



# **Fighting COVID-19** and building better futures in the Global South 2020–2021 at 31 March 2021

Canada's International Development Research Centre (IDRC) invests in high-quality research in developing countries, shares knowledge with researchers and policymakers for greater uptake and use, and mobilizes global alliances to build a more sustainable and inclusive world.

As part of Canada's foreign affairs and development efforts, IDRC champions and funds research and innovation within and alongside developing regions to drive global change. We invest in research to build evidence, inform decisions, and generate opportunities that promote an inclusive and sustainable world.

#### ON THE COVER

Health workers, including a doctor wearing a hazmat suit, check residents' temperatures as they go door to door in the Dharavi slum in Mumbai, India, to conduct a mass screening for COVID-19 symptoms.

### **Contents**

- 2 Our year at a glance
- 4 Message from the Chairperson
- 5 Message from the President
- 6 Fighting COVID-19 and building better futures in the Global South

#### 15 Management's discussion and analysis

- Core business
- Corporate governance
- IDRC's commitment to transparency and accountability
- · Capacity to deliver
- · Risk management
- Results and outlook

#### 34 Financial statements

56 How to reach us



## Our year at a glance

#### Working toward recovery for all

Few people in this world are untouched by COVID-19. When the World Health Organization (WHO) declared it a pandemic on March 11, 2020, the disease had already taken many lives and destroyed livelihoods. Today, both the virus and the measures taken to slow its spread threaten to reverse decades of development progress and our ability to build a more sustainable and inclusive world.

IDRC quickly prioritized a COVID-19 response through new initiatives and integration with our ongoing work. The agility of our employees and partners around the world enabled nimble, meaningful action to help minimize spread of the virus and reduce social and economic harms among vulnerable populations.

Within months of the WHO's announcement, IDRC launched dedicated rapid-response initiatives and joined partners in collaborative responses that are making a difference across the Global South.

#### Rapid response

- Nearly \$55 million invested in COVID-19 programming in more than 65 countries.
- More than 60 IDRC-supported research projects are studying the impact of the pandemic, and developing and testing effective interventions.

Among many other projects, IDRC is funding work to:

- Use artificial intelligence (AI) to predict the transmission of COVID-19 in Africa
- Assess eHealth intervention for LGBTQ2 people
- Improve the health and empowerment of migrants, women, and children
- Prototype an antiviral nasal spray against COVID-19

All of these investments are guided by Strategy 2030, the Centre's new 10-year plan to help build a more sustainable and inclusive world through its programming in Climate-Resilient Food Systems, Global Health, Education and Science, Democratic and Inclusive Governance, and Sustainable Inclusive Economies. Strategy 2030, finalized and launched in 2020-2021, is rooted in commitments to:

- Invest in high-quality research and innovation in developing countries, enabling research organizations and their stakeholders to address both their own and global development challenges.
- 2. Share knowledge for greater uptake and use, increasing the reach and impact of IDRC-supported research in driving solutions, and influencing national, regional, and global development agendas, including by synthesizing and communicating results.
- 3. **Mobilize alliances for impact**, growing international funding partnerships to expand available resources for research for development, and developing enhanced relationships with the private sector to expand the reach of research.

These core objectives helped shape effective COVID-19 initiatives, with investments focused on five priority areas. These priorities are listed below, along with major funding initiatives for each and the amount contributed from IDRC's parliamentary appropriation.

#### PREVENTING SPREAD OF THE VIRUS

## Canadian COVID-19 Rapid Research Funding Opportunity

The Government of Canada and partners are accelerating the development, testing, and implementation of medical and social innovations and tools to counter COVID-19. As part of this inter-agency collaboration, IDRC supports 12 research projects involving Canadian and international researchers. (Contributed \$6.5 million to the \$156 million initiative)

# COVID-19 Initiative on the Health of Refugees and Vulnerable Populations

Eight research teams are working to generate evidence to reduce COVID-19 related health risks for refugee, displaced, and migrant populations during and after the pandemic. Through the COVID-19 Initiative on the Health of Refugees and Vulnerable Populations, research in Africa, Asia, Latin America, and the Middle East is focused on rapid responses and building resilience and preparedness. (Contributed \$6.9 million across IDRC regions)

#### **INFORMING PUBLIC POLICY**

#### **COVID-19 Responses for Equity**

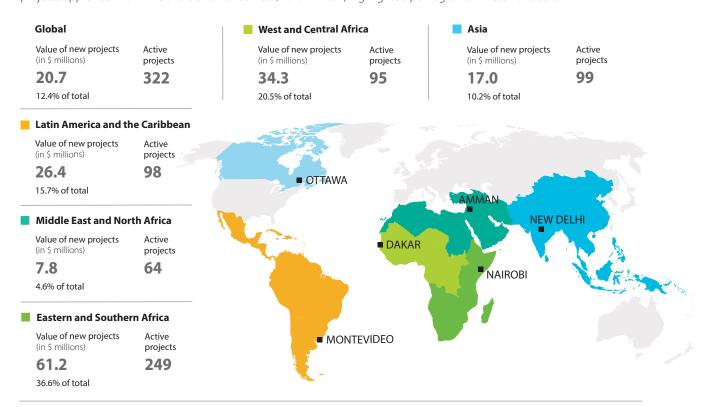
Twenty-four research projects in 42 countries in Africa, Asia, and Latin America aim to understand the socio-economic impacts of the pandemic, improve existing responses, and generate better policy options for recovery. This three-year rapid support initiative focuses on the most affected populations and regions while seeking to advance gender equality and address the ways the COVID-19 pandemic has deepened existing vulnerabilities. (Contributed \$25.2 million to the three-year initiative)

#### **COVID-19 Africa Rapid Grant Fund**

IDRC also partnered with South Africa's National Research Foundation (NRF) to launch 80 activities under the COVID-19 Africa Rapid Grant Fund. Through this fund, African researchers, science communicators, and science advisors in 17 countries are ensuring that knowledge on COVID-19 in Africa is produced, widely shared, and used to make decisions. The COVID-19 Africa Rapid Grant Fund is a partnership between the IDRC; the NRF; the United Kingdom's Foreign, Commonwealth & Development Office; the UK Research and Innovation through the Newton Fund; the Swedish International Development Cooperation Agency (Sida); South Africa's Department of Science and Innovation; and the Fonds de recherche du Québec. (Contributed \$2.9 million to the \$7.2 million initiative)

#### TOTAL IDRC INVESTMENTS ACROSS THE GLOBAL SOUTH

Headquartered in Ottawa, IDRC maintains five regional offices across the Global South. In 2020–2021, the total value of new projects approved with IDRC and donor funds was \$167.4 million, highlighted per region of investment below.



#### STRENGTHENING ONLINE LEARNING

# Global Partnership for Education's Knowledge and Innovation Exchange Observatory (KIX Observatory)

The KIX Observatory on COVID-19 Responses in Africa's Educational Systems tracks information and evidence about policies and practices to support the operation of education systems and the well-being of children whose schooling has been disrupted by the pandemic. (Contributed \$29,400 to the \$500,000 initiative)

IDRC also invested in continuous and online learning and education resiliency in seven projects in Latin America, the Middle East, Asia, and sub-Saharan Africa. (Contributed \$2.3 million)

#### LEVERAGING ARTIFICIAL INTELLIGENCE

#### **Global South AI4COVID Response Program**

The Centre supported a multidisciplinary research fund alongside the Swedish International Development Cooperation Agency (Sida). Nine projects were funded in 19 countries in Africa, Asia, and Latin America and will use Al and data science to combat the negative impacts of COVID-19 and strengthen health systems to improve pandemic response. (Contributed \$5.5 million, with \$5.8 million allocated from Sida)

#### **ENHANCING FOOD SECURITY**

#### Food Systems and COVID-19

Under two initiatives, 15 projects in 19 countries in West Africa and the Sahel aim to alleviate the impacts of the pandemic on food production, distribution, and consumption. (Contributed \$3.6 million)

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These rapid-response initiatives address urgent local needs, focus on the most vulnerable people and communities, and stay true to our commitment to invest in high-quality research and innovation in developing countries. This year's Annual Report shares the story of the launch of these projects and initiatives during 2020-2021, with preliminary findings where available.

#### What's next

There is still much to do. The scale of the COVID-19 challenge requires immense resources and a collective response. Just as we have done numerous times in the past, we will continue to work hand-in-hand with local experts to respond to needs on the ground, share knowledge for greater uptake, and mobilize alliances for impact.

### Message from the Chairperson



IDRC launched a new strategy, Strategy 2030, in early 2021 just as it was becoming clear that the world's poorest and most vulnerable people were being left further behind due to the acute impact of the COVID-19 pandemic combined with the growing effects of climate

change and persistent realities of inequality and exclusion.

Strategy 2030 affirms IDRC's goal of a more sustainable and inclusive world, building on its 50 years of experience helping to advance science and innovation in developing countries and achieve impact at scale. It commits the Centre to focus where development needs and knowledge gaps are greatest, and where IDRC's investments in research, partnerships, and sharing knowledge can make the greatest difference.

The Centre will strengthen its contribution to achieving the Sustainable Development Goals (SDGs) by sharing knowledge, mobilizing alliances, and encouraging uptake of scalable innovations and solutions. Strategy 2030's 10-year timeframe aligns with the SDG's Agenda 2030 and reflects the need for a multi-year commitment to address critical knowledge gaps, find breakthrough solutions, and accelerate progress.

Global collaboration is essential to overcome a pandemic that knows no borders. IDRC is working closely with existing partners and launching new partnerships to identify, implement, and scale-up solutions. This collaborative approach is the foundation for quality research, sound evidence, and effective policymaking that will produce a global COVID-19 response and recovery.

IDRC is serving a critical role as part of Canada's overall COVID-19 response. The Centre is bringing together Canadian and global partners to support research and evidence that is responsive to local needs, concentrated on the most vulnerable, and focused on strengthening long-term resilience and sustainability.

IDRC's innovative, rapid response to COVID-19 and robust Strategy 2030 would not have been possible without the tremendous commitment and leadership demonstrated by IDRC's Board of Governors, IDRC's President and senior management team, and all its employees in Canada and across its five regional offices.

As we look to 2030, the urgency and importance of making the right choices has never been greater. Now more than ever the world needs the kind of research and innovation IDRC has fostered for decades. The Centre's focus on sustainability and inclusion will ensure IDRC remains at the forefront of research for development and a key actor in the effort to achieve the SDGs by 2030.

Margaret Biggs Chairperson

### Message from the President



IDRC's adaptability, responsiveness, and resilience were on full display this past year as the Centre worked collaboratively with partners and researchers around the world to develop innovative solutions to the COVID-19 pandemic and other pressing and persistent challenges.

The Centre worked with partners to adapt, launch, and implement vital research in response to the pandemic and ensure uninterrupted support to researchers during a time of great uncertainty. The result of this work is programming that builds on experience, responds to urgent local needs, and maintains a long-term focus on building resilient, inclusive, and sustainable societies.

For example, researchers in the Democratic Republic of Congo (DRC) funded by IDRC, the Canadian Institutes of Health Research, and the Social Sciences and Humanities Research Council are contextualizing lessons learned from the Ebola pandemic to support the DRC's COVID-19 response. This includes providing expertise to help the government track and analyze real-time data about health service utilization by the public and boosting mental health support to survivors and their families as a critical part of pandemic response and recovery.

This sort of innovation supports informed choices in a rapidly changing environment, while also ensuring those choices consider the short- and long-term needs of communities. It also demonstrates how Canadian partners are collaborating to achieve impact and support Canada's international pandemic response.

The combination of the acute impact of COVID-19 and long-term challenges, such as climate change, that threaten progress against the Sustainable Development Goals (SDGs) shines a light on the vital importance of resilience.

Climate change hotspots — places where strong effects of climate change coincide with large vulnerable populations — have the greatest need for innovative solutions. IDRC is supporting the generation of evidence and tools to enable developing countries to strengthen climate change resilience.

For example, IDRC-supported research has helped Indian cities become more climate resilient in the face of extreme heat, which is affecting health, work productivity, and

livelihoods. Researchers from Integrated Research and Action for Development (IRADe), in collaboration with municipal corporations, developed and implemented Heat Stress Action Plans (HSAPs). They include mapping vulnerable areas, an early warning system, community awareness campaigns, measures for the differential needs of men and women, and specialized public health preparedness training. Over 500 public health professionals were trained in diagnosis, emergency management, and managing illness due to heat stress. The city of Rajkot, India is now issuing HSAPs that consider COVID-19's impacts, enabling governments to uphold their commitment to improve the preparedness of hospitals and health centres.

The three themes of adaptability, responsiveness, and resilience are reflected in our programming, but so too have they been attributes demonstrated by IDRC employees this past year. I am in awe of their unwavering dedication at a time of great uncertainty and stress in their personal lives and when they were adjusting to new ways of working remotely.

IDRC's Board of Governors are a guiding light for the Centre through their leadership, oversight, and strategic guidance. Their expertise was particularly valuable in guiding the Centre through its pandemic response and in finalizing Strategy 2030.

Strategy 2030 will shape our efforts over the next 10 years through an ambitious agenda to invest in high-quality research and innovation in developing countries, share knowledge for greater uptake and use, and mobilize alliances for impact.

A global pandemic, the growing effects of climate change, and worsening inequalities are eroding recent development gains. But through innovative, sustainable, and inclusive solutions and new and strengthened forms of collaboration, we can advance the SDGs and lay the groundwork for a better world that benefits everyone.

Jean Lebel, PhD President

# **Fighting COVID-19** and building better futures in the Global South

The Centre, together with our partners across the Global South, shifted our collaborative work as the COVID-19 pandemic grew over the past year. With rapid Canadian federal funding to stem the spread of the virus and contributions from research funding partners, new initiatives moved in record time from calls for proposals to project launch – bringing new tools, insights, and research findings to efforts to meet the needs of the world's most vulnerable populations in the face of COVID-19.

This rapid response demonstrates the resilience and commitment of our employees, network, and partners around the world. IDRC staff quickly transitioned to working from home to address new, urgent priorities. In particular, without the nimble response from our partners working on the ground with some of the most vulnerable people in the world, none of the impressive stories highlighted here would be possible. In many cases, our research partners shifted their work and responded to our funding calls despite facing additional domestic burdens, including political instability and economic strife.

IDRC has invested nearly \$55 million in COVID-19 research projects, in more than 65 countries, from its parliamentary appropriation. More than 60 IDRC-supported research projects are studying the impact of the pandemic and developing and testing effective interventions.

At the same time, the Centre's ongoing work on priorities, including climate change and gender equity, continues. This research has adapted to the new realities of COVID-19. While this year's Annual Report focuses on new initiatives that respond to the pandemic, IDRC's success in maintaining ongoing research efforts during such a turbulent period speaks to the resilience, responsiveness, and strength of our employees, network, and partner organizations.

This year's COVID-19 response and recovery projects are often led by partners in countries already facing major obstacles to social and economic well-being. Other projects have Canadian researchers in the lead – in close collaboration with our international partners – to support those on the ground in the Global South. An invaluable and mutually beneficial learning exchange results from these North-South partnerships.

In some cases, this work involves leveraging earlier IDRC research for the new reality of COVID-19. For example, rapid diagnostic tests for the Zika Virus led to new research on rapid field tests for the virus that causes COVID-19.

New investments focus on priorities stretching from health protection for marginalized people to supporting adaptations in education, with a special focus on gender equality and inclusion. The following pages feature highlights of initiatives and projects in five key areas: preventing spread of the virus, informing public policy, strengthening online learning, enhancing food security, and leveraging artificial intelligence.

This research is designed to save lives and improve well-being in dozens of countries – now and in the future. Through knowledge mobilization and domestic partnerships, these efforts also provide valuable data and insights to help inform COVID-19 response and future crisis planning in Canada.

Our COVID-19 response aligns with IDRC's newly launched Strategy 2030 – our plan for the coming decade. Strategy 2030 builds on our experience scaling impact, building leaders, and partnering with others to enable high-quality, innovative research. It also reflects the most significant issues to be addressed in achieving the United Nations' Sustainable Development Goals (SDGs). The SDGs share our priorities of addressing the growing climate emergency and inequalities – particularly gender inequalities.

The Centre's pandemic initiatives also reflect the UN Research Roadmap for COVID-19 Recovery. IDRC actively lent its expertise to the development of the Research Roadmap, which calls for national and international responses to be based on rigorous, localized research that gives voice to marginalized populations.

IDRC's COVID-19 response is a core part of the Government of Canada's international efforts in addressing the pandemic. Our response also reflects Canada's Feminist International Assistance Policy by supporting gender equality and the empowerment of women and girls as an effective way of reducing poverty and improving everyone's chance at success.

The COVID-19 pandemic threatens many important development gains. The world's most vulnerable are at even more risk of being left behind.

It is within this context that our ambitious strategy for the next 10 years – with its overarching goal of making the world more sustainable and inclusive – will continue to unfold and advance.

# Preventing COVID-19 virus spread among marginalized and at-risk populations

As IDRC shifted much of its expertise, resources, and networks to COVID-19 response in the early weeks of the pandemic, supporting marginalized and at-risk populations continued to be our top priority.

# Mobilizing action through rapid research funding

Can certain types of blood pressure medication reduce the danger in high-risk COVID-19 patients? How can strategies to control malaria be tailored to the context of the pandemic? What are the specific challenges for diverse LGBTQ2 populations? And how does protecting health workers vary from one part of the world to another?

These are just some of the questions being addressed by 12 research projects funded through the Government of Canada's COVID-19 Rapid Research Funding Opportunity, launched in May 2020. This initiative is coordinated by the Canadian Institutes of Health Research in partnership with IDRC and several other Canadian funding agencies.

#### **Diverse diagnostics**

Fast, accessible testing for Canada, Colombia, and Ecuador – As the pandemic spread, the critical need for a versatile strategy for diagnostics became clear. Researchers at the University of Toronto have adapted a previously designed portable glucose meter as a 15-minute COVID-19 test. Implementation and testing are happening at small businesses in Canada and, through international partnerships, with hospital workers and others in Colombia and Ecuador.

Supported by IDRC, a research team led by Assistant Professor Keith Pardee at the University of Toronto has adapted an over-the-counter glucose meter to detect COVID-19.

When the COVID-19 pandemic began, Prof. Pardee's team considered adapting their *lab-in a-box* platform to increase the capacity to detect the novel pathogen. Their previous work, funded by IDRC and the Canadian Institutes of Health Research to detect Zika virus infections, enabled the team to modify a widely available and low-cost glucose meter to detect the genetic material of the coronavirus.

The test kit is small, portable, and gives instant results. If successful, it would simplify detection of COVID-19 infections in workplaces, schools, and communities –



Evan Amalfitano, PhD candidate in Professor Keith Pardee's lab at the University of Toronto, and the glucose meter used to detect COVID-19 and other diseases.

enabling more rapid public health response. Drawing upon the work of research teams based in Brazil, Ecuador, and Colombia, this diagnostic tool may have a significant role in controlling the COVID-19 pandemic in Latin America, other regions in the developing world, and Canada.

"Support from IDRC was critical for our group to quickly launch the COVID-19 diagnostics effort in the lab and has been instrumental in establishing a global network of collaborators for trials of the technology."

— Keith Pardee, PhD

#### **Prevention tools**

Antiviral nasal sprays to prevent infection in patients and healthcare providers – Led by the University of Alberta, this project is optimizing and prototyping development of an antiviral pharmaceutical preparation called RespVirex to protect healthcare workers and high-risk patients from COVID-19. A nasal spray can be dosed conveniently by healthcare workers as needed during respiratory virus seasons or a pandemic. The pharmaceutical formulation is being developed in Canada, while its ability to inhibit SARS-CoV2 and other respiratory viruses will be evaluated at the Institut Pasteur in Dakar, Senegal.

#### **LGBTQ2** solutions

Effect of eHealth intervention on knowledge, behaviours, and mental wellness of LGBTQ2 people - Marginalized populations around the world bear a disproportionate burden of COVID-19 morbidity and mortality. This is particularly true for LGBTQ2 groups facing high rates of physical and mental health challenges, as well as sociostructural barriers that greatly increase their vulnerability. To address these challenges, the #SafeHandsSafeHeart initiative adapts, tests, and disseminates a communityengaged eHealth intervention with diverse LGBTQ2 populations in India, Thailand, and Canada to reduce their risk of COVID-19 infection. Led by researchers at the University of Toronto, this work aims to better inform health system and public health responses to support engagement of LGBTQ2 and other marginalized populations in the pandemic response.

The project's principal investigator in Toronto, Notisha Massaquoi, works with members of the racialized transgender community and says congregate living is one of the factors putting them at greater risk of COVID-19 infection. As well, social isolation leaves them cut off from COVID-19 information specifically designed for LGBTQ2 people. Economic hardship adds to the risks.

"Quite a number of the women that I've spoken to are in sex work where it's a choice: 'I engage in practices that will keep me safe from COVID or I engage in practices where I can actually make a living and feed myself and house myself.' So you have to make really tough choices there."

— Notisha Massaguoi, PhD

#### Risk assessments

Understanding risk factors and long-term impacts of COVID-19 – Researchers at McMaster University are examining factors that increase or reduce the risk of COVID-19 infection, in addition to the long-term impacts of COVID-19 on respiratory and cardiovascular health. This project is studying 35,000 adults from 13 countries who have already been recruited into the Prospective Urban Rural Epidemiology Study, an international study assessing the health of 200,000 people from 28 countries worldwide. Clinical examination and patient monitoring aims to assess the impact of COVID-19 on respiratory function, as well as on the risk of longer-term cardiovascular or lung conditions. The study findings will provide valuable knowledge on the risk factors of COVID-19 and the potentially harmful long-term consequences of the disease.





# Corona diaries of the urban poor — supporting local mobilization

In responding to important justice and social urgencies during the pandemic, IDRC and its partners are recording grassroot perspectives at a time of crisis and supporting community responses in various ways.

In Lagos, our partners with Justice & Empowerment Initiatives organized a public information and awareness campaign about COVID-19 and documented quantitative impacts and stories – Corona diaries of the urban poor – while also providing paralegal support in the face of unjust treatment related to lockdown measures, evictions, and demolitions. In the favelas of Rio de Janeiro, community mobilizers with iBase organized a rights awareness campaign – É su direito – to ensure community members could access social supports they would have otherwise been denied. In Nairobi, our partner Akiba Mashinani Trust has supported the redevelopment of the Mukuru informal settlement – a response to COVID-19 that builds on previous IDRC-supported research and stands to benefit upwards of half a million residents.

## Improving the health and empowerment of migrants, women, and children in Guatemala

Led by Centro de Estudios para la Equidad y Gobernanza en los Sistemas de Salud (CEGSS), this project studies the effects of COVID-19 on the health of refugees and Indigenous populations in parts of rural Guatemala, where refugees have migrated into Indigenous communities. Some migrants, deported in recent years from Mexico or the Unites States, are choosing to stay and live in these Indigenous communities rather than return to their countries of origin. This is leading to tensions and hostilities within already economically vulnerable communities, and now the COVID-19 pandemic is exacerbating vulnerabilities of women and their families in host communities, as well as among refugees and migrants.

This project is expanding the Network of Community Health Defenders, which monitors healthcare services and policies, from 30 to 35 rural Indigenous municipalities. The Defenders will assess health needs, perceptions of COVID-19 risk of infection, and related fears of refugees, migrants, women, and children, and the barriers they experience to access available public services. Based on the findings, and through a community participation approach, the researchers will design policy engagement strategies and specific programs for these vulnerable populations, emphasizing the empowerment of women.

# Informing COVID-19 public policy through research

IDRC's rapid response to COVID-19 includes policy-relevant research to help mitigate socio-economic impacts of the pandemic and better prepare developing countries for future crises.

#### Responses for Africa, by Africa

#### **COVID-19 Africa Rapid Grant Fund**

In parallel with global calls for research proposals to address COVID-19 response and recovery, this initiative ensured funding was also available for African researchers, science communicators, and science advisors to generate evidence and perspectives in 17 countries across the continent. IDRC worked with South Africa's National Research Foundation to quickly assemble a coalition of partners, including funders such as the Fonds de recherche du Québec and UK Research and Innovation, to launch the \$7.2 million COVID-19 Africa Rapid Grant Fund. Several of Africa's Science Granting Councils were closely involved in defining priority areas for the call. More than 500 applications were received and 75 were selected for funding as of August 2020 in three areas: research, science journalism and communication, and science advice – of which 36 are led by women scientists.

"It is critical that COVID-19 research be conducted in Africa and by African researchers in order to find fit-for-purpose solutions to this devastating situation."

— Jean Lebel, IDRC President

In October 2020, work began for African researchers, science communicators, and science advisors in 17 countries.

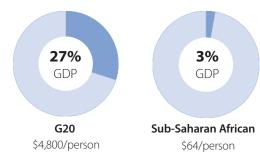
# Improving social, economic, and health equity

#### **COVID-19 Responses for Equity**

IDRC is helping inform policy and practice in developing countries, support southern leadership around COVID-19 response and recovery, and drive equitable solutions for women and vulnerable populations. This three-year, \$25.2 million rapid support initiative focuses on affected populations and regions in 42 countries while seeking to advance gender equality and address the ways the COVID-19 pandemic has deepened existing vulnerabilities. The research centres on economic policies to mitigate impact and enhance recovery; efforts to protect informal business,

small producers, and women workers; and democratic approaches to promote accountability, inclusion, and civic engagement.

#### The COVID-19 response disparity



Research by Overseas Development Institute and IDRC

While G20 governments are spending on average 27% of their GDP on COVID-19 response packages, sub-Saharan African countries are spending only 3% of GDP. This amounts to approximately \$4,800 per person in G20 countries, compared to just \$64 per person in sub-Saharan Africa.

#### What the research tells us so far:

- Better financing and improved policies and protections for vulnerable women in the informal sector are critical to mitigate the social and economic impacts of the pandemic.
- Investing in health systems and healthy communities builds pandemic resilience.
- Partnerships between local researchers and practitioners help deliver policy-relevant data and analysis to inform responses in real time.

#### **Informal workers and COVID-19**

Evidence-based responses to the crisis at the base of the economic pyramid – The COVID-19 pandemic and associated lockdowns have had a deep impact on the livelihoods and health of poor workers, especially women, in the informal economy. More than 90% of workers in developing countries are informally employed, including domestic workers, home-based workers, street vendors, and waste pickers. This project – led by Women in Informal Employment: Globalizing and Organizing (WIEGO) – includes a large-scale survey of informal workers spanning 10 cities in Ghana, India, Mexico, Peru, Senegal, South Africa, Tanzania, and Thailand. The research will inform policies and actions needed to address the impacts of the pandemic.



Some workers pawn economic assets to get by, further hurting their chances of recovery. This is especially the case where informal money lenders exploit workers' desperation by luring them into high-interest, predatory loans that require collateral.

"Money-lender agents visited the informal garment community and offered informal loans, such that informal garment workers pawned their sewing machines as collateral. Borrowers pay 100-200 Baht (\$4-\$5) a day in interest. The loan sharks confiscated the sewing machine upon default of the payment."

— a home-based worker in Bangkok

#### What the research tells us so far:

- A sudden and massive drop in earnings had severe consequences for workers and their households.
- The reach of emergency cash transfers and food relief in the initial months of the crisis was limited and uneven.
- Many women informal workers saw greater increases in their care responsibilities compared to men, which in turn adversely affected their availability for paid work and hence their earnings.

With the drop in earnings and lack of government support, workers resorted to coping strategies that erode any assets they may have accumulated, leaving a long road to recovery ahead.

# Strengthening and leveraging online learning during COVID-19

#### Solutions for today and tomorrow

The unfolding COVID-19 pandemic has forced the wholesale shuttering of face-to-face education facilities and nearly all education-related services in many developing countries. Unsurprisingly, most education systems are not ready for this sudden and traumatic shift. There is an urgent need to strengthen skills and technology to create resilient learning systems. Educators who are better prepared to face this new reality will provide higher quality learning environments for their students, regardless of the place and platform through which schooling takes place.

Supporting the transition to online learning during times of crisis in Lebanon and Tunisia – This research project is implementing an online course in learning and assessment pedagogies to strengthen skills for educators, curriculum specialists, and teacher coaches with little or no prior experience in online course delivery.

In 2019 and 2020, Lebanon entered a series of crises – economic, sanitary, social, and political. In addition, teachers must now educate online because of COVID-19 – a significant challenge given the country's infrastructure and technological obstacles. With support from IDRC, the Ministry of Education and Higher Education is providing public-school teachers and students with digital learning resources and a learning management system, along with the training required to adapt.

Diana Amin, a mother of three and a math, physics, and chemistry teacher at the Intermediary Public School of Jbeil, had very little preparation for online teaching. Through the *Online Learning and Assessment Pedagogies* course, Ms. Amin and her colleagues have learned to maximize learning from home by engaging their students using their surroundings.

#### Strengthening school leadership to improve resiliency –

Led by the Foundation for Information Technology
Education and Development in the Philippines, this initiative
aims to improve the quality and equity of learning and
wellbeing of children in the Global South. Using data-driven
decision-making, this work identifies the extent to which a
blended online and offline approach helps bring about
pedagogic change. Participating countries in sub-Saharan
Africa share a concern with low levels of attainment among
sub-groups of students, and a desire to strengthen digital
practices in education.

#### **Enhancing refugee education**

In line with Canada's new Together for Learning campaign to support quality education and lifelong learning for vulnerable children and youth who are refugees, forcibly displaced and living in host communities, IDRC has initiated research to equip students with digital skills.

Empowering Palestinian girls through digital learning innovations in STEM fields – This project, implemented in collaboration with Birzeit University in the West Bank and Gaza, helps teachers adopt new curriculums and learning paradigms, supports the development of quality open education resources in Arabic, and leverages digital tools – making it easier for Palestinian students to collaborate, innovate, and code. Despite the challenges brought about

by COVID-19, the research team has been able to design and implement online versions of capacity-building programs for schoolteachers and principals and provide support for their implementation.

# Gathering evidence to drive short-term solutions and long-term change

The Global Partnership for Education Knowledge and Innovation Exchange (KIX) aims to bridge the knowledge gaps that undermine education systems in developing countries. One specific initiative, the KIX Observatory on COVID-19 Responses in Educational Systems in Africa, aims to strengthen resilience of education systems in sub-Saharan Africa. It collects, synthesizes, and mobilizes evidence about COVID-19 responses in the education systems of 40 member countries of the Global Partnership for Education, where the pandemic threatens to erase recent gains in education access and quality. The Observatory gathers evidence and facilitates learning across countries about the operation of education systems and the wellbeing of girls and other vulnerable groups who have suffered not only a loss of learning, but also increases in abuse, early marriage, and pregnancy. Early recommendations include:

- Professional development for teachers in distance education
- Psycho-social support to teachers
- Guarantee of teachers' safety as front-line workers
- Reopening schools in a phased and safe manner
- Collection of disaggregated data on learners' risks by age, sex, gender, disability, and other gender-related indicators
- Gender-responsive COVID-19 education response plans

# **Enhancing food security** during COVID-19

The COVID-19 pandemic has generated numerous challenges for the food and nutrition security of the world's most vulnerable populations. In many regions, national lockdowns and social distancing measures adopted to control the spread of the virus are constraining agricultural production and supply chains and threatening the livelihoods of large segments of the population. IDRC's rapid response to the food and nutritional security crisis associated with COVID-19 aims to address current needs while also helping low- and middle-income countries respond more efficiently to potential future shocks.



#### Addressing future shocks in sub-Saharan Africa

Five new research initiatives under IDRC's Rapid Response Initiative are assessing COVID-19's impact on food systems and informing responses to alleviate the effects of future crises in sub-Saharan Africa – particularly in West Africa and the Sahel. Areas of focus include assessing the impact of responses on food systems and livelihoods by governments in the Sahel, the political economy of African food systems, and opportunities for reconfiguring unequal gender relations in Burkina Faso and Senegal.

#### Investing in knowledge

Catalyzing change for healthy and sustainable food systems: new IDRC and the Rockefeller Foundation research partnership

In November 2020, the Rockefeller Foundation and IDRC launched a new five-year, \$11.1-million research funding partnership. The goal of "Catalyzing change for healthy and sustainable food systems" is to improve quality of life for low-income and vulnerable people in East Africa who face the double burden of malnutrition and environmental threats like climate change. The partnership aims to improve understanding of the complex interplay between the market competitiveness of different foods, individual and household vulnerabilities, and drivers of food-purchasing habits.

# Leveraging artificial intelligence in COVID-19 response and recovery

Through IDRC's efforts, Canada plays a leadership role in leveraging artificial intelligence (AI) to support COVID-19 response and recovery efforts. From helping predict COVID-19 outbreaks to assisting victims of gender-based violence during lockdowns, the \$11.3 million Global South AI4COVID Response Program is exploring the capacity of AI to address many pressing challenges resulting from the pandemic.

Co-funded by IDRC and the Swedish International Development Cooperation Agency, this initiative supports multi-disciplinary research on developing and scaling responsible and evidence-based AI and data science approaches.

The nine projects in Asia, Latin America, and sub-Saharan Africa aim to deepen the understanding of governments, Al practitioners, and the public on the use of Al and data science to support COVID-19 response and recovery. A priority is to ensure that the projects encourage participation of women and other diverse voices and are gender responsive, culturally appropriate, and based on local needs and contexts. The initiative also aims to inform policies that build trust in Al and data science responses to epidemics and mitigate potential harms, while strengthening the capacity of health systems to respond to epidemics using Al and data science techniques.

Using Al mobile reporting tool and data science to mitigate gender-based violence and security challenges in Nigeria – The Social Science Academy of Nigeria is leveraging data science and Al tools to better understand how COVID-19 aggravates gender-based violence in Nigeria, and how to support women who are at the greatest risk.

#### Using AI to predict the transmission of COVID-19 in Africa

– York University in Canada has joined forces with epidemiologists, modelers, physicists, statisticians, software engineers, and data scientists across Africa to integrate the power of predictive modelling and simulations. As a result, a comprehensive COVID-19 monitoring dashboard has been developed to predict epidemic trends and inform decision-making and real-time management across Africa. These are the official dashboards used by policymakers in Botswana, Nigeria, Eswatini, Mozambique, Namibia, Zimbabwe, and South Africa – with more countries to be added.

Framework for threat assessment and containment of COVID-19 while mitigating impact to women, children, and underprivileged groups – This project from the University of Peradeniya in Sri Lanka will use an Al framework to assess and contain COVID-19 and future epidemics while mitigating the socio-economic impact to women, children, and underprivileged groups in Malaysia and Sri Lanka.

The initiative will help meet the United Nations' Sustainable Development Goal of strengthening the capacity "for early warning, risk reduction, and management of national and global health risks."

#### Attracting attention, building momentum

This is the largest initiative focused on supporting COVID-related Al interventions in low- and middle-income countries. It highlights the significant interest in leveraging Al capacity in Africa to find solutions. UN Global Pulse is acting as a complementary partner for the initiative to support dynamic engagement with governments and connect research policy and evidence with the UN system, helping to connect the initiative to the UN Agenda 2030.

#### The difference it makes

The COVID-19 pandemic threatens to reverse recent progress in gender equality and inclusion, climate change, economic development, health equity, and other urgent social challenges in emerging countries. The work of IDRC and our partners in 2020-2021 helps reduce this threat in many areas.

Early research findings are already shaping public policy in response to the pandemic. New solutions are better equipping front-line teams to meet the needs of those at highest risk for infection and experiencing other hardships because of the pandemic.

The experience of the past year demonstrates IDRC's inherent capacity for rapid response during a global crisis. It reinforces the Centre's agility in collaborating with partners around the world to address unforeseen threats. Our early findings reinforce the need for much more to be done.

In some cases, COVID-19 projects leverage earlier IDRC research outcomes – including the development of new strategies and tools – to respond to the current pandemic. In this way, IDRC's COVID-19 response demonstrates the potential for our research each year to be adapted and adopted later, perhaps years down the road, in response to new challenges.

Importantly, many of our funded projects are designed not only to help communities, countries, and regions recover sustainably and inclusively from COVID-19, but also to better respond to future crises. They are central to Canada's global COVID-19 response and commitment to reducing poverty, gender inequality, and other barriers to social and economic wellbeing – now and in the future.

The results of COVID-19 research projects launched in 2020-2021 will continue to be analyzed, reported, and widely shared over the coming year. The core objectives of IDRC's plan for the coming decade, Strategy 2030, will shape this work – investing in high-quality research and innovation, sharing knowledge for greater uptake and use, and mobilizing alliances for impact.

The impacts and outcomes of the Centre's COVID-19 research projects will contribute substantially to the future work of Strategy 2030, and help IDRC and our partners build stronger economies and societies in the Global South over the coming years.



A laboratory technician, working in a biosafety cabinet, prepares samples taken from patients with symptoms of COVID-19 for a diagnostic test at the Institute for Health Research, Epidemiological Surveillance and Training (IRESSEF). It is the second laboratory, after the Pasteur Institute, authorized to carry out diagnostic tests for COVID-19 in Senegal.

- **16** Core business
- 17 Corporate governance
- 20 IDRC's commitment to transparency and accountability
- **21** Capacity to deliver
- **24** Risk management
- **26** Results and outlook

# 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 March 31, 2021.

This discussion should be read alongside the financial statements provided on pages 34-55, 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.

Throughout the 2020-2021 financial year, IDRC conducted all operations virtually due to the COVID-19 pandemic. Information on the impacts of the pandemic on the Centre's operations, risks, and financial results is reflected throughout the MD&A and in the notes to the financial statements.

All operations over the past year were guided by IDRC's new Strategy 2030 – a bold and ambitious agenda that affirms the Centre's commitment to support more sustainable and inclusive societies in the developing world. IDRC is doing this by:

- investing in high-quality research and innovation,
- sharing knowledge to inform local and global action, and
- · mobilizing global alliances for impact.

### Core business

As a Crown corporation and part of Canada's global affairs and development efforts, IDRC invests in high-quality research in developing countries, shares knowledge with researchers and policymakers for greater uptake and use, and mobilizes global alliances to build a more sustainable and inclusive 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 address domestic development challenges and contribute to broader global solutions;
- facilitates the use and uptake of research, and encourages dialogue and learning between researchers, policymakers, and private sector actors;

- synthesizes and shares results from across its research investments to inform local, regional, and global agendas; and
- engages, convenes, and collaborates with research organizations and funding partners throughout the innovation process.

IDRC receives 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.

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.

At 31 March 2021, IDRC had 30 active donor contribution agreements with 16 different donors. The value of donor contributions was \$322 million.

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 broaden the reach of research results, increase financial resources for research institutions, and bring innovations to scale to address the needs of developing countries.

For active grants to recipients at 31 March 2021, the average grant size is \$562,760 for an average duration of 36 months.

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

As outlined in the *IDRC Act*, the advisory and knowledge brokerage functions of the Centre are central to its business and overall corporate performance. Knowledge brokerage functions also strengthen the research capabilities of IDRC's research grant recipients. This component of IDRC's work forms part of our value to recipients and distinguishes us

from other development assistance funders. IDRC believes that, where possible, providing local support to enhance research capabilities is best. As such, IDRC operates five regional offices across the developing world (see page 3) where our employees collaborate with research institutions to advance initiatives.

### 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*, the IDRC General By-Law, and governance best practices. The Board's Charter details its roles and responsibilities, composition, and organization.

The key responsibilities of IDRC's Board are to:

- Provide leadership over the Centre's strategic direction;
- Approve the Centre's strategic plan and monitor corporate performance against the approved plan;
- Review and approve the Centre's annual priorities, plans, budgets, and its annual reports;
- 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 of the Chief Executive Officer and Board appointed officers and receive regular updates concerning succession plans for senior staff of the Centre; 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 practise transparency in reporting and responding to requests for information from the Canadian government and the public;

- 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 *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. The Centre is directed by a Board of Governors of up to 14 members, including the Chairperson and President.

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 2021)

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** 

Mont Tremblant, Québec

STEPHEN TOOPE

Cambridge, United Kingdom

BARBARA TRENHOLM

Fredericton, New Brunswick

#### **Function of the Board**

The Board held three meetings in 2020–2021.

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 2021:

The Executive (Governance and Nominating) Committee (convened seven times in 2020–2021) 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, Gilles Rivard, and Barbara Trenholm.

The Finance and Audit Committee (convened 10 times in 2020-2021) 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 five times in 2020-2021) supports the Board in fulfilling its ongoing responsibilities in terms of setting strategic priorities, annual planning, and performance monitoring.

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

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

The **Human Resources Committee** (convened three times in 2020-2021) 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: Gilles Rivard (Committee Chairperson), Mary Anne Chambers, Akwasi Aidoo, Jean Lebel, and John McArthur.

John McArthur became a Committee member effective on 1 September 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 2021)

JEAN LEBEL, President

JULIE SHOULDICE, 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 2021)

ANINDYA CHATTERJEE Asia Regional Office

JULIE CROWLEY West and Central Africa Regional Office

FEDERICO BURONE

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'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 conducts 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, equity, and inclusion
- Mental health and workplace well-being



#### **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**

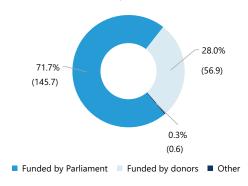
- Annual Report
- Quarterly Financial Reports
- Contributions to:
  - Statistics Canada reporting on social and natural science expenses
  - The International Aid Transparency Initiative
  - Official Development Assistance Accountability Act
- Public Accounts of Canada

#### **Capacity to deliver**

#### **Financial resources**

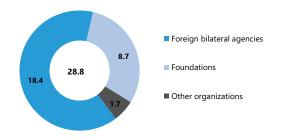
The Centre derives the majority of its revenues from a parliamentary appropriation and from donor contributions received pursuant to co-funding agreements. The parliamentary appropriation is the most significant and allows the Centre to deliver its mandate. It includes a recurring portion and a non-recurring portion that fluctuates as parliamentary transfers are agreed upon with other federal government organizations. The total amount of the parliamentary appropriation for 2020–2021 was \$145.7 million, which represents 71.7% of IDRC's revenues and 3% of Canada's international assistance envelope.

2020–2021 Revenue by source (\$ millions)



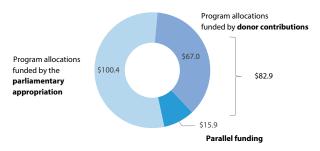
Contributions arising from co-funding agreements are accounted for as donor contribution revenues. In 2020–2021, the value of signed multi-year co-funding agreements was \$28.8 million.

2020–2021 Co-funding agreements by donor type (\$ millions)



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 2020–2021, \$15.9 million of parallel funding was generated, bringing total contributions to IDRC-funded projects to \$82.9 million.

2020–2021 Total contributions to IDRC-funded projects (\$ millions)



#### How we work

The Centre developed a roadmap of specific actions to reach its goals. Key components over the course of the review period include the Agenda for Action and, as of February 2021, IDRC's Strategy 2030.

#### Investing in our people

People are at the heart of IDRC's global success. At no time has this been more apparent than during the COVID-19 pandemic. The past year was a time of rapid transition for our staff and partners around the world. Because of their agility and commitment, the Centre was able to quickly respond to urgent needs caused by COVID-19.

To ensure a successful transition to new ways of working and connecting, IDRC acted quickly and diligently to provide meaningful and ongoing support to employees in the areas of teleworking, mental health, and home office ergonomics.

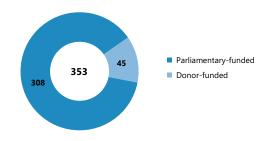
At the same time, several of the Centre's work units underwent organizational transformation to be better positioned to deliver on Strategy 2030. This includes Human Resources, which became the People and Corporate Culture Division. This redesigned unit was heavily involved in supporting these transformations, including organizational design, appropriate consultation with stakeholder representatives, change management, and individual and group employee support.

Also during 2020-2021, a new Diversity, Equity, and Inclusion committee embedded in the Centre's Transformation Agenda was created under the sponsorship of the President to ensure advancement of this important organizational priority.

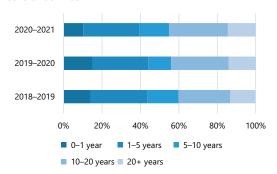
Over the course of the past year, the Centre and its Mental Health and Wellbeing Committee devised innovative approaches to ensure a safe and supportive workplace for employees within the virtual work context, which included the creation of a virtual café space for Centre employees to exchange and share experiences on navigating challenges during the pandemic. The Centre and the committee visibly supported Mental Health Week 2020 with support messages on IDRC's intranet and by promoting resources available to support mental health.

The Committee, with the support of the People and Corporate Culture Division, also offered virtual workplace mental health lectures on best practices in breaking down stigma and creating a psychologically healthy and safe work environment.

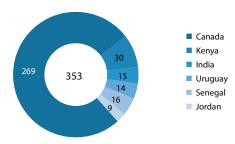
#### IDRC's workforce by funding source



#### Years of service



#### IDRC's workforce by location



#### Workforce diversity

- **64.8%** women
- 26.7% members of visible minorities
- 0.9% Indigenous people
- **2.6%** persons with disabilities

(as at 31 December 2020, excludes locally hired staff in regional offices)

#### Working alongside the private sector

IDRC's Strategy 2030 sets out an ambitious agenda to continue to support sustainable and inclusive societies in the developing world by investing in high-quality research and innovation, sharing knowledge to inform local and global action, and mobilizing global alliances for impact. IDRC developed a Private Sector Engagement (PSE) Strategy to achieve the objective of mobilizing global

alliances. This strategy, approved by the Board of Governors in November 2020, positions the Centre to:

- work with private sector actors to strengthen their contribution to global development,
- build an enabling environment for private sector actors to take positive action on the Sustainable Development Goals, and
- attract private sector investment for development solutions with impact.

IDRC's vision of working with the private sector is to "harness and amplify the contribution of private sector actors towards building a more inclusive and sustainable world." The intended outcomes include a robust evidence base of new actionable research at the intersection of private sector priorities and the global development agenda; a strong enabling environment, including policies and regulations that influence private sector actors towards positive action on the SDGs; and increase resource commitment for the adoption and scaling of sustainable solutions. The PSE Strategy focuses on how IDRC can meaningfully engage private sector actors in research as collaborators, audiences, and implementers – not simply as co-funders. It specifies four distinct approaches or typologies for IDRC to engage with the private sector: facilitate sector-level research; drive the development of new solutions; inform policy agendas; and convene cross-sector partners.

For example, a major focus for the Sustainable Inclusive Economies Program will be supporting the ecosystem for purpose-driven businesses and impact investing with a gender lens. Projects being developed to support this goal include:

- Supporting tools for businesses and impact investors to better manage and enhance their impact with a gender lens, and for business action towards the SDGs;
- Fostering the effectiveness of technical assistance and acceleration for gender-smart businesses; and
- Informing policies, such as public procurement and new legal forms for business incorporation, and national strategies to expand the impact economy.

#### Communicating strategically

Outreach and engagement approaches shifted significantly in response to the COVID-19 pandemic. With restrictions on in-person events, conferences, and meetings and travel, engagement moved to virtual environments. The longstanding shift towards increased digital content accelerated.

The COVID-19 pandemic made it more important than ever for audiences to understand the power of research and evidence to overcome pressing and persistent challenges and that the unique needs, challenges, and solutions in

developing countries must be included in global dialogues about how to best address the pandemic. This message was underscored while IDRC marked its 50th anniversary in 2020, which included video messages from Canada's Minister of International Development Karina Gould and United Nations' Deputy Secretary-General Amina Mohamed.

IDRC organized and participated in virtual events and conferences that convened important actors as part of the COVID-19 response, including a COVID-19 in Africa event, Canadian Science Policy Conference 2020, the International Network for Government Science Advice Global Week of Dialogue, and virtual editions of longstanding conferences such as the Conference of Montreal and the Conseil des relations internationales de Montréal. Virtual events helped raise the profile of key IDRC initiatives such as the Artificial Intelligence for Development initiative and the Knowledge and Innovation Exchange. IDRC's first-ever virtual Annual Public Meeting was held in December 2020. The format enabled global participation in the event, resulting in IDRC's bestattended Annual Public Meeting and underscoring the format's value beyond the pandemic period.

The launch of IDRC's Strategy 2030 presented an opportunity to engage key stakeholders. The results were positive. During the six weeks following its launch, the Strategy 2030 landing page on idrc.ca received more than 4,000 visits. IDRC and regional-level newsletters were collectively opened more than 4,500 times – the highest rate since the Centre began tracking three years ago. On social media, nearly 300 Twitter posts used the #Strategy2030 hashtag, potentially reaching nearly 500,000 users. A new corporate video released as part of the Strategy 2030 launch was viewed more than 3,400 times in its first six weeks.

IDRC introduced a new logo alongside Strategy 2030. The logo uses several colours to represent the Centre's connected principles of partnership, diversity, and inclusion, in addition to the wide range of research activities and solutions at the core of our work. The maple leaf defines the Centre as proudly Canadian.

IDRC also launched a new Communications Strategy that provides a framework for IDRC's communications capacity to support the implementation of Strategy 2030. It is based on a vision of compelling communications for impact and a mission to fulfill that vision by analyzing the landscape, aligning outreach, advising on best practices, and adapting for innovation.

#### Leveraging the Centre's international presence

IDRC has five regional offices across the Global South: New Delhi, India; Amman, Jordan; Nairobi, Kenya; Dakar, Senegal; and Montevideo, Uruguay. Regional offices work closely

with the communities they serve and with Canada's missions abroad, playing 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 multisectoral collaboration are particularly important in ensuring the success of IDRC research projects.

In 2020-2021, IDRC made major investments in COVID-19 research to help understand the socio-economic and health impacts of the pandemic, improve existing responses, and generate better policy options for recovery in the Global South. Throughout the year, our regional offices were integral to the Centre's response to the devastating impact of COVID-19 worldwide. They played an important role in analyzing the social, political, economic, and health-related contexts in countries where IDRC works. They also collaborated with partners and grantees to ensure timely and safe implementation of projects.

Regional offices led several initiatives to highlight the importance of research and evidence-based solutions to inform public policy aimed at countering the impact of the pandemic. For example, the Dakar office organized a highlevel roundtable to bring together some of Africa's leading minds to discuss the role of innovative community-based approaches and health-related innovations to strengthen Africa's COVID-19 response. The Nairobi office organized a series of roundtables with grantees and colleagues from Global Affairs Canada to share experiences about how researchers in eastern and southern Africa were coping with and responding to COVID-19 and positioning their work for influence at community and national levels. Another roundtable convened researchers from youth-led organizations and young entrepreneurs to discuss strategies for building more resilient food systems, drawing upon lessons from COVID-19 to prepare for future shocks.

#### Being smart with resources

Several initiatives were launched this year to increase the Centre's impact and attractiveness to grantees and partners. These efforts are part of IDRC's ongoing commitment to be smart with resources and deliver on the ambitions of Strategy 2030.

The Centre embarked on a review of grant-making processes to ensure they provide flexibility, proper stewardship, and a user-centered approach. Through the implementation of a new data and information strategy, the Centre will generate innovative, actionable insights and enhance fact-based decision-making. As the Centre completes implementation of a new financial system, it is aligning key financial processes with industry best practices and optimizing controls in a fully integrated system that supports continuous improvement.

IDRC ensured continued operational excellence early in the pandemic by quickly equipping staff for remote work. A near-seamless transition meant the Centre was able to maintain its operations throughout the crisis and launch COVID-19 rapid response initiatives and projects very early in the pandemic.

#### Monitoring, evaluation, and learning

IDRC uses monitoring, evaluation, and learning to assess and highlight results, learn how research influences development, inform its decisions, and demonstrate accountability.

#### Strengthened results of IDRC programming

#### Learning:

- for program improvementto inform
- to inform decisions
- to generate new knowledge

Achieve, assess, and demonstrate **RESULTS** 

#### **Accountability:**

- transparency
- enables feedback and participation

This year, IDRC launched an evaluation of research quality using the Centre's Research Quality Plus (RQ+) Framework. A College of Reviewers made up of international and multi-disciplinary external experts assessed the quality of 160 research projects from across IDRC's programs on scientific rigour, importance, legitimacy, and positioning for use. Over the coming year, IDRC will aggregate and analyze the data to highlight strengths, weaknesses, and implications for IDRC's new strategy. Early results point to improvements in the research quality scores from the previous strategic cycle, including how IDRC-supported research addresses gender and inclusion. An evaluation of IDRC's 2015-2020 strategic objective to scale research results is also underway. Early findings suggest IDRC has contributed to thought leadership on the concept of scaling, notably through creating a principles-based approach to scaling impact. The evaluation will be published in the summer of 2021.

This year also saw the completion of two evaluations of IDRC's co-funded health partnerships finished in 2020-2021: Innovating for Maternal and Child Health in Africa (IMCHA), and the Centre of Excellence for Civil Registration and Vital Statistics (CoE-CRVS). The final evaluation of IMCHA found evidence health systems research supported by IMCHA had been integrated into primary health care policies and practice, and that projects were contributing to improved maternal and child health outcomes and access to health care services. Evaluators found all research teams had succeeded in engaging in health policy and program decision-making processes that are likely to affect

primary health care policies and practices. The final evaluation of the CoE-CRVS found that the CRVS field increasingly relies on the Centre of Excellence as the go-to place for evidence-based CRVS solutions, and that it had demonstrated thought leadership in equity dimensions of CRVS, such as in conflicts, emergencies, and fragile settings; and in the wake of the COVID-19 crisis. The evaluators found the program had already contributed to improving CRVS systems in Senegal, Guinea, Cameroon, and Burkina Faso. Notably, the evaluation recognized the Centre of Excellence as an important champion of the gendered dimensions of CRVS.

IDRC is also finalizing the Monitoring, Evaluation, and Learning Framework that it will use to assess progress towards achieving the outcomes set out in IDRC's Strategy 2030. Drawing on the framework, as well as data and analysis from across the Centre, all IDRC employees will contribute to ongoing innovation, improvement, and adaptation to advance positive change in the world.

#### Risk management

IDRC is committed to implementing a continuous, proactive, and systemic approach to risk management. Risk management is integrated into all areas of the Centre's operations. It is a shared responsibility among Centre managers, who are committed to a proactive and systematic approach that is overseen by the Board of Governors. The Centre's risk management processes are designed to identify risks that may affect the achievement of corporate objectives and 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 continually refines its risk management processes to ensure they adequately support corporate objectives and priorities and enhance performance and outcomes. The process is reviewed on a periodic basis to assess progress and ensure practices are up to date. This helps to identify any gaps, ensure alignment with corporate objectives, and strengthen the Centre's integrated risk management process.

Internal audit is also a key element of IDRC's accountability structure. Its purpose is to provide risk-based, independent, and objective assurance and advice designed to add value and 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 as of 31 March 2021. The inherent risk level is provided, followed by the residual risk, which is assessed following mitigation strategies and actions undertaken by the Centre.

| Risk  | Inherent risk | Risk response strategies and actions   | Residual risk |
|---|---------------|--|---------------|
| If IDRC is not successful in continuing to effectively manage the impact of the COVID-19 pandemic on its work, there is a risk that programming, operations, and funding may be compromised.  | HIGH          | Centre management took numerous steps to mitigate the risk of the impacts of COVID-19 on its programming, operations, and funding. Specific responses included implementing a process to regularly assess the impact of COVID-19 on projects and externally funded programs and develop mitigation strategies; regular communication with partners to co-develop mitigation strategies; assessing the financial implications of extending ongoing projects; continuing support to employees teleworking and conducting the Centre's operations in a virtual environment; and preparing guidelines and scenarios for the eventual return to the workplace.  | MODERATE      |
| If IDRC is not successful in developing appropriate cyber security measures and planning responses to those risks, there is a risk that data can be lost or compromised which would affect operations and cause reputational harm.          | HIGH          | IDRC's cyber security controls have been enhanced through the creation of a permanent task force with the expertise and training to continuously review and enhance the Centre's cyber security posture.  IDRC participates in the Canadian Centre for Cyber Security Crown Community meetings to stay abreast of the latest information on cyber threats. IDRC will continue to obtain cyber insurance from a reputable provider to cover costs related to recovery should an incident occur.   | MODERATE      |
| If IDRC does not continue to build an enabling environment to support a healthy, engaged, and safe workforce, there is a risk that our ability to work effectively and deliver our mandate could be impacted and could harm our reputation. | HIGH          | IDRC follows health and safety protocols provided by the Government of Canada and directives from public local health authorities in Ottawa and for each Regional Office. This includes managing work conditions and facilitating telework during the pandemic. A Response Management Team led by IDRC's President supports agile decision-making related to the pandemic.  All travel and in-person events were restricted. Virtual platforms were used for internal business and interactions with grantees and partners, and for sharing information with employees. Flexibility in work arrangements has helped meet the needs of employees as they adapted to a virtual workplace.  Employees are provided with mental health and employee assistance resources to support mental wellness.   | MODERATE      |
| If IDRC is not successful at developing, implementing, and maintaining new co-funding and parallel partnerships, there is a risk that our ability to scale programming and achieve impact will be limited.                                  | HIGH          | A new Funding Partnership Strategy and Private Sector Engagement Strategy were approved by the Board in November 2020. These strategies detail IDRC's approach to co-funding, strategic partnerships with like-minded donors, private sector actors, and strategic engagement with the Government of Canada. Management implemented more frequent project monitoring at the outset of the pandemic and proactively communicated with funders to keep them informed of impacts. The Centre worked with funders to co-develop agreed strategies to mitigate the impact of pandemic-related delays on the implementation of ongoing externally funded programs.  Management increased engagement with funders at multiple levels to ensure negotiations continued. The implementation of the new Funding Partnership Strategy will improve the identification of new funding partnership prospects, strategically mobilize new research funders in developing regions, and leverage IDRC funder relationships for increased visibility and influence. | MODERATE      |

| Risk   | Inherent risk | Risk response strategies and actions   | Residual risk |
|--|---------------|--|---------------|
| If IDRC is not successful in managing all transformational changes in the implementation of Strategy 2030 and building a resilient and agile organization, there is a risk that staff morale will be impacted and IDRC's ability to deliver our corporate priorities and objectives will be limited. | MODERATE      | IDRC developed a change management strategy to support implementation of its new Strategy 2030, as well as a transformation agenda to support the new organizational structure announced in June 2020.   | LIMITED       |
| If IDRC is not successful in communicating its relevance and contributions as part of Canada's contributions to development assistance, there is a risk that IDRC's parliamentary appropriation may decrease, therefore limiting our ability to achieve impact.                                      | MODERATE      | Management prioritizes regular exchanges with staff from the Minister of International Development's office, Parliamentarians, Global Affairs Canada, and other key ministerial and government stakeholders. IDRC also continuously implements strategies for greater efficiency and effectiveness.  The Centre developed a renewed government relations approach and communications strategy. | LIMITED       |

#### **Results and outlook**

#### **Financial highlights**

2020–2021 results at a glance.



**REVENUES** 

**2020–2021: \$203.1 million** 2019–2020: \$195.7 million Total increase: \$7.4 million or 3.8%

\$

**EXPENSES** 

**2020–2021: \$204.7 million** 2019–2020: \$192.0 million Total increase: \$12.7 million or 6.7%

#### Revised 2020-2021 budget

The Board of Governors approved the original 2020–2021 budget prior to the start of the financial year and it was presented in the *Annual Report 2019–2020*. The budget was revised in the first half of the year to reflect the most current information available. Throughout this document, the revised 2020–2021 budget is presented and compared to actuals.

#### **Revenues**

The Centre's revenues include a parliamentary appropriation, donor contributions, and revenues from 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** 

|  | 2020–2021                |                          |                         | 2019–2020                  |                          |                          |  |
|--|--------------------------|--------------------------|-------------------------|----------------------------|--------------------------|--------------------------|--|
|  |                          | Revised                  |                         |                            | \$ change                | % change                 |  |
| (\$000)  | Actual                   | budget                   | Variance                | Actual                     | actual <sup>a</sup>      | actual <sup>a</sup>      |  |
| Parliamentary appropriation Donor contributions Other income | 145 653<br>56 897<br>567 | 141 849<br>60 709<br>207 | 3 804<br>(3 812)<br>360 | 142 907<br>51 637<br>1 191 | 2 746<br>5 260<br>( 624) | 1.9%<br>10.2%<br>(52.4%) |  |
| Total revenues   | 203 117                  | 202 765                  | 352                     | 195 735                    | 7 382                    | 3.8 %                    |  |
| a \$ and % change actual in 2020–2021 over 2019–2020         |                          |                          |                         |                            |                          |                          |  |

#### Parliamentary appropriation revenue

The parliamentary appropriation is 1.9% higher in 2020–2021 than in 2019–2020 (see Table 1). For the second year, the Centre's recurring parliamentary appropriation included \$5.0 million to strengthen the Centre's presence in West Africa and enhance programming across West Africa and la Francophonie. The \$3.8 million increase includes an adjustment to align the parliamentary appropriation with economic trends. This was partly offset by a decrease in non-recurring parliamentary appropriation of \$1.1 million, following the agreed-upon schedule in the transfer of appropriated funding from other government organizations.

#### Donor contribution revenue

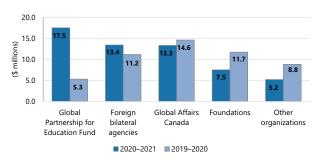
Donors provide contributions to either research programs or specific projects. Donor funds received pursuant to a cofunding agreement are recognized as donor contribution revenue over the life of the agreement when the related expenses are incurred. Consequently, the impact of donor contributions on the Centre's net results and year-end equity is limited.

Donor contributions revenue fluctuates year-over-year. These fluctuations are linked to the phase in the lifecycle of the programs. The pattern of the revenues is typically low

at the initial phase of the programs, get more significant as the programs are ramping up, and decrease in the final wrap up phase.

Donor contribution revenues increased by 10.2% when compared to 2019–2020 and were \$3.8 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



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

#### **Expenses**

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

**TABLE 2: EXPENSES** 

|  |         | 2020-2021 |          | 2019–2020 |                     |                     |
|--|---------|-----------|----------|-----------|---------------------|---------------------|
|  |         | Revised   |          |           | \$ change           | % change            |
| (\$000)  | Actual  | budget    | Variance | Actual    | actual <sup>a</sup> | actual <sup>a</sup> |
| Development research programming                                 |         |           |          |           |                     |                     |
| Research projects funded by                                      |         |           |          |           |                     |                     |
| parliamentary appropriation                                      | 98 433  | 89 753    | 8 680    | 88 661    | 9 772               | 11.0%               |
| Research projects funded by                                      |         |           |          |           |                     |                     |
| donor contributions  | 47 095  | 50 532    | (3 437)  | 41 688    | 5 407               | 13.0%               |
| Enhancing research capabilities                                  | 40 248  | 42 468    | (2 220)  | 43 322    | (3 074)             | (7.1%)              |
|  | 185 776 | 182 753   | 3 023    | 173 671   | 12 105              | 7.0%                |
| Corporate and administrative services                            | 18 971  | 18 962    | 9        | 18 302    | 669                 | 3.7%                |
| Total expenses   | 204 747 | 201 715   | 3 032    | 191 973   | 12 774              | 6.7%                |
| <sup>a</sup> \$ and % change actual in 2020–2021 over 2019–2020. |         |           |          |           |                     |                     |

#### Development research programming expenses

Expenses for development research programming increased by 7.0% in 2020–2021 to \$185.8 million (\$173.7 million in 2019–2020).

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. Just over 4% of other project activities are carried out or brokered internally.

In 2020–2021, research project expenses funded by parliamentary appropriation increased by 11.0% (to \$98.4 million from \$88.7 million in 2019–2020). The year-over-year increase is primarily due to disbursements of funds for approved rapid-response COVID-19 projects. Compared to the 2020–2021 budget, these expenses were \$8.7 million higher than the budgeted amount. This is due to the change in the expenditure pattern in 2020-2021 and the shorter duration of projects related to COVID-19 programming, which represented over half of the year's program allocation budget. The nature of this research required recipients to receive more funds in the first year of the projects than is typical. This is offset by other factors, such as slower disbursements on non-COVID-19 projects.

While the majority of research project expenses are funded by parliamentary appropriation, a significant portion (\$47.1 million) is funded by donor contributions. Research project expenses funded by donor contributions increased by 13.0% (or \$5.4 million) this year (see Table 2). The year-over-year increase can be primarily attributed to the Knowledge and Innovation Exchange program and is partly offset by programs that ended – namely the Think Tank Initiative. These expenses were \$3.4 million lower than the budgeted amount due to delays in project selection, commitment, and payments within certain externally funded programs.

Donor contributions are managed by the Centre pursuant to a co-funding agreement. These agreements required an IDRC contribution of \$13.7 million in 2020–2021 (see Figure 2, Funded by parliamentary appropriation – linked to donor contributions), or 13.9% of all Parliament-funded research project expenses, which is lower than in 2019–2020 (18.3%).

## **FIGURE 2:** DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2020–2021

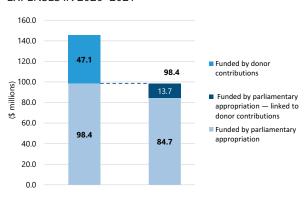
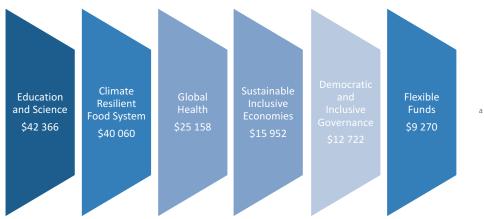


Figure 3 provides an overview of the total research project expenses by program division, including those funded by parliamentary appropriation and by donor contributions. The new program divisions resulting from Strategy 2030 include Climate-Resilient Food Systems, Global Health, Education and Science, Democratic and Inclusive Governance, Sustainable Inclusive Economies, and Flexible Funds. The Flexible Funds division allows for innovation in programming and responses to emerging opportunities that advance corporate priorities and strategic objectives, such as funding research on a framework for inclusive and just urban recovery for post-blast Beirut, the impact of air pollution on the world of work for women and youth in East and Southeast Asia, and reimagining development in Myanmar.





<sup>a</sup> Includes research projects funded by parliamentary appropriation of \$98.4 million and funded by donor contributions of \$47.1 million in 2020–2021. 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 \$3.1 million compared to the previous year (see Table 2). This is mostly due to travel restrictions caused by the COVID-19 pandemic. Actual expenses were \$2.2 million lower than budgeted. The majority of the budget variance is related to lower salaries and benefits due to vacant positions, less travel than forecasted at the time of budgeting for the repatriation of employees, and the timing of continuing operating expenses.

#### 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 \$0.7 million higher than last year and close to target (see Table 2). The variance can be mostly attributed to additional expenses related to the renewal of the Centre's financial system. The slight budget variance is the net result coming from the timing of continuing operating expenses.

#### **FIGURE 4: CORPORATE AND ADMINISTRATIVE EXPENSES**

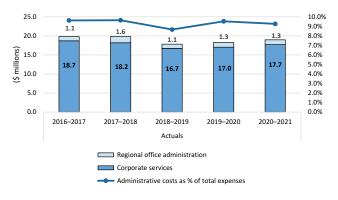


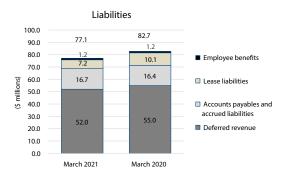
Figure 4 shows a slight decrease in corporate and administrative expenses (from 9.5% of total expenses in 2019–2020 to 9.3% in 2020–2021). The ratio is decreasing in 2020-2021 given that research project expenses are increasing by a larger amount, relative to the corporate and administrative services expenses. Management aims to maintain administrative costs at a range of 8% to 11% of total expenses.

#### **Financial position**

The Centre's financial position is summarized in Figure 5. Most 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 2021 was not affected by the COVID-19 pandemic. Assets and liabilities did not require any adjustments.

FIGURE 5: SUMMARY OF ASSETS AND LIABILITIES



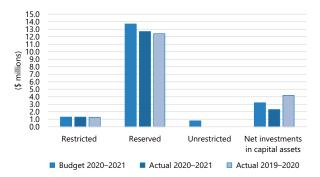


Total **assets** decreased by 7.2% to \$93.4 million (from \$100.6 million as at 31 March 2020). This decrease is mainly due to a lower cash balance relating to payments to grantees and a lower balance of right-of-use assets, partly offset by higher accounts receivables and prepaid expenses.

Total **liabilities** decreased by 6.8% to \$77.1 million (from \$82.7 million as at 31 March 2020). This decrease is mainly explained by a lower balance of lease liabilities as lease payments reduce this carrying value and because we are approaching the end of our head office and Jordan office lease agreements. The decrease is also due to a lower amount of deferred revenues liabilities for projects and programs funded by donor contributions. 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 used to support young researchers from Canada, India, and the Philippines in the early stages of their careers, particularly women, through fellowships, scholarships, or internships (\$0.1 million).

The Centre increased its **reserved equity** to \$12.7 million at 31 March 2021. The reserved equity is important for several reasons: to absorb fluctuations in the disbursement of outstanding research project commitments, which are dependent on the performance of recipients; and to fund future purchases of property, equipment, intangibles, as well as future investments or initiatives. At 31 March 2021, a total of \$7.5 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 \$4.6 million is reserved to absorb fluctuations in the disbursements of outstanding research project commitments. This portion of the reserved equity is lower than the budgeted amount of \$5.7 million as funds were drawdown to absorb the increase in research project expenses funded by the parliamentary appropriation. The balance of the reserved equity is to fund other initiatives.

The **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity. The balance at 31 March 2021 is zero.

The \$2.3 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 \$1.9 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 Table 3.

TABLE 3: CAPITAL ASSETS

| (\$000)  | 2020-2021 |
|--|-----------|
| Leasehold improvements                           | 1 609     |
| Computer equipment                               | 438       |
| Software   | 151       |
| Office furniture, equipment, and vehicles        | 91        |
| Communication systems                            | 44        |
| Total property, equipment, and intangible assets | 2 333     |

#### Other key financial information

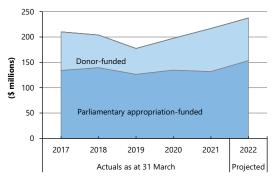
As at 31 March 2021, the Centre is committed to disburse up to \$216.8 million (see Table 4) for development research programming activities. It is anticipated that nearly all the funds will be disbursed over the next five years. These commitments are subject to funds provided by Parliament and by donors on co-funded agreements. They are also subject to the compliance of recipients with the terms and conditions of their grant agreements.

**TABLE 4:** OUTSTANDING RESEARCH PROJECT COMMITMENTS BY PROGRAMS (AT 31 MARCH 2021)

| (\$000)                             | 2020-2021 |
|-------------------------------------|-----------|
| Education and Science               | 77 985    |
| Climate Resilient Food Systems      | 54 577    |
| Global Health                       | 27 961    |
| Sustainable Inclusive Economies     | 23 298    |
| Democratic and Inclusive Governance | 19 393    |
| Flexible Funds                      | 13 602    |
| Total                               | 216 816   |

While the total amount of outstanding commitments fluctuates annually due to new donor contribution agreements, management aims to keep the level of outstanding commitments funded by parliamentary appropriation relatively stable over time. The small dip observed in 2019 (see Figure7) relates directly to the overrun in project expenses seen at 31 March 2019. As for the rise in 2021-2022, this is attributable to the planned increase in program allocations funded by recurring parliamentary appropriation, which are driven by the forecasted changes in revenues and expenses. 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 7:** OUTSTANDING COMMITMENTS ON RESEARCH PROJECTS



**TABLE 5:** HISTORICAL REVIEW

|   | Actual     |           |            |            |                |
|---|------------|-----------|------------|------------|----------------|
| (\$000)   | 2020-2021  | 2019-2020 | 2018-2019  | 2017-2018  | 2016–2017      |
| Statement of comprehensive income                               |            |           |            |            |                |
| ·   |            |           |            |            |                |
| Revenues Parliamentary appropriation — recurring                | 143 611    | 141 849   | 136 849    | 136 838    | 136 006        |
| Parliamentary appropriation — non-recurring                     | 2 042      | 1 058     | 3 517      | 3 114      | 11 468         |
| Donor contributions   | 56 897     | 51 637    | 54 256     | 61 791     | 64 429         |
| Other income  | 567        | 1 191     | 1 210      | 1 753      | 2 295          |
|   | 203 117    | 195 735   | 195 832    | 203 496    | 214 198        |
| Expenses  |            |           |            |            |                |
| Development research programming                                |            |           |            |            |                |
| Research projects funded by parliamentary appropriation         | 98 433     | 88 661    | 99 084     | 88 783     | 88 262         |
| Research projects funded by donor contributions                 | 47 095     | 41 688    | 42 976     | 50 433     | 53 319         |
| Enhancing research capabilities                                 | 40 248     | 43 322    | 45 756     | 46 653     | 44 478         |
| Development research programming                                | 185 776    | 173 671   | 187 816    | 185 869    | 186 059        |
| Corporate and administrative services                           | 18 971     | 18 302    | 17 828     | 19 837     | 19 811         |
| corporate and duministrative services                           | 204 747    | 191 973   | 205 644    | 205 706    | 205 870        |
|   |            |           |            |            |                |
| Net results of operations                                       | (1 630)    | 3 762     | (9 812)    | (2 210)    | 8 328          |
| Other financial information                                     |            |           |            |            |                |
| Program allocations   |            |           |            |            |                |
| Development research programming                                |            |           |            |            |                |
| Funded by recurring parliamentary appropriation                 | 100 386    | 99 431    | 97 064     | 101 433    | 93 140         |
| Funded by donor contributions                                   | 66 992     | 66 945    | 49 186     | 45 519     | 27 582         |
| Outstanding commitments   |            |           |            |            |                |
| Funded by parliamentary appropriation                           | 131 899    | 134 835   | 126 500    | 139 555    | 134 161        |
| Funded by donor contributions                                   | 84 917     | 62 564    | 50 888     | 64 361     | 75 929         |
| •   |            |           |            |            |                |
| Statement of financial position                                 |            |           |            |            |                |
| Assets  |            |           |            |            |                |
| Cash  | 77 262     | 82 380    | 71 231     | 78 782     | 70 884         |
| Investments – current   | -<br>6 964 | 4 087     | -<br>3 196 | -<br>2 620 | 3 958<br>7 766 |
| Accounts receivable and prepaid expenses Property and equipment | 2 182      | 3 404     | 4 517      | 5 552      | 6 630          |
| Intangible assets   | 151        | 834       | 1 493      | 2 439      | 3 379          |
| Right-of-use assets   | 6 791      | 9 893     | -          | -          | -              |
|   |            |           |            |            |                |
| Liabilities Accounts payable and accrued liabilities            | 16 729     | 16 415    | 21 295     | 21 545     | 18 315         |
| Lease liabilities – current                                     | 2 998      | 2 963     | 21 293     | - 21 343   | 10 3 13        |
| Lease liabilities – non-current                                 | 4 160      | 7 157     | _          | _          | _              |
| Deferred revenue – current                                      | 45 995     | 47 156    | 35 890     | 34 383     | 33 087         |
| Deferred revenue – non-current                                  | 5 992      | 7 773     | 7 455      | 7 815      | 12 733         |
| Employee benefits   | 1 199      | 1 227     | 1 652      | 1 693      | 2 315          |
| Equity  |            |           |            |            |                |
| Unrestricted  | _          |           |            | 5 937      | 8 793          |
| Restricted  | 1 291      | 1 275     | 1 264      | 1 255      | 1 225          |
| Net investments in capital assets                               | 2 333      | 4 238     | 6 010      | 7 991      | 10 009         |
|   |            |           |            |            |                |

#### Outlook

The Centre will be in the second year of Strategy 2030 in the 2021–2022 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. Management will continue to focus on allocating operational expenses to meet organizational needs under

Strategy 2030, while ensuring the efficient use of financial resources to create impact and add value. The budget for 2021-2022 considers the impacts of continued operations under the context of the COVID-19 pandemic.

Table 6 presents the financial outlook, providing an overview of the revenues, expenses, allocations, and equity forecasts for the 2021–2022 financial year.

**TABLE 6: FINANCIAL OUTLOOK** 

| Actual   |   | 2020-2021 | 2020-2021 | 2021–2022 |
|--|---|-----------|-----------|-----------|
| Revenues       Parliamentary appropriation       145 653       145 653       148 611         Donor contributions       56 897       56 897       85 209         Other income       567       567       384         203 117       203 117       231 17       234 204         Expenses       Expenses         Development research programming       8 433       98 433       101 497         Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity         Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         16 277 <td< th=""><th>(\$000)</th><th>Current</th><th>New</th><th>Budget</th></td<>  | (\$000)                                   | Current   | New       | Budget    |
| Parliamentary appropriation       145 653       145 653       148 611         Donor contributions       56 897       56 897       85 209         Other income       567       567       384         203 117       203 117       234 204         Expenses       Use of programming         Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         Aut results of operations       (1 630)       (1 630)       (4 769)         Equity       Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         Project management items       Allocations funded by parliamentary appropriation       100 386       100 386       130 000   | Statement of comprehensive income items   |           |           |           |
| Donor contributions         56 897         56 897         85 209           Other income         567         567         384           203 117         203 117         234 204           Expenses           Development research programming         Fessearch projects funded by parliamentary appropriation         98 433         98 433         101 497           Research projects funded by donor contributions         47 095         47 095         69 891           Enhancing research capabilities         40 248         38 205         45 609           Corporate and administrative services         18 971         21 014         21 976           Corporate and particular descriptions         (1 630)         (1 630)         (4 769)           Equity           Unrestricted         -         -         831           Restricted         1 291         1 291         1 275           Net investments in capital assets         2 333         2 333         1 942           Reserved         12 653         12 653         13 944           Project management items           Allocations funded by parliamentary appropriation         100 386         100 386         130 000  | Revenues                                  |           |           |           |
| Other income         567         567         384           203 117         203 117         234 204           Expenses         Use of propertion of the properties of projects funded by parliamentary appropriation of projects funded by parliamentary appropriation of projects funded by donor contributions of projects of projects funded by parliamentary appropriation of project projects of project projects of pr  | Parliamentary appropriation               | 145 653   | 145 653   | 148 611   |
| Expenses   Development research programming   Research projects funded by parliamentary appropriation   98 433   98 433   101 497   Research projects funded by donor contributions   47 095   47 095   69 891   47 095   47 095   69 891   47 095   47 095   69 891   47 095 | Donor contributions                       | 56 897    | 56 897    | 85 209    |
| Expenses       Development research programming         Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000   | Other income                              | 567       | 567       | 384       |
| Development research programming       98 433       98 433       101 497         Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  |   | 203 117   | 203 117   | 234 204   |
| Development research programming       98 433       98 433       101 497         Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  | F   |           |           |           |
| Research projects funded by parliamentary appropriation       98 433       98 433       101 497         Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Unrestricted       -       -       831         Restricted       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         Project management items       Allocations funded by parliamentary appropriation       100 386       100 386       130 000   | •   |           |           |           |
| Research projects funded by donor contributions       47 095       47 095       69 891         Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       The control of the cont   | · · · · · · · · · · · · · · · · · · ·     | 00.422    | 00.422    | 101 407   |
| Enhancing research capabilities       40 248       38 205       45 609         Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Sequity       Sequity <td></td> <td></td> <td></td> <td></td>   |   |           |           |           |
| Corporate and administrative services       18 971       21 014       21 976         204 747       204 747       238 973         Net results of operations       (1 630)       (1 630)       (4 769)         Equity       Sequity       Sequity       Sequity       Sequity       Sequity       1 291       1 291       1 291       1 275       Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944       16 277       16 277       17 992         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  |   |           |           |           |
| Net results of operations     204 747     204 747     238 973       Net results of operations     (1 630)     (1 630)     (4 769)       Equity     Sequence  | · · · · · · · · · · · · · · · · · · ·     |           |           |           |
| Net results of operations         (1 630)         (1 630)         (4 769)           Equity         Unrestricted         -         -         831           Restricted         1 291         1 291         1 275           Net investments in capital assets         2 333         2 333         1 942           Reserved         12 653         12 653         13 944           To got management items   | Corporate and administrative services     |           |           |           |
| Equity       -       -       831         Unrestricted       -       -       1 291       1 291       1 275         Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         16 277       16 277       17 992         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  |   | 204 747   | 204 747   | 238 973   |
| Unrestricted         -         -         831           Restricted         1 291         1 291         1 275           Net investments in capital assets         2 333         2 333         1 942           Reserved         12 653         12 653         13 944           16 277         16 277         17 992           Project management items           Allocations funded by parliamentary appropriation         100 386         100 386         130 000  | Net results of operations                 | (1 630)   | (1 630)   | (4 769)   |
| Restricted         1 291         1 291         1 275           Net investments in capital assets         2 333         2 333         1 942           Reserved         12 653         12 653         13 944           The project management items           Allocations funded by parliamentary appropriation         100 386         100 386         130 000  | Equity                                    |           |           |           |
| Net investments in capital assets       2 333       2 333       1 942         Reserved       12 653       12 653       13 944         16 277       16 277       17 992         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  | Unrestricted                              | -         | -         | 831       |
| Reserved       12 653       12 653       13 944         16 277       16 277       17 992         Project management items         Allocations funded by parliamentary appropriation       100 386       100 386       130 000  | Restricted                                | 1 291     | 1 291     | 1 275     |
| Project management items         16 277         16 277         17 992           Allocations funded by parliamentary appropriation         100 386         100 386         130 000  | Net investments in capital assets         | 2 333     | 2 333     | 1 942     |
| Project management items Allocations funded by parliamentary appropriation 100 386 100 386 130 000   | Reserved                                  | 12 653    | 12 653    | 13 944    |
| Allocations funded by parliamentary appropriation 100 386 100 386 130 000  |   | 16 277    | 16 277    | 17 992    |
| Allocations funded by parliamentary appropriation 100 386 100 386 130 000  | Project management items                  |           |           |           |
|  | •   | 100 386   | 100 386   | 130 000   |
|  | Allocations funded by donor contributions | 66 992    | 66 992    | 63 765    |

For the 2021-2022 financial year, the Centre revised the groupings of items included within the enhancing research capabilities and corporate and administrative services expense categories. This new presentation is a result of the changes to the organization that culminated in the responsibility for corporate services being centralized to head office from the regions, and to be in line with the Strategy 2030 ambition of being fit for purpose adopted by the Centre in late 2020-2021. The changes to the grouping for 2021-2022 result in: 1) information technology services and the office of the vice-president of the Strategy, Regions, and Policy are grouped in corporate and administrative services; and 2) regional office administration is under enhancing research capabilities with the other regional office expenses. The first column, in Table 6, provides the current presentation reflecting the Financial Statements. The second column presents the actual results of 2020-2021 using the same presentation as the 2021-2022 budget. In the following outlook section, the actuals reflecting the new presentation are compared to the 2021-2022 Budget.

#### Revenue outlook

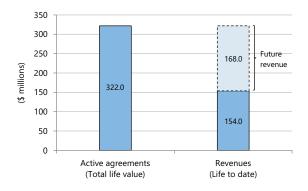
The Centre's parliamentary appropriation is anticipated to be \$148.6 million in 2021–2022, 2.0% higher than in 2020–2021 (see Table 6). The 2021–2022 recurring parliamentary appropriation includes an additional \$5.0 million relating to previous commitments from the Government of Canada to

strengthen the Centre's presence in West Africa and to enhance programming across West Africa and la Francophonie. The Centre is not expecting any nonrecurring appropriation in 2021-2022.

In 2021–2022, donor contribution revenues are budgeted to increase to \$85.2 million, which reflects current and anticipated co-funding agreements and their associated project milestones. A large portion (78.9%) of this amount is expected to come from co-funding agreements signed and ongoing as at 31 March 2021. The majority of the funding from these agreements comes from the following donors: Global Partnership for Education Fund; Global Affairs Canada; Foreign, Commonwealth and Development Office; the Swedish International Development Cooperation Agency; the Bill & Melinda Gates Foundation; and the UK Department of Health.

As at 31 March 2021, the Centre manages co-funding agreements valued at \$322.0 million (see Figure 8). Of this amount, \$154.4 million has been recognized as revenue. This leaves a balance of \$168.0 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 source. The Centre's donor collaboration activities over the course of the 2021–2022 financial year will focus on renewing and expanding cofunding partnerships with existing donor partners to support programming towards Strategy 2030.

## FIGURE 8: STATUS OF DONOR CONTRIBUTION AGREEMENTS (AS AT 31 MARCH 2021)



The Centre is not expecting significant changes to the 2021–2022 revenue budgets due to COVID-19. The Centre's parliamentary appropriation is expected to remain at its original approved amount. IDRC will diligently monitor the evolving situation and assess and mitigate, where possible, impacts on parliamentary appropriation funding and donor contributions.

#### **Expenses outlook**

The budget for 2021-2022 considers the impacts of continued operations under the context of the COVID-19 pandemic on operational and research expenses. The impacts are mainly anticipated in travel whereby restrictions will continue to apply for a portion of the financial year and travel activities will not resume at the same level as before the pandemic. The Centre will make programming decisions in line with Strategy 2030, as well as in support of Canada's foreign policy and development goals. Total expenses are budgeted to increase by 16.7% to \$239.0 million (compared to actual expenses of \$204.7 million in 2020–2021, see Table 6).

Research project expenses are budgeted to be \$171.4 million (\$25.9 million higher than in 2020–2021). It is anticipated that parliamentary-funded research project expenses will increase by \$3.0 million as the Centre is receiving additional funds to support programming in West Africa. Donor-funded research project expenses will substantially increase (48.4%) from \$47.1 million to \$69.9 million in 2021–2022 as a result of increased programming activity in new, large, donor-funded programs such as the Global Partnership for Education Knowledge and Innovation Exchange.

Management continues to regularly assess, monitor, and mitigate, where possible, the effects of the pandemic on grantees and the resulting influence on research expenses. The Centre is forecasting that the expenditure pattern on new projects will be slightly below past trends and therefore counterbalance the increased expenditure pattern experienced in 2020-2021. Many projects may require an extension in their duration due to delays in research, which reflects the changing environment grantees are operating in. Given these changes in

assumptions from the approved 2021-2022 budget, management will be adjusting the research project expense budget during the first quarter of 2021-2022.

Expenses related to enhancing research capabilities have a budgeted 19.4% increase (from \$38.2 million in 2020–2021 to \$45.6 million in 2021–2022, see Table 6). Project operational expenses funded by donor contributions and by parliamentary appropriation are increasing given the planned activity in new, large, donor-funded programs. In addition, the Centre's 2021-2022 budget reflects an increased staff complement to support Strategy 2030 as well as new, large donor-funded programs and travel activities resuming part way through the year as compared to 2020-2021.

Corporate and administrative services expenses are expected to increase by \$0.9 million or 4.6% in 2021–2022 (see Table 6). This increase is based on the assumption that travel activities will be resuming to a certain extent in 2021-2022.

The Centre has assessed the financial impacts of the pandemic on operational expenses, reflected as enhancing research capabilities and corporate and administrative services. The Centre will continue to follow recommendations of the Public Health Agency of Canada and will conduct its operations while working remotely to ensure continuity of operations and deliver on its mandate. The Centre will continue to focus on the health, safety, and security of employees as it implements a plan to restart working from all office locations and will continue to assess financial implications over the course of the year.

#### Financial position outlook

Total equity is projected to increase to \$18.0 million (see Table 6) at the end of 2021–2022, with the restricted equity remaining stable through the end of the year. The decrease in net investment in capital assets (\$0.4 million) will represent the difference between amortization and depreciation expenses and capital asset purchases. This decrease is mostly due to moving from a traditional license and maintenance model to software as a service model and the fast-approaching end of the head office current lease which will expire in October 2022. The reserved equity may fluctuate throughout the year but will increase to \$13.9 million at the end of 2021–2022. 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 \$0.5 million for future leasehold improvements for the head office space. The unrestricted equity is projected to be \$0.8 million by 31 March 2022.

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**

## 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 23 June 2021

## 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 2021, 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 2021, 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 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, CPA, CA

Principal

for the Auditor General of Canada

Marise Bidard

Ottawa, Canada 23 June 2021

## **Statement of Financial Position**

(in thousands of Canadian dollars) as at 31 March

|  | 2021   | 2020    |
|--|--------|---------|
| Assets   |        |         |
| Current  |        |         |
| Cash (Note 2)  | 77 262 | 82 380  |
| Accounts receivable and prepaid expenses (Note 3)  | 6 964  | 4 087   |
| recounts receivable and prepara expenses (Note 5)  | 84 226 | 86 467  |
| Non-current  | 3.223  | 00 101  |
| Property and equipment (Note 4)  | 2 182  | 3 404   |
| Intangible assets (Note 5)   | 151    | 834     |
| Right-of-use assets (Note 6)   | 6 791  | 9 893   |
| <b>3</b> · · · · · · · · · · · · · · · · · · ·   | 93 350 | 100 598 |
|  |        |         |
| Liabilities  |        |         |
| Current  |        |         |
| Accounts payable and accrued liabilities (Note 7)  | 16 729 | 16 415  |
| Lease liabilities (Note 9)   | 2 998  | 2 963   |
| Deferred revenue (Note 8)  | 45 995 | 47 156  |
|  | 65 722 | 66 534  |
| Non-current  |        |         |
| Deferred revenue (Note 8)  | 5 992  | 7 773   |
| Employee benefits (Note 10)  | 1 199  | 1 227   |
| Lease liabilities (Note 9)   | 4 160  | 7 157   |
| ,  | 77 073 | 82 691  |
|  |        |         |
| Equity   |        |         |
| Restricted (Note 11)   | 1 291  | 1 275   |
| Net investments in capital assets (Notes 4 and 5)  | 2 333  | 4 238   |
| Reserved   | 12 653 | 12 394  |
| NOSCITED TO THE PROPERTY OF TH | 16 277 | 17 907  |
|  | 93 350 | 100 598 |

Commitments (Note 14) Contingencies (Note 15)

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

These financial statements were approved by the Board of Governors on 23 June 2021.

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

|   | 2021      | 2020      |  |
|---|-----------|-----------|--|
| Expenses  |           |           |  |
| Development research programming (Note 19)              |           |           |  |
| Research projects funded by parliamentary appropriation | 98 433    | 88 661    |  |
| Research projects funded by donor contributions         | 47 095    | 41 688    |  |
| Enhancing research capabilities                         | 40 248    | 43 322    |  |
| g   | 185 776   | 173 671   |  |
| Corporate and administrative services (Note 19)         |           |           |  |
| Corporate services                                      | 17 657    | 17 029    |  |
| Regional office administration                          | 1 314     | 1 273     |  |
|   | 18 971    | 18 302    |  |
| Total expenses  | 204 747   | 191 973   |  |
| Revenues  |           |           |  |
| Donor contributions (Note 12)                           | 56 897    | 51 637    |  |
| Other income  | 567       | 1 191     |  |
|   | 57 464    | 52 828    |  |
| Cost of operations before parliamentary appropriation   | (147 283) | (139 145) |  |
| Parliamentary appropriation (Note 12)                   | 145 653   | 142 907   |  |
| Net results of operations                               | (1 630)   | 3 762     |  |

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

|   | 2021    | 2020    |
|---|---------|---------|
| Unrestricted equity                             |         |         |
| Beginning of year                               | _       | _       |
| Net results of operations                       | (1 630) | 3 762   |
| Net transfers from (to) other classes of equity | 1 630   | (3 762) |
| Balance end of year                             |         |         |
| Restricted equity                               |         |         |
| Beginning of year                               | 1 275   | 1 264   |
| Net increase                                    | 16      | 11      |
| Balance end of year                             | 1 291   | 1 275   |
| Net investments in capital assets               |         |         |
| Beginning of year                               | 4 238   | 6 010   |
| Net decrease                                    | (1 905) | (1 772) |
| Balance end of year                             | 2 333   | 4 238   |
| Reserved equity                                 |         |         |
| Beginning of year                               | 12 394  | 6 871   |
| Net transfers from other classes of equity      | 259     | 5 523   |
| Balance end of year                             | 12 653  | 12 394  |
| Equity, end of year                             | 16 277  | 17 907  |

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

|   | 2021      | 2020      |
|---|-----------|-----------|
|   | 2021      | 2020      |
| Operating activities  |           |           |
| Receipts from parliamentary appropriation                   | 141 849   | 142 907   |
| Receipts from donor contributions                           | 55 710    | 62 614    |
| Receipts from other sources                                 | 592       | 962       |
| Payments to grant recipients                                | (140 780) | (126 035) |
| Payments to employees                                       | (42 590)  | (44 953)  |
| Payments to suppliers and others                            | (16 490)  | (20 376)  |
| Cash flows (used in) from operating activities              | (1 709)   | 15 119    |
| Investing activities  |           |           |
| Acquisition of property and equipment and intangible assets | (27)      | (433)     |
| Cash flows used in investing activities                     | (27)      | (433)     |
| Financing activities  |           |           |
| Payment of lease liabilities                                | (2 962)   | (3 048)   |
| Interest paid on lease liabilities                          | (420)     | (489)     |
| Cash flows used in financing activities                     | (3 382)   | (3 537)   |
| (Decrease) Increase in cash                                 | (5 118)   | 11 149    |
| Cash beginning of year                                      | 82 380    | 71 231    |
| Cash end of year  | 77 262    | 82 380    |

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

## **Notes to the Financial Statements**

For the year ended 31 March 2021

## **Basis of Preparation**

#### A) General Information

The International Development Research Centre (the Centre or IDRC), a Canadian Crown corporation without share capital, was established as a registered charity in 1970 by the Parliament of Canada through the International Development Research Centre Act.

The Centre is 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 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 an adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.

#### B) Basis of preparation

These financial statements prepared by the Centre comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). These financial statements are prepared on a historical cost basis except for certain financial instruments which are measured at fair value through profit and loss.

These 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.

#### C) Significant Accounting policies

The significant accounting policies are presented in these financial statements in the appropriate section of these notes. These accounting policies have been used throughout all periods presented in the financial statements unless otherwise disclosed.

#### D) Significant Judgements and Estimates

In the process of applying the Centre's accounting policies and the application of accounting standards, management is required to make judgements, estimates, and assumptions with regards to 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 revenue 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.

Information about judgements, estimates, and assumptions which are relevant to understanding these financial statements are disclosed in the relevant notes as follows:

- Credit risk (Note 3 Accounts receivable and prepaid expenses)
- Useful lives of assets (Note 4 Property and equipment)
- Measurement of borrowing rates (Note 6 Right-of-use assets)
- Factors for determining employee benefits (Note 10 Employee benefits)
- Provisions and contingent liabilities (Note 15 Contingencies)
- Financial instruments risks (Note 17 Financial instruments and related risks)

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.

#### E) Taxation

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

#### F) COVID-19 Pandemic

The Centre continued operations without major disruptions and changes throughout the COVID-19 pandemic. The Centre's operations were impacted by the World Health 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. The main operational

impacts of the pandemic were a decrease in travel due to imposed travel restrictions; research project expenses funded by parliamentary appropriation increased due to a shorter project duration for new projects and to the nature of the research activities to be conducted; and research project expenses funded by donors were less than originally anticipated at the beginning of the year due to delays in certain research activities due to the changing environment that grantees operate in. IDRC has considered the impact on the financial statements to be immaterial and do not affect the carrying value of assets and liabilities.

- The Centre's assumptions about the future impacts of the COVID-19 pandemic have been considered when measuring credit risk and impairment of assets and liabilities. No adjustments were required.
- The Centre's main source of funding, parliamentary appropriation, is unaffected.
- Impacts on donor revenues and agreements are minimal.
- The Centre has not applied for any wage or rent subsidies from the Government of Canada.

The Centre continues to monitor the risks and ongoing impacts of the COVID-19 pandemic on its operations and programs.

- G) Application of new accounting standards
  - I. New standards, amendments, and interpretations that took effect in 2020

Amendment to IFRS 16 *Leases*: Effective 1 June 2020, the amendment to IFRS 16 permits lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. Earlier application is permitted. The Centre has experienced one rent concession in the form of a rent reduction beginning in May 2020 due to COVID-19 related orders in Uruguay. The rent consideration was reduced by 25% with no future repayment required. There were no other changes to the terms of the lease. The Centre applied the practical expedient in the period the impact of which was considered immaterial.

II. Standards, amendments, and interpretations not yet in effect

Amendments to IAS 1 *Presentation of Financial Statements*: In January 2020, the IASB issued amendments to IAS 1 to clarify requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments must be applied retrospectively for annual periods beginning on or after 1 January 2023. Earlier application is permitted. The Centre has determined that the amendments will not have any material impact on the Centre's financial statement.

There are also amendments to IAS 16 *Property, Plant and Equipment* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, that have been issued but are not yet effective. These amendments, which come into effect for financial years starting on or after 1 January 2022, are not expected to have a material impact on the Centre.

#### 2. Cash

## **Accounting policy**

Cash includes funds on deposit at financial institutions and nominal petty cash at regional offices. 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.

## 3. 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 2021 (31 March 2020: nil).

## **Supporting information**

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Accounts receivable                            |               |               |
| Parliamentary appropriation                    | 3 804         | _             |
| Donor contributions                            | _             | 1 754         |
| Other  | 1 719         | 1 604         |
|  | 5 523         | 3 358         |
| Prepaid expenses                               | 1 441         | 729           |
| Total accounts receivable and prepaid expenses | 6 964         | 4 087         |

## 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 are 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

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

## **Supporting information**

|                       | Computer equipment | Office<br>furniture &<br>equipment | Vehicles | Communication<br>systems | Leasehold<br>improvements | Total    |
|-----------------------|--------------------|------------------------------------|----------|--------------------------|---------------------------|----------|
| Cost                  |                    |                                    |          |                          |                           |          |
| at 31 March 2020      | 1 936              | 796                                | 210      | 671                      | 11 266                    | 14 879   |
| Additions             | 27                 | _                                  | _        | _                        | _                         | 27       |
| Disposals             | _                  | _                                  | _        | _                        | _                         | _        |
| at 31 March 2021      | 1 963              | 796                                | 210      | 671                      | 11 266                    | 14 906   |
| Accumulated depreciat | tion               |                                    |          |                          |                           |          |
| at 31 March 2020      | (1 339)            | (736)                              | (124)    | (559)                    | (8 717)                   | (11 475) |
| Depreciation for      |                    |                                    |          |                          |                           |          |
| the year              | (186)              | (41)                               | (14)     | (68)                     | (940)                     | (1 249)  |
| Disposals             | _                  | _                                  | _        | _                        | _                         | _        |
| at 31 March 2021      | (1 525)            | (777)                              | (138)    | (627)                    | (9 657)                   | (12 724) |
| Net book value        |                    |                                    |          |                          |                           |          |
| at 31 March 2020      | 597                | 60                                 | 86       | 112                      | 2 549                     | 3 404    |
| at 31 March 2021      | 438                | 19                                 | 72       | 44                       | 1 609                     | 2 182    |

At 31 March 2021, the Centre had no impairment of property and equipment.

## 5. 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 2020          | 12 695   |
| Additions                 | _        |
| Disposals                 | (1 286)  |
| at 31 March 2021          | 11 409   |
| Accumulated amortization  |          |
| at 31 March 2020          | (11 861) |
| Amortization for the year | (451)    |
| Disposals                 | 1 054    |
| at 31 March 2021          | (11 258) |
| Net book value            |          |
| at 31 March 2020          | 834      |
| at 31 March 2021          | 151      |

At 31 March 2021, the Centre had no impairment of intangible assets.

## 6. Right-of-use assets

## **Accounting policy**

The Centre leases office space in six countries in the normal course of its business. The average base 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 information technology 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 furniture, equipment, and maintenance expenses under corporate and administrative services expenses in the statement of comprehensive income on a straight-line basis over the term of the lease (see note 19). The Centre uses a practical expedient in the standard to not separate non-lease components from lease components.

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 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**

The Centre calculated the lease liabilities using the incremental borrowing rate of between 2.7% and 13.5%. The weighted average rate at 31 March 2021 is 5.34% (31 March 2020: 4.68%).

|   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Cost Leases beginning of year Additions | 13 168<br>—   | 12 472<br>696 |
|   | 13 168        | 13 168        |
| Accumulated depreciation                |               |               |
| Beginning of year                       | (3 275)       | _             |
| Depreciation expense for the year       | (3 102)       | (3 275)       |
|   | (6 377)       | (3 275)       |
| Net book value end of year              | 6 791         | 9 893         |

The Centre incurred \$5 of expenses related to leases of low-value assets for which the recognition exemption was applied.

During the financial year, three lease agreements were signed - two for the Centre's office space in India and one for the office space in Ottawa.

The first India lease commenced on 1 June 2020 for a duration of eleven months, therefore the recognition exemption for short-term leases was applied. The total value of this lease is \$219, and the Centre incurred \$196 of expenses related to this short-term lease. The second lease for India will commence on 1 May 2021 for a duration of eleven months, therefore the recognition exemption for short-term leases will also be applied. The total value of this lease is \$206. No expenses were incurred for this lease during the year.

The Ottawa lease will commence on 1 November 2022 which coincides with the end of the current lease in Ottawa. The future cash outflows of this 15-year lease is \$24.6 million. The right-of-use asset and corresponding lease liability will be established upon commencement of the lease. Estimated operating costs associated with this lease are included in commitments (see note 14).

## 7. 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 2021 | 31 March 2020 |
|-----------------------------|---------------|---------------|
| Grant payables and accruals | 7 163         | 7 749         |
| Trade payables              | 4 771         | 4 514         |
| Payroll                     | 4 416         | 3 748         |
| Severance benefit (Note 10) | 53            | 48            |
| Other                       | 326           | 356           |
|                             | 16 729        | 16 415        |

## 8. Deferred revenue

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

## **Supporting information**

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Donor contribution funding for development research projects |               |               |
| Current  | 45 995        | 47 156        |
| Non-current  | 5 992         | 7 773         |
|  | 51 987        | 54 929        |

Of the total deferred donor contribution funding, Global Affairs Canada accounts for \$10 683 (31 March 2020: \$17 193) of which \$10 683 (31 March 2020: \$15 498) was received and \$0 (31 March 2020: \$1 695) is receivable at year-end.

## 9. Lease liabilities

## **Accounting policy**

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 is 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.

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Beginning of year  | 10 120        | 12 472        |
| Additions  | _             | 696           |
| Interest expense   | 420           | 489           |
| Lease payments   | (3 382)       | (3 537)       |
|  | 7 158         | 10 120        |
| ease liabilities included in the statement of financial position |               |               |
| Current  | 2 998         | 2 963         |
| Non-current (after one year, but not more than five)             | 2 637         | 5 349         |
| Non-current (more than five years)                               | 1 523         | 1 808         |
| •  | 7 158         | 10 120        |
|  |               |               |
|  | 31 March 2021 | 31 March 2020 |
| Maturity analysis of contractual undiscounted cash flows         |               |               |
| Current  | 3 328         | 3 382         |
| Non-current (after one year, but not more than five)             | 3 465         | 6 338         |
| Non-current (more than five years)                               | 1 907         | 2 363         |
| ·  | 8 700         | 12 083        |

## 10. 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 2021.

## 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 2021. 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 9.7% of gross salary (31 March 2020: 10.4%). Total contributions of \$2 703 (31 March 2020: \$2 792) 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 2021 were \$451 (31 March 2020: \$450).

#### 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 2021 | 31 March 2020 |
|--|---------------|---------------|
| Accrued benefit obligation – end of prior year | 1 275         | 1 696         |
| Current service cost                           | 7             | 34            |
| Interest cost                                  | 42            | 44            |
| Benefits paid during the year                  | (309)         | (507)         |
| Actuarial loss                                 | 237           | 8             |
| Accrued benefit obligation – end of year       | 1 252         | 1 275         |
|  | 31 March 2021 | 31 March 2020 |
| Current  | 53            | 48            |
| Non-current                                    | 1 199         | 1 227         |
|  | 1 252         | 1 275         |

#### Sick leave benefit

The Centre's sick leave benefit which is included in current liabilities at 31 March 2021 is \$673 (31 March 2020: \$603).

## 11. 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 objective, with respect to its equity management, is to ensure that sufficient funds are maintained to adequately protect the financial position of the Centre.

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 or significant programs and operational initiatives is drawn down as the funds are used for these programs and initiatives. In 2011-2012, \$1.1 million was set aside in restricted equity as part 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 4 and 5).

## 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 is reserved by management to absorb fluctuations in the disbursement of multi-year outstanding research program commitments, and to fund future purchases of property, equipment and intangibles, as well as future investments or initiatives.

#### 12. 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 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 2021 | 31 March 2020 |
|---|---------------|---------------|
| Global Partnership for Education Fund (GPE)                 | 17 460        | 5 351         |
| Global Affairs Canada (GAC)                                 | 13 325        | 14 560        |
| Bill & Melinda Gates Foundation                             | 5 539         | 6 284         |
| Swedish International Development Cooperation Agency (SIDA) | 4 817         | 686           |
| Foreign, Commonwealth & Development Office (FCDO)*          | 3 931         | 5 185         |
| The Secretary of State for Health and Social Care (DHSC)**  | 3 655         | 6 976         |
| Ministry of Foreign Affairs Netherlands                     | 2 564         | 1 923         |
| Australian Centre for International Agricultural Research   | 2 094         | 3 002         |
| The William and Flora Hewlett Foundation                    | 1 036         | 4 440         |
| Norwegian Agency for Development Cooperation                | <u>—</u>      | 365           |
| Other donor agencies  | 2 476         | 2 865         |
|   | 56 897        | 51 637        |

formerly known as Department for International Development (UK Aid)

formerly known as United Kingdom Department of Health

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2021 was \$4 891 (31 March 2020: \$4 630) of which \$1 183 (31 March 2020: \$1 290) was from GAC.

## 13. 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.

## 14. Commitments

#### Research project-related

The Centre is committed to making payments of up to \$216.8 million (31 March 2020: \$197.4 million) during the next five years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, \$131.9 million (31 March 2020: \$134.8 million) is expected to be funded from future parliamentary appropriations and \$84.9 million (31 March 2020: \$62.6 million) from donor contribution agreements.

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Within one year                        | 106 847       | 83 984        |
| After one year, but not more than five | 109 969       | 113 309       |
| More than five years                   | <u> </u>      | 106           |
| Total future payments                  | 216 816       | 197 399       |

#### Other

The Centre has entered into various agreements for goods and services in Canada and abroad. These agreements expire at different dates up to 2037. Future payments related to these commitments are as follows:

|  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Within one year                        | 9 985         | 8 170         |
| After one year, but not more than five | 8 565         | 6 172         |
| More than five years                   | 19 464        | 10            |
| Total future payments                  | 38 014        | 14 352        |

As a result of signing a new lease agreement for office space in Ottawa (see note 6), commitments as at 31 March 2021 include estimated operating costs of \$25.2 million up to 2037.

## 15. 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.

As at 31 March 2021, there was one ongoing claim totalling \$1.1 million for which a provision has been recorded as a liability (31 March 2020: \$1.1. million).

## 16. 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 8 and 12 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 2021 | 31 March 2020 |
|--|---------------|---------------|
| Salaries and short-term benefits         | 1 460         | 1 573         |
| Post-employment and termination benefits | 164           | 609           |
|  | 1 624         | 2 182         |

## 17. 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 |
|-----------------------------|--------------------------------|
| rilialiciai ilistrullielits | Ciassification 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. As at 31 March 2021, 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 disclosed 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 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 18. 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.

## 18. 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.

## 19. Schedule of expenses

|   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Development research programming  |               |               |
| Contributions to institutions and individuals                                 | 140 636       | 124 450       |
| Core salaries and benefits  | 24 632        | 25 155        |
| Co-funded project salaries and benefits <sup>a</sup>                          | 6 189         | 5 767         |
| Professional services   | 5 727         | 4 770         |
| Depreciation of right-of-use assets   | 2 203         | 2 325         |
| Accommodations  | 1 727         | 2 284         |
| Amortization and depreciation of property and                                 | 1 123         | 1 263         |
| equipment and intangible assets   |               |               |
| Co-funded project expenses <sup>a</sup>                                       | 801           | 1 729         |
| Travel  | 494           | 2 771         |
| Interest on lease liabilities   | 298           | 347           |
| Meetings and conferences  | 116           | 854           |
| Other   | 1 830         | 1 956         |
|   | 185 776       | 173 671       |
|   |               |               |
| Corporate and administrative services   |               |               |
| Salaries and benefits   | 11 951        | 11 252        |
| Professional services   | 2 354         | 1 429         |
| Software expenses   | 1 010         | 759           |
| Depreciation of right-of-use assets   | 899           | 950           |
| Accommodations  | 776           | 886           |
| Amortization and depreciation of property and equipment and intangible assets | 577           | 942           |
| Furniture, equipment, and maintenance   | 288           | 609           |
| Interest on lease liabilities   | 122           | 142           |
| Travel  | 5             | 321           |
| Other   | 989           | 1 012         |
|   | 18 971        | 18 302        |
| Total expenses  | 204 747       | 191 973       |

<sup>&</sup>lt;sup>a</sup> Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of \$6 990 (31 March 2020: \$7 496). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser, and knowledge broker. This means that IDRC is a research funder and builds recipient capacity throughout the research process.

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