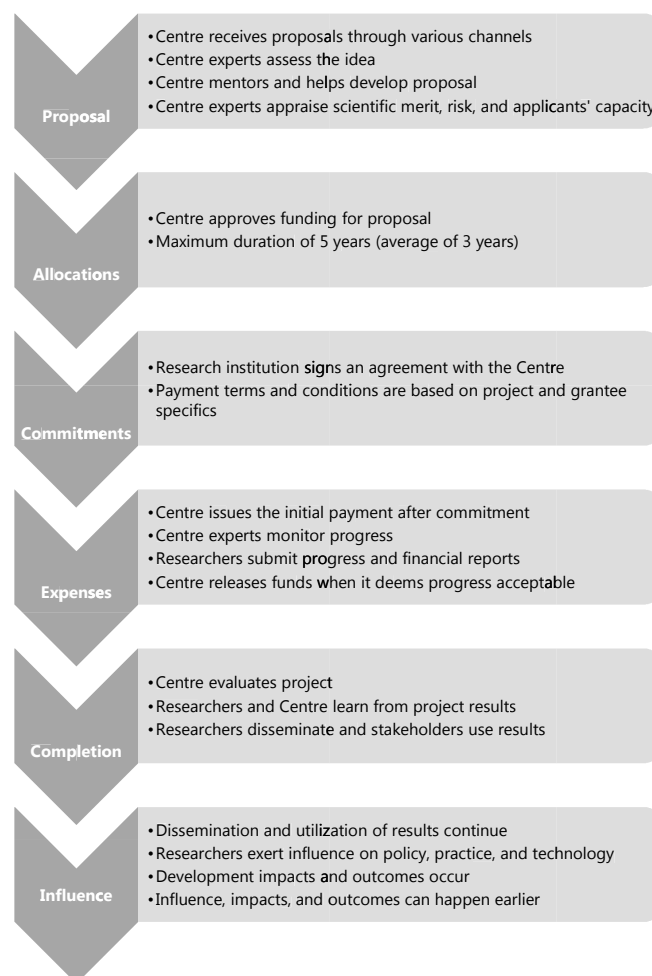


<sup>a</sup> Special programs are funded from the non-recurring portion of the Centre's Parliamentary appropriation. In years prior to and including 2012-2013, special programs included the DIF and Canada's fast-start financing (under the Copenhagen Accord) while the 2013-2014 actual and the 2014-2015 projected expenses only include the DIF.

## OTHER KEY FINANCIAL INDICATORS

As part of its mandate, the Centre provides financial support to researchers and innovators in developing countries and carries out certain research activities internally. The timing of the key life-cycle events (see Figure 13) directly influences the level of future development research expenses. As such, the Centre carefully monitors project-related financial indicators, such as allocations and outstanding commitments, to ensure early detection of trends inconsistent with forecasted budgetary targets.

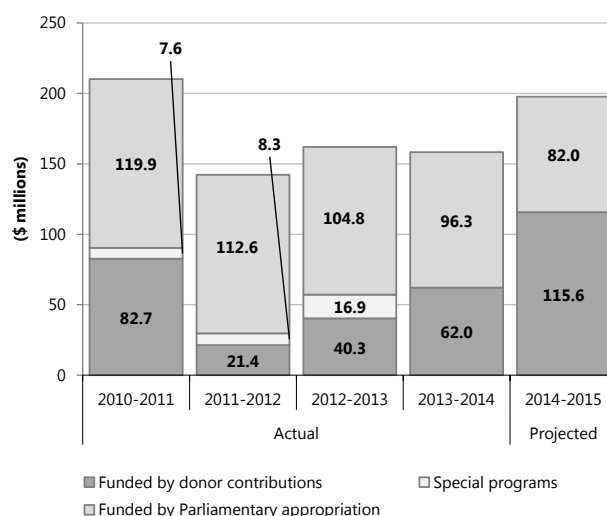
**FIGURE 13: FINANCIAL LIFE CYCLE OF RESEARCH PROJECTS**



## Program allocations funded by Parliamentary appropriation

Program allocations (see Figure 14) funded by the Parliamentary appropriation decreased 8.1% to \$96.3 million in 2013-2014 from \$104.8 million in 2012-2013 due to the reduction in the Parliamentary appropriation and the resulting ongoing project-spending pattern.

**FIGURE 14: PROGRAM ALLOCATIONS**



## Program allocations funded by donor contributions

The program allocations funded by donor contributions increased by 53.9% to \$62.0 million in 2013-2014 (\$3 million over budget) from \$40.3 million in 2012-2013, reflecting the significant increase in ongoing and new donor partnerships.

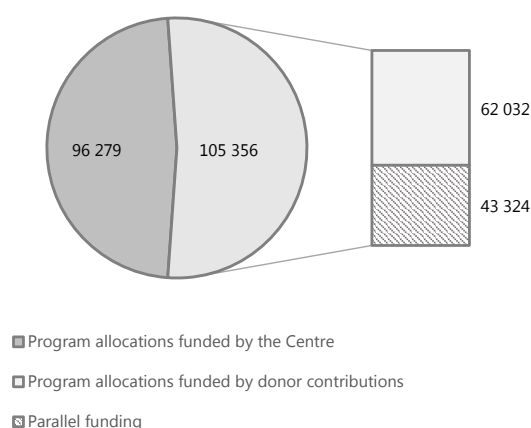
Approximately 84% of the \$158.3 million program allocations made in 2013-2014 was committed during the fiscal year. Expenditures began on these committed projects and will continue over their lifespans. The 2014-2015

program allocations funded by the Parliamentary appropriation are expected to be \$82.0 million (see Figure 14), which reflects the decrease in the Parliamentary appropriation resulting from the Government's Budget 2012: Economic Action Plan reductions. The amount of funds available for programming not linked to donor contributions stands at \$53.8 million or about 27% of total program allocations of \$197.6 million.

## Parallel funding

From time to time, like-minded organizations provide additional funding directly to a recipient in support of projects initiated or co-initiated by the Centre. The injection of parallel funding comes as a result of either our efforts, the recipient's, or both and has a significant impact on project activities. Parallel funding demonstrates success by the Centre's employees and recipients in leveraging resources in support of development research, increasing project activities that would otherwise not have been supported beyond the Centre's contribution. Parallel funding differs from donor contributions as the Centre does not manage these funds and they are not accounted for as revenues. In 2013-2014, each dollar spent by the Centre on project activities was more than doubled by parallel funding and donor contributions, reaching a total of \$201.6 million.

**FIGURE 15: EXPANDING OUR IMPACT (\$'000)**



## Outstanding commitments on development research projects

As at 31 March 2014, the Centre is committed to payments of up to \$316.9 million for development research programming activities over the next five years. Commitments are subject to funds being provided by Parliament (\$236.7 million) and by donor partners (\$80.2 million) and, with few exceptions, to recipients' compliance with the terms and conditions of their grant agreements. The increase in outstanding commitments funded by donor contributions is the result of reaching the intended scale of programming activities on a number

of large contribution agreements signed within the last two years. Outstanding commitments related to the DIF decreased to \$98.6 million from \$137.5 million in 2012-2013 as a result of the Fund having reached a steady pace of programming. The remaining outstanding commitments funded by Parliamentary appropriation decreased by 12.0% to \$138.1 million from \$156.9 million in 2012-2013 and will continue to decline, as the Centre's Parliamentary appropriation decreases.

**TABLE 7: OUTSTANDING COMMITMENTS ON DEVELOPMENT RESEARCH**

(\$000)	2012-2013	2013-2014	% change actual <sup>a</sup>
	Actual	Actual	
Funded by Parliamentary appropriation	156 924	138 088	-12.0 %
Funded by Parliamentary appropriation – DIF <sup>b</sup>	137 452	98 622	-28.2 %
Funded by donor contributions	51 022	80 209	57.2 %
<b>Total outstanding commitments</b>	<b>345 398</b>	<b>316 919</b>	<b>-8.2 %</b>

<sup>a</sup> % change actual in 2013-2014 over 2012-2013.

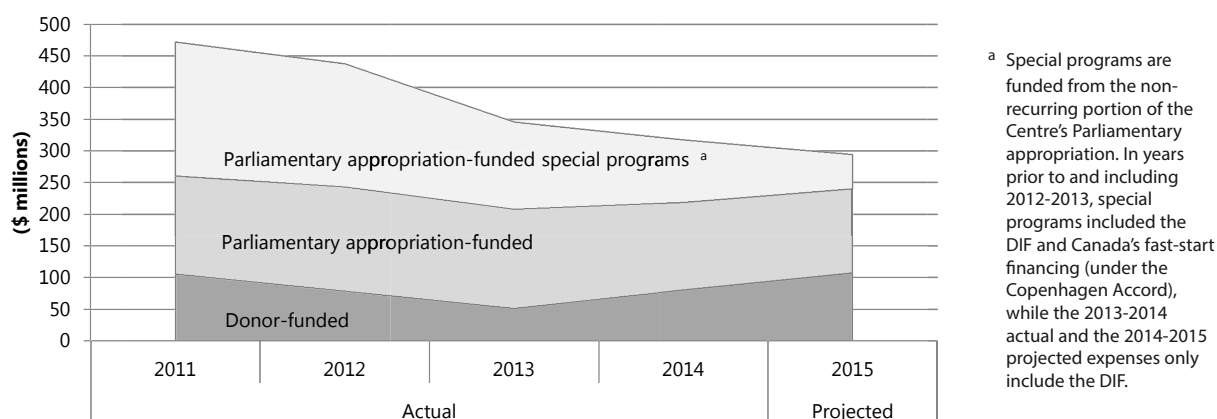
<sup>b</sup> For consistency of presentation, certain accounts were reclassified in accordance with the presentation adopted in 2013-2014.

Outstanding commitments for 2014-2015 are expected to decrease from 2013-2014 levels (see Figure 16) due primarily to the reduction in outstanding commitments funded by Parliamentary appropriation as well as those related to the DIF. The outstanding commitments funded by donor contributions are expected to increase in 2014-2015, as a result of an increase in funding resulting from the agreements signed in the last two years.

While the total amount of outstanding commitments fluctuates from year-to-year as a result of new donor contribution agreements and special programs, the level of outstanding commitments funded by Parliamentary

appropriations remains relatively stable over time. Consistent with sound financial management practices, the Centre continuously monitors the level of outstanding commitments funded by Parliamentary appropriations to ensure it remains consistent with the level of the recurring annual appropriation. The amount of outstanding commitments funded by the recurring Parliamentary appropriation represents 91% of the annual recurring Parliamentary appropriation. Historically, this portion of the outstanding commitments averages 95%, which is within the acceptable range that allows for the sustainability of annual research project expenses.

**FIGURE 16: OUTSTANDING COMMITMENTS ON DEVELOPMENT RESEARCH PROJECTS (AT 31 MARCH)**



## STATEMENT OF FINANCIAL POSITION DISCUSSION

TABLE 8: ASSETS AND LIABILITIES

(\$000)	2012-2013	2013-2014	% change actual <sup>a</sup>
	Actual	Actual	
Current assets	55 104	61 622	11.8 %
Non-current assets	10 275	10 688	4.0 %
<b>Total assets</b>	<b>65 379</b>	<b>72 310</b>	<b>10.6 %</b>
Current liabilities	48 248	50 028	3.7 %
Non-current liabilities	4 979	5 683	14.1 %
<b>Total liabilities</b>	<b>53 227</b>	<b>55 711</b>	<b>4.7 %</b>

<sup>a</sup> % change actual in 2013-2014 over 2012-2013.

As anticipated, there was an increase in assets and liabilities linked to several new donor contribution agreements signed in 2013-2014. Total assets increased 10.6% to \$72.3 million from \$65.4 million in 2012-2013. The increase is entirely in cash, reflecting advances the Centre received in relation to contribution agreements.

Total liabilities increased by 4.7% to \$55.7 million from \$53.2 million. The increase in liabilities, both current and non-current, is due principally to higher deferred revenue for the programs and projects funded by donor contributions. All liabilities on the Centre's balance sheet

are fully funded. As indicated in the financial statements, a small proportion (7.7%) of the Centre's liabilities relates to future employee benefits. Those liabilities are assessed by an actuary (see Notes 4h and 12 of the Financial Statements). Sick leave and vacation leave liabilities are small and subsumed under payroll liabilities. The largest future benefit liability, totalling \$4.7 million, is the balance of the abolished voluntary departure severance benefit. In general, future employee benefit liabilities are small and under control, with little year-over-year variance.

TABLE 9: EQUITY

(\$000)	2012-2013	2013-2014			2014-2015	% change actual <sup>a</sup>
	Actual	Revised budget	Actual	Variance	Budget	
Unrestricted	-	1 504	214	(1 290)	-	n/a
Internally restricted	1 171	1 169	1 117	( 52)	1 118	-4.6 %
Net investments in capital assets	10 275	11 302	10 688	( 614)	9 816	4.0 %
Reserved	706	4 286	4 580	294	4 080	548.7 %
<b>Total equity</b>	<b>12 152</b>	<b>18 261</b>	<b>16 599</b>	<b>(1 662)</b>	<b>15 014</b>	<b>36.6 %</b>

<sup>a</sup> % change actual in 2013-2014 over 2012-2013.

The Centre's equity is classified as unrestricted, internally restricted, net investments in capital assets, or reserved. The equity level in each class is established in accordance with the Centre's Equity Policy (see Note 4 to the Financial Statements).

The internally **restricted** equity is the portion of the Parliamentary appropriation and other revenues restricted by management to fund operational (i.e., non-programming) initiatives, or for materially large programs that need to be administratively segregated from other Centre programs. Non-Parliamentary revenue could also be restricted by virtue of a contract. During 2013-2014, the restricted equity funds remained relatively stable compared to 31 March 2013. The restricted equity balance of \$1.1 million consisted of funds for the John G. Bene Fellowship (see Note 4i to the Financial Statements). Internally restricted equity funds cannot be transferred between special-purpose envelopes or to the unrestricted class. In accordance with Centre policy, internally restricted equity is reduced as funds are used for the special purposes for which they have been set aside.

The **net investments in capital assets** of \$10.7 million segregates the portion of the equity representing the Centre's net investments in capital assets. This offsets the future amortization and depreciation expenses for capital assets. Its asset counterpart is not cash.

The Centre replenished its **reserved** equity to \$4.6 million due to the depletion in 2012-2013. The reserved equity is important for several reasons: it protects against the impacts of evolving funding modalities and the variable nature of programming; it offsets the variability of the timing of programming expenses, which depends on the performance of recipients; and it reduces the potential impact that variations in the research project expenditure rate can have on the Centre's financial position. The reserve may also include an amount for the future purchase of property, equipment, and intangibles — \$0.5 million is reserved at this time. The Board of Governors has approved the Centre's policy for managing equity.

The **unrestricted** equity represents the residual balance of equity after allotments to internally restricted and reserved equity. Unrestricted equity is also stable with a slight increase to \$0.2 million from zero in 2012-2013.

## Financial position outlook

Total equity is projected to decrease to \$15 million at the end of 2014-2015, with the restricted equity level remaining stable through the end of the year. The decrease in net investment in capital assets will occur as a result of the depreciation of property, equipment, and intangible assets. The reserved equity will remain at a reasonable level to meet the objectives outlined above. Finally, unrestricted equity is expected to be at, or close to, zero by 31 March 2015.

## OTHER INFORMATION

### Critical accounting policies

A summary of the Centre's significant accounting policies can be found in Note 4 in the Notes to the Financial Statements. Judgement is required in selecting accounting policies, and their application requires the use of estimates and assumptions. Established procedures exist to ensure that policies are applied consistently and changes to methodologies and assumptions are well controlled and justified.

### Change in accounting standards

The 2013-2014 statements are compliant with the International Financial Reporting Standards, which have been in effect since 1 January 2011 in Canada for publicly accountable enterprises.

### Quarterly financial reporting in 2014-2015

In adherence to the *Financial Administration Act*, the Centre will continue to issue quarterly financial reports, including unaudited quarterly financial statements for the first three quarters of the fiscal year.

# HISTORICAL REVIEW

(\$000)	Actual				Budget
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Statement of comprehensive income					
Revenues					
Parliamentary appropriation	195 199	239 441	157 455	202 944	188 020
Donor contributions	50 922	46 337	42 304	58 163	69 799
Investment and other income	1 554	2 023	1 743	853	418
Expenses					
Development research programming					
Research projects					
Funded by Parliamentary appropriation	104 641	128 891	192 178	144 383	133 083
Funded by donor contributions	39 861	36 885	34 069	48 176	59 078
Capacity building					
Enhancing research capabilities	40 740	38 501	35 798	34 960	37 789
Research complements	9 992	9 482	8 992	9 185	9 259
Development research programming	195 234	213 759	271 037	236 704	239 209
Corporate and administrative services	23 239	23 049	22 147	20 809	20 712
Results of operations before restructuring costs	29 202	50 993	(91 682)	4 447	(1 684)
Restructuring costs	-	5 186	-	-	-
Net results of operations	29 202	45 807	(91 682)	4 447	(1 684)
Other key financial indicators					
Program allocations					
Development research programming					
Funded by recurring Parliamentary appropriation	127 420	120 738	104 756	96 279	82 000
Funded by non-recurring Parliamentary appropriation	74	152	16 911	-	-
Funded by donor contributions	82 669	21 366	40 335	62 032	115 640
Outstanding commitments					
Funded by Parliamentary appropriation	366 682	359 646	294 376	236 710	186 977
Funded by donor contributions	105 169	78 050	51 022	80 209	107 270
Statement of financial position					
Assets					
Cash and cash equivalents	14 235	9 494	581	43 364	
Investments – current	73 884	92 199	50 795	12 502	
Accounts receivable and prepaid expenses	8 715	31 891	3 728	5 756	
Investments – non-current	-	11 157	-	-	
Property and equipment	9 224	8 359	7 423	7 553	
Intangible assets	2 710	3 006	2 852	3 135	
Liabilities					
Accounts payable and accrued liabilities	15 541	19 237	25 094	25 383	
Provision for restructuring	-	5 047	292	-	
Deferred revenue – current	22 730	21 694	22 862	24 645	
Deferred revenue – non-current	5 843	2 011	615	1 387	
Employee benefits	6 627	4 283	4 364	4 296	
Equity					
Unrestricted	16 044	10 996	-	214	-
Internally restricted	24 249	74 996	1 171	1 117	1 118
Net investments in capital assets	11 934	11 365	10 275	10 688	9 816
Reserved	5 800	6 477	706	4 580	4 080

Notes:

2011-2012 onward is accounted for under International Financial Reporting Standards; prior years are accounted for under Canadian Generally Accepted Accounting Principles.

For consistency of presentation, certain accounts were reclassified in accordance with the presentation adopted in 2013-2014.

# FINANCIAL STATEMENTS

## Management Responsibility for Financial Statements

The financial statements presented in this Annual Report are the responsibility of management and have been approved by the Board of Governors. The financial statements have been prepared by management in accordance with International Financial Reporting Standards and, where appropriate, include amounts that have been estimated according to management's best judgment. Financial information presented elsewhere in the Annual Report is consistent with the information presented in the financial statements.

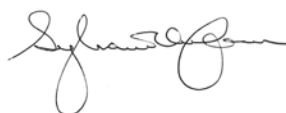
Management maintains books of accounts, information systems, and financial and management controls that are designed to provide reasonable assurance as to the reliability of financial information. Management also asserts that the Centre's assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, and that operations are carried out in accordance with the *International Development Research Centre Act* and by-law of the Centre.

The Centre's Internal Auditor has the responsibility for assessing the Centre's systems procedures and practices. The Auditor General of Canada conducts an independent audit of the annual financial statements in accordance with Canadian 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.

The Board of Governors is responsible for ensuring that management fulfills 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.



Jean Lebel, PhD  
President



Sylvain Dufour, Eng., CPA, CMA, MSc  
Vice-President, Resources,  
and Chief Financial Officer

Ottawa, Canada  
2 June 2014



## INDEPENDENT AUDITOR'S REPORT

To the International Development Research Centre and to the Minister of Foreign Affairs

### Report on the Financial Statements

I have audited the accompanying financial statements of the International Development Research Centre, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the International Development Research Centre as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the International Development Research Centre that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *International Development Research Centre Act* and the by-law of the International Development Research Centre.

Clyde M. MacLellan, FCPA, FCA  
Assistant Auditor General  
for the Auditor General of Canada

2 June 2014  
Ottawa, Canada

# Statement of Financial Position

as at 31 March  
(in thousands of Canadian dollars)

## Assets

### Current

Cash and cash equivalents (Note 5)  
Investments (Note 6)  
Accounts receivable (Note 7)  
Prepaid expenses

43 364

12 502

4 765

991

61 622

581

50 795

1 984

1 744

55 104

### Non-current

Property and equipment (Note 8)  
Intangible assets (Note 9)

7 553

3 135

7 423

2 852

**72 310**

**65 379**

## Liabilities

### Current

Accounts payable and accrued liabilities (Note 10)  
Provision for restructuring  
Deferred revenue (Note 11)

25 383

—

24 645

50 028

25 094

292

22 862

48 248

### Non-current

Deferred revenue (Note 11)  
Employee benefits (Note 12)

1 387

4 296

55 711

615

4 364

53 227

## Equity

### Unrestricted

214

### Internally restricted

1 117

### Net investments in capital assets (Notes 8 and 9)

10 688

### Reserved

4 580

16 599

—

1 171

10 275

706

12 152

**72 310**

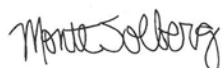
**65 379**

Commitments (Note 15)

Contingencies (Note 16)

*The accompanying notes form an integral part of these financial statements.*

These financial statements were approved for issuance by the Board of Governors on 2 June 2014.



The Honourable Monte Solberg, P.C.  
Acting Chairperson  
Board of Governors



Jean Lebel, PhD  
President

# Statement of Comprehensive Income

for the year ended 31 March

(in thousands of Canadian dollars)

## Revenues

Donor contributions (Notes 13 and 21)

Investment and other income (Note 21)

## Expenses

Development research programming (Note 20)

*Research projects*

Funded by Parliamentary appropriation

Funded by donor contributions

*Capacity building*

Enhancing research capabilities

Research complements

Corporate and administrative services (Note 20)

Corporate services

Regional office administration

## Total expenses

Cost of operations before Parliamentary appropriation

Parliamentary appropriation (Notes 14 and 21)

## Net results of operations

*The accompanying notes form an integral part of these financial statements.*

	2014	2013
	58 163	42 304
	853	1 743
	59 016	44 047
	144 383	192 178
	48 176	34 069
	34 960	35 798
	9 185	8 992
	236 704	271 037
	17 050	17 720
	3 759	4 427
	20 809	22 147
	<b>257 513</b>	<b>293 184</b>
	(198 497)	(249 137)
	202 944	157 455
	<b>4 447</b>	<b>(91 682)</b>

## Statement of Changes in Equity

for the year ended 31 March

(in thousands of Canadian dollars)

	2014	2013
<b>Unrestricted equity</b>		
Beginning of year	—	10 996
Net results of operations	4 447	(91 682)
Transfers (to) from other classes of equity	(4 233)	80 686
Balance end of year	214	—
<b>Internally restricted equity</b>		
Beginning of year	1 171	74 996
Net decrease	( 54)	(73 825)
Balance end of year	1 117	1 171
<b>Net investments in capital assets</b>		
Beginning of year	10 275	11 365
Net increase (decrease)	413	(1 090)
Balance end of year	10 688	10 275
<b>Reserved equity</b>		
Beginning of year	706	6 477
Net increase (decrease)	3 874	(5 771)
Balance end of year	4 580	706
<b>Equity, end of year</b>	<b>16 599</b>	<b>12 152</b>

*The accompanying notes form an integral part of these financial statements.*

# Statement of Cash Flows

for the year ended 31 March

(in thousands of Canadian dollars)

## Operating activities

Net results of operations

Items not affecting cash

Amortization and depreciation of property and equipment  
and intangible assets

Amortization of bond premium

Loss on disposal of property and equipment

Employee benefits

Change in non-cash operating items

Accounts receivable

Prepaid expenses

Accounts payable and accrued liabilities

Deferred revenue

**Cash flows from (used in) operating activities**

## Investing activities

Purchase of investments

Maturity of investments

Acquisition of property and equipment and intangible assets

Net (costs) proceeds of disposition of property and equipment

**Cash flows from investing activities**

**Increase (decrease) in cash and cash equivalents**

**Cash and cash equivalents, beginning of year**

**Cash and cash equivalents, end of year**

Composition of cash and cash equivalents

Cash

Cash equivalents

	2014	2013
Net results of operations	4 447	(91 682)
Items not affecting cash		
Amortization and depreciation of property and equipment and intangible assets	1 684	1 567
Amortization of bond premium	96	1 125
Loss on disposal of property and equipment	416	571
Employee benefits	( 68)	81
	2 128	3 344
Change in non-cash operating items		
Accounts receivable	(2 781)	28 171
Prepaid expenses	753	( 8)
Accounts payable and accrued liabilities	( 4)	1 103
Deferred revenue	2 555	( 229)
	523	29 037
<b>Cash flows from (used in) operating activities</b>	<b>7 098</b>	<b>(59 301)</b>
Investing activities		
Purchase of investments	(34 664)	(160 796)
Maturity of investments	72 861	212 233
Acquisition of property and equipment and intangible assets	(2 442)	(1 144)
Net (costs) proceeds of disposition of property and equipment	( 70)	95
<b>Cash flows from investing activities</b>	<b>35 685</b>	<b>50 388</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>42 783</b>	<b>(8 913)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>581</b>	<b>9 494</b>
<b>Cash and cash equivalents, end of year</b>	<b>43 364</b>	<b>581</b>
Composition of cash and cash equivalents		
Cash	43 364	581
Cash equivalents	—	—
	<b>43 364</b>	<b>581</b>

*The accompanying notes form an integral part of these financial statements.*

# Notes to the Financial Statements

For the year ended 31 March 2014

## 1. Corporate information

The International Development Research Centre (the Centre), a Canadian Crown corporation without share capital, was established in 1970 by the Parliament of Canada through the *International Development Research Centre Act*. The Centre is a registered charity and is exempt under section 149 of the *Income Tax Act* from the payment of income tax.

## 2. Authority and objective

The Centre is funded primarily through an annual appropriation received from the Parliament of Canada. In accordance with section 85(1.1) of the *Financial Administration Act*, the Centre is exempt from Divisions I to IV of Part X of the Act, except for sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.

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.

## 3. Basis of preparation

The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand (\$000) except where otherwise indicated. These financial statements of the Centre have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements are prepared on a historical basis unless otherwise indicated.

## 4. Summary of significant accounting policies

The significant accounting policies of the Centre are:

### a. Revenue recognition

#### i) Parliamentary appropriation

Parliamentary appropriations are recorded as revenue in the year in which they are drawn except for those received for specific projects and programs, which are deferred and recognized as related expenses are incurred. The Centre recognizes the appropriations and related expenses in the year in the statement of comprehensive income. The Centre does not receive Parliamentary appropriations for which the primary condition is that the Centre should purchase, construct, or otherwise acquire long-term assets, property and equipment. There are no conditions or contingencies existing under which the Parliamentary appropriation would be required to be repaid once approved and received by the Centre. The *IDRC Act* gives the Board of Governors the authority to allocate the appropriated funds.

#### ii) Donor contributions

The Centre enters into contribution agreements for research conducted or managed on behalf of other organizations. Funds received or receivable under donor contribution agreements are recorded as deferred revenues. These deferred revenues are recognized as revenues in the year in which the related expenses are incurred.

#### iii) Investment

Investment income includes interest revenue accrued and recognized by using the effective interest method.

### b. Grant payments

All contractual grant payments are subject to the provision of funds by Parliament or by donor partners. They are recorded as an expense in the year they come due under the terms and conditions of the agreements. Refunds on previously disbursed grant payments are credited against the current year expenses or to other income in situations where the grant account has been closed.

### c. Property and equipment, and depreciation

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes any expenditure directly related to the acquisition of the asset and dismantling costs and removing the items and restoring the site on which they are located. All repairs and maintenance expenditures are recognized in the statement of comprehensive income.

Depreciation begins when the asset is available for use by the Centre and is recognized on a straight-line basis. The estimated useful life of each asset category is as follows:

<b>Asset category</b>	<b>Useful life</b>
Computer equipment	5 years
Office furniture and equipment	5 years
Vehicles	3 to 7 years
Communication systems	5 years
Leasehold improvements	Remaining term of lease

An item of property and equipment is derecognized upon disposal, or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized. The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year-end, and adjusted prospectively when necessary.

An assessment is made at each reporting date as to whether an asset or a group of assets contained in this category is impaired. Any adjustment to the carrying value of the asset is recorded in the statement of comprehensive income. At 31 March 2014, the Centre had no impairment of property and equipment.

### d. Intangible assets and amortization

The Centre's intangible assets consist of purchased software and internally developed software that is not an integral part of any hardware. The software is initially recorded at cost, which in the case of internally developed software includes the cost of material, direct labour, and any other costs directly attributable to bringing the asset(s) to a working state for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The amortization period and method for intangible assets are reviewed at least at each financial year-end. Amortization is calculated using the straight-line method. The estimated useful life of the asset classes ranges from 3 to 10 years.

The amortization expense is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

An assessment is made at each reporting date as to whether an intangible or a group of intangible assets is impaired. Any adjustment to the carrying value of the asset is recorded in the statement of comprehensive income. At 31 March 2014, the Centre had no impairment of intangible assets.

### e. Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at inception date. Leases are classified as finance leases whenever the terms for the lease transfer substantially all of the risks and rewards of ownership to the Centre. All other leases are classified as operating leases. The Centre currently has no finance leases. Operating lease payments are recognized as an expense in the statement of comprehensive income over the lease term.

## **f. Financial instruments**

The Centre chose to early-adopt IFRS 9 as at 1 April 2010, as its business model regarding financial instruments is closely aligned with the requirements for using the amortized cost method outlined in IFRS 9. The Centre's financial instruments consist of cash, cash equivalents, investments, accounts receivable, accounts payable, and accrued liabilities that are incurred in the normal course of business. Financial instruments are initially recognized at fair value, which is usually considered to be the transaction price (i.e., consideration given). Subsequent to initial recognition they are measured based on their classification.

The classifications are as follows:

### **i) Financial Instruments**

Cash  
Cash equivalents and investments  
Accounts receivable  
Accounts payable and accrued liabilities

### **Classification and measurement**

Financial assets at fair value through profit and loss  
Financial assets at amortized cost  
Financial assets at amortized cost  
Financial liabilities at amortized cost

### **ii) Cash and cash equivalents**

Cash includes only funds on deposit at financial institutions. Cash equivalents consist of short-term money market instruments with maturities of 90 days or less at the time of acquisition.

### **iii) Investments**

Investments are comprised of high-quality money market and fixed income instruments with a maturity greater than 90 days at the time of acquisition. These investments are initially recognized at the transaction price, which is the fair value of the consideration given, including transaction costs directly attributable to the acquisition. Purchases and sales of investments are recorded on the settlement date.

Investments are normally held to maturity in order to collect contractual cash flows. However, investments may be sold in response to changes in the Centre's liquidity requirements, to changes in the credit rating of the instruments or, to an imbalance in the asset mix relative to benchmarks stipulated in the Centre's investment policy. Gains and losses arising on derecognition or impairment are recognized in the statement of comprehensive income in the year in which they occur.

### **iv) Impairment of financial assets**

An assessment is made at each reporting date as to whether a financial asset or group of financial assets is impaired. Any adjustment to the carrying value of the financial asset is recorded in the statement of comprehensive income. At 31 March 2014, the Centre had no impairment of financial assets.

### **v) Embedded derivatives**

Embedded derivatives are required to be separated and measured at fair value if certain conditions are met. Management reviews contracts on an ongoing basis to determine whether the Centre has embedded derivatives requiring separate accounting treatment. At 31 March 2014, the Centre had no embedded derivatives.

## **g. Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the statement of financial position date. All other assets and liabilities are translated at rates in effect when the assets were acquired or obligations incurred. Revenue and expense items are translated at a weekly rate of exchange. Exchange gains and losses are included in other income for the year. The Centre does not actively hedge against foreign currency fluctuations.

## **h. Employee benefits**

### **i) Pension benefits – head office**

Most employees of the Centre are covered by the Public Service Pension Plan (the Plan), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Centre to cover current service costs. Pursuant to legislation currently in place, the Centre has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year they are paid and represent the total pension obligation of the Centre.

### **ii) Pension benefits – regional offices**

The Centre offers a number of defined contribution plans that provide pension and other benefits to eligible employees. The Centre's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contribution to the plans. The Centre's contributions are expensed during the year they are paid and represent the total obligation of the Centre.

### iii) Other benefit plans

#### **Severance benefit**

Prior to June 2012, the Centre provided a voluntary departure severance benefit to its employees based on years of service and final salary. A number of employees have chosen to receive their accumulated severance benefit only upon departure from the Centre (upon voluntary resignation or retirement).

Management determines the remaining accrued obligation for voluntary severance benefits using an actuarial evaluation that is conducted every two years, or as necessary. The most recent actuarial estimate was completed for the year ended 31 March 2013.

#### **Sick leave benefit**

The Centre allows employees a number of fully paid sick days in each year. Unused sick days can be accumulated indefinitely but do not vest in that they cannot be paid out in cash or used as vacation. Management determines the accrued obligation for sick leave benefits using an actuarial evaluation that is conducted every two years, or as necessary. The most recent actuarial estimate was completed for the year ended 31 March 2013. The Centre presents the accrual as a current liability.

### i. Equity

The Centre's equity consists of the accumulation of revenues over expenditures from operations and includes unrestricted, internally restricted amounts for special programs and operational initiatives, net investments in capital assets, and reserved amounts.

#### i) Internally restricted equity

Internally restricted equity for special programs and operational initiatives is drawn down as the funds are used for these programs and initiatives. Internally restricted equity unused at the end of the programs and initiatives is reclassified by management into unrestricted equity. In 2011-2012, equity was internally restricted by \$1.1 million to top up the investment income of an endowment bequeathed to the Centre to enable, in perpetuity, the annual awarding of the John G. Bene Fellowship in Community Forestry.

#### ii) Net investments in capital assets

This represents the Centre's net investment in capital assets that will be depreciated or amortized over future accounting periods. See Notes 8 and 9.

#### iii) Reserved equity

Variances in regular program spending can have a significant impact on results of operations and consequently on the overall equity balance. The objectives of the Centre's equity reserve are to ensure that a reasonable balance of funds remains available to absorb programming expense overruns, and to fund initiatives extraordinary to normal operations. The value of the reserve is established each year during the budgeting process.

### j. Use of judgments, estimates, and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. However, uncertainty about these assumptions and estimates, or changes in the significant judgments made, could result in outcomes that require a material adjustment to the disclosed amounts of the assets or liabilities in future years.

#### i) Significant judgments

In the process of applying the Centre's accounting policies, apart from those involving estimation, management has concluded that no significant judgments have been made that would have a significant risk of causing a material adjustment.

#### ii) Assumptions and other major sources of estimation uncertainty

The key assumptions concerning the future and other key sources of uncertainty in the estimations at the statement of financial position date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are:

- the estimated useful lives of property and equipment
- the estimated useful lives of intangible assets

No other accounting assumptions or estimates have been identified to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year.

#### k. Application of new and revised accounting standards

A number of new standards, interpretations, amendments, and improvements were issued by the International Accounting Standards Board (IASB). The following standards relevant to the Centre were adopted for the annual period that began on 1 April 2013:

- *IFRS 13 – Fair Value Measurement* – this new standard provides a consistent definition and framework for measuring fair value. The adoption of IFRS 13 did not require any adjustments to valuation techniques and had no impact on the financial statements.
- *IAS 19 – Employee Benefits* – in June 2011, the IASB issued amendments to IAS 19 – Employee Benefits that outlined enhanced disclosure requirements for defined benefit plans. There were no changes introduced as a result of this amendment.

## 5. Cash and cash equivalents

(in thousands of Canadian dollars)

The Centre typically purchases cash equivalents which are comprised of money market instruments such as commercial paper, bankers' acceptances, and bearer deposit notes. The weighted average yield as at 31 March 2014 is nil (31 March 2013: nil) and the average term to maturity at the time of purchase is nil (31 March 2013: nil).

	31 March 2014	31 March 2013
Cash	43 364	581
Cash equivalents	—	—
	<b>43 364</b>	<b>581</b>

## 6. Investments

(in thousands of Canadian dollars)

The Centre invests in fixed income instruments such as bonds and money market instruments such as commercial paper, bankers' acceptances, and bearer deposit notes. The weighted average yield as at 31 March 2014 is 1.32% (31 March 2013: 1.25%) and the remaining average term to maturity as at 31 March 2014 is 209 days (31 March 2013: 74 days). The carrying amount of investments approximates their fair value due to the short-term nature of these instruments.

	31 March 2014	31 March 2013
Canadian chartered banks	12 502	36 813
Corporations	—	10 986
Foreign banks chartered in Canada	—	2 996
	<b>12 502</b>	<b>50 795</b>

## 7. Accounts receivable

(in thousands of Canadian dollars)

Accounts receivable are incurred in the normal course of business and are due on demand. The carrying values of accounts receivable approximate their fair value due to the short-term nature of these instruments and are not considered by management to present a significant credit risk.

	31 March 2014	31 March 2013
Other	2 068	1 933
Donor contributions	2 451	51
Parliamentary appropriation	246	—
	<b>4 765</b>	<b>1 984</b>

The Centre did not identify any receivables that are either past due or impaired as at 31 March 2014 (31 March 2013: nil).

## 8. Property and equipment

(in thousands of Canadian dollars)

	Computer equipment	Office furniture & equipment	Vehicles	Communication systems	Leasehold improvements	Total
<b>Cost</b>						
<b>at 31 March 2012</b>	2 572	1 105	843	1 239	11 483	17 242
Additions	66	64	—	77	582	789
Disposals	(355)	(254)	(481)	—	(1 234)	(2 324)
<b>at 31 March 2013</b>	2 283	915	362	1 316	10 831	15 707
Additions	316	168	31	71	875	1 461
Disposals	(43)	(138)	—	—	(611)	(792)
<b>at 31 March 2014</b>	2 556	945	393	1 387	11 095	16 376
<b>Depreciation</b>						
<b>at 31 March 2012</b>	(2 162)	(919)	(606)	(1 181)	(4 015)	(8 883)
Depreciation for the year	(117)	(83)	(85)	(43)	(730)	(1 058)
Disposals	350	213	423	—	671	1 657
<b>at 31 March 2013</b>	(1 929)	(789)	(268)	(1 224)	(4 074)	(8 284)
Depreciation for the year	(133)	(52)	(47)	(33)	(722)	(987)
Disposals	43	139	—	—	266	448
<b>at 31 March 2014</b>	(2 019)	(702)	(315)	(1 257)	(4 530)	(8 823)
<b>Net book value</b>						
<b>at 31 March 2013</b>	354	126	94	92	6 757	7 423
<b>at 31 March 2014</b>	<b>537</b>	<b>242</b>	<b>77</b>	<b>130</b>	<b>6 567</b>	<b>7 553</b>

## 9. Intangible assets

(in thousands of Canadian dollars)

	Internally developed software	Purchased software	Total
<b>Cost</b>			
<b>at 31 March 2012</b>	8 475	1 522	9 997
Additions	261	94	355
Disposals	—	(58)	(58)
<b>at 31 March 2013</b>	8 736	1 558	10 294
Additions	932	49	981
Disposals	—	(28)	(28)
<b>at 31 March 2014</b>	9 668	1 579	11 247
<b>Amortization</b>			
<b>at 31 March 2012</b>	(5 681)	(1 310)	(6 991)
Amortization for the year	(383)	(126)	(509)
Disposals	—	58	58
<b>at 31 March 2013</b>	(6 064)	(1 378)	(7 442)
Amortization for the year	(610)	(88)	(698)
Disposals	—	28	28
<b>at 31 March 2014</b>	(6 674)	(1 438)	(8 112)
<b>Net book value</b>			
<b>at 31 March 2013</b>	2 672	180	2 852
<b>at 31 March 2014</b>	<b>2 994</b>	<b>141</b>	<b>3 135</b>

## 10. Accounts payable and accrued liabilities

(in thousands of Canadian dollars)

Accounts payable and accrued liabilities are incurred in the normal course of operations. The carrying amounts set out below approximate their fair value due to the short-term nature of these liabilities.

	31 March 2014	31 March 2013
Accounts payable	16 059	6 176
Payroll	4 998	4 021
Grant accruals	3 517	14 271
Severance benefit (Note 12)	386	195
Other	423	431
	<b>25 383</b>	<b>25 094</b>

## 11. Deferred revenue

(in thousands of Canadian dollars)

Deferred revenue includes the unspent portion of funds received or receivable on donor contribution activities, and the unspent portion of certain Parliamentary appropriations received for specific projects and programs.

Details of these balances are as follows:

	31 March 2014	31 March 2013
Current		
Donor contribution funding for development research projects	24 645	22 335
Parliamentary appropriations – projects	—	527
Total current	24 645	22 862
Non-current		
Donor contribution funding for development research projects	1 387	615
	<b>26 032</b>	<b>23 477</b>

Of the total deferred donor contribution funding, the Department of Foreign Affairs, Trade and Development (DFATD) accounts for \$6 271 (31 March 2013: \$8 383) of which \$5 303 (31 March 2013: \$8 349) was received and \$968 (31 March 2013: \$34) is receivable at year-end.

## 12. Employee benefits

(in thousands of Canadian dollars)

### a. Pension benefits – head office

Most of the employees of the Centre are covered by the Public Service Pension Plan (the Plan), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Centre. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for the employer effective at year-end was 10.60% (31 March 2013: 11.05%). Total contributions of \$4 668 (31 March 2013: \$4 101) were recognized as an expense in the current year.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with the Canada and Québec Pension Plan benefits and are indexed to inflation.

### b. Pension benefits – regional offices

The Centre and eligible regional employees contribute to various defined contribution pension plans as specified in each Plan Agreement. The Centre's contributions to all regional office plans for the year ended 31 March 2014 were \$750 which includes a provision of \$455 that was established for contributions to a pension plan in India, to meet local legislative requirements (31 March 2013: \$438).

### c. Severance benefit

Prior to June 2012, the Centre provided a voluntary departure severance benefit to its employees based on years of service and final salary. A number of employees have chosen to receive their accumulated severance benefit only upon departure from the Centre (upon voluntary resignation or retirement). This benefit plan is not pre-funded and thus has no designated assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from available cash assets and future appropriations.

	<b>31 March 2014</b>	<b>31 March 2013</b>
Accrued benefit obligation – beginning of year	4 559	8 000
Current service cost	586	758
Interest cost	—	121
Benefits paid during the year	(463)	(4 145)
Actuarial (gain) loss	—	(175)
Accrued benefit obligation – end of year	<b>4 682</b>	<b>4 559</b>

	<b>31 March 2014</b>	<b>31 March 2013</b>
Current	386	195
Non-current	4 296	4 364
	<b>4 682</b>	<b>4 559</b>

## 13. Donor contributions

(in thousands of Canadian dollars)

Donor contribution funding for development research programs relates specifically to research projects conducted or managed by the Centre on behalf of other organizations. A breakdown of the revenue and expense recognition for donor contributions is provided below.

	<b>31 March 2014</b>	<b>31 March 2013</b>
Department of Foreign Affairs, Trade and Development	21 412	19 238
Department for International Development (UK)	16 914	4 213
The William and Flora Hewlett Foundation	9 550	8 201
Bill & Melinda Gates Foundation	6 745	7 738
Other donor agencies	3 542	2 898
Other Government of Canada entities	—	16
	<b>58 163</b>	<b>42 304</b>

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2014 was \$5 331 (31 March 2013: \$3 712) of which \$1 699 (31 March 2013: \$1 573) was from DFATD. The figures for 2013 were reclassified to include recovery of administration costs as disclosed in Note 21.

## 14. Parliamentary appropriation

(in thousands of Canadian dollars)

	31 March 2014	31 March 2013
Approved Parliamentary appropriation	226 416	241 646
Unused and lapsed appropriation	—	(2 209)
Frozen allotment	(24 000)	(83 214)
Amortization of deferred Parliamentary appropriation – projects and programs	528	1 232
Parliamentary appropriation recognized in the statement of comprehensive income	<b>202 944</b>	<b>157 455</b>

The figures for 2013 were reclassified to reflect new classification information received from the Treasury Board Secretariat. See Note 21.

## 15. Commitments

(in thousands of Canadian dollars)

### a. Research project-related

The Centre is committed to making payments of up to \$316.9 million (31 March 2013: \$345.4 million) during the next five years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, \$236.7 million (31 March 2013: \$294.4 million) is expected to be funded from future Parliamentary appropriations and the balance of \$80.2 million (31 March 2013: \$51.0 million) from donor contribution agreements. Prior year commitments have been reduced by \$16.3 million. The adjustment was necessary to eliminate the commitments to a project that was completed prior to 31 March 2013. This adjustment did not have an impact on the statement of financial position, nor on the statement of comprehensive income.

	31 March 2014	31 March 2013
Within one year	133 640	124 325
After one year, but not more than five	183 279	221 073
Total future payments	<b>316 919</b>	<b>345 398</b>

### b. Non-project-related

The Centre has entered into various agreements for leases of office premises and contractual obligations for goods and services in Canada and abroad. Agreements expire at different dates up to 2022. Future payments related to these commitments are as follows:

	31 March 2014	31 March 2013
Within one year	8 702	7 395
After one year, but not more than five	31 897	30 712
More than five years	28 878	38 116
Total future payments	<b>69 477</b>	<b>76 223</b>

The operating net lease expense recognized in the statement of comprehensive income for fiscal year ended 31 March 2014 is \$6 742 (31 March 2013: \$6 964).

## 16. Contingencies

Various claims have been asserted or instituted against the Centre. Based on the advice of legal counsel, management does not expect the outcome of any of these proceedings to have a material effect on the statement of financial position or on the statement of comprehensive income.

## 17. Related party transactions

The Government of Canada, as the parent of the Centre, has control over the Centre and causes the Centre to be related, due to common ownership, to all Government of Canada created departments, agencies, and Crown corporations. The Centre enters into transactions with other Government of Canada entities in the normal course of operations, under the same terms and conditions that apply to unrelated parties. Any transactions are recorded at their exchange amounts, which are determined to approximate fair value.

Related party transactions are disclosed in Notes 7, 11, and 13 to these financial statements.

### Compensation of key management personnel

(in thousands of Canadian dollars)

Key management personnel include the Board of Governors, the President, the three Vice-Presidents, and the Secretary and General Counsel. Compensation paid or payable to key management personnel during the year is summarized in the table below.

	31 March 2014	31 March 2013
Salaries and short-term benefits	1 124	1 294
Post-employment benefits	296	293
	<b>1 420</b>	<b>1 587</b>

## 18. Financial instrument risks

The principal risks to which the Centre is exposed as a result of holding financial instruments are credit risk, market risk, and liquidity risk. Risk management for investing activities is carried out by the corporate treasury function. Investments are held primarily for liquidity purposes, but may be held for longer terms. The Centre has various other financial instruments such as cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities which arise directly from operations.

### a. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will default on its obligations to the Centre resulting in financial losses. The Centre is exposed to credit risk since it has investments and extends credit to its recipients and donor partners in the normal course of business. The maximum exposure is represented by cash and cash equivalents, investments, and accounts receivable amounts presented on the Centre's statement of financial position. Credit risk associated with accounts receivable is considered by management to be minimal since most receivables are due from donor partners and Canadian government entities. The Centre's investment policy sets out guidelines that define the minimally acceptable counterparty credit ratings pertaining to investments. Investments in financial institutions and corporations must have minimum ratings from two external rating agencies that are equivalent to DBRS ratings for short-term instruments of R1-L for governments and Schedule I banks and R1-M for Schedule II banks and corporations. DBRS ratings for medium/long-term instruments must hold a minimum rating of A for governments, AA for Schedule I banks, AA (High) for Schedule II banks, and AAA for corporations. The Centre regularly reviews the credit ratings of issuers with whom the Centre holds investments and confers with the Finance and Audit Committee of the Board of Governors when the issuer's credit rating declines below the policy guidelines. The investment policy is reviewed and approved as required by the Finance and Audit Committee of the Board of Governors. These policies and procedures are designed to manage and limit the credit risk associated with these financial instruments.

### Concentrations of credit risk

(in thousands of Canadian dollars)

The Centre's exposure to credit risk is summarized as follows:

	DBRS rating	31 March 2014	31 March 2013
Canadian chartered banks	R1-L	12 502	36 813
Corporations	R1-M	—	10 986
Foreign banks chartered in Canada	R1-M	—	2 996
		<b>12 502</b>	<b>50 795</b>

## **b. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk, and other price risk. The Centre is exposed to potential losses as a result of movements in interest and foreign exchange rates.

### **i) Currency risk**

Currency risk is the potential adverse impact of foreign exchange rate movements on the fair value or future cash flows of financial instruments. The Centre has exposure to currency risk in part from the local operating costs of four regional offices throughout the world. The Centre does not hedge its regional office expenses against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations that are not considered to be significant.

The Centre has multi-year contribution agreements with non-Canadian donors that are denominated in currencies other than the Canadian dollar. When progress payments are received from those donors, they are translated to Canadian dollars at the weekly exchange rate (see Note 4g). In turn, the Centre incurs expenses and issues multi-year grant agreements denominated in Canadian dollars. The Centre manages its currency risk on these activities by setting aside a portion of the donor contribution agreement funding to absorb exchange gains and losses. The magnitude of the funding set aside is gauged against actual currency fluctuations on a yearly basis, with additions being made only when needed, and releases being made only toward the end of the agreement, when no longer required. The Centre does not hedge its foreign currency revenues against fluctuations in foreign exchange rates and accepts the operational and financial risks associated with any such fluctuations that, on a fiscal year basis, are not considered to be significant.

### **ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Centre is exposed to interest rate risk in that changes in market interest rates may cause fluctuations in the fair value of its investments. To manage this risk, the Centre normally invests in short-term marketable securities that are not significantly affected by variations in interest rates. The Centre's business objective is to hold investments until maturity, collecting contractual cash flows over the term of the investment and mitigating exposure to fair value changes. The Centre's interest rate risk is not considered material.

## **c. Liquidity risk**

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk can arise from mismatched cash flows related to assets and liabilities. The corporate treasury function is responsible for the Centre's liquidity management. This risk is managed by monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Centre also holds cash equivalents and investments in marketable securities readily convertible to cash, to ensure that sufficient liquidity can be made available to meet forecasted cash requirements. Given the timing of receipts and payments, the Centre's exposure to liquidity risk is not considered material.

# **19. Capital management**

The Centre defines its capital as the balances of equity comprised of unrestricted, internally restricted, and reserved. The Centre has a capital management process in place to ensure that it is appropriately capitalized and that the capital position is identified, measured, managed, and regularly reported to the Board of Governors.

The Centre's objectives, with respect to its capital management, are to maintain an appropriate amount of equity in order to ensure the Centre has the ability to moderate the impact on research programming activities of potential fluctuations in future revenue streams.

Capital is managed through a Board-approved equity policy which restricts a portion of equity to fund special or significant programs and operational initiatives planned for future fiscal years. Management also reserves a portion of equity as a financial planning reserve. The financial planning reserve is intended to cushion the impact of significant variances in development research programming expenditures. The Centre is not subject to any externally imposed capital requirements.

## 20. Schedule of expenses

(in thousands of Canadian dollars)

	31 March 2014	31 March 2013
<b>Development research programming</b>		
Contributions to research projects	186 184	221 666
Core salaries and benefits	26 673	27 722
Co-funded project salaries and benefits <sup>a</sup>	5 470	5 011
Professional services	5 058	4 016
Travel	3 999	3 712
Accommodations	3 981	3 795
Amortization and depreciation	1 107	978
Communications	745	535
Co-funded project expenses <sup>a</sup>	1 943	1 891
Other	1 544	1 711
	<b>236 704</b>	<b>271 037</b>
<b>Corporate and administrative services</b>		
Salaries and benefits	13 650	14 074
Accommodations	2 339	2 788
Office supplies and expenses	1 080	1 021
Furniture, equipment, and maintenance	790	734
Professional services	773	1 102
Amortization and depreciation	577	589
Other	1 600	1 839
	<b>20 809</b>	<b>22 147</b>
<b>Total expenses</b>	<b>257 513</b>	<b>293 184</b>

<sup>a</sup>Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of \$7 413 (31 March 2013: \$6 902).

## 21. Reclassifications

(in thousands of Canadian dollars)

To streamline and enhance reporting, two changes were made to the statement of comprehensive income. Donor contributions now include all funding for development research programs and the related recovery of administrative costs. Investment income and other income are now reported under "Investment and other income."

### Previous presentation method

	31 March 2014	31 March 2013
<b>Revenues</b>		
Donor contributions		
Funding for development research programs	52 832	38 592
Recovery of administrative costs	5 331	3 712
Investment income	279	1 169
Other income	574	574
	<b>59 016</b>	<b>44 047</b>
<b>Reclassified</b>		
<b>Revenues</b>		
Donor contributions	58 163	42 304
Investment and other income	853	1 743
	<b>59 016</b>	<b>44 047</b>

In addition, the figures in the reconciliation of the use of Parliamentary appropriations were reclassified to reflect new classification information received from the Treasury Board Secretariat. An amount of \$77.0 million for the Development Innovation Fund was reclassified from the re-profiled, unused, and lapsed appropriations to frozen allotment in 2013.

#### Previous presentation method

	<b>31 March 2014</b>	<b>31 March 2013</b>
Approved Parliamentary appropriation	226 416	241 646
Re-profiled, unused, and lapsed appropriations	—	(79 209)
Frozen allotment	(24 000)	(6 214)
Amortization of deferred Parliamentary appropriation – projects and programs	528	1 232
Parliamentary appropriation recognized in the statement of comprehensive income	<b>202 944</b>	<b>157 455</b>

#### Reclassified

Approved Parliamentary appropriation	226 416	241 646
Unused and lapsed appropriation	—	(2 209)
Frozen allotment	(24 000)	(83 214)
Amortization of deferred Parliamentary appropriation – projects and program	528	1 232
Parliamentary appropriation recognized in the statement of comprehensive income	<b>202 944</b>	<b>157 455</b>

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