IDRC | CRDI

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Partnering for global impact

Annual Report 2018–2019

Canada

Partnering for global impact 2018–2019

at 31 March 2019

IDRC-supported research builds evidence, informs decisions, and generates opportunities that promote an equitable, diverse, and prosperous world.

Part of Canada's foreign affairs and development efforts, IDRC invests in knowledge, innovation, and solutions to improve the lives of people in the developing world. Bringing together the right partners around opportunities for impact, IDRC supports leaders for today and tomorrow and helps drive change for those who need it most.

ON THE COVER
Cooperative farmers in Makete, Tanzania, discuss their soybean crop. Increasing legume yields is an affordable way to improve food security, nutrition, and livelihoods, but a lack of supplies and training limits farmers. CIFSRF-supported research (see page 6) used multimedia campaigns to reach more than 655,000 farmers and their families in Tanzania to promote new technologies and effective growing practices.

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

COVER: IDRC / BARTAY

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IDRC / BARTAY

CIFSRF (see page 6) researchers introduced a farming model that helped more than 4,600 households in Cambodia improve their food security by establishing vegetable gardens, poultry farms, and fish ponds.

Our year at a glance

IDRC strategically invests in knowledge, innovation, and solutions that can be scaled up for impact; supports leaders in government, research, and business in the developing world; and works to be a partner of choice in strengthening developing countries and in maintaining important relationships for Canada.

The Centre's three program areas, **Agriculture and Environment**, **Inclusive Economies**, and **Technology and Innovation**, focus our investments towards both long and short-term impact.

IDRC's head office is in Ottawa and the Centre maintains four regional offices across the developing world. In 2018–2019, the total value of new projects approved with IDRC and donor funds was $146.3 million.

Global

Value of new projects (in $ millions)	Active projects
35.466	**292**
24.3% of total	

Sub-Saharan Africa

Value of new projects (in $ millions)	Active projects
66.178	**290**
45.2% of total	

Asia

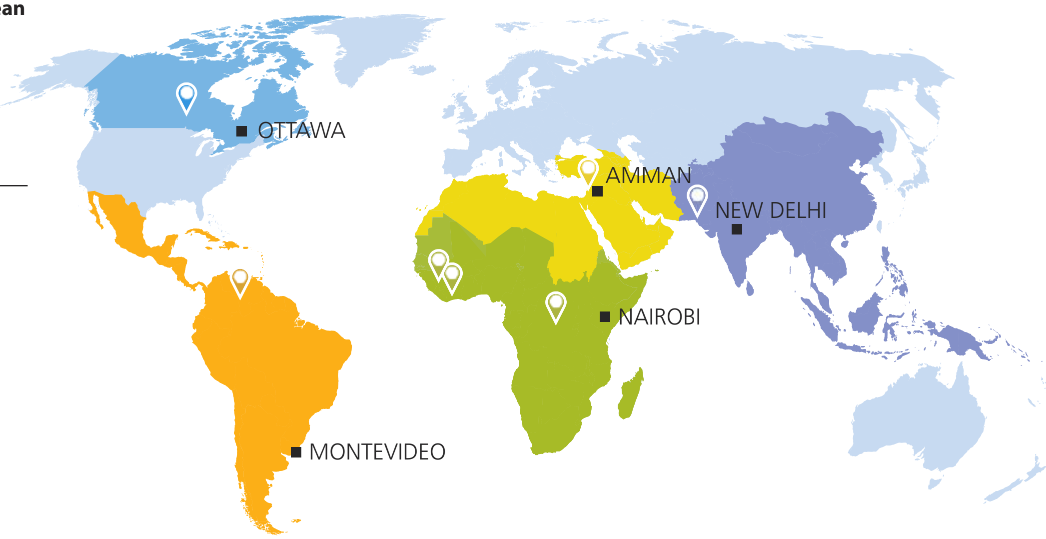
Value of new projects (in $ millions)	Active projects
20.503	**128**
14.1% of total	

Latin America and the Caribbean

Value of new projects (in $ millions)	Active projects
13.238	**140**
9.0% of total	

Middle East and North Africa

Value of new projects (in $ millions)	Active projects
10.865	**48**
7.4% of total	



Partnerships

The UN's **Sustainable Development Goals** inform the Centre's approach to developing relationships with like-minded partners.

Learn more on page 6.

Meeting our objectives

IDRC's continued success in generating, identifying, and testing scalable solutions and innovations has positioned the Centre to achieve the *Strategic Plan 2015–2020*'s targets and commitments.

Learn more on page 12.

INTERNATIONAL EDUCATION ASSOCIATION

Pakistan
Crop productivity improved when farmers in vulnerable areas introduced measures to adapt to climate change.
Learn more on page 7.

Lebanon
Digital innovations build bridges between local and displaced populations and make learning accessible for thousands of Syrian refugee students.
Learn more on page 8.

IDRC/PAUL SMITH

Canada, Democratic Republic of Congo, Guinea, and Liberia
The Rapid Research Fund for Ebola Virus Disease supports novel, cross-disciplinary approaches to contain and prevent pandemic outbreaks globally.
Learn more on page 11.

Colombia
A classroom e-learning approach that improves teaching, learning, and student performance is being scaled up across the country.
Learn more on page 14.

IDRC's commitment to transparency and accountability

Numerous measures are in place to meet the Government of Canada's standards.

Learn more on page 18.

Evaluation

Program evaluations strengthen the processes and results of the research we support.

Learn more on page 24.

Message from the Chairperson

IDRC's leadership in research for development is a vital contribution to Canada's efforts to advance the Sustainable Development Goals (SDGs) and achieve the global commitment to end poverty, protect the planet, and ensure prosperity for all.

IDRC's leadership in knowledge generation, innovation, and solutions is evident throughout its research portfolio. A few areas in particular stood out this year. On gender, IDRC's support for the Centre of Excellence for Civil Registration and Vital Statistics systems is helping to close the global gender data gap, recognizing that vital statistics of women and girls — including life events such as birth and marriage — are crucial to gender equality because they provide women and girls with a legal identity.

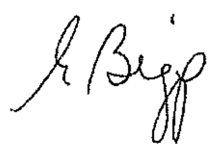
On climate change adaptation, IDRC's support for the Collaborative Adaptation Research Initiative in Africa and Asia created research opportunities for more than 270 young researchers from developing countries. On open government, the Centre's support for the Feminist Open Government Initiative will establish an international coalition of partners to drive effective participation for all in open government processes, design and implement new gender-aware open government commitments, and build evidence around the impact that gender equality in open government can have on improving responsive government and public service delivery.

In all of these areas, partnerships were critical to amplify IDRC's contribution towards the SDGs and the aim of SDG 17 to encourage multi-stakeholder partnerships.

This year was an active one for the Board of Governors, as it provided strategic oversight to the preparation of the Centre's next strategic plan and to corporate priorities, such as building a productive and respectful workplace. The Board welcomed five new governors — Akwasi Aidoo, Alex Awiti, Purnima Mane, Gilles Rivard, and Stephen Toope — and one reappointed governor, Shainoor Khoja. The Centre has benefited tremendously from our new governors' diverse backgrounds and deep expertise in various fields and geographies. The Board also said goodbye to Uri Rosenthal, whose term as a governor concluded in June 2018. We are grateful to Uri for his commitment and contribution to the Centre's work and count him as a valued member of the IDRC community.

On behalf of the Board of Governors, I would like to congratulate Jean Lebel on his May 2018 appointment to a five-year mandate as IDRC president. The Centre benefits enormously from his deep knowledge of development research, his proven ability to build innovative partnerships, and his relentless focus on achieving impact at scale.

As we enter the final year of IDRC's *Strategic Plan 2015–2020* and look ahead to 2030, the Board and senior management are taking stock of the Centre's strengths and capacities, as well as its opportunities and challenges. Throughout our work, one thing stands out — the dedication, engagement, and world class expertise of IDRC's employees. The Board of Governors is grateful to everyone on the IDRC team for their contribution to the Centre's successes and looks forward to working together on an ambitious new strategic plan for the 2020–2030 period.



Margaret Biggs
Chairperson

Message from the President

IDRC's strategic plan is our guiding light for supporting research that informs and inspires action. As we wind down the fourth year of our current five-year strategic planning cycle, our attention has been on consulting with partners, gaining critical insights from employees, studying the external landscape, and reflecting on our internal systems. These efforts ensure that the new strategic plan will represent the many interests, voices, and perspectives of the people that carry out, support, and benefit from our research. We have benefited from the guidance of our Board of Governors in developing this new plan — the first in our history to cover a 10-year period — and look forward to launching it in 2020.

The new strategic plan comes as we witness growing recognition for research in and from the Global South and the role it must play in achieving the UN's Sustainable Development Goals. For instance, two articles written by IDRC authors that focused on lessons and insights from the Global South were published in the scientific journal *Nature* this year. The first article featured Research Quality Plus (RQ+), IDRC's innovative tool for assessing the value and validity of scientific research. The second concentrated on the benefits that a shift towards collaborative networks for climate change research funding can yield, and the implications of this trend for researchers, institutions, and funders.

Partnerships are core to what we do. They generate substantial, long-term results, whether with research partners in the Global South or donor partners. Two important partnerships concluded this year: the Canadian International Food Security Research Fund (CIFSRF) and the Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA). CIFSRF reached 78 million people worldwide by scaling up dozens of the 144 agricultural innovations it generated. CARIAA produced more than 900 research outputs, with many converted into practical solutions, such as climate-smart agricultural practices for smallholder farmers in northern Pakistan. These and other partnerships create opportunities for researchers and policymakers from the Global North and Global South to cross-pollinate, learn from one another, and achieve results.

IDRC is committed to developing the evidence and inspiring the action necessary to promote gender equality and inclusion. Internally, the Centre is assessing organizational policies and engaging with employees to ensure that we meet gender and inclusion standards and principles. Externally, we are developing a gender programming framework and reviewing IDRC's gender programming. Taken together, these initiatives reflect IDRC's commitment to advancing equality and inclusion through the Centre's programming and granting, as well as through IDRC's organizational culture.

The Centre reinforced its strong regional presence this year by opening a new regional office for the Middle East and North Africa in Amman, Jordan. In the year ahead, a fifth regional office in Dakar, Senegal will be launched to oversee expanded programming on adolescent sexual and reproductive health and reducing gender-based violence in West and Central Africa. It will also support women's economic empowerment and leadership in climate change, science, and education. This expanded programming will enhance IDRC's contribution to Canada's international assistance priorities and reflects the Centre's strong relationship with Global Affairs Canada.

IDRC continues to benefit from the Board of Governors' foresight and leadership. I am pleased to continue working with chairperson Margaret Biggs, who was reappointed for a second mandate this year.

IDRC's success is built on the calibre of our team. It is a privilege to lead an organization full of dedicated, passionate, and experienced people committed to improving lives worldwide.

Jean Lebel, PhD
President

IDRC's impact in the world

The multidisciplinary research that IDRC supports shares a common goal: contributing to positive change in the lives of people in the developing world.

Strong partnerships are at the very core of this goal. We believe in the power of partnerships to generate ideas, scale up innovative solutions, and provide funds to empower researchers and institutions. The UN's Sustainable Development Goal 17 (SDG 17) encourages multi-stakeholder partnerships that mobilize and share knowledge to achieve development outcomes. Partnering with like-minded donors builds on each organization's assets and fills knowledge gaps in neglected research areas.

IDRC has a history of collaboration with researchers and scientists in the Global South, but the Centre also partners with communities, non-governmental organizations, foundations, students, governments, and increasingly with the private sector. The diverse strengths, expertise, and unique perspectives of each of these partners drives new ways of thinking that ultimately develop innovative approaches to overcome complex global challenges. By promoting global prosperity and security, our work also delivers important benefits for Canadians.

The Centre's relationships are also expanding into multi-funder partnerships that deliver impressive results on a large scale. The Canadian International Food Security Research Fund (CIFSRF) reached 78 million people globally by scaling up dozens of the 144 agricultural innovations it generated. This nine-year $124-million program, jointly funded by IDRC and Global Affairs Canada, involved 20 Canadian and 40 Southern organizations. Women's economic empowerment featured prominently in CIFSRF projects, and the resulting research outputs are contributing to the advancement of Canada's Feminist International Assistance Policy.

"We have found economic stability through rearing and selling fish. With this income our quality of life has definitely improved…"

— A woman fish farmer from Bolivia who benefits from one of CIFSRF's 144 innovations

This report demonstrates how we work with our partners to build a more inclusive and sustainable world. Together we support research and capacity building in the Global South to generate stronger public policies, equip vulnerable populations to adapt to the effects of climate change, expand learning opportunities, improve health and livelihoods, and so much more. These investments change lives in the developing world, but they also bring Canadian research and innovation to the world stage, opening opportunities for more partnerships in the future.

Evidence for better policymaking

Since the Centre's inception almost 50 years ago, IDRC has collaborated with researchers and policymakers to generate data, evidence, and knowledge to inform democratic transitions in countries like South Africa, Chile, and Vietnam. Sharing context-specific data and analysis, raising awareness, and building capacity strengthens the ability and effectiveness of researchers and policymakers to listen and respond to the realities of people in the Global South.

The results of the 10-year Think Tank Initiative (TTI) — a collaboration between IDRC, the Bill & Melinda Gates Foundation, the UK Department for International Development, The William and Flora Hewlett Foundation, the Norwegian Agency for Development Cooperation, and the Netherlands Directorate-General for International Cooperation — speak to the significant impact that multi-funder programs can achieve. This $200 million partnership, which concludes in 2019, focuses on strengthening the capacity of independent policy research organizations to provide evidence-based research.

The initiative's support helped 43 think tanks in 20 countries engage in long-term planning, establish research priorities, strengthen their capacity for policy engagement and communication, and pursue research that is timely and relevant to national needs and opportunities.

For example, TTI support helped local think tanks provide evidence-based research that improved policies and programs on tobacco control in West Africa; fertilizer use in East Africa; and strengthened the public's understanding of party electoral platforms in Guatemala, Ecuador, and Peru.

Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA)

450+
researchers

14
countries in Africa and South Asia

900+
research outputs

20+
local or national climate adaptation plans

Asif Jehengir cleans a solar-powered water pump system that helps farmers in Pakistan irrigate their fields. This CARIAA-supported initiative helps to increase resilience to the effects of climate change.

IDRC/TOM PILSTON

TTI support also facilitated collaborative work internationally. The most notable example is Southern Voice, a network of 49 think tanks (including all 43 thinks tanks supported by TTI) that serves as an open platform to address the deficit of Southern research and participation in the global dialogue on the UN's Sustainable Development Goals (SDGs). The network promotes voices from the South in policy analyses, expands ownership of the SDGs in the Global South, and further democratizes the ongoing global conversation around SDG monitoring and implementation.

The Center for Study of Science, Technology and Policy (CSTEP) in Bangalore, India, benefited from a decade of funding and guidance from TTI. This support helped transform CSTEP from a small local think tank to one of India's most credible policy research organizations working on renewable energy policy. CSTEP expanded their policy modeling and decision-support systems and improved their communications on a host of renewable energy policy issues. These advancements positioned the think tank to become a knowledge partner for the national government on segments of India's new National Energy Policy. In the face of growing energy demands and commitments to mitigate the effects of climate change, the policy provides a blueprint for India's energy road map.

Building resilience to climate change

Findings from the Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA) also came to fruition this year. This seven-year, $70 million research program was a key partnership built on IDRC's longstanding relationship with the UK's Department for International Development. The concept of partnership permeated the initiative's design, which organized research around four regional consortia and brought more than 450 researchers and postgraduate students together from 14 countries in Africa and South Asia. This collaborative approach also involved working with local communities and government and policy experts, who contributed to the research findings.

More than one billion people worldwide live in climate change "hot spots": deltas, semi-arid lands, and glacier-dependent basins in Africa and Asia. These are among the world's most sensitive areas to climate change and have the most pressing need to adapt. CARIAA's focus was on generating knowledge about the cross-sectoral effects of climate change in hot spots and applying these findings to accelerate action and promote resilience among the most vulnerable people living there.

The initiative's more than 900 research outputs included over 130 peer-reviewed journal articles. Three of these articles were published in the prestigious journals *Nature* and *Nature Climate Change*, and several papers were included in a special report presented by the UN's Intergovernmental Panel on Climate Change.

Some research findings were also converted into practical solutions. For example, climate-smart agricultural practices were introduced to smallholder farmers in northern Pakistan. Rising temperatures, variable monsoon patterns, weak governance, and a host of other factors make the region extremely vulnerable to climate change. Water is a scarce resource, but more than 1 billion people in the greater region depend on it for their lives and livelihoods. CARIAA piloted several adaptation measures in the region to improve water management and to build local capacity. These included switching from diesel fuel to solar-powered pumps and adopting a suite of techniques such as drip irrigation and multi-cropping. The adaptation measures improved crop productivity and the government is scaling them up to reach 30,000 farmers. These positive outcomes are also being used to influence policy and practice.

"The biggest success in collaboration, especially in CARIAA work, is the ability to…learn from different researchers and different people from different backgrounds."

— Prince Ansah, University of Ghana

CARIAA also promoted research uptake and strengthened the cadre of researchers in the field. More than 270 young researchers from developing countries gained opportunities to further their knowledge, work alongside established researchers, and publish research. Many of these young researchers are now entering government positions, advancing their studies, or pursuing research careers.

The initiative also strengthened university programs by improving teaching and training about building resilience to the effects of climate change. In Nepal, the findings of two consortia were packaged into a climate change certificate course for the private sector, sub-national government officials, and the Agriculture and Forestry University. One of these consortia also partnered with the local university to provide ongoing advice to meet local needs.

Members from each consortium also convened a working group dedicated to sharing and improving approaches to research for impact (research that influences changes in policy, behaviour, and attitudes). The group became a learning and experience hub from which all of CARIAA could draw, and their lessons are in demand by a number of other research programs. One consortium developed the findings into a free massive open online course available through the University of Cape Town in South Africa.

An evaluation of CARIAA found that the initiative contributed to the development of more than 20 local or national climate adaptation plans and more than a dozen policies in 11 countries. For example, the findings of one consortium prompted the addition of a chapter devoted to gender and climate change in the Odisha State Climate Action Plan in India.

The initiative's research raised awareness and built capacity to nurture an environment that is more receptive to information about climate change risks, vulnerabilities, and adaptation needs, and highlighted the urgency for action and for continued research investments in this area.

Digital innovations to improve learning

Education is a key pillar of economic and social development, but it faces a profound crisis in many developing countries. IDRC partners with researchers, governments, and other funders to support research that identifies challenges and develops and scales up solutions.

The Syrian conflict and resulting refugee crisis have taken a massive toll on education systems in Lebanon. With more than half a million Syrian refugees under the age of 18 living within its borders, Lebanon's classrooms are overcrowded. Qualified teachers are few and far between, they have insufficient resources, and traumatized children and high dropout rates are becoming new norms.

However, integrating displaced communities through education is an area that is receiving growing attention because of its potential to empower and encourage peaceful co-existence with host communities. An IDRC-supported project that focused on cost-effective digital learning tested the potential of the Coder-Maker Digital Innovations Kit (which includes hardware and open-

Supporting student research in Canada

In 2018–2019, 11 young scholars received an IDRC Research Award to support their field research. These awardees also build their experience in program management during the year they spend at IDRC.

IDRC Doctoral Research Awards were granted to 23 young scholars to support their field research. One of these awardees also received the Bentley Fellowship, reserved for candidates working on issues related to agriculture and the environment.

One graduate student with an academic background that combines an interest in forests with social sciences received the Trees and People: Resilience in a changing climate – John G. Bene Fellowship.

INTERNATIONAL EDUCATION ASSOCIATION

source software, digital tools, training materials, and more) to improve the process of teaching and the quality and accessibility of learning for Syrian refugee children and their host communities.

The project builds digital literacy skills for Syrian refugee students, a critical pre-condition for learning through blended (online and offline) methods. Students learn by participating in guided inquiry, apply what they have learned in hands-on tasks, and collaborate in small teams to solve real-life problems. The project also builds the capacities of a local pool of educators to ensure that these approaches can be scaled up and integrated into the mainstream education system.

In addition to developing key skills such as critical thinking, collaboration, and communications, the programming has bridged formerly fraught relationships between local Lebanese and Syrian refugee students by bringing the two cultures together in a creative, purposeful, and productive way. After initial success across 41 schools and 4,170 students, the Lebanese government has expressed a strong desire to continue scaling up the project across the country.

Smart glasses

"Smart glasses" are one example of a project designed and built by students (photo above) using the Coder-Maker Digital Innovations Kit. Two Lebanese students and three Syrian refugee classmates developed the glasses to help a visually impaired student get around independently. The glasses — equipped with a small computer, an ultrasonic sensor, and a motor that vibrates at different intensities to indicate obstacles in her path — have helped the student move around without bumping into other people or objects. But the glasses are just one part of the team's success — grades and behaviour have also improved, and the team is motivated to tackle a second development stage to further refine the glasses.

"Before, I needed to control and tell students what to do in projects, but here I have seen aspects of my students I did not know… The conversation has changed; their behaviour has changed. There is so much more I can and will do as a teacher."

— Teacher at a digital learning innovation school in Beirut, Lebanon

IDRC/SVEN TORFINN

Digital learning, research collaboration, and scaling proven innovations to improve educational systems were at the heart of the IDRC-supported "Digital learning for development" (DL4D) project.

Researchers from across Asia collaborated on the project's first phase, which ended in 2018, to study digital learning innovations such as games, intelligent tutoring, and massive open online courses, and their potential for helping to meet global goals, such as the SDGs, for equitable, quality, and efficient education at all levels. The researchers assessed the sustainability and scalability of these innovations and identified how they could be successfully integrated into a classroom setting. For example, one project involving 10 universities developed 20 massive open online courses to promote teacher professional development. More than 1 million teachers in China have trained with these courses since 2015.

DL4D research revealed that a massive shortage of qualified teachers was one of the major obstacles to improving digital learning. Cost-effective online innovations, such as the massive open online courses used in China, as well as other online and offline training, offered clear opportunities to improve teacher professional development. The project expanded to include partners worldwide, and the international Teacher Professional Development at Scale Coalition was formed.

The Knowledge and Innovation Exchange program seeks to strengthen national education systems in up to 68 countries by ensuring that state-of-the art knowledge is available to and implemented by educational ministries.

The Coalition is promoting quality, equitable, and sustainable large-scale teacher professional development by targeting more than one million teachers in 10 countries using information and communication technologies. The Coalition will also initiate and support efforts to create effective training models across the Global South by engaging directly with governments, educators, donors, and other partners.

A knowledge synthesis of 44 of IDRC's education-related projects identified the core factors that shape the process of learning from digital tools in diverse development contexts: teachers and teaching; infrastructure; policy; context; and literacies. These findings will inform IDRC's future investments in knowledge-related research.

In addition to the successes identified by the synthesis, the Centre's experience, continuous learning, and efforts to build effective partnerships have helped pave the way to a new key partnership confirmed in 2018–2019: an $82 million collaboration with the Global Partnership for Education, the only global fund dedicated solely to education in developing countries. The partnership will strengthen education systems and dramatically increase the number of children who are learning and attending school in developing countries. Building on IDRC's expertise and programming in education, the Centre will manage the Knowledge and Innovation Exchange (KIX). This program seeks to strengthen national education systems in up to 68 countries by ensuring that state-of-the art knowledge is available to and implemented by educational ministries.

In the past year, IDRC engaged with international funders to research methods to improve our approach to shared challenges within the field of research for development. In partnership with UK Research and Innovation, the Norwegian Research Council, the Swedish Research Council, the Swiss National Science Foundation, the Swiss Agency for Development and Cooperation, the Japan Science and Technology Agency, and the UK Department for International Development, IDRC hosted the Amman Conference on Fragility. The research funders used the conference as an opportunity to engage leading researchers about effectively supporting research in contexts where displaced populations, violence, and environmental vulnerabilities limit local capacity to deliver on development goals. IDRC generated a report that draws on the learnings from the conference to outline principles for conducting research in fragile contexts, as well as the value IDRC can bring through the power of collaboration and partnership.

WORLD BANK/VINCENT TREMEAU

The Rapid Research Fund for Ebola Virus Disease provides funding to Canadian-African research teams to develop much-needed complementary approaches to counter Ebola outbreaks.

Responding to a rapidly evolving global threat

The Rapid Research Fund (RRF) for Ebola Virus Disease exemplifies IDRC's longstanding pursuit of innovative, forward-looking, responsive partnerships with like-minded funders. Borne of decades of collaboration between IDRC, the Canadian Institutes of Health Research, and the Social Sciences and Humanities Research Council, this partnership mobilizes resources to minimize the threat of Ebola and similar pandemic outbreaks in real-time — whether at home or abroad.

Canada was at the forefront of developing and testing an Ebola vaccine during the 2014–2015 outbreak in West Africa. It prevented Ebola among 100% of vaccinated people, but it was evident that in order to prevent and manage outbreaks, factors such as social behaviours, misinformation, conflict, and community mistrust of medical workers must also be addressed.

The RRF provided funding to four interdisciplinary Canadian-African research teams this year to develop much-needed complementary approaches to counter Ebola outbreaks, including the current one in the Democratic Republic of the Congo. The researchers will explore how social, cultural, and environmental factors affect the spread of Ebola; assess community mental health with a view to developing toolkits for future outbreak interventions; strengthen the ethical conduct and oversight of research during public health emergencies; and examine how routine health information can be integrated into Ebola responses.

The initiative will better equip health systems and communities for outbreaks and findings will be accessible to public health systems around the world. This includes Canada, where recent measles outbreaks have shown that trust in the medical system, community engagement, social behaviours, and the need for collaboration between medical and social science responders are as relevant as they are in the Democratic Republic of the Congo.

The challenges facing the Global South affect us all — poverty, infectious disease, climate change, and instability know no boundaries. Meeting these challenges by working in partnership with established and emerging researchers, communities, governments, funders, and others in the Global South and worldwide will continue to be a key attribute of IDRC research.

Partnerships enhance our collective capacity to generate relevant, adaptable, sustainable, and locally appropriate evidence and innovations to improve the lives and livelihoods of the populations we serve, increase impact, and strengthen local capacity. IDRC is responding to SDG 17's call to revitalize key partnerships by expanding our partnership base and brokering new relationships so that together we can effect powerful change.

Meeting our objectives

IDRC's *Strategic Plan 2015–2020* focuses our investments on knowledge and solutions to improve lives in the developing world. The Centre's monitoring and reporting system and standardized corporate indicators align plans, priorities, and objectives. Qualitative evidence underpins quantitative metrics to provide further insight into how the Centre has interpreted and implemented the strategic plan's high-level objectives in this fourth year of IDRC's current five-year strategic cycle.

We can already see how IDRC-supported research has moved the needle since 2015. For example, more than 1.8 million women in Latin America have gained access to financial services and programs that promote their financial inclusion; and 414,000 farmers throughout the Global South are using new agricultural innovations that transform the way they work. At this point, the Centre is on track to achieve or exceed all of the targets and commitments set out in 2015.

As programs continue to mature, the growing number of lessons learned will inform future strategic pathways and identify where and how efforts can be most effective. As we lay the groundwork for the next strategic plan, these lessons will highlight IDRC's strengths and identify areas for improvement so that the Centre can continue to drive change that improves lives.

OBJECTIVE 1

Invest in knowledge and innovation for **large-scale** positive change

IDRC uses knowledge and innovation to address pressing challenges in developing countries. This year alone, 139 new policies were implemented or existing policies changed based on IDRC-supported research. This speaks to the importance the Centre places on policy change as a key avenue to extend the reach of research results.

The Centre has already exceeded or is on track to meet all of Objective 1's targets and commitments.

TARGETS AND COMMITMENTS

Work with public and private sector actors who can **advance ideas and innovation** through to large-scale implementation.

- IDRC will support research for the Feminist Open Government Initiative (FOGO) that investigates the factors limiting women's political involvement and identifies solutions to increase their participation. FOGO is the Government of Canada's flagship program during their tenure as co-chair of the Open Government Partnership. With members representing 79 national governments and more than 2 billion people, the Open Government Partnership promotes inclusive and accountable governance.
- Evidence generated by the IDRC-supported Innovating for Maternal and Child Health in Africa program provided the impetus to scale up a registration system for pregnant women across all 21 districts of Ethiopia's Jimma Zone.

Support at least 20 initiatives that deliver **solutions at scale**.

- Following a capacity-building project, an alliance of communities in Bolivia jointly designed and implemented municipal climate change adaptation plans. As a result, 36 municipalities and departmental governments implemented strategic action plans for climate change.
- A project with the Inter-American Development Bank that captured the voices of more than 15,000 youth across Latin America and the Caribbean provides a rare glimpse of the motivations, aspirations, and challenges youth face at the crossroads of school and work. The findings will be used to inform youth policies.

Share our learning in scaling up solutions, helping position Canada as a leader in innovative approaches to development.

- An article about Research Quality Plus (RQ+) was published in the journal *Nature*, which provides one of the most credible international showcases among the world's top scientists and influencers. IDRC developed RQ+ as a flexible and holistic approach to evaluate the quality of research for development.

Digital technologies are transforming learning, improving student performance, and preparing youth for the job market in Colombia.

- The Canadian International Food Security Research Fund consolidated its learning on scaling up research for development in food and agricultural systems, including publishing an article in the journal *Development in Practice*.

OBJECTIVE 2

Build the **leaders** for today and tomorrow

Building capacity and supporting emerging researchers, organizations, and thought leaders is at the heart of IDRC's work. The Centre's investments strengthen the capacity of Southern researchers to conduct rigorous research and to apply and promote their findings for more inclusive, sustainable, and equitable development.

IDRC supported 186 emerging research leaders in 2018–2019. These early to mid-career researchers built their leadership skills through IDRC-supported fellowships, awards, and research projects. The Centre also supported 99 thought leaders — individuals who are established leaders in research or practice.

The Centre has already exceeded its two main targets for Objective 2.

TARGETS AND COMMITMENTS

Identify and support individuals whose leadership potential merited special investment.

- The Queen Elizabeth II Diamond Jubilee Scholarship Program was expanded to support the research of 58 post-doctoral candidates and early-career researchers (30 women and 28 men) from Canada and low and middle-income countries.
- A project focused on reproductive, maternal, newborn, child, and adolescent health in conflict settings engaged junior and mid-level researchers from the Global South and North in key project roles that helped them develop their research and project management skills.

Ms. Kuppu works in her field of little millet in southern India. CIFSRF-supported research increased the production and consumption of the grain to improve nutrition and incomes.

IDRC/VIJAY KUTTY

Support individuals and organizations in making **significant advances in their fields, emerging as knowledge leaders, exerting influence, and bringing solutions** to large populations.

- Two IDRC-supported researchers were named to the Order of Canada in 2018–2019:
  - Levente Diosady, for his work on micronutrients, including the creation of nutrient-enriched double-fortified salt; and
  - Neil Turok, the visionary leader who founded the African Institute for Mathematical Sciences (AIMS), which is proudly supported by IDRC, the Government of Canada, and the UK's Department for International Development.
- In collaboration with Knowledge 4 All Foundation and the new UNESCO Chair in Artificial Intelligence (AI) at University College London, IDRC announced funding to improve our understanding of how AI will affect human development. A series of consultations and workshops will build a network of AI researchers and innovators in sub-Saharan Africa.

OBJECTIVE 3

Be the **partner** of choice for greater impact

IDRC continues to identify and establish strategic partnership agreements that extend the Centre's development impact and increase its visibility as a thought leader in many fields.

In 2018–2019, IDRC signed new co-funding agreements valued at $121.3 million. Last year, following an assessment of the current and anticipated development research funding landscape through to 2020, the Centre adjusted its co-funding target to supplement the parliamentary appropriation from $450 million to $200 million.

The Centre is on track to meet both Objective 3 commitments.

TARGETS AND COMMITMENTS

Work with **partners from all sectors**, generating new ideas and implementation opportunities.

- IDRC and Meridiam, a global investment firm specializing in long-term public infrastructure projects, announced approximately $615,000 of funding for a renewable energy research and training program in Senegal. The collaboration will bridge the gap between industry needs and the skill sets of local engineers.
- IDRC-supported researchers in Colombia developed an e-learning methodology that proved to be so effective that the Colombian Ministry of Education and Secretary of Education requested its implementation in 300 schools. The project's findings informed the country's first public policy outline to improve teaching and learning using information and communications technologies, and a new project to develop a regional network of policymakers and digital education researchers launched in 2018.

Supplement our Canadian parliamentary appropriation with **$200 million** over five years in additional resources from partners.

- IDRC and the Swedish International Development Cooperation Agency (Sida) announced a new $14.5 million partnership to deepen and sustain the work of the Science Granting Councils Initiative (SGCI). SGCI strengthens the capacities of 15 science granting councils across sub-Saharan Africa by supporting research and policies that contribute to economic and social development.
- IDRC and the UK Department of Health and Social Care (UK Official Development Assistance for health research) signed a $17.9 million agreement for the new Innovative Veterinary Solutions for Antimicrobial Resistance program (InnoVet-AMR), which complements the existing Livestock Vaccine Innovation Fund. InnoVet-AMR will help reduce the emerging risk that antimicrobial resistance in animals poses to food security and global health.

Corporate governance

The Board of Governors

Responsibilities

The Board of Governors is responsible for the Centre's stewardship: it sets strategic direction and oversees operations. The Board acts and conducts all of its business in accordance with the *International Development Research Centre Act*, IDRC General By-laws, and governance best practices. The roles and responsibilities, composition, and organization of the Board are described in detail in its Charter.

Key responsibilities of IDRC's Board are to:

- Establish the Centre's strategic direction;
- Monitor corporate performance against strategic plans;
- Review and approve the Centre's corporate priorities, budget, and financial reporting;
- 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 the performance and succession planning of the President and Chief Executive Officer; and
- Assess its own performance in fulfilling Board responsibilities.

Philosophy of governance

The Board continually reviews and enhances its governance practices to achieve higher standards and to ensure the best possible level of organizational performance. The following principles guide the Board's operations and ensure good corporate governance:

- To strive for consensus in decision-making;
- To conduct informed decision-making and exercise good judgment in establishing the Centre's strategic directions, the safeguarding of the Centre's resources, and the monitoring of corporate performance;
- To believe in a culture of ideas, questions, challenges, and the continuous process of learning;
- To ensure clarity in individual and collective roles and responsibilities;
- To practice transparency in reporting and responding to requests for information from the Canadian government and the public at large;
- To encourage open and honest communication between staff, management, and the Board of Governors;
- To value innovation, experimentation, and change as means to achieving continuous improvement; and
- To recognize and use evaluation as a tool for learning and accountability.

Principles of accountability

The Board of Governors promotes, adheres to, and maintains the highest standards of ethical behaviour and transparency. Board members must act honestly, in good faith, and with a view to the best interests of IDRC, as established in the *IDRC Board Code of Conduct*. Board members adhere to the principles set in the *Conflict of Interest Guidelines* and must declare any potential conflict of interest at the beginning of each meeting.

IDRC is accountable to Parliament and to Canadians. The Chairperson of the Board reports for the Centre to Parliament through the Minister of International Development.

The Annual Report, including the Financial Statements and the Auditor General's Report, is tabled in Parliament by the Minister of International Development.

Board expertise

To conduct informed decision-making and stewardship, members of the Board, in combination, must possess the experience and skills to provide thoughtful and experienced counsel on a broad range of issues related to the Centre's mandate. The *IDRC Act* specifies that at least eight governors must have experience in the field of international development or experience or training in the natural or social sciences or technology. In addition, a comprehensive competency framework provides the Board with ongoing insight into the skills it collectively possesses and the skills it may require. The capacities and skills of Board members are reviewed on an ongoing basis to ensure that its work is conducted effectively.

Continuous learning and improvement are critical to the Centre's commitment to excellence. Governors attend orientation and education sessions on an ongoing basis to expand their knowledge of the Centre's operations, to identify emerging challenges and opportunities in the research for development environment, and to examine governance issues. Moreover, the Board reviews its performance on an annual basis to assess its effectiveness and improve its function. Board members are surveyed on the performance of the Board and its committees, as well as members' understanding of their own performance.

Membership

The composition of the Centre's Board is established and supported by the Canadian Parliament. It is directed by a Board of Governors of up to 14 members, including the President and Chairperson.

The *IDRC Act* stipulates that a majority of Board members must be Canadian. The Chairperson and the President are appointed by the Governor in Council to hold office for terms of up to five years. The other governors are appointed for terms of up to four years. Retiring governors are eligible for re-appointment.

Governors are appointed by the Governor in Council following an open, transparent, and merit-based selection process.

The IDRC Board of Governors

(as at 31 March 2019)

MARGARET BIGGS
Chairperson, Ottawa, Ontario

CHANDRA MADRAMOOTOO
Vice-Chairperson, Montreal, Quebec

JEAN LEBEL
President, Ottawa, Ontario

AKWASI AIDOO
Gastonia, North Carolina, USA

ALEX AWITI
Nairobi, Kenya

MARY ANNE CHAMBERS
Thornhill, Ontario

DOMINIQUE CORTI
Montreal, Quebec and Milan, Italy

SOPHIE D'AMOURS
Quebec City, Quebec

SHAINOOR KHOJA
Vancouver, British Columbia and Dubai,
United Arab Emirates

PURNIMA MANE
San Mateo, California, USA

JOHN McARTHUR
Vancouver, British Colombia and Washington DC, USA

GILLES RIVARD
Ottawa, Ontario

STEPHEN TOOPE
Cambridge, UK

BARBARA TRENHOLM
Fredericton, New Brunswick

Former governors who served during the reporting period:

URI ROSENTHAL
Rotterdam, The Netherlands

Function of the Board

The Board held four meetings in 2018–2019.

The Board works through standing committees. Each committee has its own terms of reference and serves to address issues that require specific expertise. This structure allows for more detailed advice to be provided to the entire Board on decision points concerning respective committees' areas of competence.

As part of its regular review of corporate governance and to adapt to changing demands, the Board of Governors undertook a revision of its committee structure and optimized mechanisms in support of its strategic and annual planning obligation. The Strategy, Program Performance, and Learning Committee was created as a result of this exercise, while the mandates of other committees were reviewed.

IDRC has four Board committees as at 31 March 2019:

The **Executive (Governance and Nominating) Committee** (convened five times in 2018–2019) functions for the Board between regular Board meetings on urgent matters; ensures that the Board has a sound approach to corporate governance by monitoring the functions of the Board and implementing good corporate governance practices; and oversees committee memberships.

Members:

Margaret Biggs (Committee Chairperson), Mary Anne Chambers, Jean Lebel, Chandra Madramootoo, Purnima Mane, John McArthur, Uri Rosenthal (until 17 June 2018), and Barbara Trenholm.

CIFSRF (see page 6) addresses global hunger by investing in solutions that increase production, access, and consumption of safe and nutritious food, such as this experimental farm in Bangalore, India.

The **Finance and Audit Committee** (convened five times in 2018–2019) provides oversight of IDRC's finance and audit functions; reviews and recommends management-proposed budgets and financial reports to the full Board; and provides oversight on the Centre's risk management and internal controls systems and practices.

Members:

Barbara Trenholm (Committee Chairperson), Akwasi Aidoo, Mary Anne Chambers, Shainoor Khoja, and Gilles Rivard.

Margaret Biggs, as Board Chairperson, and Chandra Madramootoo, as Board Vice-Chairperson, are ex-officio members.

The **Strategy, Program Performance, and Learning Committee** (convened five times in 2018–2019) supports the Board in fulfilling responsibilities with respect to the Centre's strategic and annual planning as well as performance monitoring.

Members:

John McArthur (Committee Chairperson), Alex Awiti, Sophie D'Amours, Shainoor Khoja, Jean Lebel, Purnima Mane, and Stephen Toope.

Margaret Biggs, as Board Chairperson, and Chandra Madramootoo, as Board Vice-Chairperson, are ex-officio members.

The **Human Resources Committee** (convened three times in 2018–2019) supports the Board in fulfilling responsibilities with respect to the application of sound human resource policies and practices that support IDRC's mission and mandate. The Committee considers and recommends the President's annual performance evaluation and objectives to the full Board.

Members:

Mary Anne Chambers (Committee Chairperson), Akwasi Aidoo, Dominique Corti, Jean Lebel, and Gilles Rivard.

Margaret Biggs, as Board Chairperson, and Chandra Madramootoo, as Board Vice-Chairperson, are ex-officio members.

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 range for governors: \$360–\$420
- Annual retainer range for committee chairpersons: \$4,600–\$5,400
- Annual retainer range for the chairperson: \$9,200–\$10,800

Centre Executives (as at 31 March 2019)

JEAN LEBEL, President

FEDERICO BURONE, Vice-President, Strategy, Regions and Policy, and Regional Director, Latin America and the Caribbean

DOMINIQUE CHARRON, Vice-President, Programs and Partnerships

SYLVAIN DUFOUR, Vice-President, Resources, and Chief Financial Officer

Regional Directors (as at 31 March 2019)

FEDERICO BURONE
Latin America and the Caribbean Regional Office

ANINDYA CHATTERJEE
Asia Regional Office

BARBARA SHENSTONE
Middle East and North Africa Regional Office

KATHRYN TOURÉ
Regional Office for sub-Saharan Africa

Former regional directors who served during the reporting period

SARWAT SALEM, Acting
Middle East and North Africa Regional Office

IDRC/VIJAY KUTTY

IDRC's commitment to transparency and accountability

IDRC is accountable to Parliament and all Canadians for our use of public resources.
Here are some of the measures in place that help us meet or exceed the standards set by the Government of Canada for accountability and transparency.

CANADIAN PUBLIC

- *Strategic Plan 2015–2020: Investing in Solutions*
- Open access to information on research projects funded by IDRC
- Annual public meeting
- Proactive disclosure web pages (including annual report on travel and hospitality expenses for members of the Board of Governors and executives)
- Free full-text digital versions of all books IDRC publishes or co-publishes
- Evaluations of IDRC programming are publicly available through the IDRC Digital Library

GOVERNMENT AND REGULATORY BODIES

- Regulatory Requirements
  - Subject to the *Public Servants Disclosure Protection Act*
  - Subject to the *Canadian Multiculturalism Act*, the *Employment Equity Act*, and the *Official Languages Act*
  - Subject to the *Access to Information Act* and the *Privacy Act*
  - Subject to the *Canadian Environmental Assessment Act, 2012* and pursuant to IDRC's obligations, in 2018–2019 IDRC did not carry out or provide financial assistance to projects that it determined would be likely to cause significant adverse environmental effects
- Proactive screening of individuals and entities receiving funds, in accordance with Canada's legislative measures on trade and economic sanctions, as well as legislative measures against terrorists and terrorists groups
- Annual Report
- Quarterly financial reports
- Contributes to the audited consolidated financial statements of the Government of Canada
- Appearances before Parliamentary Committees
- Contributes information to Statistics Canada on social and natural science expenses
- Contributes information to the International Aid Transparency Initiative, including providing data to the Organization of Economic Cooperation and Development
- Contributes to the Government's report under the *Official Development Assistance Accountability Act*

EXTERNAL AUDIT OVERSIGHT

- Office of the Auditor General
  - Annual Attest Audit
  - Special Examinations

IDRC / BARTAY

Management's discussion and analysis

This Management's Discussion and Analysis (MD&A) provides a narrative discussion of the financial results and operational changes for the financial year ended 31 March 2019.

This discussion should be read alongside the Financial statements starting on page 34, which were prepared in accordance with the International Financial Reporting Standards. All monetary amounts are presented in Canadian dollars unless otherwise specified.

In preparing the MD&A, management was guided by the concept of materiality. Information is considered material if it is probable that its omission or misstatement would influence readers' decisions made on the basis of the information presented.

Core business

As a Crown corporation and part of Canada's global affairs and development efforts, IDRC invests in knowledge, innovation, and solutions to improve lives and livelihoods in the developing world. Working to drive change for those who need it most, IDRC brings the right stakeholders together to increase opportunities for impact, invest in knowledge that will result in large-scale positive change, and support leaders for today and tomorrow.

The Centre's work is directed by the *International Development Research Centre Act* (1970), which aims "to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions."

IDRC's work is currently concentrated in three areas: Agriculture and the Environment, Inclusive Economies, and Technology and Innovation.

In carrying out our mandate, we:

- provide financial support to researchers in developing countries to work on problems crucial to their communities;
- engage with research organizations throughout the innovation process;
- promote networking among our grantees;
- facilitate the use and uptake of research, and encourage dialogue between researchers, policymakers, and business people.

IDRC recognizes that collaboration and networks are key to development impact. The Centre contributes to major Canadian government initiatives and delivers on Canada's international assistance priorities. IDRC works closely with counterparts at Global Affairs Canada, and the senior management teams of the two organizations meet formally each year. The Centre also regularly collaborates with FinDev Canada (the development finance subsidiary of Export Development Canada) and with Canada's research granting councils: the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, and the Canadian Institutes of Health Research. IDRC's current Chairperson serves on the Advisory Council of FinDev Canada.

IDRC's approach to partnering is focused on collaboration with a wide variety of organizations, including government agencies, granting councils, the private sector, and philanthropic foundations. This approach seeks to mobilize contributions that augment IDRC's investments in research for development and that broaden the reach of research results, increase financial resources for research institutions, and bring innovations to scale to address the needs of developing countries. The principal partnering method is co-funding. Co-funding delegates the administration of donor financial contributions to IDRC, which manages the pooled resources to achieve better results.

IDRC's co-funding consists of **36** donor contribution agreements with **16** donors valued at **$440.4 million**

(as at 31 March 2019)

A second partnering method is parallel funding, whereby IDRC and other funders deal directly with the recipients to support the same IDRC-initiated projects. Parallel funds are garnered by efforts from IDRC, the recipient, or as a combined effort between the organizations to significantly increase the scope and impact of a research project. In contrast to co-funding, the Centre does not manage parallel funding and therefore these funds are not accounted for as revenue.

IDRC follows a robust process to select funding recipients. Proposals are assessed by experts based on scientific merit, development impact, risk, and researcher and/or institutional capacity. Complex projects often involve multiple grantee institutions, and each recipient institution must sign a grant agreement that provides the terms and conditions of funding.

As outlined in the *IDRC Act*, the advisory and knowledge brokerage functions of the Centre are central to its business and overall corporate performance. Knowledge brokerage functions also strengthen the research capabilities of IDRC's research grant recipients. This component of IDRC's work forms part of our value to recipients and distinguishes us from other development assistance funders. IDRC believes that, where possible, providing local support to enhance research capabilities is best. As such, IDRC operates four regional offices across the developing world (see page 2) where our employees engage with research institutions to carry out the Centre's work.

The average value of an IDRC grant was **$666,173**.

The average grant duration was **34** months.

(based on active grants as at 31 March 2019)

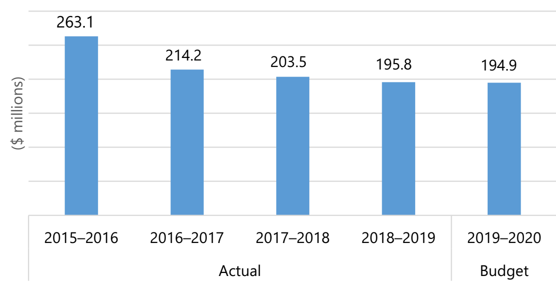
Capacity to deliver

Financial resources

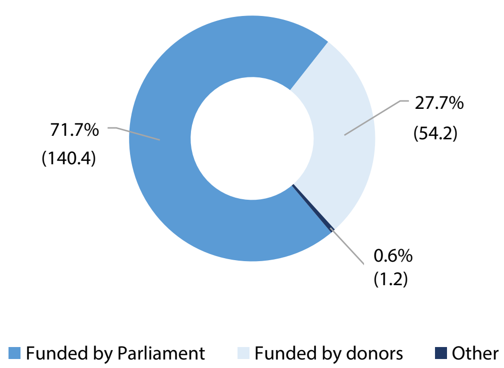
The Centre derives its revenues from a parliamentary appropriation and from donor contributions received pursuant to co-funding agreements. Other sources of revenue are minimal. The parliamentary appropriation is the most significant source of revenue and it allows the Centre to deliver its mandate. It includes a recurring portion and a non-recurring portion that fluctuates as parliamentary transfers are agreed upon with other federal government organizations.

Revenues have decreased in recent years due to the scheduled end of a large non-recurring parliamentary appropriation-funded project. The total amount of the parliamentary appropriation for 2018–2019 was $140.4 million, which represents 71.7% of IDRC's revenues and 3% of Canada's international assistance envelope.

Revenues



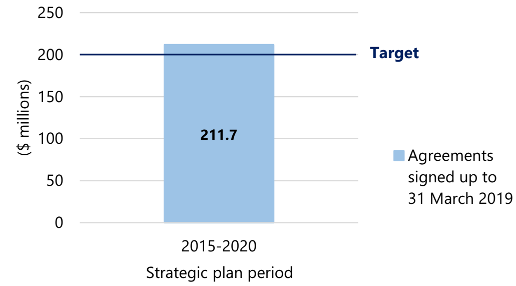
2018–2019 Revenue by source ($ millions)



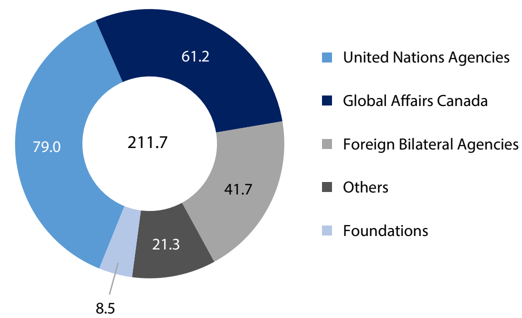
IDRC enters into agreements with organizations that share its development objectives so that together they can effectively leverage financial resources to research the world's pressing issues. Contributions arising from co-funding agreements flow through IDRC and are accounted as donor contribution revenues.

Since the beginning of the 2015–2020 strategic planning period, the Centre has signed new co-funding agreements worth $211.7 million.

Progress toward the 2015–2020 co-funding target

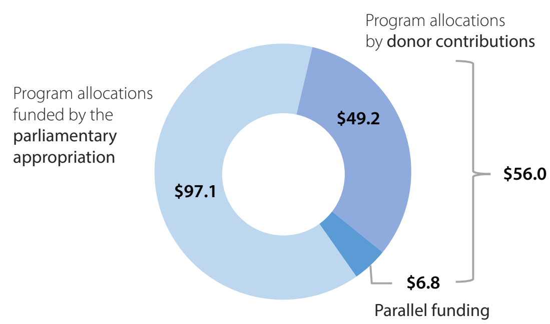


2015–2020 Co-funding agreements by donor ($ millions)



In addition to its revenues, the Centre coordinates parallel funding with donors. In 2018–2019, donors allocated $6.8 million in parallel funding to supplement research projects funded by IDRC and co-funding agreements. Together the co-funding and parallel funding contributions increased IDRC's $97.1 million of allocations (funded from the parliamentary appropriation) by 58%.

2018–2019 Program allocations including parallel funding ($ millions)



How we work

The Centre developed a roadmap of specific actions to reach its goals. A key component is the Agenda for Action, which promotes working alongside the private sector; communicating strategically; leveraging the Centre's international presence; being smart with resources; and investing in our people.

Working alongside the private sector

IDRC's collaboration with the private sector aligns with program-level objectives, including bringing research results to scale and strengthening visibility and social impact.

This year gave rise to a two-pronged learning agenda: to strengthen the capacity of IDRC employees to work alongside the private sector, and to conduct an environmental scan of corporations to explore intentional (rather than opportunistic) engagement. Interesting lessons materialized from the environmental scan, including how to organize the Centre around private sector engagement and finding niches to experiment in a more purposeful way.

Among the private sector relationships developed in 2018–2019 was a collaboration between researchers in Côte d'Ivoire, Benin, Canada, and Togo, and a consortium of private sector businesses that includes Sania Cie, an agro-industrial enterprise that is also West Africa's largest palm oil producer. The environmental effects of the palm oil industry are well known and managing agro-industrial waste is a major problem for the Global South. This collaboration, which responds in part to Sania's interest in improving its environmental impact, will test groundbreaking methods of using agro-industrial waste to produce bio-fuels and bio-plastic. The project also seeks to develop local knowledge and skills to apply waste reuse on a larger scale. Agriculture cooperatives and government representatives will be involved to ensure that any scale-up of technology or processes is beneficial to vulnerable segments of the population.

Communicating strategically

Seizing opportunities to share the impact of our efforts with Canadians, individuals, organizations, and businesses increases IDRC's visibility and positions the Centre as a partner of choice in research for development.

The Centre organized 10 public events in Canada in the past year, including an expert's debate co-hosted with Global Affairs Canada that featured a six-woman delegation from the Syrian Negotiation Commission (an umbrella group representing the Syrian opposition in the UN-led Geneva peace talks). The Centre also supported several prestigious internationally-focused events. These included the 24th session of the Conference of the Parties (COP24) to the United Nations Framework Convention on Climate Change in Katowice, Poland, where the IDRC delegation hosted several fora and workshops alongside national representatives from around the world.

The *Solutions for Gender Equality* speaker series that launched in 2018 is part of the Canadian mobilization for the Women Deliver 2019 conference in Vancouver. These events highlighted the role of research in addressing women's invisibility in data and women's vulnerability to gender-based violence and climate change.

IDRC's strong network of partners and the Centre's role as a thought-leader were promoted through outreach campaigns and high-profile corporate activities. These included the public launch and associated expert roundtable of the Global Center on Adaptation, co-hosted with the Embassy of the Netherlands in Canada and opened by the Prime Minister of the Netherlands and the Consul-General of the Netherlands.

In 2018–2019, IDRC co-published four new books with presses around the world, and many others are in development. All of the Centre's books are available open access through idrc.ca and the IDRC Digital Library. Downloads of IDRC publications more than doubled this year, to over 100,000.

Innovative research results were shared with the Canadian public through partnerships with *Canadian Geographic*, *Québec Science*, and *L'actualité*. Collaborating with these trusted Canadian publications resulted in 14 in-depth articles that reached approximately 1 million Canadians.

Expanding regional office use of social media and using video to enhance audience engagement continued to be a priority this year. By incorporating more videos and infographics, IDRC increased its following across all social media platforms by 9% (more than 16,000 new subscribers). IDRC Twitter posts using video increased ten-fold, resulting in 679% more views than last year on this platform.

Three short films from the *Growth and Economic Opportunities for Women* program attracted more than 100,000 views on Facebook and were collectively featured as the opening night film at the *One World* film festival, Ottawa's longest running documentary film festival.

Leveraging the Centre's international presence

IDRC maintains four regional offices across the developing world that work closely with the communities they serve. At 31 March 2019, IDRC had four overseas offices in New Delhi, India; Amman, Jordan; Nairobi, Kenya; and Montevideo, Uruguay.

The Host Country Agreement for the Centre's new Middle East and North Africa Regional Office in Amman was signed by IDRC President Jean Lebel and Jordan's Ministry of Foreign Affairs and Expatriate's Secretary-General, H.E. Zaid Al-Lozi in October 2018. The new regional office, officially inaugurated in March 2019, will work closely with other international organizations operating in the region.

Regional office employees work closely with Canada's missions abroad and contribute substantially to the relevance and effectiveness of the Centre's programming. Their ability to connect solutions with local actors, identify and support leaders, and foster multi-sectoral collaboration are of particular importance. Of the Centre's 363 positions, 88 are based in our regional offices, 51 of which are occupied by locally hired employees.

Being smart with resources

The deployment of a relationship management tool, which captures and shares strategic information to improve coordination across the Centre, was an important accomplishment in 2018–2019. Another tool that provides a more consistent approach to the Centre's competitive funding calls was also launched this year.

Being smart with resources also means optimizing space. The size of the Nairobi office was reduced by 56%, saving a corresponding percentage of rent.

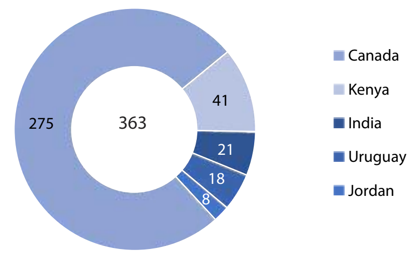
IDRC joined forces with two other crown corporations, the Canadian Commercial Corporation and the Standards Council of Canada, to identify a common travel services provider to leverage combined purchasing power. The contract with the new travel agency, which includes a new service delivery model, will start in the second quarter of 2019–2020.

The Centre's "digital by default" model decreases paper-based operations and simplifies business processes. Work continued this year to digitize physical records to comply with legislative and regulatory requirements. IDRC's electronic collection of scholarly literature was also reviewed to optimize its value, reduce the overhead required for its management, and assist the Centre's grantees to make full use of the open or low-cost access to peer-reviewed online content.

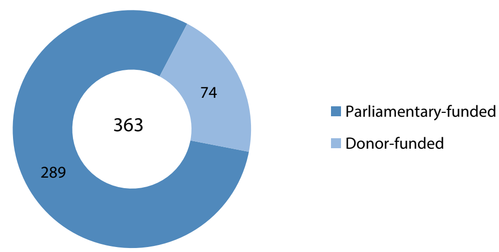
Investing in our people

IDRC's success is dependent on its employees. Their diversity improves the Centre's understanding of development challenges and facilitates opportunities for innovation and impact. Employee knowledge of particular geographic areas helps the Centre to engage effectively with grant recipients in framing research problems, improving research designs, and selecting and implementing research methods.

IDRC's workforce by location

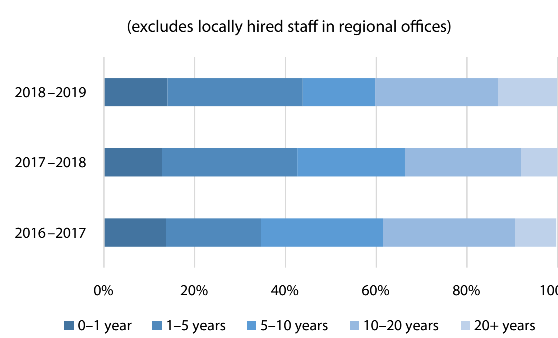


IDRC's workforce by funding source



A talent management strategy enables the Centre to attract, develop, engage, and retain the competent and committed people necessary to help IDRC achieve its strategic objectives. The Centre invested 1.6% of its payroll in employee development in 2018–2019. This is key to employee retention, especially given that 44% of IDRC's employees have less than five years of service.

Years of service



Following a 2017 employee survey about mental health and workplace well-being, a two-year action plan was developed. As part of the plan, this year all employees were invited to awareness sessions about respect in the workplace.

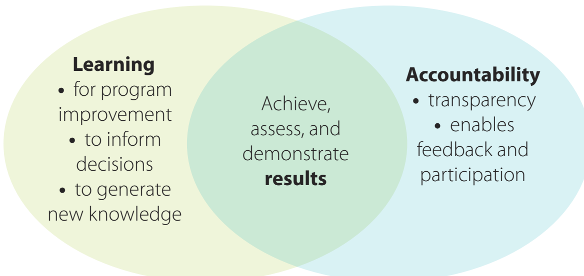
IDRC bolstered its commitment to gender equality and inclusion in the workplace by collaborating with the Canadian Centre for Diversity and Inclusion to assess the Centre's state of inclusivity and identify areas for improvement.

In June 2018, the Public Service Alliance of Canada ratified its first collective agreement with IDRC. Training sessions to build and foster positive and effective relationships in a unionized workplace will continue throughout 2019.

Evaluation

IDRC conducts evaluations to strengthen the processes and results of the research we support and to increase our understanding of how research influences development. Evaluation is an important tool that ensures the effective use of public funds, documents and assesses results, and helps the Centre realize its goals.

Strengthened results of IDRC programming



Evaluations at IDRC take place at the organizational, program, and individual project levels. The eight organizational and program evaluations completed in 2018–2019 included the first in a series of Centre-wide evaluations related to the strategic objectives. With a focus on the Centre's contributions to building leading organizations, the evaluation found that IDRC support contributed to organizational leadership in three key areas: structures and processes, research and uptake, and interactions with other organizations.

The final evaluation of the Collaborative Adaptation Research Initiative in Africa and Asia (CARIAA, 2012–2019), co-funded with the UK's Department for International Development, was also completed this year. The evaluation confirmed that CARIAA successfully produced research with the potential to influence discussions and decisions about climate change for years to come.

As IDRC approaches the end of its current five-year strategic cycle and prepares to launch a new strategic plan, there will be a particular emphasis on drawing together learning from across Centre-commissioned evaluations to inform future work.

Risks

Internal audit is a key element of IDRC's accountability structure and IDRC's integrated risk management processes. Its purpose is to provide independent and objective assurance and advice designed to add value and to support the Centre in achieving its strategic objectives. The Internal Audit work plan aligns closely with the Centre's *Strategic Plan 2015–2020* and corporate risks. It evaluates the efficiency and effectiveness of governance, risk management, and internal controls.

IDRC will continue developing and refining risk management to support the achievement of the corporate objectives and to enhance performance and outcomes. The risk management program also supports and informs the development of IDRC's next strategic plan.

Risk management is integrated into all significant business processes. It is a shared responsibility among Centre managers, who are committed to a proactive and systematic approach to risk management that is overseen by the Board. The Centre's risk management processes are designed to identify risks that may affect the achievement of corporate objectives and to manage these within an agreed-upon range of risk tolerances. Risk management is applied strategically and appropriately to provide reasonable assurance that the Centre will achieve its objectives.

The table below lists the key risks faced by the Centre at 31 March 2019.

STRATEGIC RISK	Risk level	Risk response strategies and actions
Flexibility and opportunity Given that IDRC's parliamentary appropriation is not indexed to inflation and despite a marginal increase, there is a risk that the Centre's ability to be flexible, to invest in emerging opportunities, and to mobilize new donor contributions will be limited.	MEDIUM	IDRC has identified a number of strategies to respond to the corporate priority "Contribute to global sustainable development through programming and influence in Canada and internationally". Plans under this priority will deepen IDRC collaborations with Global Affairs Canada and build on recently established management exchanges to enhance IDRC's visibility as a strategic representative of Canada's international assistance efforts. At the same time, management focuses on minimizing the impact of inflation on the operations of the Centre by managing expenses, such as continued staffing controls, reviewing the office footprint in all IDRC locations, and leveraging new technologies.

STRATEGIC RISK (CONTINUED)	Risk level	Risk response strategies and actions
Scaling to achieve impact If the large donor agreements currently under negotiation do not materialize, there is a risk that our ability to scale programming to achieve impact will be limited.	MEDIUM	IDRC recently implemented a new corporate structure intended to enhance the strategic and partnership functions of the Centre. Several new co-funding agreements are planned, as per IDRC's corporate priority "Contribute to global sustainable development through programming and influence in Canada and internationally".

OPERATIONAL RISK	Risk level	Risk response strategies and actions
Achieving results If significant changes were to occur to the appetite for research, or to policies and regulations in the contexts in which the Centre supports research, there is a risk that the Centre's programming and achievement of results could be affected.	MEDIUM	Country agreements, procedures, and IDRC policies are reviewed when and as needed to ensure operational effectiveness. Intelligence gathering from various sources and ongoing assessments inform operations throughout IDRC.
Health, safety, and security Given that IDRC operates in complex, challenging, and changing environments, there is a risk that the health (psychological and physical), safety, and security of employees could be compromised.	MEDIUM	IDRC is very attentive to the risk of working and travelling in developing countries. The Centre had developed systems, policies, and procedures to ensure that health, safety, and security requirements are regularly reviewed, updated, applied, and monitored for all travellers and employees posted to regional offices. A committee has been tasked with overseeing the implementation of the two-year action plan for mental health and workplace well-being.
Our people If IDRC is not successful in attracting, developing, training, and retaining talent, there is a risk that the Centre's ability to achieve its current strategic objectives, plan for its next strategy, and manage change is limited.	MEDIUM-LOW	IDRC developed several strategies to respond to the corporate priority "Invest in IDRC's most valuable asset — its employees". Plans under this priority build on the development of the two-year action plan for mental health and workplace well-being. Their focus is on ensuring that the Centre has a set of harmonized policies for all employees as part of its efforts to promote positive labour relations. The Centre plans to strengthen its ability to promote a diverse and inclusive workplace. HR and management will implement the new competency profile for management and start work on other job families, in addition to implementing a recently-completed leadership charter for the Centre. The new corporate structure positions the HR function to enhance its strategic focus.

Results and outlook

Table 1 presents an overview of selected financial information, including revenues and expenses. A detailed analysis of each is provided under the revenues and expenses portion of this discussion.

TABLE 1: SUMMARY OF SELECTED FINANCIAL INFORMATION

	2017–2018	2018–2019				2019–2020
($000)	Actual	Original budget	Revised budget	Actual	Variance	Budget
Statement of comprehensive income items						
Revenues	**203 496**	**196 833**	**196 750**	**195 832**	**(918)**	**194 909**
Parliamentary appropriation	139 952	139 338	140 366	140 366	-	142 907
Donor contributions	61 791	56 751	55 573	54 256	(1 317)	51 246
Investment and other income	1 753	744	811	1 210	399	756
Expenses	**205 706**	**203 470**	**203 113**	**205 644**	**2 531**	**190 166**
Development research programming	185 869	185 163	183 830	187 816	3 986	171 300
Corporate and administrative services	19 837	18 307	19 283	17 828	(1 455)	18 866
Net results of operations	(2 210)	(6 637)	(6 363)	(9 812)	(3 449)	4 743
Statement of financial position items						
Cash	78 782	n/a	n/a	71 231	n/a	n/a
Accounts receivables and prepaid expenses	2 620	n/a	n/a	3 196	n/a	n/a
Deferred revenue	42 198	n/a	n/a	43 345	n/a	n/a
Equity	23 957	17 320	17 594	14 145	(3 449)	18 888
Project management items						
Allocations funded by parliamentary appropriation	101 433	96 000	96 962	97 064	102	99 500
Allocations funded by donor contributions	45 519	38 510	54 777	49 186	(5 591)	90 535

Revised 2018–2019 budget

The Board of Governors approved the original 2018–2019 budget (in Table 1) prior to the start of the financial year and it was presented in the Annual Report 2017–2018. The budget was revised in the first half of the year to reflect the most current information available, reducing budgeted revenues and expenses by $0.3 million.

Revenues

The Centre derives its revenues from a parliamentary appropriation, donor contributions, and other sources. The intent of the parliamentary appropriation is to contribute to the operations of the Centre, therefore it is included within the revenues for the purpose of the MD&A. Consistent with the International Financial Reporting Standards, the parliamentary appropriation is presented separately, immediately after the cost of operations, on the statement of comprehensive income.

TABLE 2: REVENUES

	2017–2018	2018–2019				2019–2020
($000)	Actual	Revised budget	Actual	Variance	% change actual [a]	Budget
Parliamentary appropriation	139 952	140 366	140 366	-	0.3 %	142 907
Donor contributions	61 791	55 573	54 256	(1 317)	(12.2%)	51 246
Investment and other income	1 753	811	1 210	399	(31.0%)	756
Total revenues	**203 496**	**196 750**	**195 832**	**(918)**	**(3.8%)**	**194 909**

[a] % change actual in 2018–2019 over 2017–2018.

Parliamentary appropriation revenue

The parliamentary appropriation funding is part of Canada's international assistance envelope and allocated to the Centre to support the delivery of its mandate. The parliamentary appropriation increased by 0.3% from $140.0 million to $140.4 million in 2018–2019. This increase is linked to fluctuations in the annual non-recurring transfer from other government organizations.

TABLE 3: USE OF THE PARLIAMENTARY APPROPRIATION RECEIVED

($000)	2017–2018 Actual	2018–2019 Actual	2019–2020 Budget
Total expenses	**205 706**	**205 644**	**190 166**
Minus:			
Donor-funded expenses	61 791	54 256	51 246
	143 915	151 388	138 920
Replenishment (reduction) of financial reserve	2 634	(1 903)	4 803
Appropriation used for purchase of property, equipment, and intangibles	479	445	1 450
Total funding requirement	**147 028**	**149 930**	**145 173**
Parliamentary appropriation	139 952	140 366	142 907
Unused (shortfall) appropriation	**(7 076)**	**(9 564)**	**(2 266)**

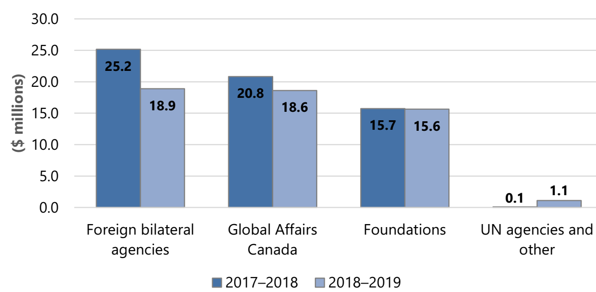
The total funding requirement for the 2018–2019 financial year was $9.6 million higher than the parliamentary appropriation received. The shortfall was funded by other revenue sources, unrestricted equity, and reserved equity, which is intended to protect the financial position of the Centre (see page 32 for more information on reserved equity).

Donor contribution revenues

Donors provide contributions to either research programs or specific projects. Donor funds received pursuant to a co-funding agreement are recognized as donor contribution revenue over the life of the agreement when the related expenses are incurred. Consequently, the impact of donor contributions on the Centre's net results and year-end equity is limited. Timing differences between the amount spent on administrative costs and the administrative cost recovered (or not) from donors affect the Centre's net result of the operations.

Donor contribution revenues decreased by 12.2% (from $61.8 million in 2017–2018 to $54.2 million) and were $1.3 million lower than budgeted (see Table 2). The development research programming expenses section on page 29 provides information on the variances. The distribution of the revenues from donor contributions, in dollar terms, is shown in Figure 1.

FIGURE 1: REVENUES FROM DONOR CONTRIBUTIONS [a]



[a] Expended on development research programming and administrative costs.

The donor's share of the administrative costs associated with the co-funded program is included in the donor contribution revenues. The Centre recovers the expenses related to capacity-building and internal services in support of the co-funded programs or projects. These expenses primarily consist of variable costs that can be apportioned among the Centre and the donor share of the co-funded programs or projects. The Centre does not include any of its Parliament-funded fixed corporate costs (for example, overhead) in its recovery of administrative costs from donors.

Revenue outlook

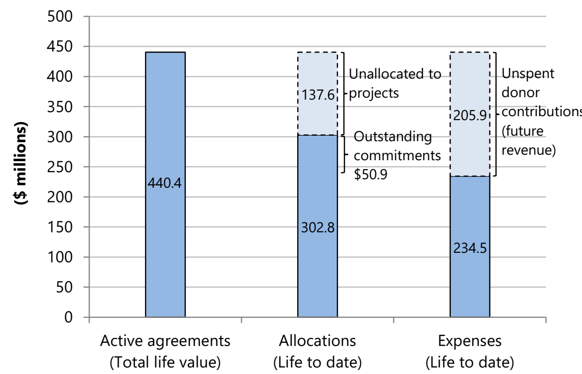
The Centre's parliamentary appropriation is anticipated to be $142.9 million in 2019–2020, 1.8% higher than in 2018–2019. The 2019–2020 recurring parliamentary appropriation will increase by $5.0 million to strengthen the Centre's presence in West Africa and to enhance programming across West Africa and la Francophonie. The non-recurring appropriation will decrease by $2.5 million due to planned fluctuations in an annual transfer from another government organization.

In 2019–2020, donor contribution revenues are budgeted to decrease to $51.2 million to reflect the current and anticipated co-funding agreements. A significant portion of this amount is expected to come from co-funding agreements signed and ongoing at 31 March 2019, of which Global Affairs Canada, the Bill & Melinda Gates Foundation, the UK Department for International Development, The William and Flora Hewlett Foundation, the UK Department of Health, and the Swedish International Development Cooperation Agency will represent the most (81%).

In 2018–2019, the value of signed co-funding agreements was $121.3 million. This brought the total amount of co-funding agreements signed since 2015 to $211.7 million. The Centre's donor collaboration activities over the course of the 2019–2020 financial year will focus on advancing co-funding ideas that are already under discussion, in addition to seeking new co-funding opportunities.

As at 31 March 2019, the Centre manages co-funding agreements valued at $440.4 million (see Figure 2). At the end of the financial year, $234.5 million of this amount had been spent and was recognized as revenue, leaving a balance of $205.9 million over the remaining life of the agreements. Signing new co-funding agreements replenishes this unspent portion, which represents donor contribution revenue for the next three to five years. Figure 2 also shows that $137.6 million of the active co-funding agreements remain for allocation to specific research projects, which follows the typical cycle of programming activities for development research.

FIGURE 2: STATUS OF DONOR CONTRIBUTION AGREEMENTS AS AT 31 MARCH 2019



Expenses

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

TABLE 4: EXPENSES

($000)	2017–2018 Actual	2018–2019 Revised budget	2018–2019 Actual	2018–2019 Variance	% change actual [a]	2019–2020 Budget
Development research programming						
Research projects funded by parliamentary appropriation	88 783	93 325	99 084	5 759	11.6 %	84 424
Research projects funded by donor contributions	50 433	43 756	42 976	(780)	(14.8%)	39 690
Enhancing research capabilities	46 653	46 749	45 756	(993)	(1.9%)	47 186
	185 869	**183 830**	**187 816**	**3 986**	**1.0 %**	**171 300**
Corporate and administrative services	**19 837**	**19 283**	**17 828**	**(1 455)**	**(10.1%)**	**18 866**
Total expenses	**205 706**	**203 113**	**205 644**	**2 531**	**-**	**190 166**

[a] % change actual in 2018–2019 over 2017–2018.

Development research programming expenses

The expenses for development research programming increased by 1.0% in 2018–2019 to $187.8 million, up from $185.9 million in 2017–2018.

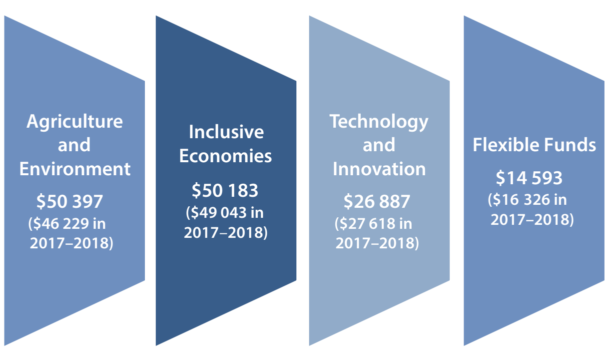
The direct costs of ongoing scientific and technical research projects funded by the Centre are presented by source of funding. Most of these projects are carried out by independent institutions with the aid of research grants. Projects also include research activities undertaken by individuals with the aid of individual training grants, scholarships, fellowships, internships, and individual research and research-related grants. Just over 5% of other project activities are carried out or brokered internally.

In 2018–2019, research project expenses funded by parliamentary appropriation increased by 11.6% (to $99.1 million from $88.8 million in 2017–2018). Compared to the 2018–2019 budget, these expenses were $5.8 million higher than the budgeted amount. The increase is related to intensified project monitoring activities, which resulted in the earlier-than-expected receipt of project deliverables from recipients.

Research project expenses funded by donor contributions decreased by 14.8% to $43.0 million from $50.4 million in 2017–2018 (see Table 4), $0.8 million lower than budgeted. This decrease was foreseen because it is related to existing agreements that were in or started their final year during 2018–2019.

Figure 3 provides an overview of the total research project expenses by program area. Inclusive Economies consists of programming in Employment and Growth, Governance and Justice, the Think Tank Initiative, and Maternal and Child Health. Agriculture and Environment includes Agriculture and Food Security, Climate Change, and Food, Environment and Health. Technology and Innovation includes Foundations for Innovation and Networked Economies. Flexible funds allow for innovation in programming and responses to unexpected opportunities that further corporate priorities.

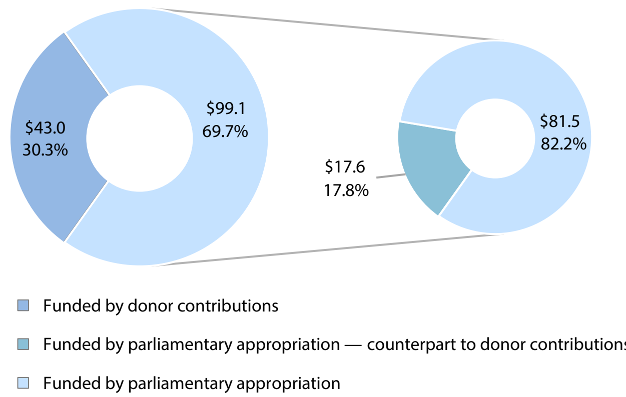
FIGURE 3: TOTAL RESEARCH PROJECT EXPENSES (ALL SOURCES) BY PROGRAM AREA ($000) [a]



[a] Includes research projects funded by parliamentary appropriation of $99.1 million and funded by donor contributions of $43.0 million, for a total of $142.1 million in 2018–2019.

While most research project expenses are funded by parliamentary appropriation, a significant portion ($43.0 million or 30.3%) is funded by donor contributions. Donor contributions managed by the Centre are always pursuant to a co-funding agreement, which required an IDRC counterpart contribution of $17.6 million in 2018–2019 (see Figure 4), or 17.8% of all Parliament-funded research project expenses. The Centre's counterpart funding normally ranges up to 20% of total development research project expenses funded by parliamentary appropriation. For the 2018–2019 financial year, every dollar from IDRC's counterpart contributions expended in co-funded research programs was matched by 2.4 donor dollars.

FIGURE 4: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2018–2019 ($ millions)



Enhancing research capabilities is an important advisory and knowledge brokerage function that is central to IDRC's business and its overall corporate performance. Actual expenses decreased by $0.9 million compared to the previous year due to job vacancies, a decrease in the use of professional services, and less travel. Actual expenses were $1.0 million lower than budgeted. The majority of the budget variance is related to less travel than the budget allowed, lower actual accommodation costs, and less use of professional services than was forecast at the time of budgeting.

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 corporate responsibilities. These expenses include information technology, human resources, and finance and administration services. Corporate functions such as legal services, risk management, and internal audit (see Corporate services in Figure 5) are also included in the expense category.

Corporate and administrative expenses were $2.0 million lower than last year and $1.5 million lower than budgeted (see Table 4). The decrease is due to an unused provision that was intended for a contingent liability in regional office operations, as well as the absence of one-time transactions such as those that occurred in 2017–2018 (namely, the severance of locally engaged employees for the Middle East regional office relocation, and a mandatory one-time employer contribution to the Public Service Pension Plan). The budget variance is largely due to job vacancies, the timing of ongoing operational activities, and accommodation costs that were lower than planned.

FIGURE 5: CORPORATE AND ADMINISTRATIVE SERVICES EXPENSES

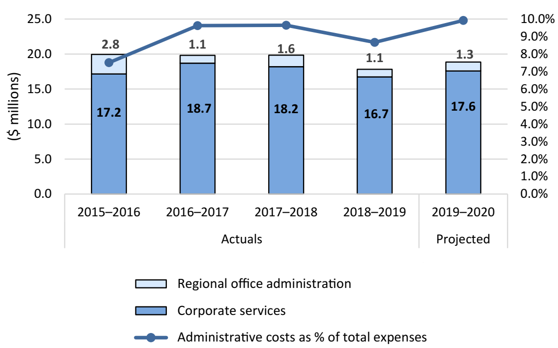


Figure 5 shows a temporary 0.9% decrease in corporate and administrative expenses (from 9.6% of total expenses in 2017–2018 to 8.7% in 2018–2019).

Higher-than-expected research project expenses and lower-than-expected corporate and administrative expenses contribute to this temporary dip in the corporate and administrative services cost ratio. The 2019–2020 budget for corporate and administrative services is $18.9 million, a decrease of $1.1 million (5.5%) from the 2015–2016 level, which will return the cost ratio to normal levels despite the addition of a regional office during the year (see Expenses outlook). Management aims to maintain administrative costs at a range of 8% to 12% of total expenses.

Expenses outlook

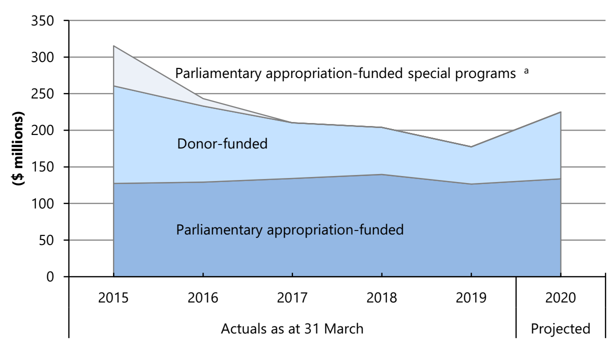
The Centre's five-year strategic plan ends with the 2019–2020 financial year. IDRC will continue to make programming decisions that support Canada's achievement of its foreign policy and development goals. The Centre will also remain focused on continuously improving efficiencies, being smart with resources, and agile in its processes. Total expenses will decrease by 7.5% to $190.2 million (compared to actual expenses of $205.6 million in 2018–2019).

Development research programming expenses are expected to be $171.3 million ($16.5 million lower than in 2018–2019). As some donor-funded programs enter their final year, we expect a decrease in research project expenses funded by parliamentary appropriation and by donor contributions. It is highly unlikely that the spike of project expenses experienced in 2018–2019 will repeat itself.

As at 31 March 2019, the Centre is committed to disburse up to $177.4 million for development research programming activities over the next five years. These commitments are subject to funds provided by Parliament and by donors on co-funded agreements. They are also subject to the compliance of recipients with the terms and conditions of their grant agreements.

While the total amount of outstanding commitments fluctuates annually because of new donor contribution agreements, the level of outstanding commitments funded by parliamentary appropriation remains relatively stable over time. The small dip observed in 2019 (see Figure 6) relates directly to the overrun in project expenses seen at 31 March 2019. The Centre continuously monitors the level of outstanding commitments funded by parliamentary appropriation to ensure it remains proportionate to the level of the recurring annual appropriation.

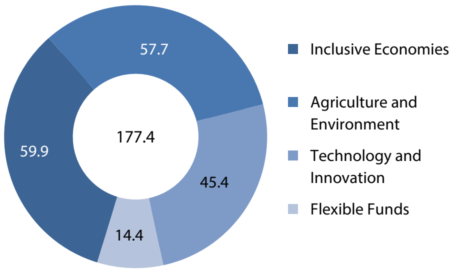
FIGURE 6: OUTSTANDING COMMITMENTS ON RESEARCH PROJECTS



[a] Special programs are funded from the non-recurring portion of the Centre's parliamentary appropriation. In 2015–2016 and 2016–2017, this included the Development Innovation Fund for Health.

Figure 7 provides an overview of the outstanding commitments by program area.

FIGURE 7: OUTSTANDING COMMITMENTS BY PROGRAM AREA (AT 31 MARCH 2019) ($ millions)

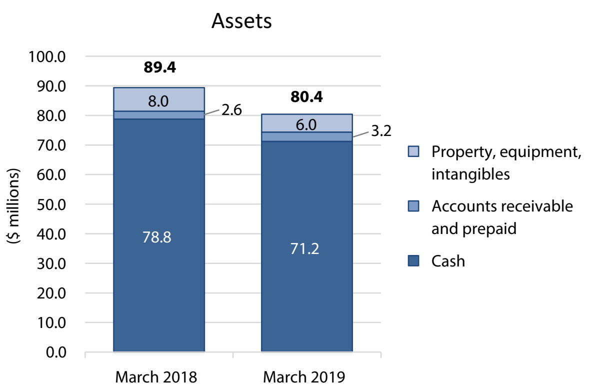


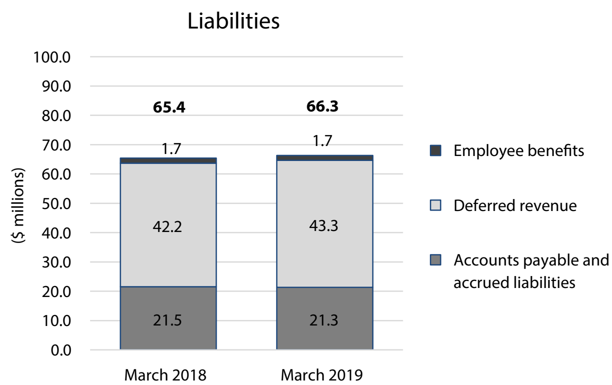
For 2019–2020, the Centre will continue its efforts to limit costs and streamline business processes. Upgrading systems and technologies that were implemented in recent years will enhance integration between systems and reduce dependencies on manual business processes. Corporate and administrative expenses are expected to increase by $1.0 million in 2019–2020 (to $18.9 million) as a result of establishing the new regional office in Dakar, Senegal.

Financial position

The level of assets, liabilities, and total equity at the end of the 2018–2019 financial year is deemed adequate and, with a working capital ratio of 1.3, depicts a sound financial position. During the year, the reserved equity played its intended role of safeguarding the financial position of the Centre against fluctuations in the timing of program expenses.

FIGURE 8: ASSETS AND LIABILITIES





Total assets decreased by 10.1% to $80.4 million (from $89.4 million in 2017–2018). The decrease is mainly due to a lower cash balance; an expected reduction in property, equipment, and intangible assets; and fewer prepaid expenses. These decreases are partly offset by higher accounts receivable.

Total liabilities increased by 1.4% to $66.3 million (from $65.4 million as at 31 March 2018). The year-over-year variance is mostly due to higher deferred revenue liabilities for projects and programs funded by donor contributions. The employee benefits amount represents the non-current portion. The current portion of employee benefits is included within accrued liabilities.

TABLE 5: EQUITY

	2017–2018	2018–2019			2019–2020	
($000)	**Actual**	**Revised budget**	**Actual**	**Variance**	**Budget**	**% change actual** [a]
Unrestricted	5 937	(7)	-	7	961	-
Restricted	1 255	1 262	1 264	2	1 264	0.7 %
Net investments in capital assets	7 991	6 165	6 010	(155)	4 989	(24.8%)
Reserved	8 774	10 174	6 871	(3 303)	11 674	(21.7%)
Total equity	**23 957**	**17 594**	**14 145**	**(3 449)**	**18 888**	(41.0%)

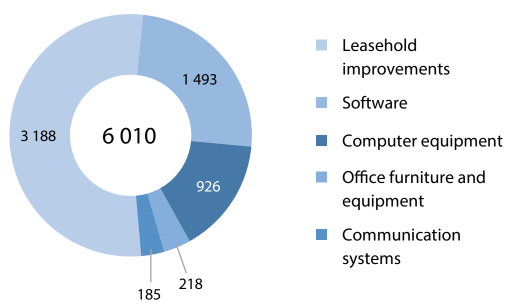
[a] % change actual in 2018–2019 over 2017–2018.

The Centre's equity consists of four classes: restricted; net investments in capital assets; reserved; and unrestricted. The equity amount in each class is established in accordance with the Centre's equity policy (see Note 4i to the Financial statements).

Restricted equity is stable at $1.3 million and represents funds for the John G. Bene Fellowship ($1.2 million) and funds received for the David and Ruth Hopper & Ramesh and Pilar Bhatia Canada bursaries ($0.1 million).

The $6.0 million **net investments in capital assets** segregate the portion of the equity representing the Centre's net investments in capital assets. This category of equity matches the value of property, equipment, and intangible assets as reported in the statement of financial position. The balance decreased by $2.0 million year-over-year as amortization and depreciation exceeded capital asset purchases. The net investments in capital assets are broken down by type of asset in Figure 9.

FIGURE 9: CAPITAL ASSETS ($000)



The Centre decreased its **reserved equity** to $6.9 million at 31 March 2019. The reserved equity is important for several reasons: to protect the Centre against the evolving funding model and nature of the programming; to absorb fluctuations in the disbursement of outstanding research project commitments, which are dependent on the performance of recipients; and to fund initiatives outside of normal operations, as well as future investments in property, equipment, and intangibles. The Centre normally sets aside 4% of the recurring portion of the annual parliamentary appropriation (of $136.8 million) as reserved equity. The Centre used a portion of the reserved equity to absorb additional research program expenses. The year-end reserved equity amount includes $0.7 million for future upgrades of key corporate systems and $4.0 million for future leasehold improvements of the head office space (the head office lease will end in 2022).

The **unrestricted equity** represents the residual balance of equity after the allotments to restricted and reserved equity. The balance as 31 March 2019 is zero.

Financial position outlook

Both assets and liabilities will increase by approximately $12.1 million on 1 April 2019. The increase is a result of the initial application of the new accounting standard IFRS 16, which requires lessees to recognize assets and liabilities for the rights and obligations created by leases. The assets represent the right to use leased assets for the lease terms, while the liabilities represent a lessee's obligation to make lease payments. The depreciation of leased assets and interest expenses on the lease liabilities will be recognized in the statement of comprehensive income going forward. The application of this new standard will not have a significant impact on the Centre's opening equity (see page 40 of Financial statements).

Total equity is projected to increase to $18.9 million at the end of 2019–2020, with the restricted equity remaining stable through the end of the year. The decrease in net investment in capital assets (by $1.0 million) will represent the difference between the depreciation of property, equipment, and intangible assets, and the addition to intangible and other capital assets. The reserved equity may fluctuate throughout the year, but will increase to $11.7 million at the end of 2019–2020. This increase will replenish the reserved equity to the desired level to protect the Centre against fluctuations and allow for the provision of an additional $2.0 million for future leasehold improvements for the head office space. The unrestricted equity is projected to be $1.0 million by 31 March 2020.

Business performance highlights

Total number of new grants	
Actual 2017–2018 **184**	Actual 2018–2019 **257**

Total number of new projects	
Actual 2017–2018 **221**	Actual 2018–2019 **233**

Corporate and administrative services cost ratio		
Actual 2017–2018 **9.6%**	Actual 2018–2019 **8.7%**	Target 2018–2019 **9.5%**

Value of new co-funding agreements signed	
Actual 2015–2019 **$211.7 million**	Target 2015–2020 **$200.0 million**

Number of parallel funding agreements	
Actual 2015–2019 **22**	Target 2015–2020 **25**

Historical review

($000)	Actual 2015–2016	2016–2017	2017–2018	2018–2019	Budget 2019–2020
Statement of comprehensive income					
Revenues					
Parliamentary appropriation — recurring	136 006	136 006	136 838	136 849	141 849
Parliamentary appropriation — non-recurring	47 472	11 468	3 114	3 517	1 058
Donor contributions	77 267	64 429	61 791	54 256	51 246
Investment and other income	2 354	2 295	1 753	1 210	756
	263 099	214 198	203 496	195 832	194 909
Expenses					
Development research programming					
Research projects funded by parliamentary appropriation	137 868	88 262	88 783	99 084	84 424
Research projects funded by donor contributions	65 545	53 319	50 433	42 976	39 690
Enhancing research capabilities	42 419	44 478	46 653	45 756	47 186
Development research programming	245 832	186 059	185 869	187 816	171 300
Corporate and administrative services	19 953	19 811	19 837	17 828	18 866
	265 785	205 870	205 706	205 644	190 166
Net results of operations	(2 686)	8 328	(2 210)	(9 812)	4 743
Other financial information					
Program allocations					
Development research programming					
Funded by recurring parliamentary appropriation	98 991	93 140	101 433	97 064	99 500
Funded by donor contributions	41 264	27 582	45 519	49 186	90 535
Outstanding commitments					
Funded by parliamentary appropriation	139 548 [a]	134 161	139 555	126 500	139 300
Funded by donor contributions	103 896 [a]	75 929	64 361	50 888	97 674
Statement of financial position					
Assets					
Cash	57 546	70 884	78 782	71 231	
Investments – current	14 989	3 958	-	-	
Accounts receivable and prepaid expenses	6 946	7 766	2 620	3 196	
Property and equipment	6 479	6 630	5 552	4 517	
Intangible assets	3 331	3 379	2 439	1 493	
Liabilities					
Accounts payable and accrued liabilities	31 841	18 315	21 545	21 295	
Deferred revenue – current	31 136	33 087	34 383	35 890	
Deferred revenue – non-current	5 027	12 733	7 815	7 455	
Employee benefits	3 448	2 315	1 693	1 652	
Equity					
Unrestricted	1 843	8 793	5 937	-	961
Restricted	1 129	1 225	1 255	1 264	1 264
Net investments in capital assets	9 810	10 009	7 991	6 010	4 989
Reserved	5 057	6 140	8 774	6 871	11 674

[a] As at 31 March 2016, $10.4 million represented a combination of future donor contributions and parliamentary appropriations.

Financial statements

IDRC / ANDREW ESIEBO

Financial statements

Management Responsibility for Financial Statements

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

Management is responsible for the integrity and reliability of the financial statements and accounting systems from which they are derived. The Centre maintains an internal control framework to provide reasonable assurance that the financial information is reliable, transactions are authorized and recognized, assets are safeguarded, and liabilities recognized. Management also ensures 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.

Responsibilities of the Centre's internal auditors incorporate reviewing internal controls, including accounting and financial controls and their application. 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 internal and 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 oversight responsibility, which includes the review and approval of the financial statements. The Committee, which is made up of independent governors, meets with management, the internal auditors, and the external auditors on a regular basis.

On behalf of management,

Jean Lebel, PhD
President

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

Ottawa, Canada
19 June 2019

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the International Development Research Centre (the Entity), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31 March 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is Management's Discussion and Analysis included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the International Development Research Centre coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of Part X of the *Financial Administration Act* and regulations, the *International Development Research Centre Act* and the by-laws of the International Development Research Centre.

In our opinion, the transactions of the International Development Research Centre that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRSs have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the International Development Research Centre's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the International Development Research Centre to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Marise Bédard

Marise Bédard, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
19 June 2019

Statement of Financial Position

(in thousands of Canadian dollars)
as at 31 March

	2019	2018
Assets		
Current		
Cash	71 231	78 782
Accounts receivable and prepaid expenses (Note 5)	3 196	2 620
	74 427	81 402
Non-current		
Property and equipment (Note 6)	4 517	5 552
Intangible assets (Note 7)	1 493	2 439
	80 437	**89 393**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	21 295	21 545
Deferred revenue (Note 9)	35 890	34 383
	57 185	55 928
Non-current		
Deferred revenue (Note 9)	7 455	7 815
Employee benefits (Note 10)	1 652	1 693
	66 292	65 436
Equity		
Unrestricted	—	5 937
Restricted	1 264	1 255
Net investments in capital assets (Notes 6 and 7)	6 010	7 991
Reserved	6 871	8 774
	14 145	23 957
	80 437	**89 393**

Commitments (Note 12)
Contingencies (Note 13)

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

These financial statements were approved by the Board of Governors on 19 June 2019.

Margaret Biggs
Chairperson
Board of Governors

Barbara Trenholm
Chairperson
Finance and Audit Committee

Statement of Comprehensive Income

(in thousands of Canadian dollars)
for the year ended 31 March

	2019	2018
Revenues		
Donor contributions (Note 11)	54 256	61 791
Investment and other income	1 210	1 753
	55 466	63 544
Expenses		
Development research programming (Note 17)		
Research projects funded by Parliamentary appropriation	99 084	88 783
Research projects funded by donor contributions	42 976	50 433
Enhancing research capabilities	45 756	46 653
	187 816	185 869
Corporate and administrative services (Note 17)		
Corporate services	16 742	18 202
Regional office administration	1 086	1 635
	17 828	19 837
Total expenses	**205 644**	**205 706**
Cost of operations before Parliamentary appropriation	(150 178)	(142 162)
Parliamentary appropriation	140 366	139 952
Net results of operations	**(9 812)**	**(2 210)**

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

Statement of Changes in Equity

(in thousands of Canadian dollars)
for the year ended 31 March

	2019	2018
Unrestricted equity		
Beginning of year	5 937	8 793
Net results of operations	(9 812)	(2 210)
Net transfers from (to) other classes of equity	3 875	(646)
Balance end of year	—	5 937
Restricted equity		
Beginning of year	1 255	1 225
Net increase	9	30
Balance end of year	1 264	1 255
Net investments in capital assets		
Beginning of year	7 991	10 009
Net decrease	(1 981)	(2 018)
Balance end of year	6 010	7 991
Reserved equity		
Beginning of year	8 774	6 140
Net (decrease) increase	(1 903)	2 634
Balance end of year	6 871	8 774
Equity, end of year	**14 145**	**23 957**

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

Statement of Cash Flows

(in thousands of Canadian dollars)
for the year ended 31 March

	2019	2018
Operating activities		
Receipts from Parliamentary appropriation	140 366	139 952
Receipts from donor contributions	54 256	62 121
Receipts from other sources	1 180	1 548
Payments to grant recipients	(133 779)	(131 545)
Payments to employees	(45 010)	(46 218)
Payments to suppliers and others	(24 137)	(21 449)
Cash flows (used in) from operating activities	**(7 124)**	**4 409**
Investing activities		
Purchase of investments	—	(4 956)
Maturity of investments	—	8 914
Acquisition of property and equipment and intangible assets	(445)	(479)
Proceeds on disposition of property and equipment	18	10
Cash flows (used in) from investing activities	**(427)**	**3 489**
(Decrease) Increase in cash	**(7 551)**	**7 898**
Cash beginning of year	**78 782**	**70 884**
Cash end of year	**71 231**	**78 782**

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

Notes to the Financial Statements

For the year ended 31 March 2019

1. Corporate information

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

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 which is the functional currency of the Centre and all values are rounded to the nearest thousand ($000) except where otherwise indicated. These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements are prepared on a historical cost basis unless otherwise indicated.

4. Summary of significant accounting policies

The significant accounting policies of the Centre are:

a. Revenue recognition

i) **Parliamentary appropriation**

The Parliamentary appropriation is recorded as revenue in the year for which it is approved by Parliament. The Centre does not receive Parliamentary appropriations for which the primary condition is that the Centre purchase, construct, or otherwise acquire property or equipment. There are no conditions or contingencies existing under which the Parliamentary appropriation would be required to be repaid once received by the Centre. The *IDRC Act* gives the Board of Governors the authority to allocate all appropriated funds.

ii) **Donor contributions**

The Centre enters into co-funding (contribution) agreements with various donors to complement the Centre's funding of research for development by deepening and broadening its programming reach, increasing resources for development research projects and programs, and bringing innovation to scale. The Centre manages the donor contributions together with its own contribution funded from the parliamentary appropriation. Funds received or receivable under donor contribution agreements are recorded as deferred revenues until the Centre complies with the conditions attached to the agreements. These deferred revenues are recognized as revenues on a systematic basis in the year in which the expenses are incurred for the purposes they were received.

b. Grant payments

All grant payments to institutions carrying out research projects approved by the Centre are subject to the provision of funds by Parliament or by donors. They are recorded as an expense, under Research projects funded by Parliamentary appropriation or Research projects funded by donor contributions, in the year they come due as per 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, depreciation, and impairment

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, dismantling costs to remove 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:

Asset category	Useful life
Computer equipment	5 years
Office furniture and equipment	5 years
Vehicles	3 to 7 years
Communication systems	5 years
Leasehold improvements	Shorter of lease term or the asset's economic useful life

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 property or equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the said 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 annually 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 2019, the Centre had no impairment of property and equipment.

d. Intangible assets, amortization and impairment

The Centre's intangible assets consist of internally developed software that is not an integral part of any hardware. The software is initially recorded at cost, which includes the cost of material, direct labour, and any other costs directly attributable to bringing the software 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 each financial year-end. Amortization is calculated using the straight-line method. The estimated useful life of items in this asset class ranges from 3 to 5 years.

The amortization expense is recognized in the statement of comprehensive income.

An assessment is made annually 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 2019, 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, 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 (consideration given). Subsequent to initial recognition, they are measured based on their classification.

The classifications are as follows:

Financial instruments	Classification and measurement
Cash	Financial assets at fair value through profit and loss
Investments	Financial assets at amortized cost
Accounts receivable	Financial assets at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost

i) **Cash**
Cash includes only funds on deposit at financial institutions.

ii) **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.

At 31 March 2019, the Centre did not hold any investments.

iii) **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 using a single forward-looking expected credit loss model. Any adjustment to the carrying value of the financial asset is recorded in the statement of comprehensive income. At 31 March 2019, the Centre had no impairment of financial assets.

g. Foreign currency translation

Transactions in currencies other than the Centre's functional currency are recognized at rates in effect at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to Canadian dollars using the exchange rate at that date. Exchange gains and losses are recognized in other income in the period in which they arise. Non-monetary items are measured at historical cost and are not revalued. 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 when employees have rendered services 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 the service is rendered 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 certain of its employees based on years of service and final salary. A number of employees have chosen to receive their accumulated severance benefit only at departure from the Centre (upon voluntary resignation or retirement).

Management determines the remaining accrued obligation for voluntary severance benefits using an actuarial valuation that is conducted every three years, or as necessary. The most recent actuarial valuation was completed for the year ended 31 March 2018 (see Note 10).

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 valuation that is conducted every three years, or as necessary. The most recent actuarial valuation was completed for the year ended 31 March 2018. The Centre presents the benefit as a current liability.

i. Equity
The Centre's equity consists of the accumulation of revenues over expenditures from operations and includes unrestricted, restricted, net investments in capital assets, and reserved amounts.

i) **Restricted equity**
Restricted equity for special programs and operational initiatives is drawn down as the funds are used for these programs and initiatives. Restricted equity unused at the end of the programs and initiatives is reclassified by management into unrestricted equity. In 2011–2012, equity was 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. In 2016–2017, $0.1 million was added to restricted equity for funds received for *The David and Ruth Hopper & Ramesh and Pilar Bhatia Canada Fund* bursaries. These funds will be used to support young researchers from Canada, India and the Philippines in the early stages of their careers, particularly women, through fellowships, scholarships or internships.

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 6 and 7).

iii) **Reserved equity**
The objectives of the reserved equity is to protect the financial position of the Centre by ensuring that a reasonable balance of funds remains available to absorb fluctuations in the disbursement of outstanding program commitments, and to fund initiatives outside of normal operations as well as future investments in property, equipment, and intangibles.

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.

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.

No 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 financial year.

k. Application of new accounting standards
The following standards issued by the International Accounting Standards Board (IASB) were adopted on 1 April 2018.

IFRS 9 – Financial Instruments – The final version of this new standard was issued by the IASB in July 2014. This standard largely retains the classification and measurement requirements of the financial instruments and requires entities to measure impairment losses on all financial assets with a single forward-looking expected credit loss model. The Centre early adopted the classification and measurement requirements of IFRS 9 upon transition to IFRS. The Centre implemented the impairment requirements on 1 April 2018 along with the consequential amendments to IFRS 7: *Financial Instruments: disclosures*. The adoption of this new standard did not have any significant impact on the Centre's financial statements and disclosure was updated in Note 4f.iii). The change was implemented retrospectively without restatement.

IFRS 15 – Revenue from Contracts with Customers – This new standard, issued by the IASB in May 2014, establishes a comprehensive framework for the recognition, measurement, and disclosure of revenue. This new framework replaces existing revenue recognition guidance in IFRS. The adoption of this new standard did not have any significant impact on the Centre's financial statements as the Centre's parliamentary appropriations and donor contributions are accounted for under other IFRS.

l. Accounting standards and amendments not yet in effect

The following standard issued by the IASB has not been early adopted and has been assessed as having a significant impact on the Centre financial statements in the future.

IFRS 16 – Leases – IFRS 16 was issued in January 2016 to replace *IAS 17 – Leases* and *IFRIC 4 – Determining whether an arrangement contains a lease*. The new standard requires entities to determine whether a contract contains a lease and sets out the principles for the recognition, measurement, presentation and disclosure of leases for parties of a contract. The new Leases standard also requires lessees to recognize assets and liabilities, when recognition requirements are met, for the rights and obligations created by their leases. Short-term leases (less than twelve months) and leases of low-value assets will have an optional exemption from the requirements. IFRS 16 removes the classification of leases for lessees as either operating leases or finance leases.

The new standard is effective for annual periods beginning on or after 1 January 2019. The Centre will implement IFRS 16 using the modified retrospective approach, under which the Centre will apply the standard retrospectively with the cumulative effect of initial application recognized in opening equity as at 1 April 2019.

The Centre has elected to use the exemption proposed by the standard on lease contracts for which the underlying asset is of low value. The Centre has also elected to use the practical expedients in the standard not to separate non-lease components from lease components and not to reassess whether a contract is, or contains, a lease at the date of initial application.

The primary impact to the Centre is that a right-of-use asset, and a lease liability will be recognized for its leases of office space. In addition, the nature of expenses related to leases will change as the Centre will recognize depreciation expenses for the right-of-use asset and interest expenses on the lease liability. At transition, the Centre will recognize a right-of-use-asset at an amount equal to the lease liability for an estimated total of $12.1 million, with no significant impact on the opening equity.

5. Accounts receivable and prepaid expenses

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

	31 March 2019	**31 March 2018**
Accounts receivable		
Donor contributions	1 148	—
Other	1 446	1 437
	2 594	1 437
Prepaid expenses	602	1 183
Total accounts receivable and prepaid expenses	**3 196**	**2 620**

The Centre did not identify any receivables that are either past due or impaired as at 31 March 2019 (31 March 2018: nil).

6. Property and equipment

	Computer equipment	Office furniture & equipment	Vehicles	Communication systems	Leasehold improvements	Total
Cost						
at 31 March 2018	2 060	846	189	658	11 314	15 067
Additions	345	10	51	13	13	432
Disposals	(88)	(48)	(30)	—	(341)	(507)
at 31 March 2019	2 317	808	210	671	10 986	14 992
Accumulated depreciation						
at 31 March 2018	(1 192)	(646)	(122)	(396)	(7 159)	(9 515)
Depreciation for the year	(273)	(90)	(13)	(90)	(980)	(1 446)
Disposals	74	46	25	—	341	486
at 31 March 2019	(1 391)	(690)	(110)	(486)	(7 798)	(10 475)
Net book value						
at 31 March 2018	868	200	67	262	4 155	5 552
at 31 March 2019	**926**	**118**	**100**	**185**	**3 188**	**4 517**

7. Intangible assets

	Software
Cost	
at 31 March 2018	12 516
Additions	13
Disposals	—
at 31 March 2019	12 529
Accumulated amortization	
at 31 March 2018	(10 077)
Amortization for the year	(959)
Disposals	—
at 31 March 2019	(11 036)
Net book value	
at 31 March 2018	2 439
at 31 March 2019	**1 493**

8. Accounts payable and accrued liabilities

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 2019	31 March 2018
Grants payable and accruals	10 744	9 267
Trade payable	4 860	5 559
Payroll	5 260	5 690
Severance benefit (Note 10)	44	634
Other	387	395
	21 295	**21 545**

9. Deferred revenue

Deferred revenue includes the unspent portion of funds received or receivable on donor contribution activities.

	31 March 2019	31 March 2018
Donor contribution funding for development research projects		
Current	35 890	34 383
Non-current	7 455	7 815
	43 345	**42 198**

Of the total deferred donor contribution funding, Global Affairs Canada accounts for $20 139 (31 March 2018: $22 625) all of which was received at year-end.

10. Employee benefits

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 supported 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 10.1% of gross salary (31 March 2018: 11.6%). Total contributions of $3 242 (31 March 2018: $3 758) 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 number of years. The pensionable service value is calculated as 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 office 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 2019 were $236 (31 March 2018: $267).

c. Severance benefit

Prior to June 2012 the Centre provided a voluntary departure severance benefit to certain 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.

	31 March 2019	31 March 2018
Accrued benefit obligation – beginning of year	2 327	2 485
Current service cost	53	194
Interest cost	41	55
Benefits paid during the year	(700)	(606)
Actuarial gain	—	(19)
Other	(25)	(218)
Accrued benefit obligation – end of year	**1 696**	**2 327**

	31 March 2019	31 March 2018
Current	44	634
Non-current	1 652	1 693
	1 696	**2 327**

11. Donor contributions

The Centre enters into co-funding (contribution) agreements with various donors to complement the Centre's funding of research for development by deepening and broadening its programming reach, increasing resources for development research projects and programs, and bringing innovation to scale. The Centre manages donor contributions together with its own contributions funded from the parliamentary appropriation. A breakdown of the revenue and expense recognition for donor contributions is provided below.

	31 March 2019	31 March 2018
Global Affairs Canada (GAC)	18 621	20 816
Department for International Development (UK Aid)	13 398	23 496
The William and Flora Hewlett Foundation	7 897	10 731
Bill & Melinda Gates Foundation	6 783	4 057
Ministry of Foreign Affairs Netherlands (DGIS)	2 890	—
Australian Centre for International Agricultural Research	1 431	684
Norwegian Agency for Development Cooperation	1 004	978
Other donor agencies	2 232	1 029
	54 256	**61 791**

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2019 was $4 617 (31 March 2018: $4 738) of which $1 262 (31 March 2018: $806) was from GAC.

12. Commitments

a. Research project-related

The Centre is committed to making payments of up to $177.4 million (31 March 2018: $203.9 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, $126.5 million (31 March 2018: $139.6 million) is expected to be funded from future Parliamentary appropriations and $50.9 million (31 March 2018: $64.3 million) from donor contribution agreements.

	31 March 2019	31 March 2018
Within one year	73 248	87 412
After one year, but not more than five	104 140	116 504
Total future payments	**177 388**	**203 916**

b. Other

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 2024. Future payments related to these commitments are as follows:

	31 March 2019	31 March 2018
Within one year	9 790	9 444
After one year, but not more than five	17 893	22 450
More than five years	294	125
Total future payments	**27 977**	**32 019**

The operating lease expense recognized in the statement of comprehensive income for the financial year ended 31 March 2019 is $6 863 (31 March 2018: $6 594).

13. Contingencies

The Centre may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. 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.

14. 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 9 and 11 to these financial statements.

Compensation of key management personnel

Key management personnel include the Board of Governors, the president and the vice-presidents. Compensation paid or payable to key management personnel during the year is summarized in the table below.

	31 March 2019	31 March 2018
Salaries and short-term benefits	1 485	1 273
Post-employment and termination benefits	495	385
	1 980	**1 658**

15. 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, 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 donors in the normal course of business. The maximum exposure is represented by cash, 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 donors 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.

The Centre did not hold any investments during the year ended 31 March 2019.

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 as described in 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 financial 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 significant.

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 may also hold 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 significant.

16. Capital management

The Centre defines its capital as the balances of equity comprised of unrestricted, 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, and managed.

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 financial years. Management also reserves a portion of equity as a financial planning reserve. The financial planning reserve is intended to absorb the impact of significant variances in development research programming expenditures. The Centre is not subject to any externally imposed capital requirements.

17. Schedule of expenses

	31 March 2019	31 March 2018
Development research programming		
Contributions to institutions and individuals	136 382	134 161
Core salaries and benefits	24 657	25 508
Co-funded project salaries and benefits [a]	8 006	7 377
Professional services	4 769	5 051
Accommodations	4 396	4 093
Travel	3 131	3 212
Co-funded project expenses [a]	2 207	2 371
Amortization and depreciation	1 631	1 748
Meetings and conferences	804	277
Other	1 833	2 071
	187 816	**185 869**
Corporate and administrative services		
Salaries and benefits	10 424	13 075
Accommodations	1 780	1 789
Professional services	1 481	1 438
Office supplies and expenses	1 032	958
Amortization and depreciation	774	746
Travel	550	544
Furniture, equipment, and maintenance	601	437
Other	1 186	850
	17 828	**19 837**
Total expenses	**205 644**	**205 706**

[a] *Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of $10 213 (31 March 2018: $9 748), of which $1 115 comprises travel (31 March 2018: $1 284). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser and knowledge broker. This means that IDRC is not just a research funder offering grants to create new opportunities for research, but it is also a builder of its recipient capacity throughout the research process.*

How to reach us

idrc.ca

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