IDRC | CRDI

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Annual Report 2019–2020

Research for an **inclusive and sustainable** world

Canada

Research for an **inclusive and sustainable** world
2019–2020 at 31 March 2020

IDRC invests in research to build evidence, inform decisions, and generate solutions that advance inclusive and sustainable development.

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
A field agent in Ghana coaches a rice farmer to use a mobile app to help increase productivity and access profitable markets.

FARM RADIO GHANA

Unless otherwise stated, all monetary amounts in this annual report are in Canadian dollars.

Contents

CIF ACTION

Our year at a glance

IDRC invests in knowledge, innovation, and solutions that can be scaled up for impact; supports leaders in research, government, 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.

Headquartered in Ottawa, IDRC maintains five regional offices across the Global South. In 2019–2020, the total value of new projects approved with IDRC and donor funds was $166.4 million, presented by region of impact below.

Global

Value of new projects (in $ millions)
24.2
14.7% of total

Active projects
334

West and Central Africa

Value of new projects (in $ millions)
28.5
17.0% of total

Active projects
81

Asia

Value of new projects (in $ millions)
24.1
14.5% of total

Active projects
141

Latin America and the Caribbean

Value of new projects (in $ millions)
21.3
12.8% of total

Active projects
133

Middle East and North Africa

Value of new projects (in $ millions)
14.8
8.9% of total

Active projects
60

Eastern and Southern Africa

Value of new projects (in $ millions)
53.5
32.1% of total

Active projects
252

Partnerships

The Centre collaborated with strategic partners to quickly launch a $27 million rapid research funding competition for coronavirus research.

Learn more on page 11.

IDRC's commitment to transparency and accountability

The centre is accountable to Parliament and all Canadians for its use of public resources.

Learn more on page 16.

IDRC/ALDI DIASSÉ

Senegal

Access to justice research helped shape a new law criminalizing rape and pedophilia.
Learn more on page 6.

CIF ACTION

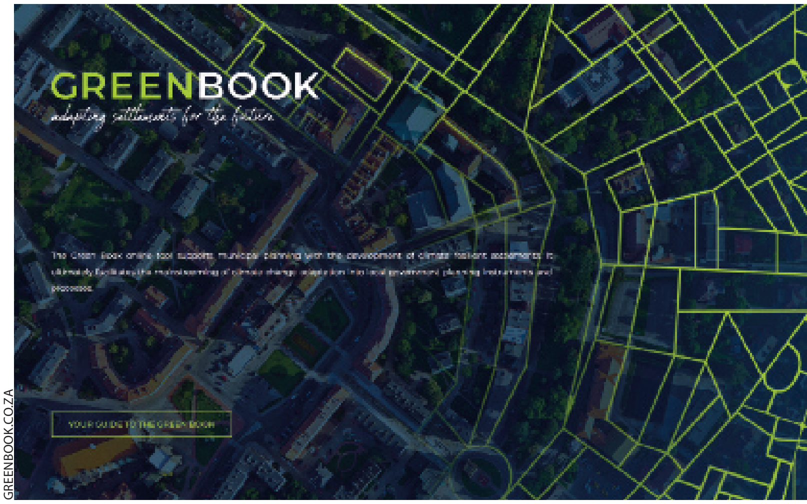
Paraguay and Peru

A gender-inclusive approach to ending poverty is being integrated into governmental programs that will reach hundreds of thousands of people.
Learn more on page 7.

IDRC / MINZAYAR OO

Myanmar

The establishment of an organization that reviews and adjusts the minimum wage system is fostering debate for fairer wages. Learn more on page 8.



GREENBOOK.CO.ZA

South Africa

An online tool is improving climate adaptation planning in urban settlements across the country.
Learn more on page 8.

Leveraging our international presence

The Centre's West and Central Africa regional office was inaugurated in February 2020 in Dakar, Senegal.

Learn more on page 20.

Evaluation

Program evaluations strengthen the processes and results of the research we support and increase our understanding of how research influences development.

Learn more on page 21.

Message from the Chairperson

The COVID-19 pandemic and the global movement to address systemic racism are stark reminders of the world's interconnections and the moral imperative and strategic importance of ensuring that no one is left behind. They underscore the need to protect and empower the world's most vulnerable and marginalized people.

These complex, multi-dimensional challenges, which also include inequality and climate change, know no borders and require a coordinated global effort. They cannot be truly solved until they are overcome everywhere. IDRC is committed to generating solutions through research that responds to urgent local needs, strengthens local knowledge and expertise, and focuses on the most vulnerable populations, with an eye toward building more resilient, inclusive, and sustainable societies, economies, and environments.

For example, as part of Canada's response to COVID-19, IDRC is supporting evidence-based research that contributes to a global solution to the pandemic and to addressing the needs of the most vulnerable and marginalized people in developing countries. IDRC is responding with speed and agility while maintaining a focus on long-term resilience and sustainability.

Collaboration is key to IDRC's approach. The Centre is working with partners in Canada and around the world to help form an effective global response to these pressing and urgent challenges. This collective effort is crucial to producing meaningful, long-term change that supports the achievement of the Sustainable Development Goals (SDGs).

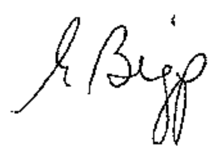
IDRC is also in the process of assessing the impact of our *Strategic Plan 2015–2020* and planning how to maximize the Centre's contributions to the achievement of the SDGs from 2020–2030. The work of the past five years produced innovative results and lessons learned that are informing the Centre's future. IDRC is actively sharing these learnings with the broader community. For example, the Centre has studied its experience in scaling the impact of development research. This work is the focus of a new book that IDRC co-published this year, *Scaling Impact: Innovation for the Public Good*.

When IDRC was founded in 1970, the Government of Canada had a vision for a research institution that would invest in solutions to the most pressing challenges facing people in the developing regions of the world. Five decades later, IDRC is a crucial and unique asset within Canada's international development efforts. IDRC's role in finding solutions to global problems and in advancing sustainable and inclusive development has never been so critical.

This past year, the Board of Governors welcomed and congratulated the Honourable Karina Gould on her appointment in November 2019 as Canada's Minister of International Development.

In 2019–2020 the Board bid a fond farewell to Dominique Corti, whose term as a governor concluded in June 2019. IDRC benefited greatly from having her deep experience and global perspective around the boardroom table.

The pressing challenges facing the world today will forever change the international development landscape. The Board and senior management are assessing how IDRC can best respond to the challenges of tomorrow and build on the Centre's track record of investing in research that builds evidence, informs decisions, and generates solutions to advance inclusive and sustainable development.



Margaret Biggs
Chairperson

Message from the President

The unprecedented global challenges of the COVID-19 pandemic, especially in low- and middle-income countries, brings into sharp focus the vital role of research and science to identify problems, develop solutions, and facilitate international collaboration. IDRC is working alongside scientists, researchers, and policymakers worldwide through new initiatives and adapted programming to support an integrated and collaborative global response.

This programming in response to COVID-19 is helping to develop, test, and study the implementation of effective interventions, including vaccines. The Centre is also supporting evidence-based policymaking to assist local partners in their responce to the broad economic and social impacts of the pandemic and to build conditions for a more resilient future worldwide.

This builds on the Centre's demonstrated ability to respond to challenges, such as the Ebola outbreak in West Africa, to make important research contributions that can help the global community overcome the COVID-19 pandemic. This applies as well to entrenched inequalities and systemic racism. Systemic racism and discrimination are part of our reality, here in Canada and around the world. For too many people, they are an ever-present reality that must be acknowledged and addressed. IDRC strives for equality in all aspects of the Centre's work and is committed to ensuring that overcoming and eliminating inequalities is a fundamental element of how we work and of our programming.

This commitment applies to both pressing crises and longstanding challenges. For instance, the effects of climate change exacerbate inequalities, erode crucial development gains, and hinder the world's ability to meet the 2030 Agenda for Sustainable Development's goal to leave no one behind. IDRC's climate change programming targets solutions to local needs and influences policies and practices to support long-term change. This approach promotes an integrated and inclusive global response and addresses the complex dynamic between the global climate crisis and socio-economic factors, gender, and ethnicity.

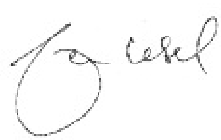
IDRC's network of regional offices are vital to our ability to be responsive, innovative, and integrated. This year we enhanced our presence in West and Central Africa by opening a regional office in Dakar, Senegal. This strengthens IDRC's capacity to continue to engage on critical issues for the region, such as reproductive health, economic opportunities for women and youth, education, climate resilience, and leadership for women in science, and it illustrates how IDRC supports Canada in meeting its global objectives.

IDRC's concluding *Strategic Plan 2015–2020* equipped us to adapt to new and evolving challenges and opportunities. The Centre's response to the latest global challenges underlines the strength of IDRC's foundation. This positions us well for the future. We are assessing the external landscape before we launch our next strategic plan to guide our work through 2030.

In 2019–2020, I welcomed Geneviève Leguerrier as IDRC's new Vice-President, Resources, and Chief Financial Officer. She brings more than 20 years of experience at IDRC to her new role. I would also like to thank Sylvain Dufour, who took a well-deserved retirement, for adhering to the highest standards of integrity and professionalism throughout his 32-year career at the Centre.

IDRC is confident that employees will continue to perform remarkably well, pivoting the organization towards the fast-changing needs of the communities where we work, the sectors IDRC supports, and the partners with whom we collaborate. I am deeply proud of them and am in awe of the ingenuity, passion, and commitment they have demonstrated as part of IDRC's team while they also adapt to drastic changes and uncertainty in their daily lives. IDRC is committed to listening to and learning from employees on issues of inclusion and diversity.

The complex challenges we currently face worldwide remind us that our work continues to evolve in response to both new and entrenched challenges that affect lives not only in low- and middle-income countries, but also right here on our own doorsteps in Canada. IDRC's 50-year track record and agile response to current global challenges demonstrates our work's continued relevance, and that we have the tools, experience, and flexibility to adapt to new challenges and seize opportunities in support of a world that is sustainable and leaves no one behind.



Jean Lebel, PhD
President

IDRC's impact: Research for an **inclusive and sustainable** world

As the COVID-19 pandemic has proven that national borders offer no protection against disease, the effects of climate change and inequality also have global implications. Issues once considered to be local or regional are in fact global ones. This interconnected world requires research for development forged in collaboration and inclusivity. IDRC's role in these efforts is more critical than ever.

Diversity and inclusivity are fundamental to IDRC's work and they strengthen the quality of the Centre's research. Finding sustainable solutions is only possible when research and data are inclusive of all voices, reflect local realities, and account for the challenges of the most vulnerable.

The UN's 2030 Agenda for Sustainable Development draws a link between economic, social, and environmental inclusivity and sustainable solutions. IDRC believes that these intertwined issues are further bound by two urgent concerns: inequality and exclusion and climate change. These areas of focus are at the forefront of our efforts to develop inclusive and sustainable solutions.

IDRC's commitment to inclusivity and sustainability is reflected in our multi-disciplinary research, and it extends to our collaborations with researchers and academics in the Global South and Canada, as well as with local communities, non-governmental organizations, foundations, governments, and the private sector.

Below we share some examples of how the research we invest in has helped to support inclusive and sustainable solutions by promoting equality and mitigating the effects of climate change.

Advancing gender equality

Addressing inequalities is at the very foundation of inclusive and sustainable solutions, and it is a priority in all IDRC-supported research. The Centre invests in research that considers social and economic inequalities, with a special focus on those related to gender, to address the underlying norms and values that hinder positive change.

Being counted is the first step to being heard

Ensuring that vulnerable groups are counted is one of the first steps to achieving sustainable and inclusive gender-transformative change.

When girls and women are excluded from civil registration and vital statistics (CRVS) systems, their voices are muted, and their needs remain invisible. Civil registration provides a legal identity, which is essential to access education and health services, claim property and inheritances, receive spousal and child support, and protect against child marriage.

The Centre of Excellence for Civil Registration and Vital Statistics Systems, established with funding from the Government of Canada and housed at IDRC, supports countries to develop and strengthen their national CRVS systems. This year the Centre of Excellence, in collaboration with the United Nations Population Fund (UNFPA), succeeded in adding marriage registration questions to future demographic and health surveys, as well as future UNFPA country censuses, in 150 countries. Responses to these questions will provide data on the status of marriage registration and contribute to more comprehensive statistics that promote good governance, formulate responsive policies, and support development that benefits all.

Women's access to justice

Access to justice remains a major challenge, especially for rural women who are victims of sexual abuse. IDRC-supported researchers in Burkina Faso, Mali, Mauritania, and Senegal have identified several barriers to justice for women, including feelings of shame; the difficulties, legal costs, and waiting times associated with filing complaints; and fear that their claims will be dismissed. Once these barriers were identified, researchers involved community members and authority figures to shift norms around sexual violence and open access to the institutional channels and mechanisms needed to secure justice.

Early marriage results in a chain of negative consequences for girls, and it is a major barrier to their economic and social development. IDRC partners in West Africa are developing strategies and tools to combat early marriage.

WILDAF

In Senegal, IDRC has supported researchers and civil society advocates to end gender-based violence for the past eight years. This investment contributed to a major outcome this year: it helped shape a new law in Senegal that criminalizes rape and pedophilia, enacted in January 2020. Similar IDRC-supported access to justice research is also supporting the formulation of a more inclusive sexual harassment law to address the prevalent issue of harassment of young boys in Egypt.

Inclusive growth that works for everyone

IDRC's investments in poverty reduction and financial empowerment in the Global South support women by providing them with skills and knowledge to lift their families and their communities out of poverty.

Programs that focus on building financial assets and developing financial management skills help extremely poor households become self-sufficient and weather adversity. Over the past five years, these programs supported approximately 150,000 people — 80% of them women — in Colombia, Mexico, Paraguay, and Honduras.

Anti-poverty programs also have the potential to support women's equality more broadly. New research supported by IDRC, through a grant to *Fundación Capital* and the *Instituto de Estudios Peruanos*, is building on previous findings to inform how these programs can also address gender barriers.

A gender-inclusive approach to anti-poverty programs, which considers the social norms, unequal power relations, and institutional constraints that inhibit women's economic empowerment, is being integrated into governmental social protection programs to reach hundreds of thousands of people in Paraguay and Peru. For example, a social protection program in Paraguay called Abrazo explicitly includes coaching to reduce gender-based violence, change stereotypes about male behaviour, and promote shared childrearing duties. The project is also strengthening relationships and mutual support among women through savings groups, a key tool to build financial resilience during the COVID-19 crisis.

Stronger voices for inclusive and accountable government

To achieve sustainable change for women, economic empowerment must go hand-in-hand with political empowerment. The concept of open government aims to make government accessible to all, but it cannot deliver if the inequalities that hinder access for women and other vulnerable groups persist.

The Open Government Partnership (OGP), an initiative that counts 78 countries and local governments (representing more than two billion people) among its members, promotes accountable, responsive, and inclusive governance, yet women are underrepresented in its commitments. Global Affairs Canada and IDRC provided core funding and substantive guidance to launch the Feminist Open Government Initiative to make OGP's commitments more inclusive of women and other groups.

In only one year, the number of countries with gender-aware commitments doubled. This progress encouraged the OGP to set an ambitious goal to make 30% of commitments gender-sensitive by the end of 2020 — a target that was surpassed a year early. These gender-focused commitments are becoming increasingly diverse and powerful, with discussions emerging about access to information, combatting child marriage, women's leadership and political empowerment, and more. New commitments in 2019 included drafting a gender-integrated open parliament plan in Sierra Leone and integrating gender into the commitments of the natural resource and extractive industries in Nigeria and the Philippines.

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When a new government replaced Myanmar's military rule in 2010, Canada's $300 million response bridged humanitarian needs with longer-term development goals. This included the $10 million Knowledge for Democracy – Myanmar (K4DM) initiative, a partnership between Global Affairs Canada and IDRC that was launched to help advance the transition to democracy.

K4DM aims to strengthen governance and civil society institutions so they are equipped to generate and use research and data that champion inclusion and gender equality. This involves prioritizing gender equality by ensuring equal training opportunities for women, and by integrating a gender perspective into policy analysis — for example, with the implementation of minimum wage. With an impoverished labour force of more than 30 million, labour relations in Myanmar are an urgent issue. The government was pressured to revise the minimum wage law, which was last updated in 1947. With IDRC support, a local think tank called the Centre for Economic and Social Development (CESD) supported research and consultations that contributed to a new law to raise wages, but the new daily minimum wage was set at US$3.60, still one of the lowest in Asia.

CESD was instrumental in establishing the National Wage Commission, a new organization tasked with regularly reviewing and adjusting Myanmar's minimum wage system. In 2019, the Commission took CESD's advice to drop a rule that adjustments could only be made every two years, in favour of a new rule that revisions can occur more frequently on expert advice. Having a space for ongoing debate for fairer wages is critical for democracy and inclusive economic growth.

Putting people at the centre of climate action

IDRC-funded research adopts an inclusive approach to climate action that considers the complex dynamic between the global climate crisis and how socio-economic status, gender, religion, and other social factors influence how individuals experience, and adapt to, the effects of climate change.

Droughts, desertification, storms, and floods are hitting some communities around the world with greater intensity and frequency, and the burden is heaviest on populations already disadvantaged by poverty and inequality.

Since IDRC's first investments in 2006, the Centre has overseen more than $285 million of climate change programming. The funding has supported some 200 institutions and 2,000 researchers in more than 80 countries worldwide to research and test adaptation strategies and solutions. This research has shaped policies and plans, informing the development of at least 35 national, sectoral, and municipal climate change adaptation or mitigation plans.

Over the years, the Centre's support for community-based adaptation has been scaled up to regional and global levels that increasingly focus on influencing policy and practice, having large-scale impact, and integrating social equity considerations into climate action

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Floods, droughts, heat waves and other impacts of climate change impose extra hardships on disadvantaged urban residents, businesses, and municipal governments in South Africa's burgeoning cities. In addition, there is little practical guidance to adapt urban settlements to the potentially devastating effects of climate change.

This gap was addressed by the *Green Book*, an online tool developed by researchers from the Council for Scientific and Industrial Research, with IDRC support. It provides city-specific data on current and projected climate risks and relevant adaptation solutions, with the potential to improve resilience within 1,637 urban settlements in South Africa that are home to more than 65% of the country's population. With input from more than 50 South African researchers, the *Green Book* offers some of the most innovative and information-dense research on disaster risk and climate adaptation planning on the African continent.

IDRC / MINZAYAR OO

Garment workers in Yangon, Myanmar, perform quality control checks. The Knowledge for Democracy Myanmar initiative champions inclusion and gender equality.

This work has made important contributions to policy, most notably by highlighting climate change impacts across South Africa for the National Development Plan, which identifies and prioritizes where public interventions and investments should be made. In 2020, research from the *Green Book* is assisting with mapping risks and vulnerabilities in South Africa during COVID-19.

Supporting inclusive leadership in climate action

In 2019–2020, the Centre bolstered its commitment to climate change adaptation.

Scientific capacity is critical to support the African continent's adaptation to a changing climate and to transform agriculture into a vehicle for economic prosperity and social development. The One Planet Fellowship is building a highly connected and intergenerational network of more than 600 African and European scientists. It delivers gender-inclusive climate solutions to help Africa's smallholder farmers adapt to the effects of climate change.

The $20 million initiative, a collaboration between African Women in Agricultural Research, the Bill & Melinda Gates Foundation, France's BNP Paribas Foundation, the Agropolis Foundation, the European Union, and IDRC, announced the inaugural cohort of fellows this year. Their research focuses on a variety of subjects, including climate-smart agricultural innovations, greenhouse gas emissions from smallholder farming systems, and trends in climate variability, and will link local solutions with the global nature of the climate change crisis.

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The robust research efforts outlined above illustrate the vital role IDRC plays for Canada in addressing climate change and advancing gender equality among the world's most vulnerable populations at a time when social, economic, and climate crises transcend national borders. While these examples highlight only a small fraction of IDRC's work in 2019–2020, they nonetheless demonstrate how inclusion and sustainability drive the Centre's research for development.

Meeting our objectives

IDRC's *Strategic Plan 2015–2020* focused the Centre's investments on knowledge and solutions to improve lives in the developing world. The plan aspired to scale up positive change and innovations, build leaders, and develop strong partnerships while more closely aligning with Canadian priorities. Together with our partners and collaborators, we have made significant strides, and we have also learned important lessons along the way. As the current plan ends, we have developed insights on areas for improvement and we have identified where our efforts will continue to be most effective.

Strong partnerships will continue to be central to our goals. Collaborating with researchers and scientists in the Global South and in Canada — in addition to communities, foundations, non-governmental organizations, and governments, among others — brings diverse expertise and perspectives to overcome complex global challenges and fill knowledge gaps in neglected research areas.

This section presents just a few examples of how IDRC met its objectives over the past year.

OBJECTIVE 1

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

IDRC supports knowledge and innovation to respond to pressing global challenges. Since the launch of the strategic plan in 2015, we have learned that scaling the impact of research requires much more than simply reaching more people. IDRC-supported researchers consult and coordinate with local communities and organizations to ensure that innovations work for everyone, and to continuously seek the most effective, appropriate, and responsible ways to scale up research. In 2019, the Centre shared what it has learned in the co-published book *Scaling Impact: Innovation for the Public Good,* which encourages researchers and innovators to think beyond the immediate users of research and knowledge to consider the opportunities for broad social transformation.

This year, an IDRC-supported outcome with large-scale positive change was the Senate of Mexico's unanimous vote for front-of-package nutrition labelling. The bill, passed in October 2019 and published in the *Official Gazette of the Federation* in March 2020, was informed by the guidelines and technical recommendations supported by our research partners.

In Latin America, poor diet is a major contributing factor to non-communicable diseases such as diabetes and heart disease, which are responsible for three out of every four deaths. IDRC-supported research throughout the region, particularly in Chile and Mexico, has been influential in promoting nutritional warning labels on the front of processed food packaging. In Mexico, where obesity rates are among the highest in the world, the new front-of-package labels will identify foods high in sugar, sodium, or saturated fat. These labels will help consumers make healthier food choices and they will enhance government and private sector accountability to reduce obesity and diet-related diseases.

OBJECTIVE 2

Build the **leaders** for today and tomorrow

Reinforcing the capacity and skills of emerging researchers, organizations, and thought leaders in the Global South is at the heart of IDRC's work. The Centre supports emerging research leaders through fellowships, awards, mentoring, and research projects.

When women play leading roles in science and policy development, they bring valuable perspectives and insights to designing and developing solutions that work for everyone, yet they are underrepresented in these roles.

This year, IDRC, along with Environment and Climate Change Canada, the Government of France, and the *Institut de la Francophonie pour le développement durable* invested in an initiative to strengthen the capacities of French-speaking African women active in climate policy. The training in Rwanda helped early and mid-career women climate change negotiators and policy advisors to increase their representation and participation in critical global negotiation sessions.

JAMES RODRIGUEZ/IDRC

Maria Elena Merida prepares corn tamales at home in Chiapas, Mexico. IDRC-supported research throughout Latin America and the Caribbean has been influential in promoting nutritional warning labels to promote healthy eating.

Twelve of these women participated in climate discussions at the 25th session of the Conference of the Parties (COP 25) to the United Nations Framework Convention on Climate Change in Madrid. Their participation in the official negotiations is expected to contribute to more inclusive and responsive climate policy in Africa's French-speaking countries. The women have spoken about how Canada's investment has equipped them with the skills to help shape both national climate policy and global adaptation planning — ensuring their voices are heard at home and abroad.

OBJECTIVE 3

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

IDRC continues to identify and establish partnership agreements that extend the Centre's reach and development impact. Following an assessment of the anticipated development research funding landscape in 2017, the Centre adjusted the co-funding target, which supplements the parliamentary appropriation, from $450 million to $200 million. With new co-funding agreements signed in 2019–2020, the Centre exceeded the revised target, for a total of $252 million from 2015–2020.

Partnerships enable IDRC to support exploratory research areas, convene key stakeholders, and translate knowledge to target audiences. As the Centre continues to manage and deepen relationships with like-minded partners, we are becoming more systematic about identifying and measuring how these partnerships can advance our programming to deliver the greatest impact.

Beyond expanding the scope and breadth of our research, the Centre's strong relationships with strategic partners have helped us become more agile in responding to global challenges. In February 2020, we benefited from these collaborations to quickly launch a $27 million rapid research funding competition for coronavirus research in coordination with the Canadian Institutes of Health

WORLD BANK / VINCENT TREMEAU

The Rapid Research Fund for Ebola Virus Disease developed an intervention guide to provide better mental health support to survivors and communities. The guide has already been adapted for COVID-19 responses in the Democratic Republic of Congo.

Research, the Natural Sciences and Engineering Research Council of Canada, the Social Sciences and Humanities Research Council, the Canada Research Coordinating Committee through the New Frontiers in Research Fund, and Genome Canada.

The investment supports 47 research teams from across Canada who are accelerating the development, testing, and implementation of measures to deal with the COVID-19 outbreak. This includes funding for two IDRC-supported research projects to create low-cost tools for diagnosing COVID-19 and to develop an integrated plan for healthcare workers in low- and middle-income countries to respond to the pandemic.

The COVID-19 Rapid Research Fund follows the success of another IDRC partnership: the Rapid Research Fund for Ebola Virus Disease. This collaboration — with Global Affairs Canada, the Canadian Institutes of Health Research, and the Public Health Agency of Canada (PHAC) —funded clinical trials of an experimental vaccine during the 2014–2015 Ebola epidemic in West Africa.

In 2018, the Fund supported a partnership between IDRC, the Canadian Institutes of Health Research, and the Social Sciences and Humanities Research Council, in close coordination with Global Affairs Canada and PHAC, to gather insights on the socio-cultural dimensions of the outbreak to strengthen emergency response efforts. Now this partnership is mobilizing resources to minimize the threat of Ebola and similar pandemic outbreaks — including COVID-19 — in real-time.

The Fund's field activities launched in West Africa and in the Democratic Republic of Congo (DRC) in 2019. One of the projects has already developed an intervention guide to provide better mental health support to survivors, families, and communities recovering from Ebola. The guide is being delivered to the national Ebola pandemic response commission in the DRC and it has already been adapted for COVID-19 responses in the region.

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 its business in accordance with the *IDRC Act*, IDRC general by-laws, and governance best practices. The Board's Charter details its roles and responsibilities, composition, and organization.

Key responsibilities of IDRC's Board are to:

- Provide leadership over 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 reviews and enhances its governance practices on a continual basis to achieve higher standards. The following principles guide the Board's operations and ensure good corporate governance:

- To strive for consensus in decision-making while encouraging diverse views and perspectives;
- To conduct informed decision-making and exercise good judgment in providing leadership over 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 employees, 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. The standards of conduct for Governors in carrying out their responsibilities and the exercise of their function are defined in the *IDRC Board Code of Conduct,* which they acknowledge in writing on an annual basis. In accordance with the IDRC Board *Conflict of Interest Guidelines*, Board members must declare any potential conflict of interest at the beginning of each meeting.

IDRC is accountable to Parliament and to Canadians. On behalf of the Centre, the Chairperson of the Board reports to Parliament through the Minister of International Development. The Annual Report, including the management's discussion and analysis and audited financial statements, is tabled in Parliament by the Minister of International Development.

Board expertise

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 *International Development Research Centre (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 Canada's 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.

IDRC's Board of Governors

(as at 31 March 2020)

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

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 Columbia and Washington, DC, USA

GILLES RIVARD
Ottawa, Ontario

STEPHEN TOOPE
Cambridge, United Kingdom

BARBARA TRENHOLM
Fredericton, New Brunswick

Former governors who served during the reporting period:

DOMINIQUE CORTI (mandate ended 9 June 2019)
Montreal, Quebec and Milan, Italy

Function of the Board

The Board held three meetings in 2019–2020.

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 detailed advice to be provided to the entire Board on decision points concerning respective committees' areas of competence.

IDRC has four Board committees as at 31 March 2020:

The **Executive (Governance and Nominating) Committee** (convened four times in 2019–2020) 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 (from 1 April 2019 to 31 December 2019), Gilles Rivard (from 1 January 2020 to 31 March 2020), and Barbara Trenholm.

The **Finance and Audit Committee** (convened five times in 2019–2020) provides oversight of IDRC's finance and audit functions; reviews and recommends the annual budget, management's discussion and analysis, and audited financial statements to the full Board; and provides oversight for the Centre's risk management and internal controls systems and practices, and standards for integrity and behaviour.

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 seven times in 2019–2020) supports the Board in fulfilling its ongoing responsibilities in terms of setting strategic priorities, annual planning, and performance monitoring.

Members:

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

John McArthur served as Committee Chairperson from 1 April 2019 to 31 December 2019. Purnima Mane served as Committee Chairperson from 1 January 2020 to 31 March 2020.

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

The **Human Resources Committee** Committee (convened four times in 2019–2020) 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 advises the Board on the president's annual performance evaluation and objectives.

Members:

Mary Anne Chambers, Akwasi Aidoo, Jean Lebel, and Gilles Rivard.

Mary Anne Chambers served as Committee Chairperson from 1 April 2019 to 31 December 2019. Gilles Rivard served as Committee Chairperson from 1 January 2020 to 31 March 2020.

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 2020)

JEAN LEBEL, President

FEDERICO BURONE, Vice-President, Strategy, Regions and Policy

DOMINIQUE CHARRON, Vice-President, Programs and Partnerships

GENEVIÈVE LEGUERRIER, Vice-President, Resources, and Chief Financial Officer

Regional Directors (as at 31 March 2020)

ANINDYA CHATTERJEE
Asia Regional Office

JULIE CROWLEY
West and Central Africa Regional Office

FERNANDO PERINI (Acting)
Latin America and the Caribbean Regional Office

BARBARA SHENSTONE
Middle East and North Africa Regional Office

KATHRYN TOURÉ
Eastern and Southern Africa Regional Office

IDRC-supported researchers used cost-saving fertilizer micro-dosing and better water management to improve indigenous vegetable production and increase farmer incomes in Nigeria and Benin.

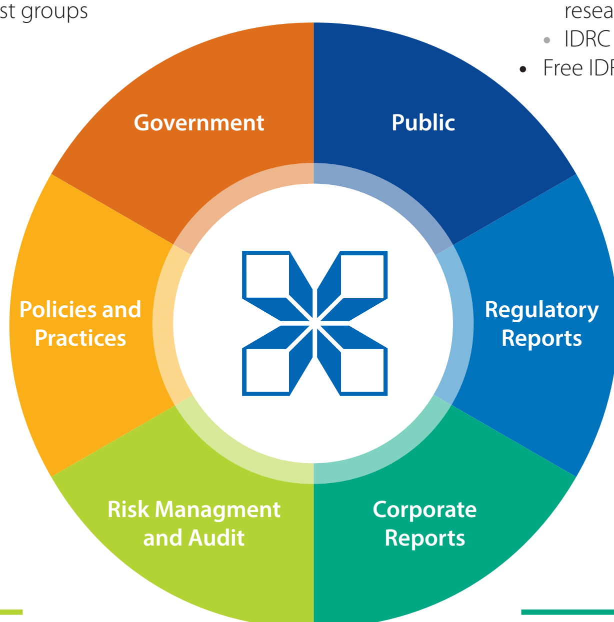
IDRC / BARTAY

IDRC's commitment to transparency and accountability

IDRC is accountable to Parliament and all Canadians for its use of public resources.

IDRC is committed to transparency and, as such, provides information on its website and in its publications, reports to Parliament, and public outreach programs. As a research organization, IDRC also maintains transparency with the research community and the general public by making the results of its projects (studies, papers, articles, etc.) available to all.

Below are some of the measures in place that help the Centre meet the standards set by the Government of Canada for accountability and transparency.



Government

- Parliamentary Committee appearances (when requested)
- Proactive grant recipient screening to adhere to Canada's legislative measures on trade and economic sanctions and terrorists and terrorist groups

Public

- Strategic Plan
- Annual public meeting
- Disclosure of travel and hospitality expenses of senior executives and Board
- IDRC Digital Library, including:
  - Open access to information on IDRC-funded research projects
  - IDRC programming evaluations
- Free IDRC published/co-published books

Policies and Practices

- IDRC's equality statement
- Code of conduct
- Leadership charter
- Diversity and inclusion
- Mental health and workplace wellbeing

Regulatory Reports

- Annual reports pursuant to:
  - *Public Servants Disclosure Protection Act*
  - *Canadian Multiculturalism Act*
  - *Employment Equity Act*
  - *Official Languages Act*
  - *Access to Information Act*
  - *Privacy Act*

Risk Management and Audit

- Integrated risk management approach
- Internal Audit aligned with leading practices
- Office of the Auditor General
  - Annual Attest Audit
  - Special Examinations

Corporate Reports

- Annual Report
- Quarterly Financial Reports
- Contributions to:
  - Statistics Canada reporting on social and natural science expenses
  - The International Aid Transparency Initiative
  - *Official Development Assistance Accountability Act*
- Public Accounts of Canada

IDRC / TOM PILSTON

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 that ended on 31 March 2020.

This discussion should be read alongside the financial statements provided on pages 31-52, 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 a reader's understanding.

On 11 March 2020, the World Health Organization (WHO) declared the spread of the novel coronavirus as a global pandemic. Information on the impacts, which are minimal, of the pandemic on the Centre's operations, risks, and financial results is reflected throughout the MD&A as well as within the notes to the financial statements.

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.

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."

In carrying out its mandate, the Centre:

- provides financial support to researchers in developing countries to work on problems crucial to their communities;
- facilitates the use and uptake of research, and encourages dialogue between researchers, policymakers, and businesspeople;
- engages with research organizations throughout the innovation process; and
- promotes networking among our grantees.

IDRC received funding through a parliamentary appropriation from the Government of Canada to carry out its mandate. These funds, combined with donor contributions, enable the Centre to achieve its mission and objectives.

In addition to parliamentary funding, IDRC's co-funding consists of **27** multi-year donor contribution agreements with **13** donors valued at **$356.5 million**

(as at 31 March 2020)

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 Global Affairs Canada and 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 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 alliances that augment IDRC's contributions 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.

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.

The average value of an IDRC grant was **$602,642**

The average grant duration was **33** months

(based on active grants as at 31 March 2020)

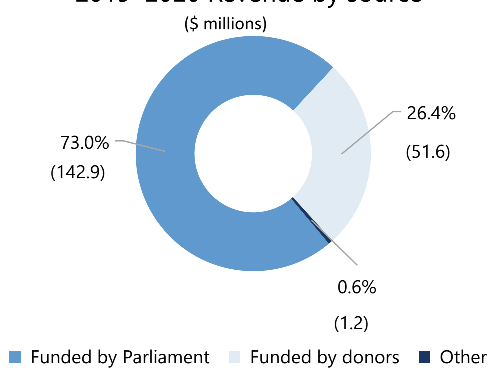
As outlined in the *IDRC Act*, the advisory and knowledge brokerage functions of the Centre are central to its business and overall corporate performance. Knowledge brokerage functions also strengthen the research capabilities of IDRC's research grant recipients. This component of IDRC's work forms part 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 five regional offices across the developing world (see page 20) where our employees engage with research institutions to carry out the Centre's work.

Capacity to deliver

Financial resources

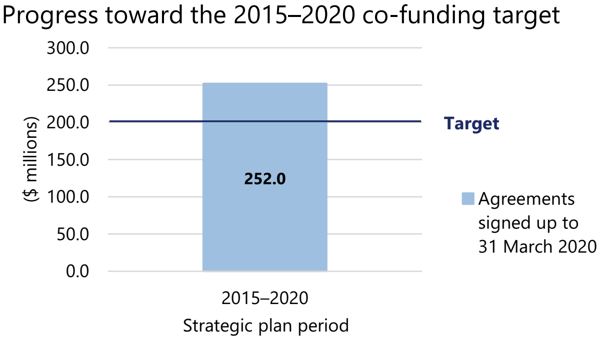
The Centre derives the majority of its revenues from a parliamentary appropriation and from donor contributions received pursuant to co-funding agreements. The parliamentary appropriation is the most significant and allows the Centre to deliver its mandate. It includes a recurring portion and a non-recurring portion that fluctuates as parliamentary transfers are agreed upon with other federal government organizations. The total amount of the parliamentary appropriation for 2019–2020 was $142.9 million, which represents 73.0% of IDRC's revenues and 3% of Canada's international assistance envelope.

2019–2020 Revenue by source

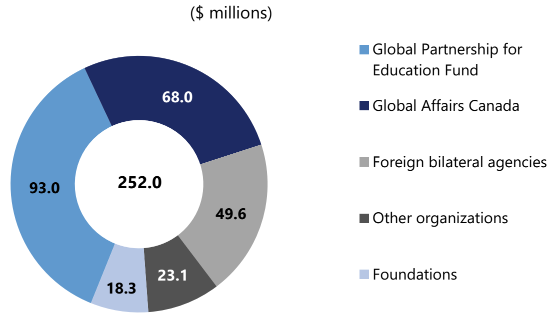


Contributions arising from co-funding agreements are accounted for as donor contribution revenues. In 2019–2020, the value of signed multi-year co-funding agreements was $40.3 million. Thus, the total amount of co-funding agreements signed during the 2015–2020 strategic plan period is $252.0 million, which represents the total donor contribution over the life of the agreements.

Progress toward the 2015–2020 co-funding target

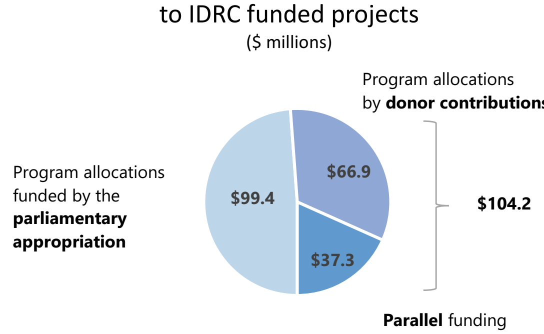


2015–2020 Co-funding agreements by donor



The Centre also combines its efforts with those of other funders who work directly with recipients to increase support to IDRC funded projects (referred to as parallel funding). In 2019–2020, $37.3 million of parallel funding was generated, bringing total contributions to IDRC funded projects to $104.2 million.

2019–2020 Total contributions
to IDRC funded projects



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 impact. Private sector engagement and cooperation is also critical for achieving the ambitious Sustainable Development Goal (SDG) targets.

In West Africa, only 52% of people have access to electricity at double the cost of the global average, according to the World Bank. A great deal of work remains to achieve universal electrification by 2030, in line with SDG 7 for affordable and clean energy. In 2019, IDRC and Meridiam, a global investment firm specializing in long-term public infrastructure projects, invested approximately $615,000 for a renewable energy research and training program in

Senegal. The collaboration highlights the organizations' complementary skills, expertise, and common interest in sustainable development in West Africa, in addition to Senegal's goal to diversify electric power sources.

The initiative bridges the industry gap for skilled labour by increasing capacity and retraining 200 professionals and technicians to move from fossil fuels to solar energy. The project also supports research on solar energy production and distribution in Senegal and generates employment by boosting capacity to manage the production and distribution of solar energy.

By working with leading researchers in institutions like the *École Supérieure Polytechnique* in Dakar, and by supporting the newly created *Centre de Test des Systèmes Solaires*, Meridiam and IDRC are helping to change the landscape of solar energy in Senegal. A multi-stakeholder workshop held in Dakar in October 2019 brought key actors together from the public, private, and non-profit sectors in West Africa to discuss issues such as regional regulatory frameworks, financing for investing in solar infrastructure, and enhancing university-industry partnerships.

Communicating strategically

IDRC seizes opportunities to share the impact of our efforts online and in publications, in the media, and at conferences and other events.

The Centre's website and social media channels are key communications tools. This year, to reach even greater audiences, Spanish content was added to IDRC's public website. We also continued our efforts to expand the use of video on social media, resulting in a 460% increase in video engagement across all platforms.

In 2019–2020, IDRC co-published six new books with presses around the world, and many others are in development. More than 92,000 copies of IDRC's open access publications were downloaded this financial year through idrc.ca and the IDRC Digital Library.

Important partnerships with Canadian media outlets were pursued over the last year. Twelve in depth articles about IDRC research, which reached approximately 4.8 million Canadians, were published in *Québec Science*, *L'actualité,* and *Canadian Geographic*.

The Centre organized 12 public events in 2019–2020, including panel discussions about breaking down barriers for women researchers in the Global South, the global refugee system, and challenges to building healthier food systems. We hosted three high-profile Canadian launches of UN reports, which attracted representatives from government, civil society, and academia: the Food and Agriculture Organization's *The State of Food Security and Nutrition in the World*; the *Progress Study on Youth, Peace and Security*; and the *Trade and Development Report 2019*.

The Centre also supported several prestigious internationally focused events. At the Women Deliver 2019 conference in Vancouver, which drew thousands of the world's leaders and advocates for gender equality, IDRC highlighted the role of research in empowering women and girls through panel discussions, "meet the expert" interviews, and publication launches.

IDRC hosted several fora and workshops at the 25th session of the Conference of the Parties (COP25) to the United Nations Framework Convention on Climate Change in Spain. IDRC grantees were among the 30,000 national delegates, civil society representatives, and members of the media participating in COP25.

Leveraging the Centre's international presence

With the opening of a new regional office this year in Dakar, Senegal, IDRC now maintains five regional offices across the Global South. These offices, located in New Delhi, India; Amman, Jordan; Nairobi, Kenya; Dakar, Senegal; and Montevideo, Uruguay, work closely with the communities they serve.

Regional office employees work closely with Canada's missions abroad and they play an important role in maintaining 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 particularly important.

IDRC's West and Central Africa regional office in Dakar, Senegal, was inaugurated in February 2020 by the Right Honourable Justin Trudeau, Prime Minister of Canada, accompanied by Mr. Amadou Hott, Minister of the Economy, Planning, and International Cooperation of Senegal, and IDRC President Jean Lebel. The new regional office is testament to Canada's commitment to supporting research and development in the region.

Since its creation in 1970, IDRC has supported nearly 1,400 research activities totalling more than $289.0 million in West and Central Africa. In 2019–2020, IDRC allocated approximately $15.0 million in new grants in West and Central Africa, especially in the areas of adolescent reproductive health, women's economic empowerment, and resilience in the face of climate change.

> *"Senegalese and Canadians are studying many of the same issues: climate change, poverty, gender equality. This centre [IDRC's regional office for West and Central Africa] will allow them not only to put their ideas into practice, but also to collaborate and build new ties between our two countries."*
>
> — The Right Honourable Justin Trudeau, Prime Minister of Canada

Being smart with resources

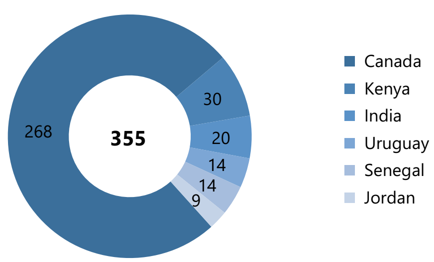
This year, the Centre started developing a data strategy to support the identification and collection of relevant data and to improve reliance on data for decision-making in our functional, operational, and strategic work.

During the year, IDRC enhanced its virtual work environment by automating processes and deploying a more effective collaborative platform. We also strengthened our cyber security practices to better protect IDRC's information and systems when remotely connecting to our network. As a result, the Centre was well prepared and ready to transition to full-time teleworking during the COVID-19 pandemic.

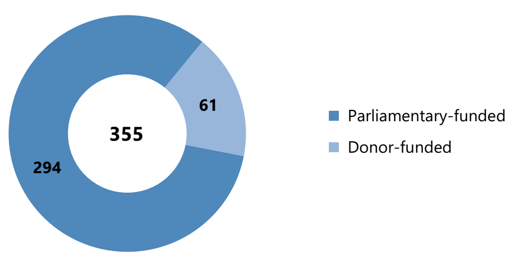
Investing in our people

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. As an international organization, our statistics include employees that work in our five regional offices.

IDRC's workforce by location

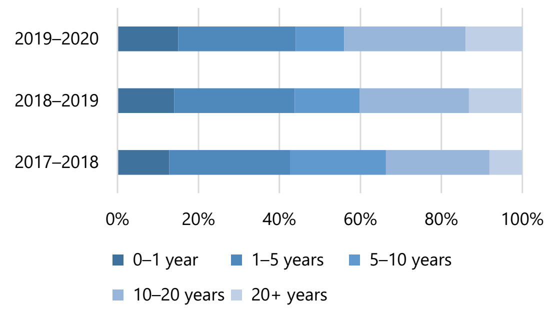


IDRC's workforce by funding source



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 1.2% of its payroll in employee development in 2019–2020 (the industry standard is 1%), which provides opportunities for development and growth that are key to employee retention. Training for supervisory and management staff was also provided to strengthen management competencies in the Centre.

Years of service
(excludes locally hired staff in regional offices)

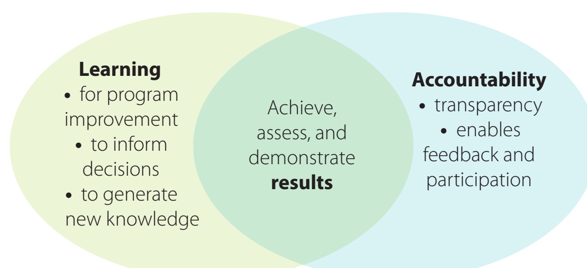


Following a 2017 employee survey about mental health and workplace well-being, a two-year action plan was developed. As a follow-up to the actionable items in this plan, the Centre held an employee forum in October 2019 whereby various working groups and committees presented their efforts to respond to the issues highlighted in the action plan. In November, all employees were invited to participate in IDRC's Pulse, Mental Health & Wellness Survey to assess progress towards the Action Plan for Psycho-social Health and Safety and to identify areas for development.

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. Now that the Centre has received the assessment report, it is implementing an action plan to continue advancing this important initiative.

Evaluation

IDRC conducts evaluations to strengthen the processes and results of the research we support, to increase our understanding of how research influences development, and to demonstrate accountability.



This year saw the completion of the second in a series of Centre-wide evaluations related to the strategic objectives. A survey of the Centre's contributions to building emerging research leaders found that the vast majority (91%) of IDRC-supported students and early-career researchers felt their IDRC experience had a positive effect on their career. Opportunities to engage with research users and to promote research uptake strongly contributed to forming research for development leaders.

Seven program evaluations took place in 2019–2020. To promote Centre-wide learning from the results of these and many other evaluations completed since 2015, IDRC commissioned a study that looked across program evaluations to highlight results and lessons on themes of common interest across the Centre. These included elements of program design, gender and equity considerations, and our strategic objectives on scale, building leaders, and being the partner of choice. The study emphasized the potential for program evaluation to contribute to organizational learning and highlighted opportunities for IDRC to leverage this potential in the coming strategic cycle.

As the Centre transitions to a new strategic plan, two organizational evaluations are currently underway that respectively focus on IDRC's strategy to scale research results and to assess the quality of IDRC research using the Research Quality Plus framework. The Centre is also in the process of developing a framework to guide monitoring, evaluation, and learning through the next decade.

Risks

Risk management is integrated into all areas of the Centre and significant business processes. It is a shared responsibility among Centre managers, who are committed to a proactive and systematic approach 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.

IDRC continuously refines its risk management processes to ensure they adequately support corporate objectives and priorities and enhance performance and outcomes. The risk management integrated processes also supported and informed the development of IDRC's next strategic plan.

Internal audit is also a key element of IDRC's accountability structure through its evaluation of the efficiency and effectiveness of risk management. Its purpose is to provide independent and objective assurance and advice designed to add value and to support the Centre in achieving its objectives. The Internal Audit plan aligns closely with the Centre's objectives, priorities, and corporate risks.

The table below lists the key risks faced by the Centre at 31 March 2020.

Risk	Risk level	Risk response strategies and actions
Health, safety, and security (Operational risk) Given the geographic regions IDRC operates in, there is a risk that programming, operations, health (psychological and physical), safety, and security of employees may be compromised.	MEDIUM	Program plans for the year and risks and monitoring approaches for the existing portfolio were revised to respond to COVID-19. IDRC is following the health and safety procedural guidelines provided by the Government of Canada and directives from public local health authorities for each regional office. Centre management took numerous steps to mitigate the risk of the COVID-19 pandemic and to manage the impacts on employees and operations through its response plan to outbreaks and infectious diseases, which guides decision-making. Specific responses to the pandemic include repatriating non-national employees and their dependents; restricting all travel; and deploying virtual systems and platforms to enable all employees in head office and the regional offices to telework. The Centre continues to refine its assessment of the impact of the pandemic on the work of grantees, its programming plans, and financial planning.

Risk	Risk level	Risk response strategies and actions
Our people (Strategic risk) If IDRC does not create an enabling environment for workplace well-being, there is a risk that our ability to work effectively and deliver our mandate will be impacted and could harm our reputation.	LOW	IDRC continues the implementation of the two-year action plan for mental health and workplace well-being, as well as developing action plans to promote a diverse and inclusive workplace. Given the unprecedented times we are operating in, the Centre is paying increased attention and deploying additional resources to ensure employees are supported and maintain their well-being.
Managing change (Strategic risk) If IDRC is not successful in managing change, there is a risk that IDRC's ability to deliver on its Strategy will be limited.	LOW	IDRC is positioning the emerging 10-year strategy as one that must constantly evolve and adapt. Change management, if properly executed, contributes to achieving the strategic objectives. The Centre will improve its change management approach to ensure it is effective and enables IDRC to be agile and resilient. IDRC will also invest in its employees to ensure they have the skills and competencies to support the new strategy and adapt to ongoing change.
Scaling to achieve impact (Operational risk) If IDRC is not successful at developing, approving, and implementing co-funding and parallel partnerships, there is a risk that our ability to scale programming to achieve impact will be limited.	MEDIUM	Following the restructuring of the Centre's partnership function, which was embedded directly in each program area, a multi-year pipeline was developed. The Centre's management exercises close oversight on the performance of partnership development and implementation. A partnership framework and a private sector engagement framework are being developed to help IDRC scale innovations as part of the strategic planning process.
Achieving results (Operational risk) Given the increased demand on national budgets and increased competition for development aid, there is a risk that IDRC's funding revenues will not increase, and therefore limit our ability to achieve impact.	MEDIUM	Management is examining the operational implications of COVID-19 and its transition towards a new strategic cycle beyond 2020. This includes a focus on financial sustainability and the development of a revised partnership approach. Management is also continuously looking at strategies to control expenses, which include continued staffing controls, review of environmental footprint, and learning from the COVID-19 pandemic to redesign business processes and leverage new technologies.

Results and outlook

Financial highlights

2019–2020 results at a glance.

REVENUES

2019–2020: $195.7 million
2018–2019: $195.8 million
Stable

EXPENSES

2019–2020: $192.0 million
2018–2019: $205.6 million
Total decrease: $13.6 million or 6.6%

A detailed analysis is provided under the revenues and expenses sections of this discussion.

Revised 2019–2020 budget

The Board of Governors approved the original 2019–2020 budget prior to the start of the financial year and it was presented in the Annual Report 2018–2019. The budget was revised in the first half of the year to reflect the most current information available. Throughout this document, the revised 2019–2020 budget is presented and compared to actuals.

Revenues

The Centre's sources of revenue include 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 (IFRS), the parliamentary appropriation is presented separately, immediately after the cost of operations, on the statement of comprehensive income.

TABLE 1: REVENUES

($000)	2019–2020 Revised budget	2019–2020 Actual	2019–2020 Variance	2018–2019 Actual	$ change actual [a]	% change actual [a]
Parliamentary appropriation	142 907	142 907	-	140 366	2 541	1.8%
Donor contributions	54 379	51 637	(2 742)	54 256	(2 619)	(4.8%)
Other income	888	1 191	303	1 210	(19)	(1.6%)
Total revenues	**198 174**	**195 735**	**(2 439)**	**195 832**	**(97)**	**(0.0%)**

[a] $ and % change actual in 2019–2020 over 2018–2019.

Parliamentary appropriation revenue

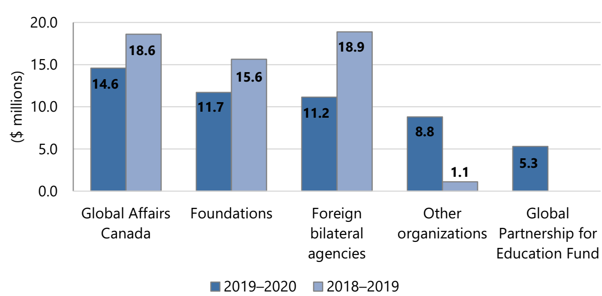
The parliamentary appropriation is 1.8% higher in 2019–2020 than in 2018–2019 (see Table 1). This year, the Centre's recurring parliamentary appropriation was increased by $5.0 million to strengthen the Centre's presence in West Africa and enhance programming across West Africa and la Francophonie. This increase was partly offset by a decrease in non-recurring parliamentary appropriations of $2.5 million, following the agreed-upon schedule in the transfer of appropriated funding from other government organizations.

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.

Donor contribution revenues decreased by 4.8% when compared to 2018–2019 and were $2.7 million lower than budgeted (see Table 1). The expenses section, specifically the development research programming expenses discussion, provides information on the variances. The distribution of the revenues from donor contributions is shown in Figure 1.

FIGURE 1: REVENUES FROM DONOR CONTRIBUTIONS [a]



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

The Centre recovers the donor's share of expenses related to enhancing research capabilities and administrative services in support of 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. 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.

Expenses

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

TABLE 2: EXPENSES

($000)	2019–2020 Revised budget	2019–2020 Actual	2019–2020 Variance	2018–2019 Actual	$ change actual [a]	% change actual [a]
Development research programming						
Research projects funded by parliamentary appropriation	84 424	88 661	4 237	99 084	(10 423)	(10.5%)
Research projects funded by donor contributions	44 222	41 688	(2 534)	42 976	(1 288)	(3.0%)
Enhancing research capabilities	44 425	43 322	(1 103)	45 756	(2 434)	(5.3%)
	173 071	**173 671**	**600**	**187 816**	**(14 145)**	**(7.5%)**
Corporate and administrative services	**18 531**	**18 302**	**(229)**	**17 828**	**474**	**2.7%**
Total expenses	**191 602**	**191 973**	**371**	**205 644**	**(13 671)**	**(6.6%)**

[a] $ and % change actual in 2019–2020 over 2018–2019.

Development research programming expenses

The expenses for development research programming decreased by 7.5% in 2019–2020 to $173.7 million ($187.8 million in 2018–2019).

The direct costs of ongoing scientific and technical research projects funded by the Centre are presented by source of funding (see Table 2). 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. No more than 6% of other project activities are carried out or brokered internally.

In 2019–2020, research project expenses funded by parliamentary appropriation decreased by 10.5% (to $88.7 million from $99.1 million in 2018–2019). Compared to the 2019–2020 budget, these expenses were $4.2 million higher than the budgeted amount. This is due to receiving more project deliverables than expected from recipients in the last quarter of 2019–2020 and receiving some project deliverables due in 2020–2021 earlier than expected.

While the majority of research project expenses are funded by parliamentary appropriation, a significant portion ($41.7 million) is funded by donor contributions. Research project expenses funded by donor contributions decreased by 3.0% this year and were $2.5 million lower than budgeted (see Table 2). A year-over-year decrease was foreseen because several large co-funded programs were entering their final year of programming, while some of the newer donor-funded projects were still in their early stages.

Donor contributions are managed by the Centre pursuant to a co-funding agreement. These agreements required an IDRC contribution of $16.2 million in 2019–2020 (see Figure 2, Funded by parliamentary appropriation – linked to donor contributions), or 18.3% of all Parliament-funded research project expenses, which is slightly higher than in 2018–2019 (17.8%). For the 2019–2020 financial year, every dollar IDRC expended that was linked to a donor contribution was matched by 2.6 donor dollars.

FIGURE 2: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2019–2020 ($ millions)

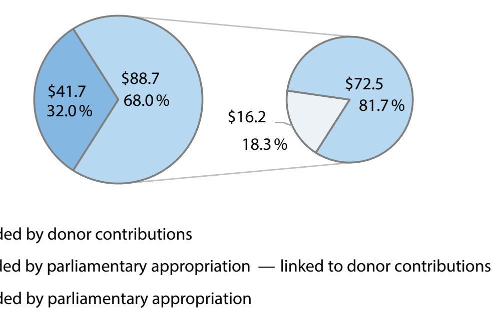
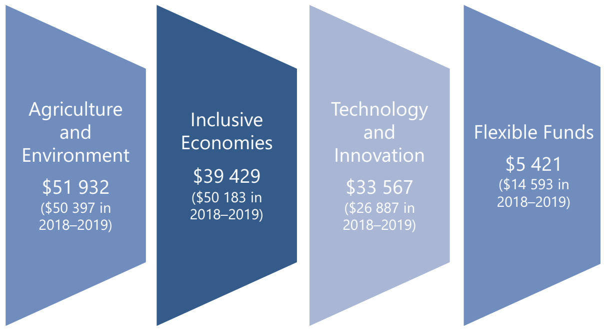


Figure 3 provides an overview of the total research project expenses by program area. Agriculture and Environment includes Food Security, Climate Change, and Food, Environment and Health. Inclusive Economies consists of programming in Employment and Growth, Governance and Justice, and Maternal and Child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

FIGURE 3: 2019–2020 TOTAL RESEARCH PROJECT EXPENSES (ALL SOURCES) BY PROGRAM AREA ($000) [a]



[a] Includes research projects funded by parliamentary appropriation of $88.7 million and funded by donor contributions of $41.7 million in 2019-2020.

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 $2.4 million compared to the previous year (see Table 2) due to a smaller staff complement (including positions for many projects in their start-up phase), the adoption of the new lease accounting standard, and less travel. Actual expenses were $1.1 million lower than budgeted. The majority of the budget variance is related to less travel than the budget allowed, less use of professional services than was forecast at the time of budgeting, and lower salaries and benefits due to vacant positions.

Corporate and administrative service expenses

Corporate and administrative services provide a variety of executive, administrative, and service functions that support the Centre's overall operations and corporate responsibilities. These expenses include services, such as information technology, human resources, and finance and administration, in addition to corporate functions, such as legal, risk management, and internal audit (see Corporate services in Figure 4). Regional office administrative costs are also included in the expense category (see Regional office administration in Figure 4).

Corporate and administrative expenses were $0.5 million higher than last year and $0.2 million lower than budgeted (see Table 2). The actuals increase is partly related to opening the new regional office in West Africa. The budget variance is largely due to job vacancies and the timing of ongoing operational activities.

FIGURE 4: CORPORATE AND ADMINISTRATIVE EXPENSES

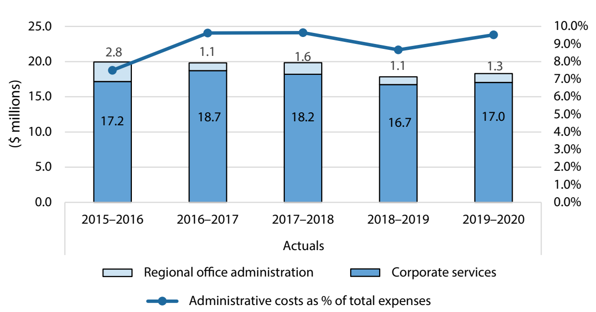


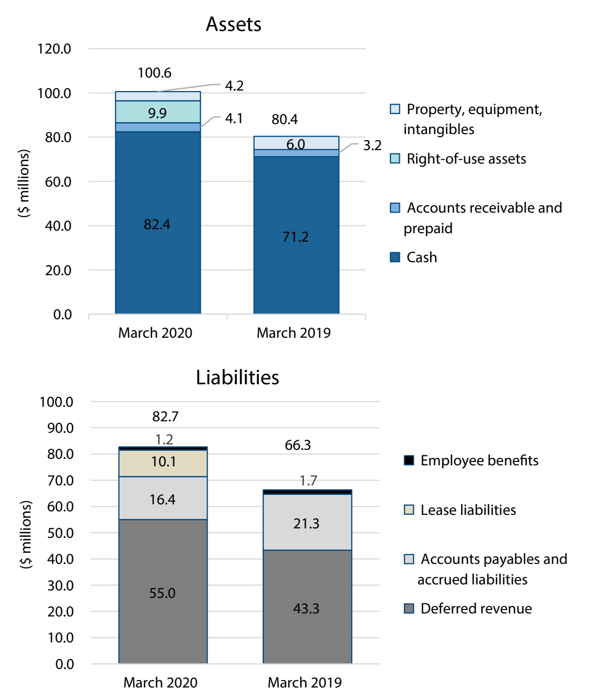
Figure 4 shows a 0.8% increase in corporate and administrative expenses (from 8.7% of total expenses in 2018–2019 to 9.5% in 2019–2020). In 2018–2019, higher-than-expected research project expenses and lower-than-expected corporate and administrative expenses contributed to a lower corporate and administrative services cost ratio. Management aims to maintain administrative costs at a range of 8% to 12% of total expenses.

Financial position

The Centre's financial position for the current financial year is affected by the application of the new lease accounting standard, IFRS 16. Due to the adoption of IFRS 16, amortization and depreciation expenses increased as at 31 March 2020 compared to the year prior, while accommodation expenses decreased. In addition, right-of-use assets and lease liabilities are now recorded on the statement of financial position.

The Centre's financial position is summarized in Figure 5. The majority of assets are in cash derived from the cycle of funding received for donor-funded programs. Liabilities are fully funded by revenues and contain a large portion of deferred revenue, which represents donor funds received but not yet recognized as revenue. The Centre's financial position as at 31 March 2020 was not affected by the COVID-19 pandemic. Assets and liabilities did not require any adjustments.

FIGURE 5: ASSETS AND LIABILITIES

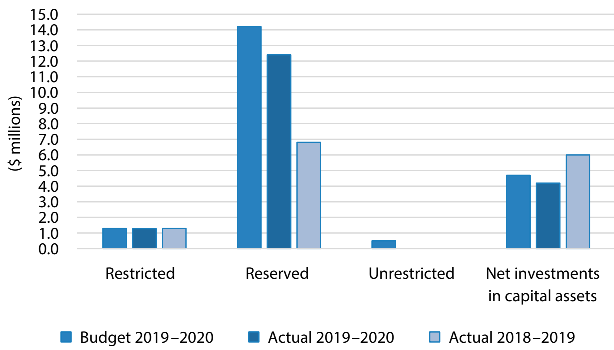


Total **assets** increased by 25.1% to $100.6 million (from $80.4 million as at 31 March 2019). The increase is mainly due to the recording of right-of-use assets valued at $9.9 million and to a higher cash balance due to donor funds received but not yet paid to recipients.

Total **liabilities** increased by 24.7% to $82.7 million (from $66.3 million as at 31 March 2019). Similar to the assets, this increase is mainly explained by the recording of lease liabilities totalling $10.1 million. The increase also comes from higher deferred revenue liabilities for projects and programs funded by donor contributions, partly offset by lower accounts payable and accrued liabilities. The employee benefits amount shown in Figure 5 represents the non-current portion; the current portion is included within accrued liabilities.

The Centre's equity consists of four classes: restricted; reserved; unrestricted; and net investments in capital assets. The equity amount in each class is established in accordance with the Centre's equity policy.

FIGURE 6: EQUITY



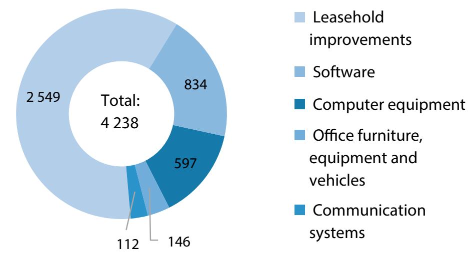
Restricted equity is stable at $1.3 million and represents funds for the John G. Bene Fellowship ($1.2 million) and funds received for the David and Ruth Hopper & Ramesh and Pilar Bhatia Canada bursaries ($0.1 million).

The Centre increased its **reserved equity** to $12.4 million at 31 March 2020. 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. At 31 March 2020, a total of $7.0 million was set aside in the reserved equity for the future leasehold improvements of the Centre's head office space, where the current lease expires in October 2022. An amount of $3.4 million is reserved to absorb fluctuations in the disbursements of outstanding research project commitments. The balance of the reserved equity is to fund initiatives outside of normal operations.

The **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity. The balance at 31 March 2020 is zero.

The $4.2 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 $1.8 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 7.

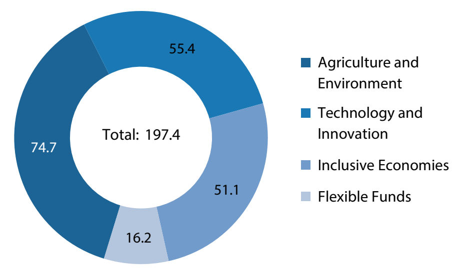
FIGURE 7: CAPITAL ASSETS ($000)



Other key financial information

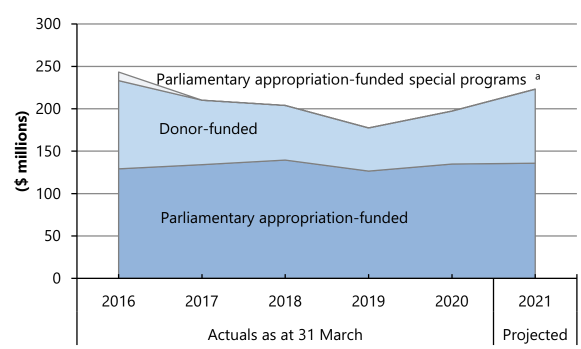
As at 31 March 2020, the Centre is committed to disburse up to $197.4 million (see Figure 8) for development research programming activities. It is anticipated that nearly all of the funds will be disbursed over the next five years. These commitments are subject to funds provided by Parliament and by donors on co-funded agreements. They are also subject to the compliance of recipients with the terms and conditions of their grant agreements.

FIGURE 8: OUTSTANDING COMMITMENTS BY PROGRAM AREA (AT 31 MARCH 2020) ($ millions)



While the total amount of outstanding commitments fluctuates annually due to 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 9) 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 9: 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.

TABLE 3: HISTORICAL REVIEW

($000)	Actual 2019–2020	2018–2019	2017–2018	2016–2017	2015–2016
Statement of comprehensive income					
Revenues					
Parliamentary appropriation — recurring	141 849	136 849	136 838	136 006	136 006
Parliamentary appropriation — non-recurring	1 058	3 517	3 114	11 468	47 472
Donor contributions	51 637	54 256	61 791	64 429	77 267
Other income	1 191	1 210	1 753	2 295	2 354
	195 735	195 832	203 496	214 198	263 099
Expenses					
Development research programming					
Research projects funded by parliamentary appropriation	88 661	99 084	88 783	88 262	137 868
Research projects funded by donor contributions	41 688	42 976	50 433	53 319	65 545
Enhancing research capabilities	43 322	45 756	46 653	44 478	42 419
Development research programming	173 671	187 816	185 869	186 059	245 832
Corporate and administrative services	18 302	17 828	19 837	19 811	19 953
	191 973	205 644	205 706	205 870	265 785
Net results of operations	3 762	(9 812)	(2 210)	8 328	(2 686)
Other financial information					
Program allocations					
Development research programming					
Funded by recurring parliamentary appropriation	99 431	97 064	101 433	93 140	98 991
Funded by donor contributions	66 945	49 186	45 519	27 582	41 264
Outstanding commitments					
Funded by parliamentary appropriation	134 835	126 500	139 555	134 161	139 548 [a]
Funded by donor contributions	62 564	50 888	64 361	75 929	103 896 [a]
Statement of financial position					
Assets					
Cash	82 380	71 231	78 782	70 884	57 546
Investments – current	-	-	-	3 958	14 989
Accounts receivable and prepaid expenses	4 087	3 196	2 620	7 766	6 946
Property and equipment	3 404	4 517	5 552	6 630	6 479
Intangible assets	834	1 493	2 439	3 379	3 331
Right-of-use assets	9 893	-	-	-	-
Liabilities					
Accounts payable and accrued liabilities	16 415	21 295	21 545	18 315	31 841
Lease liabilities – current	2 963	-	-	-	-
Lease liabilities – non-current	7 157	-	-	-	-
Deferred revenue – current	47 156	35 890	34 383	33 087	31 136
Deferred revenue – non-current	7 773	7 455	7 815	12 733	5 027
Employee benefits	1 227	1 652	1 693	2 315	3 448
Equity					
Unrestricted	-	-	5 937	8 793	1 843
Restricted	1 275	1 264	1 255	1 225	1 129
Net investments in capital assets	4 238	6 010	7 991	10 009	9 810
Reserved	12 394	6 871	8 774	6 140	5 057

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

Outlook

The Centre is beginning a new 10-year strategy in the 2020–2021 financial year. IDRC conducts forward looking financial planning using conservative assumptions for both revenues and expenses, while maintaining a focus on maximizing parliamentary-funded project funding.

The 2020–2021 year started with uncertainties due to the evolution of the COVID-19 global crisis. The Centre has assessed the impacts of the global pandemic on its programming, operations, budget, and partners. A number of adjustments were made in consideration of the ongoing and unknown impacts of the pandemic. Management continues to monitor the situation and assess impacts on the Centre. Relevant items are discussed in the related sections below.

Table 4 presents the financial outlook, providing an overview of the revenues, expenses, allocations and equity forecasts for the 2020–2021 financial year.

TABLE 4: FINANCIAL OUTLOOK

($000)	2019-2020 Actual	2020–2021 Budget
Statement of comprehensive income items		
Revenues		
Parliamentary appropriation	142 907	141 849
Donor contributions	51 637	73 590
Other income	1 191	920
	195 735	**216 359**
Expenses		
Development research programming		
Research projects funded by parliamentary appropriation	88 661	89 335
Research projects funded by donor contributions	41 688	61 272
Enhancing research capabilities	43 322	46 700
Corporate and administrative services	18 302	19 776
	191 973	**217 083**
Net results of operations	**3 762**	**(724)**
Equity		
Unrestricted	-	355
Restricted	1 275	1 264
Net investments in capital assets	4 238	3 700
Reserved	12 394	14 674
	17 907	**19 993**
Project management items		
Allocations funded by parliamentary appropriation	99 431	98 500
Allocations funded by donor contributions	66 945	75 547

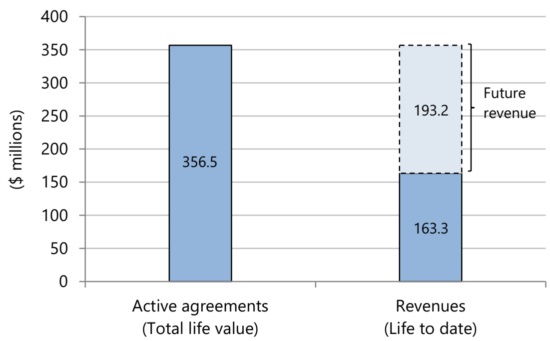
Revenue outlook

The Centre's parliamentary appropriation is anticipated to be $141.8 million in 2020–2021, 0.7% lower than in 2019–2020 (see Table 4). While the 2020–2021 recurring parliamentary appropriation is stable and will continue to include $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 from $1.1 million to zero. This reduction is due to the planned ending of the transfer of appropriated funding from the Canadian Institutes of Health Research for the joint support of the Innovating for Maternal and Child Health in Africa program.

In 2020–2021, donor contribution revenues are budgeted to increase to $73.6 million, which reflects the current and anticipated co-funding agreements and associated project milestones. A significant portion (87%) of this amount is expected to come from co-funding agreements signed and ongoing at 31 March 2020. Of these agreements, the majority of funding is from the following donors: Global Partnership for Education Fund, Global Affairs Canada, the Bill & Melinda Gates Foundation, the UK Department for International Development, the Swedish International Development Cooperation Agency, and the UK Department of Health.

As at 31 March 2020, the Centre manages co-funding agreements valued at $356.5 million (see Figure 10). Of this amount, $163.3 million has been recognized as revenue. This leaves a balance of $193.2 million, which will represent donor contribution revenue for the next three to five years. Signing new co-funding agreements in the future replenishes this future revenue portion. The Centre's donor collaboration activities over the course of the 2020–2021 financial year will focus on advancing co-funding ideas that are already under discussion, in addition to seeking new co-funding opportunities.

FIGURE 10: STATUS OF DONOR CONTRIBUTION AGREEMENTS AS AT 31 MARCH 2020



The Centre is not expecting significant changes to the 2020–2021 revenue budgets due to COVID-19. The Centre's parliamentary appropriation is expected to remain at its original approved amount. Management has reviewed and assessed the impacts of COVID-19 on donor contributions to be immaterial. IDRC will diligently monitor the evolving situation and assess and mitigate, where possible, impacts on parliamentary appropriation funding and donor contributions.

Expenses outlook

Building on previous efforts and in the wake of COVID-19 and its impact on development research, the Centre will continue to make programming decisions in line with its mandate and strategic objectives, as well as in support of Canada's foreign policy and development goals. Total expenses are budgeted to increase by 13.1% to $217.1 million (compared to actual expenses of $192.0 million in 2019–2020, see Table 4).

Research project expenses are expected to be $150.6 million ($20.3 million higher than in 2019–2020). It is anticipated that parliamentary-funded research project expenses will remain relatively stable and donor-funded research project expenses will substantially increase (47.0%) from $41.7 million to $61.3 million in 2020–2021 as a result of increased programming activity in new, large, donor-funded programs.

The Centre assessed the financial impacts of the global pandemic on the 2020–2021 budget for research project expenses and concluded that no material effect is foreseen. Potential and realized impacts on grantees will continue to be assessed and monitored as the year progresses. Programming plans for 2020–2021 have been adjusted to reallocate funding towards COVID-19 research. A few key initiatives in this field of research were launched at the beginning of the financial year and are yielding good responses from research partners. The Centre is also pursuing potential donor partnership opportunities in the area of COVID-19 research.

Expenses related to enhancing research capabilities have a budgeted 7.9% increase (from $43.3 million in 2019–2020 to $46.7 million in 2020–2021, see Table 4). Project operational expenses are increasing given the planned activity in the new donor-funded programs. In addition, the Centre's budget reflects plans to implement the new strategic plan.

Corporate and administrative services expenses are expected to increase by $1.5 million or 8.1% in 2020–2021 (see Table 4). This increase will support Centre activities and initiatives related to the implementation of the new strategic plan, such as investing in the development and implementation of a data strategy and re-engineering the Centre's business processes. The Centre will continue upgrading systems and technologies that were implemented in recent years to enhance integration between systems and reduce dependencies on manual business processes.

The Centre has also assessed the financial impacts of the pandemic on operational expenses, reflected as enhancing research capabilities and corporate and administrative services. To ensure continuity of operations and deliver on its mandate, the Centre incurred minimal expenses early in the 2020-2021 financial year to equip employees to effectively work remotely. The more significant financial impacts are limited to certain types of expenses, namely travel. Keeping the health and safety of its employees as a primary concern and considering current travel restrictions around the world, the Centre has estimated a reduction of travel expenses between $2.5 million and $4.5 million. The Centre will continue to focus on the health, safety and security of employees as it prepares and implements a plan to restart working from all office locations and will continue to assess financial implications over the course of the year. Decisions will be taken later in the year when the Centre has a more fulsome view of the impacts.

Financial position outlook

Total equity is projected to increase to $20.0 million (see Table 4) at the end of 2020–2021, with the restricted equity remaining stable through the end of the year. The decrease in net investment in capital assets ($0.5 million) will represent the difference between amortization and depreciation expenses and capital asset purchases. The reserved equity may fluctuate throughout the year but will increase to $14.7 million at the end of 2020–2021. 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 $0.4 million by 31 March 2021.

In conclusion, management does not anticipate significant financial impacts on the Centre's assets and liabilities due to the pandemic. Assets mainly consist of cash and cash equivalents; property and equipment; and right-of-use assets that will not devalue due to COVID-19. Similarly, liabilities consisting of accounts payables, deferred revenues, and lease liabilities will not be materially affected by the pandemic.

Financial statements

Lab assistant Ruth Onywera isolates and cultivates the causative agent of contagious caprine pleuropneumonia in Kikuyu, Kenya. Her work is supported by the Livestock Vaccine Innovation Fund, a partnership between IDRC, Global Affairs Canada, and the Bill & Melinda Gates Foundation that supports the development, production, and commercialization of innovative vaccines against priority livestock diseases.

IDRC/BARTAY

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. The audit includes appropriate tests and procedures to enable the Auditor General of Canada 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 of the financial statements with management and the external auditors before recommending their approval to the Board. 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
President

Geneviève Leguerrier
Vice-President, Resources,
and Chief Financial Officer

Ottawa, Canada
24 June 2020

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 Centre), which comprise the statement of financial position as at 31 March 2020, 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 Centre as at 31 March 2020, 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 Centre 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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, except for the change in the method of accounting for leases as explained in Note 3 to the financial statements, 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 Auditor General of Canada

Ottawa, Canada
24 June 2020

Statement of Financial Position

(in thousands of Canadian dollars)
as at 31 March

	2020	2019
Assets		
Current		
Cash (Note 4)	82 380	71 231
Accounts receivable and prepaid expenses (Note 5)	4 087	3 196
	86 467	74 427
Non-current		
Property and equipment (Note 6)	3 404	4 517
Intangible assets (Note 7)	834	1 493
Right-of-use assets (Note 8)	9 893	—
	100 598	**80 437**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 9)	16 415	21 295
Lease liabilities (Note 11)	2 963	—
Deferred revenue (Note 10)	47 156	35 890
	66 534	57 185
Non-current		
Deferred revenue (Note 10)	7 773	7 455
Employee benefits (Note 12)	1 227	1 652
Lease liabilities (Note 11)	7 157	—
	82 691	66 292
Equity		
Restricted (Note 13)	1 275	1 264
Net investments in capital assets (Note 6)	4 238	6 010
Reserved	12 394	6 871
	17 907	14 145
	100 598	**80 437**

Commitments (Note 16)
Contingencies (Note 17)

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

These financial statements were approved by the Board of Governors on 24 June 2020.

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

	2020	2019
Revenues		
Donor contributions (Note 14)	51 637	54 256
Other income	1 191	1 210
	52 828	55 466
Expenses		
Development research programming (Note 21)		
Research projects funded by parliamentary appropriation	88 661	99 084
Research projects funded by donor contributions	41 688	42 976
Enhancing research capabilities	43 322	45 756
	173 671	187 816
Corporate and administrative services (Note 21)		
Corporate services	17 029	16 742
Regional office administration	1 273	1 086
	18 302	17 828
Total expenses	**191 973**	**205 644**
Cost of operations before parliamentary appropriation	(139 145)	(150 178)
Parliamentary appropriation (Note 14)	142 907	140 366
Net results of operations	**3 762**	**(9 812)**

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

	2020	2019
Unrestricted equity		
Beginning of year	—	5 937
Net results of operations	3 762	(9 812)
Net transfers (to) from other classes of equity	(3 762)	3 875
Balance end of year	—	—
Restricted equity		
Beginning of year	1 264	1 255
Net increase	11	9
Balance end of year	1 275	1 264
Net investments in capital assets		
Beginning of year	6 010	7 991
Net decrease	(1 772)	(1 981)
Balance end of year	4 238	6 010
Reserved equity		
Beginning of year	6 871	8 774
Net increase (decrease)	5 523	(1 903)
Balance end of year	12 394	6 871
Equity, end of year	**17 907**	**14 145**

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

	2020	2019
Operating activities		
Receipts from parliamentary appropriation	142 907	140 366
Receipts from donor contributions	62 614	54 256
Receipts from other sources	962	1 180
Payments to grant recipients	(126 035)	(133 779)
Payments to employees	(44 953)	(45 010)
Payments to suppliers and others	(20 376)	(24 137)
Cash flows from (used in) operating activities	**15 119**	**(7 124)**
Investing activities		
Acquisition of property and equipment and intangible assets	(433)	(445)
Proceeds on disposition of property and equipment	—	18
Cash flows used in investing activities	**(433)**	**(427)**
Financing activities		
Payment of lease liabilities	(3 048)	—
Interest paid on lease liabilities	(489)	—
Cash flows used in financing activities	**(3 537)**	—
Increase (Decrease) in cash	**11 149**	**(7 551)**
Cash beginning of year	**71 231**	**78 782**
Cash end of year	**82 380**	**71 231**

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

Notes to the Financial Statements

For the year ended 31 March 2020

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 mandate 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.

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 Centre is exempt from the payment of income tax, as per section 149 of the *Income Tax Act*.

2. Basis of preparation

The financial statements have been prepared by the Centre in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements are presented in Canadian dollars, which is the functional currency of the Centre. All values are rounded to the nearest thousand ($000) except where otherwise indicated.

The financial statements are prepared based on historical cost except for financial instruments at fair value through profit and loss.

The significant accounting policies, estimates and judgements that the Centre applied in preparing these financial statements are in the appropriate section of these notes. These accounting policies have been used throughout all periods presented in the financial statements unless otherwise disclosed.

As part of the preparation of the financial statements and under the Centre's accounting policies described in the notes, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates. These judgements, estimates, and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. Uncertainty about these assumptions and estimates, or changes in the significant judgments made, could result in adjustments to the disclosed amounts of the assets or liabilities in future years.

The judgments, estimates, and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

On 11 March 2020, the World Health Organization declared a pandemic due to the outbreak of the novel coronavirus, COVID-19. The declaration of the pandemic did not have any impact on the financial statements for the period ended 31 March 2020. The Centre did not have to revise judgments, estimates, and assumptions, nor did it have to record any adjustments to assets and liabilities. The pandemic has not had any impact on the Centre's credit, liquidity, and market risks as at 31 March 2020.

3. Application of new accounting standards

On 1 April 2019, the Centre adopted IFRS 16 Leases to replace IAS 17 *Leases* and related interpretations.

IFRS 16 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, and 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 have an optional exemption from the requirements.

The Centre applied IFRS 16 using the modified retrospective approach, under which the standard was applied retrospectively with the cumulative effect of the initial application recognized in opening equity as at 1 April 2019. As such, the comparative information has not been restated and continues to be reported under IAS 17 and is not comparable to the information presented for 2020. The Centre has elected to use the exemptions proposed by the standard on lease contracts for which the underlying asset is of low value, specifically IT equipment, such as multi-function copiers and on lease contracts with a term of 12 months or less. The lease payments of these contracts are accounted for as furniture, equipment and maintenance expenses under corporate and administrative services in the statement of comprehensive income on a straight-line basis over the term of the lease (see note 21). 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.

By electing to use the modified retrospective method, the Centre calculated the lease liabilities using the incremental borrowing rate of between 2.7% to 13.5% depending on the economic environment in which the lease was entered into, the country-specific risk-free rate, and the lease term. The weighted average rate at inception is 4.15%.

As a result of adopting IFRS 16, right-of-use assets and lease liabilities were recognized for IDRC's lease of office space for a total amount of $12.5 million (see notes 8 and 11), with no impact on opening equity. The five office space leases (one at each IDRC office location) were previously classified as operating leases; they are now presented within the statement of financial position as at the date of initial application under non-current assets and liabilities, except for the current portion of the lease liabilities, which is presented under current liabilities. The statement of comprehensive income now includes depreciation expenses, on a straight-line basis, associated with the right-of-use assets related to the lease liabilities. The interest expense related to the lease liability and the depreciation of the right-of-use assets are included in note 21.

The amount of operating commitments is reduced significantly (see note 16) given that the commitments related to leases of office space are now presented within the statement of financial position. The lease liabilities as at 1 April 2019 can be reconciled to the operating commitments as of 31 March 2019 as follows:

Operating commitments as at 31 March 2019	27 977
Non-lease related commitments	(3 114)
Variable lease payments that are not dependent on an index or rate[1]	(11 202)
Effect of discounting operating lease commitments as at 1 April 2019	(1 189)
Lease liabilities as at 1 April 2019	**12 472**

[1] This includes operational expenses such as property taxes, operating costs, and maintenance expenses that are variable payments that are not dependant on an index or rate and therefore are not included in lease liabilities according to IFRS 16.

The following table shows the changes from 31 March 2019 to 1 April 2019:

	31 March 2019	**IFRS 16 adjustment**	**1 April 2019**
Assets			
Current assets	**74 427**	—	**74 427**
Right-of-use assets	—	12 472	12 472
Non-current assets	**6 010**	**12 472**	**18 482**
Total assets	**80 437**	**12 472**	**92 909**
Liabilities			
Lease liabilities		3 306	3 306
Current liabilities	**57 185**	**3 306**	**60 491**
Lease liabilities	—	9 166	9 166
Non-current liabilities	**9 107**	**9 166**	**18 273**
Total liabilities	**66 292**	**12 472**	**78 764**
Equity	**14 145**	—	**14 145**
Total liabilities and equity	**80 437**	**12 472**	**92 909**

4. Cash

Accounting policy

Cash includes only funds on deposit at financial institutions. Cash is carried at fair value and its performance is actively monitored. Cash not immediately required for working capital can be invested as per the Centre's Investment Policy. There are no restrictions on the use of cash.

5. Accounts receivable and prepaid expenses

Accounting policy

Accounts receivable and prepaid expenses are incurred in the normal course of business. The accounts receivable are due upon issuance and the carrying values approximate their fair value due to the short-term nature of these instruments.

Accounting estimates and judgements

These are not considered by management to present a significant credit risk. The Centre did not identify any receivables that are either past due or impaired as at 31 March 2020 (31 March 2019: nil).

Supporting information

	31 March 2020	31 March 2019
Accounts receivable		
Donor contributions	1 754	1 148
Other	1 604	1 446
	3 358	2 594
Prepaid expenses	729	602
Total accounts receivable and prepaid expenses	**4 087**	**3 196**

6. Property and equipment

Accounting policy

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 maintenance expenditures are recognized in the statement of comprehensive income.

Property and equipment are depreciated over their useful lives once the assets are 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 useful economic 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.

Accounting estimates and judgements

The following are key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the financial statements within the next 12 months:

- Useful lives are based on management's best estimates of the period of service provided by the assets.
- The appropriateness of useful lives of the assets is assessed annually.
- Changes to useful life estimates would affect future depreciation expenses and the future carrying value of assets.

Supporting information

	Computer equipment	Office furniture & equipment	Vehicles	Communication systems	Leasehold improvements	Total
Cost						
at 31 March 2019	2 317	808	210	671	10 986	14 992
Additions	97	—	—	—	129	226
Adjustments	(176)	—	—	—	151	(25)
Disposals	(302)	(12)	—	—	—	(314)
at 31 March 2020	1 936	796	210	671	11 266	14 879
Accumulated depreciation						
at 31 March 2019	(1 391)	(690)	(110)	(486)	(7 798)	(10 475)
Depreciation for the year	(250)	(58)	(14)	(73)	(919)	(1 314)
Disposals	302	12	—	—	—	314
at 31 March 2020	(1 339)	(736)	(124)	(559)	(8 717)	(11 475)
Net book value						
at 31 March 2019	926	118	100	185	3 188	4 517
at 31 March 2020	**597**	**60**	**86**	**112**	**2 549**	**3 404**

At 31 March 2020, the Centre had no impairment of property and equipment.

7. Intangible assets

Accounting policy

The Centre's intangible assets consist of software that is not an integral part of any hardware. The software is initially recorded at cost, which includes the cost of material 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 recognized on a straight-line basis over the useful lives of the assets. 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.

Supporting information

	Software
Cost	
at 31 March 2019	12 529
Additions	232
Disposals	(66)
at 31 March 2020	12 695
Accumulated amortization	
at 31 March 2019	(11 036)
Amortization for the year	(891)
Disposals	66
at 31 March 2020	(11 861)
Net book value	
at 31 March 2019	1 493
at 31 March 2020	**834**

At 31 March 2020, the Centre had no impairment of intangible assets.

8. Right-of-use assets

Accounting policy

The Centre leases office space in six countries in the normal course of its business. The average lease term for office space is 5 years. At the inception of a contract, the Centre assesses whether the contract is or contains a lease that conveys the right to use an asset for a period in exchange for considerations. The Centre recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for low-value leases such as IT equipment or leases with a term of 12 months or less. The Centre applies the recognition exemption for these leases where the lease payments of these contracts are accounted for as expenses in the statement of comprehensive income on a straight-line basis over the term of the lease.

The right-of-use assets are measured at cost, which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred and an estimate of the dismantling costs to restore the underlying asset.

Right-of-use assets are depreciated over the lease terms on a straight-line basis. The lease term includes periods covered by an option to extend if the Centre is reasonably certain to exercise the option. At the end of each reporting period, an assessment is performed to determine whether there is any indication that right-of-use assets may be impaired. If any such indication exists, the recoverable amount of the right-of-use asset is estimated, and an impairment expense is recognized if the carrying value of the right-of-use asset exceeds its recoverable amount.

Accounting estimates and judgements

The weighted average incremental borrowing rates applied to lease liabilities vary depending on the economic environment in which the lease was entered into, the country-specific risk-free rate, and the lease term. The incremental borrowing rates represent the applicable rate had the Centre borrowed funds over a similar term, with a similar asset, in a similar economic environment. The rate is calculated using various inputs as the Centre does not borrow.

Supporting information

	Leases
Cost	
at 1 April 2019	12 472
Additions	696
at 31 March 2020	13 168
Accumulated depreciation	
at 31 March 2019	—
Depreciation expense for the year	(3 275)
at 31 March 2020	(3 275)
Net book value	
at 1 April 2019	12 472
at 31 March 2020	**9 893**

The Centre incurred $11 of expenses related to leases of low-value assets for which the recognition exemption was applied. The lease payments of these contracts are accounted for as furniture, equipment and maintenance expenses under corporate and administrative services in the statement of comprehensive income (see note 21). The Centre does not have any short-term leases for which the recognition exemption was applied.

During the financial year, a lease agreement was signed for the Centre's office space in Senegal. The lease commenced on 1 October 2019 for a duration of six years, with an option to renew for an additional six years.

9. Accounts payable and accrued liabilities

Accounting policy

Accounts payable and accrued liabilities are incurred in the normal course of operations. Accounts payable and accrued liabilities are classified as current liabilities if payment is due within one year or less. Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

Supporting information

Accounts payable and accrued liabilities of the Centre principally comprise amounts outstanding for purchases relating to corporate activities, grants due to be paid under agreements, and accruals for employee paid annual leave and overtime. The carrying amounts set out below approximate their fair value due to the short-term nature of these liabilities.

	31 March 2020	31 March 2019
Grant payables and accruals	7 749	10 744
Trade payables	4 514	4 860
Payroll	3 748	5 260
Severance benefit (Note 12)	48	44
Other	356	387
	16 415	**21 295**

10. Deferred revenue

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

Supporting information

	31 March 2020	31 March 2019
Donor contribution funding for development research projects		
Current	47 156	35 890
Non-current	7 773	7 455
	54 929	**43 345**

Of the total deferred donor contribution funding, Global Affairs Canada accounts for $17 193 (31 March 2019: $20 139) of which $15 498 (31 March 2019: $20 139) was received and $1 695 (31 March 2019: $0) is receivable at year-end.

11. Lease liabilities

Accounting policy

Policy applicable from 1 April 2019

Lease liabilities are comprised of amounts owing for right-of-use assets. At the commencement date, the lease liability is accounted for at the present value of the fixed future lease payments. Subsequent to the commencement date, the liability will be remeasured by discounting the revised lease payments using a revised discount rate if the lease term changes. The lease payments are discounted using the Centre's notional incremental borrowing rate.

Policy applicable before 1 April 2019

In the comparative period, leases were classified as finance leases whenever the terms for the lease transferred substantially all of the risks and rewards of ownership to the Centre. All other leases were classified as operating leases. The Centre did not have any finance leases. Operating lease payments were recognized as an expense in the statement of comprehensive income over the lease term. These are included in Accommodations in Note 21.

Supporting information

at 1 April 2019	12 472
Additions	696
Interest expense	489
Lease payments	(3 537)
at 31 March 2020	**10 120**
Lease liabilities included in the statement of financial position	
Current	2 963
Non-current (after one year, but not more than five)	5 349
Non-current (more than five years)	1 808
at 31 March 2020	**10 120**
Maturity analysis of contractual undiscounted cash flows	
Current	3 382
Non-current (after one year, but not more than five)	6 338
Non-current (more than five years)	2 363
at 31 March 2020	**12 083**

12. Employee benefits

Accounting policy

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.

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.

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 annually. The most recent actuarial valuation was completed for the year ended 31 March 2020.

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 annually. The most recent actuarial valuation was completed for the year ended 31 March 2020. The Centre presents the benefit as a current liability.

Accounting estimates and judgments

Employee benefit obligations to be settled in the future require assumptions to establish the benefit obligations. Defined benefit accounting is intended to reflect the recognition of the benefit costs over the employee's approximate service period or when an event triggering the benefit entitlement occurs based on the terms of the plan. The significant actuarial assumptions used by the Centre in measuring the benefit obligation and benefit costs are the discount rate, mortality tables, and inflation rate, which has an impact on the long-term rates of compensation increase. The Centre consults with external actuaries regarding these assumptions annually. Changes in these assumptions impact on the defined benefit obligation.

Supporting information

Pension benefits – head office
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 10.4% of gross salary (31 March 2019: 10.1%). Total contributions of $2 792 (31 March 2019: $3 242) 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.

Pension benefits – regional offices
The Centre's contributions to all regional office plans for the year ended 31 March 2020 were $450 (31 March 2019: $236).

Severance benefit
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 2020	31 March 2019
Accrued benefit obligation – end of prior year	1 696	2 327
Current service cost	34	53
Interest cost	44	41
Benefits paid during the year	(507)	(700)
Actuarial loss	8	—
Other	—	(25)
Accrued benefit obligation – end of year	**1 275**	**1 696**

	31 March 2020	31 March 2019
Current	48	44
Non-current	1 227	1 652
	1 275	**1 696**

Sick leave benefit
The Centre's sick leave benefit which is included in current liabilities as at 31 March 2020 is $603 (31 March 2019: $354).

13. Equity management

The Centre's equity balances are comprised of unrestricted, restricted, net investments in capital assets, and reserved equity. The Centre has an equity management policy in place to ensure that it is appropriately funded, and that the equity position is identified, measured, and managed.

The Centre's objectives, with respect to its equity 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 and expense streams.

Equity is managed through a Board-approved equity policy that 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 equity requirements.

Supporting information

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 are being used to support young researchers in the early stages of their careers, particularly women from Canada, India and the Philippines through fellowships, scholarships or internships.

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).

Reserved equity
The objectives of the reserved equity are 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 intangible assets.

14. Revenue

Accounting policy

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.

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.

Supporting information

A breakdown of the revenue and expense recognition for donor contributions is provided below.

	31 March 2020	31 March 2019
Global Affairs Canada (GAC)	14 560	18 621
United Kingdom Department of Health	6 976	623
Bill & Melinda Gates Foundation	6 284	6 783
Global Partnership for Education Fund (GPE)	5 351	—
Department for International Development (UK Aid)	5 185	13 398
The William and Flora Hewlett Foundation	4 440	7 897
Australian Centre for International Agricultural Research	3 002	1 431
Ministry of Foreign Affairs Netherlands (DGIS)	1 923	2 890
Norwegian Agency for Development Cooperation	365	1 004
Other donor agencies	3 551	1 609
	51 637	**54 256**

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2020 was $4 630 (31 March 2019: $4 617) of which $1 290 (31 March 2019: $1 262) was from GAC.

15. Grant payments

Accounting policy

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.

16. Commitments

Research project-related

The Centre is committed to making payments of up to $197.4 million (31 March 2019: $177.4 million) during the next six 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, $134.8 million (31 March 2019: $126.5 million) is expected to be funded from future parliamentary appropriations and $62.6 million (31 March 2019: $50.9 million) from donor contribution agreements.

	31 March 2020	31 March 2019
Within one year	83 984	73 248
After one year, but not more than five	113 309	104 140
More than five years	106	—
Total future payments	**197 399**	**177 388**

Other

The Centre has entered into various agreements for goods and services in Canada and abroad. These agreements expire at different dates up to 2025. Future payments related to these commitments are as follows:

	31 March 2020	31 March 2019
Within one year	8 170	9 790
After one year, but not more than five	6 172	17 893
More than five years	10	294
Total future payments	**14 352**	**27 977**

As a result of adopting IFRS 16, commitments as at 31 March 2020 are significantly reduced due to the change in the accounting policy where office space leases are now presented within the statement of financial position as lease liabilities (see notes 3 and 11).

17. 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.

18. Related party transactions

Accounting policy

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 10 and 14 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 2020	31 March 2019
Salaries and short-term benefits	1 573	1 485
Post-employment and termination benefits	609	495
	2 182	**1 980**

19. Financial instruments and related risks

Accounting policy

The Centre's financial instruments consist of cash, 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
Accounts receivable	Financial assets at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost

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 2020, the Centre had no impairment of financial assets.

Financial instruments 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. The Centre has various other financial instruments such as cash, accounts receivable, accounts payable, and accrued liabilities which arise directly from operations.

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 extends credit to its recipients and donors in the normal course of business. The maximum exposure is represented by cash, 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 Canadian government entities. Credit risk associated with donor receivables is considered low by management, since most receivables are due from Canadian or foreign government entities that have contracted with the Centre.

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.

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 five 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 20. 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 made only when needed, and releases 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.

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's interest rate risk is not considered significant.

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 significant.

20. Foreign currency translation

Accounting policy

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.

21. Schedule of expenses

	31 March 2020	31 March 2019
Development research programming		
Contributions to institutions and individuals	124 450	136 382
Core salaries and benefits	25 155	24 657
Co-funded project salaries and benefits [a]	5 767	8 006
Professional services	4 770	4 769
Travel	2 771	3 131
Depreciation of right-of-use assets	2 325	—
Accommodations	2 284	4 396
Co-funded project expenses [a]	1 729	2 207
Amortization and depreciation of property and equipment and intangible assets	1 263	1 631
Meetings and conferences	854	804
Interest on lease liabilities	347	—
Other	1 956	1 833
	173 671	**187 816**
Corporate and administrative services		
Salaries and benefits	11 252	10 424
Professional services	1 429	1 481
Depreciation of right-of-use assets	950	—
Amortization and depreciation of property and equipment and intangible assets	942	774
Accommodations	886	1 780
Software expenses	759	989
Furniture, equipment, and maintenance	609	601
Travel	321	550
Interest on lease liabilities	142	—
Other	1 012	1 229
	18 302	**17 828**
Total expenses	**191 973**	**205 644**

[a] *Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of $7 496 (31 March 2019: $10 213), of which $935 comprises travel (31 March 2019: $1 115). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser and knowledge broker. This means that IDRC is not only a research funder offering grants to create new opportunities for research, but it also builds of its recipient capacity throughout the research process.*

22. Subsequent events

The Centre's operations were impacted by the World Heath Organization's declaration of a global pandemic related to COVID-19, to the extent that all operations became virtual in all locations, through working remotely due to public health directives. At this time, the Centre does not foresee significant impact on future revenues and is expecting operational savings due to travel restrictions. The value of the savings cannot be precisely determined given the evolving nature of the pandemic. The Centre is also assessing the impacts on grant recipients and their ability to carry out research activities. Currently, the impacts on research programming activities is deemed to be minimal. Management does not expect other operations to be significantly impacted and closely monitors the situation.

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