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Annual Report 2023-2024

Fostering **responsible innovation**

Canada

Fostering **responsible innovation**

2023–2024 at 31 March 2024

Driven by a vision of a more equitable and sustainable world, Canada's International Development Research Centre (IDRC) champions research that empowers local solutions.

We partner with researchers, policymakers and communities in the Global South to tackle complex challenges and drive lasting change.

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. The Centre invests in research to build evidence, inform decisions and generate opportunities that promote an inclusive and sustainable world.

ON THE COVER

Artificial intelligence (AI) holds immense potential to improve lives around the world, offering possibilities for advancing the Sustainable Development Goals. But the benefits of AI come with risks, as it can exacerbate existing inequalities and threaten jobs. The development of responsible AI is crucial to mitigate the risks and ensure it serves as a force for good.

Unless otherwise stated, all monetary amounts in this Annual Report are in Canadian dollars.

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Contents

A worker in Banjul, The Gambia, waters a palm sapling, one of 7,000 planted along several kilometres of beach to try and retain its sand, which is threatened by rising water levels caused by climate change. Responsible artificial intelligence innovations can help tackle climate change and its impacts.

PANOS/SYLVAIN CHERKAOUI

Our year at a glance

IDRC is at the forefront of global development efforts, championing research for development that empowers communities, accelerates progress and builds sustainable futures. Our commitment lies in catalyzing transformative change by funding programs and supporting partnerships that cultivate expertise, nurture leadership and foster vibrant local innovation in the Global South. With a strong dedication to evidence-based interventions and knowledge sharing, IDRC advances research-driven solutions for a more equitable and prosperous world.

The responsible use of artificial intelligence (AI) for development is one area of research that IDRC has been supporting for nearly a decade, given AI's immense potential to promote sustainable development. This year's annual report tells the story of the overall impact of IDRC's supported research — generating Southern-led knowledge, spurring innovation and creating solutions to development challenges — through examples of work on responsible AI.

Headquartered in Ottawa, IDRC has a presence in the Global South via its five regional offices. In 2023–2024, the total value of new projects approved with IDRC and donor funds was $282.8 million.

UN WOMEN ASIA AND THE PACIFIC

Strengthening climate resilience

Learn how a research project in Bangladesh is using AI algorithms to forecast water surges in vulnerable coastal regions. Read more on page 7.

IDRC / ANDREW ESIEBO

Facilitating maternal health care

Discover how an AI innovation in Kenya is helping provide timely assistance to pregnant and postpartum women. Read more on page 10.

IDRC

Generating evidence for inclusive policies

See how researchers are working with policymakers in Africa to explore AI's potential to spur more inclusive economic growth. Read more on page 8.

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Promoting the ethical use of AI

Explore how an IDRC partnership is measuring progress toward the responsible use of AI in more than 120 countries. Read more on page 11.

TOTAL IDRC INVESTMENTS ACROSS THE GLOBAL SOUTH

Global

Value of new projects (in $ millions)	Active projects
44.60	**383**
15.78% of total	

Central and West Africa

Value of new projects (in $ millions)	Active projects
47.20	**110**
16.69% of total	

Asia

Value of new projects (in $ millions)	Active projects
70.03	**109**
24.76% of total	

Latin America and the Caribbean

Value of new projects (in $ millions)	Active projects
25.12	**91**
8.88% of total	

Middle East and North Africa

Value of new projects (in $ millions)	Active projects
18.13	**65**
6.41% of total	

Eastern and Southern Africa

Value of new projects (in $ millions)	Active projects
77.72	**222**
27.48% of total	

LEVERAGING OUR INVESTMENTS FOR ROBUST RESULTS

In addition to IDRC's investment of more than $45 million in AI research, capacity strengthening and innovation in the Global South, we have catalyzed significant funding from donor partners to support our programming:

IDRC's AI for Development partnership with the United Kingdom's Foreign, Commonwealth & Development Office (FCDO) is worth more than $100 million, with IDRC contributing $18.1 million.

IDRC participates in a responsible AI funding coalition, including FCDO, the Bill & Melinda Gates Foundation and the United States Agency for International Development (USAID), with shared backing of $130 million over five years.

The research IDRC supports is centred around the concept of responsible AI: the practice of designing, developing and deploying AI systems that are safe, ethical, inclusive and sustainable.

Message from the chairperson

This past year, we welcomed Julie Delahanty as IDRC's new president, bringing with her a wealth of experience managing complex international development portfolios, supporting research and advancing gender equality and human rights. Her arrival marked a significant milestone for the organization, as she is known for fostering safe and productive environments for both employees and partners.

IDRC remains steadfast in its commitment and contribution to bolstering Canada's global presence. Through its emphasis on localized, applied and impact-driven research, IDRC contributes uniquely to addressing pressing global challenges while enhancing Southern leadership capacity — a mission that resonates strongly with Canada's development priorities. This approach acknowledges that effective solutions emerge from diverse perspectives and coordinated actions, reflecting the interconnected nature of current global challenges.

At the core of every global challenge is the potential for transformative change. Change, however, cannot be sparked or shepherded by a single actor, or through working in silos. It can only come through building alliances between actors who, working across sectors, borders and disciplines, each offer a piece towards solving the puzzle.

IDRC's collaborative approach to sparking systems-level change is essential across the spectrum of research we support, including the artificial intelligence (AI) programming featured in this year's annual report.

IDRC supports partners in Africa, Asia, Latin America and the Middle East who are leading innovative, evidence-based responses to intersecting and poly-crises. From developing responsible AI to shifting power dynamics to address inequality to investing in innovation, IDRC works with those closest to the challenge because local actors and solutions are needed to address global crises.

AI offers exciting possibilities for advancing the Sustainable Development Goals. It can spur innovative new start-ups, improve food systems, revolutionize education models and tackle health and climate challenges.

But with this upside comes risk. AI can reinforce structural inequalities and bias, perpetuate gender imbalances, threaten jobs and facilitate oppressive government surveillance. IDRC is working with partners to develop evidence-based solutions that mitigate the risks while reaping the rewards of this technology.

IDRC's leadership in AI resonates with its 10-year plan, Strategy 2030, and its commitment to invest in high-quality research and innovation, share knowledge and mobilize alliances for impact.

This past year marked the first three-year check-in to measure progress under Strategy 2030. And progress has been made. Research is being supported that is scientifically robust, localized and targeted to social and environmental challenges at both the local and global levels. Of course, this important work must be funded collaboratively, and IDRC has already met its 2022-2025 co-funding target.

Also, critical to IDRC's continued success is its ability to innovate and adapt to a shifting global landscape. This means leveraging data and technology to work more effectively, implementing a multi-year diversity, equity and inclusion plan and releasing IDRC's first-ever Environmental, Social and Governance (ESG) report. That ESG report highlights IDRC's commitment to making sustainable choices and to reducing its carbon footprint. IDRC's head office move is one example as we applied ESG factors into the reimagining of our office space. But ESG is broader than an office move. It signifies IDRC's commitment to building a more sustainable and inclusive world.

IDRC's senior management and employees continue to demonstrate tremendous leadership and agility. It is though the professionalism, innovation and dedication of the IDRC team that we were able to achieve our goals.

This past year, IDRC supported — and continues to support — science as a catalyst for innovative, evidence-based and inclusive solutions — solutions leading to positive action to address our global challenges.

Dr. Dorothy Nyambi
Chairperson

Message from the president

As the new president of IDRC, I am often asked why I wanted to lead the organization. There are so many reasons, but the most important is that I saw an opportunity to lead an institution addressing a great need. In the wake of the COVID-19 pandemic and as the world grapples with compounding crises emerging from conflict, intensifying natural disasters, deepening inequalities and the rapid expansion of digital technologies, it is clear that we need great science more than ever. We also know that the best science is rooted in local solutions to complex problems. IDRC, with its mandate to build solutions and drive innovation through supporting locally led research, is uniquely positioned to address the global challenges we are facing today.

The second question I am often asked is what I have found most surprising about IDRC. Despite a history of working and interacting with the Centre, the depth, reach and impact of our research still impresses me every day. Learning that IDRC has a robust artificial intelligence (AI) portfolio was a particularly welcome discovery.

IDRC's support for high-quality AI research and innovation in the Global South began nearly a decade ago, when AI was a niche topic and long before ChatGPT became a household name. Those early investments and all-important research partnerships supported the growth of a vibrant AI research ecosystem.

Guided by our Southern partners and with the support of like-minded donors, our AI programming is deeply rooted in local needs and aspirations. We believe that people facing development challenges are the best placed to identify issues and find solutions. That is why we support a diverse range of actors to co-create contextually relevant and culturally sensitive AI infrastructure, regulations and innovations.

In responsible hands and with the right focus, AI applications can change lives for the better. Without that human-focused guidance, AI has the power to exacerbate existing inequalities and threaten jobs, civil liberties and human rights. This is where responsible AI research becomes crucial. By supporting the research and development of evidence-based, responsible AI systems that are safe, inclusive, rights-based and sustainable, we can identify and address biases in the technology while also gaining insights into the benefits and potential uses of responsible AI.

This year's annual report highlights the power of research to support the development of responsible AI. You will read stories and achievements of IDRC's AI partners, such as those developing a system based on text messages for maternal and newborn care in Kenya, a platform for economic policymaking in Africa, an app that protects women transit users in the Philippines and datasets to support African language interpretation.

All of the research we support, including our AI programming, is consistent with and further advances the two main objectives of our Strategy 2030, namely addressing climate change and inequality. Given the focus on inequality, we are also fully committed to working through a gender and inclusion lens as a cross-cutting priority. In so doing, we ensure that the research we support is shaped by a diversity of perspectives, considering the full range of stakeholders that we and our partners can collectively impact.

This commitment to gender and inclusion is reflected internally as well, through a workplace that celebrates diversity. Our amazing global team, staff and partners are our most-valued resource. Creating a secure and positive work environment is part of our ongoing commitment to supporting our staff and partners.

I joined the organization a year ago with the confidence that I share the values that IDRC holds. IDRC recognizes the power of working with others to drive positive change and champions the view that those experiencing a challenge are best placed to find the solution. From this vantage point, it is possible to navigate even the most complex global challenges and see the way towards a sustainable and inclusive world. I am proud of where we are and excited to see what we do next!

Julie Delahanty
President

Fostering **responsible innovation**

Artificial intelligence (AI) is rapidly transforming the global landscape. From revolutionizing health care to tackling climate change, AI holds immense potential to improve lives around the world. As the global conversation evolves, discussions are swirling about the ethical implications of developing and deploying AI. Key questions are being raised about potential biases in algorithms, the impact that AI will have on jobs and how to ensure that AI will benefit all of humanity. These discussions are crucial for shaping a future where AI serves as a force for good, promoting sustainable development and a more equitable world.

This year, IDRC's annual report spotlights the power of research to support the development of responsible AI innovations. IDRC began to invest in high-quality AI research and innovation in the Global South nearly a decade ago. Since then, our investments have grown into a vibrant AI research ecosystem — a complex and interconnected network of entities, organizations and resources that contribute to the creation, dissemination and application of knowledge.

Today, IDRC is a world-leading supporter of responsible AI research and innovation to advance international development goals. Our research investments across Africa, Asia, Latin America and the Middle East are enhancing the capacity of individuals and institutions to bring about a brighter, more resilient and sustainable future.

Guided by our Southern partners, IDRC's efforts to develop AI research and innovations are deeply rooted in local needs and aspirations. We believe that people facing development challenges are the best placed to identify issues and find solutions. That is why we support academic institutions, local governments, civil society organizations and grassroots communities to co-create AI innovations that are contextually relevant and culturally sensitive.

In the right hands and with the right focus, AI applications can be used to change lives for the better, and, as our investments show, we recognize their immense potential to augment health-care capacity, mitigate the effects of climate change, revolutionize education models and so much more.

However, we are also mindful of the significant risks that AI can bring. In the wrong hands, AI has the power to exacerbate existing inequalities and threaten jobs, civil liberties and human rights. This is where responsible AI research becomes crucial. By supporting the research and development of evidence-based, responsible AI systems that are safe, inclusive, rights-based and sustainable, we can identify and address biases in the technology while also gaining insights into the benefits and potential uses of responsible AI.

As a dynamic and urgent global conversation about AI gains momentum, IDRC's research investments have proven to be prescient. Canada is a country actively involved in conversations about AI, and the well-established research supported by IDRC is positioned to make significant contributions.

In this report, we delve into IDRC's efforts to build sustainable AI research capacity in the Global South — and support the many innovations that result — while concurrently addressing the risks associated with AI in the development sphere. Throughout, we explore the diverse applications of AI innovations across our programming areas while anchoring our endeavours in the principles outlined in IDRC's Strategy 2030.

Global leaders in AI policy and programming

Soon after Canada launched the world's first national strategy on AI in 2017, IDRC released a white paper called *Artificial intelligence and human development: Toward a research agenda*. The paper is the foundation for much of IDRC's AI research programming, including our celebrated AI for Development program (page 8). In 2021, IDRC released *Bias In, Bias Out*, a paper about the pitfalls of AI for women who work in the gig economy — more specifically, how AI can reinforce traditional gender biases and labour market discrimination.

Strategy 2030

Our strategy reaffirms our commitment to **investing in high-quality research and innovation**, expands our focus on **sharing knowledge** and continues to **mobilize global alliances to support more sustainable and inclusive societies** in the developing world.

PANOS/GMB AKASH

A group of anxious villagers in Sariakandi, Bangladesh, stand beside the River Jamuna, where erosion is eating into the river banks.

IDRC programming spans five areas:

Climate-Resilient Food Systems builds inclusive resilience among communities severely affected by climate change and addresses emerging health threats that arise from food systems.

Global Health strengthens health systems and policies so they can deliver better maternal and child health, improved sexual and reproductive health and rights for women and girls, and more effective and equitable preparedness and responses to epidemics.

Education and Science supports research to ensure children and youth from vulnerable populations attend school and benefit from high-quality education. It also supports women's leadership in strong science systems that produce knowledge and innovation and improve lives.

Democratic and Inclusive Governance aims to support tangible improvements for everyone to take their rightful place in civic life and enjoy the benefits that democracy and inclusive governance bring to everyday life.

Sustainable Inclusive Economies builds the evidence base to support sustainable development that reduces greenhouse gas emissions, enhances climate resiliency, fosters shared prosperity and expands economic opportunities for women and youth in developing countries.

Climate resilience in Bangladesh

Coastal embankments in Southwest Bangladesh are notorious for failing to shield communities from storm surges during cyclones and tropical depressions. When storms hit, embankments often become damaged. Roads and sanitation systems flood and break down, and whole towns are inundated with salt water, often spelling disaster for the families living there. Many families leave permanently, becoming climate refugees. Reports indicate that over the next 20 years, some 10 million people from Bangladesh's coastal regions will be forced to migrate.

Spatial surge forecasting using AI and community knowledge (SURF-IT) is an innovation led by Bangladesh social development organization Uttaran. It is part of the Climate Adaptation and Resilience initiative, co-funded by the United Kingdom's Foreign, Commonwealth and Development Office (FCDO) and IDRC. SURF-IT uses predictive modelling driven by AI algorithms to forecast water surges in specific inland tidal estuaries along Bangladesh's coast. It enables authorities to act early when coastal embankments fail.

More than half a million people stand to benefit from SURF-IT — particularly women and vulnerable groups. The tool has the potential to be scaled nationwide, which could improve the lives of millions more.

Inclusive solutions through responsible AI: IDRC's growing impact

After years of partnering with emerging AI research and innovation leaders in the Global South, IDRC and the Swedish International Development Cooperation Agency launched the AI for Development (AI4D) Africa program in 2021. The four-year, $20-million partnership saw the creation of an AI policy research network, two AI policy think-and-do tanks, two AI laboratories and a scholarship program at public universities, and four AI innovation research networks. These have resulted in nearly 100 locally led innovations — from improving climate resilience to supporting a feminist approach to AI research and development.

This year, IDRC partnered with FCDO on an expanded, $70-million phase of the AI4D program that will run until 2029. Called the AI4D: Responsible AI, Empowering People program, it will build on the foundations of AI4D's first phase by coordinating IDRC's AI programming in Africa with work we support in Asia, Latin America and the Middle East — work such as the Global Index on Responsible AI, the Feminist AI Network and the AI for Global Health initiative — to create the greatest possible impact.

"This partnership will benefit all countries and ensure that developing countries are not left behind in the AI revolution."

— Eliud Owalo, Cabinet Secretary for Information, Communications and the Digital Economy, Government of Kenya

Unlocking equality, combatting AI bias

The Feminist AI Research Network (FAIR), part of the new phase of AI4D at IDRC, is a global network of scientists, economists and activists finding ways to make AI and related technologies more effective, inclusive and transformational. One key threat embedded in the emergence of AI is its potential for deepening inequalities, especially for women and vulnerable populations. FAIR supports projects that identify and correct digital biases and that develop AI solutions reflecting feminist principles.

Harnessing AI for economic policymaking in Africa

As AI continues to transform various sectors, its applications in government services and policy development remain largely unexplored. The African Center for Economic Transformation is researching the potential of AI to revolutionize economic policymaking in Africa as part of IDRC's AI4D program. This project aims to:

- **generate evidence** on how AI can be used to improve economic policy decisions in Africa, leading to faster and more inclusive economic growth
- **research and experiment** in collaboration with policymakers, with the goal of creating a realistic understanding of AI's potential in the policy sphere
- **build capacity** by bringing together a community of policymakers, practitioners and researchers who share knowledge
- **promote equality** by recognizing the importance of addressing potential biases in algorithms and data, and ensuring AI tools are implemented in a way that benefits all citizens.

Empowering health systems for equity and inclusion

The use of AI is transforming how health systems and services are planned and delivered globally. AI innovations that prioritize human needs and uphold fundamental rights have the potential to streamline health-care delivery and accelerate progress toward the health-focused Sustainable Development Goals. Such innovations can be integrated across various aspects of health-care systems, from large-scale public health monitoring to onsite services at the point of care.

However, evidence is needed in low- and middle-income countries on how AI can be used to strengthen health systems, improve health equity, support gender equality and inclusion, and ensure a local supply of skilled people, credible data and computing infrastructure.

The AI for Global Health (AI4GH) initiative, also part of IDRC's new AI4D programming, is a five-year $15.5-million IDRC investment that funds interdisciplinary research projects across Africa, Asia, Latin America and the Caribbean and the Middle East. It brings together experts from various fields, including health care, data science and AI, to collaborate on developing responsible, locally driven AI solutions that support better and more equitable preparedness for and responses to epidemics and pandemics and improve sexual, reproductive and maternal health for women and girls.

JUSTIN JIN/PANOS

Hazel Biana and researchers at De La Salle University in the Philippines have developed the SafeHER app as part of FAIR to protect women transit users in Manila, 80% of whom experience harassment and assault on public transit. SafeHER uses SOS alerts, live location sharing, scream detection and a buddy system. The innovation empowers women and challenges a culture of victim blaming.

Preparing for the next outbreak

Disease outbreaks are increasing in frequency and severity, and climate change is worsening the world's health and social inequities by creating climate "hotspots" where diseases are more likely to emerge. The Global South AI for Pandemic Preparedness and Response (AI4PEP) Network is supporting 16 hubs composed of interdisciplinary researchers and policymakers across Africa, Asia, Latin America and the Caribbean, and the Middle East to detect, respond to and control new disease outbreaks before they become epidemics or pandemics.

This global initiative aims to smash siloes. It brings data scientists, epidemiologists, physicists, mathematicians and software engineers together with disaster and emergency management, clinical public health, citizen science and community engagement experts. Interdisciplinary teams of researchers work to improve early detection, early-warning systems, early response, and ways to mitigate and control developing epidemics with AI as the entry point.

As just one example of an AI4PEP project, a group of researchers at the University of São Paulo in Brazil is developing AutoAI-Pandemics, a platform designed to make AI accessible to professionals — such as biologists, physicians and epidemiologists — who are not experts in data science or machine learning.

The researchers aim to accomplish several things:

- automatically analyze disease outbreaks and find the best ways to stop them
- discover new drugs and understand the genetic makeup of pathogens
- fight misinformation about diseases by giving people reliable information

The AutoAI-Pandemics research team wants their platform to be easy to use. They will share their findings in articles and train doctoral students about how to use AI in health care.

"AutoAI-Pandemics stands as a potentially transformative force, poised to address critical societal challenges by offering solutions to misinformation and by providing efficient computational tools… (It) aims to significantly reduce the impacts of epidemics and pandemics, either avoiding or reducing future global crises like that experienced in early 2020."

— André C. Ponce de Leon Ferreira de Carvalho,
Institute of Mathematics and Computer Sciences,
University of São Paulo at São Carlos, Brazil

An AI breakthrough for pregnant and postpartum women

In remote areas of Kenya, where access to high-quality maternal health-care services can be scarce, a quiet crisis has loomed. In 2018 alone, 38,000 mothers and newborns lost their lives because they lacked access to reliable maternal and newborn care.

Non-profit organization Jacaranda Health has developed a game-changing tool for maternal and newborn care. Called PROMPTS, the tool is a system based on text messages (SMS) that lets pregnant and postpartum women get assistance from a human helpdesk, no matter where they live.

But PROMPTS has 350,000 users and its success brought challenges. With 1.1 million SMS messages flooding in each month, the helpdesk at Jacaranda Health needed a triage tool to help them deliver timely interventions for women in critical need. Jacaranda Health worked with a team of researchers to develop Triage for Mothers using AI (TRIM-AI), a state-of-the-art natural-language processing framework.

TRIM-AI assesses the emergency level of pregnant mothers based on the content of their SMS messages. In a comparison, the TRIM-AI version of PROMPTS was 17% better at spotting high-risk conditions in texts from Kenyan mothers. And it reduced the helpdesk's workload by 12%, giving them more time to focus on helping mothers and babies.

Revolutionizing deaf education in Kenya

The Artificial Intelligence for Kenyan Sign Language (AI4KSL) project is supporting Kenyan researcher Lilian Wanzare to develop assistive-AI technology that uses virtual signing characters to translate spoken English to Kenyan Sign Language for deaf people.

The project recognizes communication as a basic human right. Roughly 1 million Kenyans are deaf, and the language barrier they face is magnified by a low number of highly skilled Kenyan Sign Language interpreters. This resource deficiency translates to poorer access to and quality of education for deaf Kenyans.

The AI4KSL innovation will be tested on graduate teacher trainees who specialize in sign language and work with deaf students in Kenyan schools. It will then be considered for scaling up in other regions.

"This tool is fundamental for AI inclusivity and bridging the digital divide. It will enable students with hearing impairment to follow lectures in real time and not rely on their fellow students. It can also be useful in court, in church, at home and in other settings."

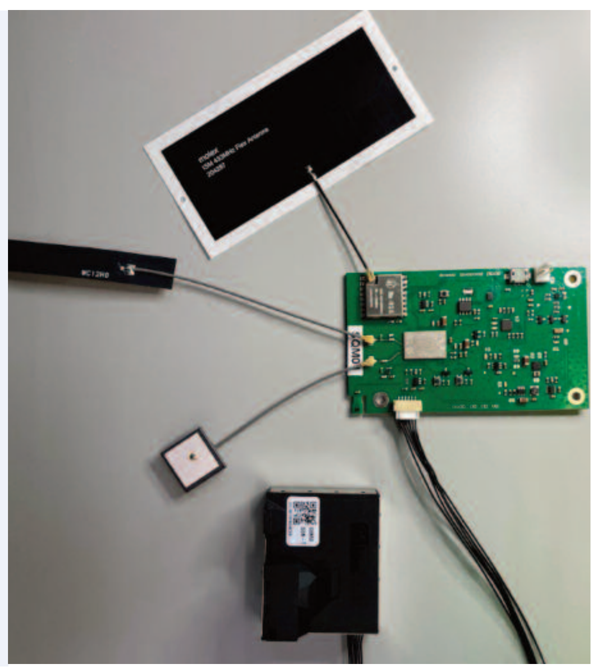
— Lilian Wanzare, chair of the Computer Science Department at Maseno University, Kenya

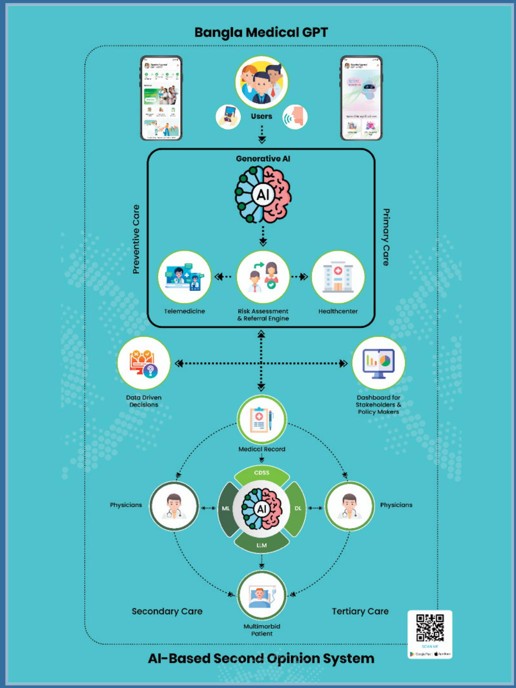
The air we breathe

The World Health Organization says 99% of people breathe air that does not conform to air-quality guidelines — causing 7 million people to die prematurely every year. iThemba Labs, of South Africa's National Research Foundation, may have a solution. Their innovation combines state-of-the-art, air-quality sensors with a low-cost, AI-powered network architecture to detect pollutants and provide real-time data on air pollution levels. At $135 per device, it is affordable and reliable.

"I think we are ready to revolutionize air quality monitoring. Through AI, we will have a real-time prediction of what's happening now and what will happen tomorrow."

— Bruce Mellado, professor, University of the Witwatersrand, South Africa, and senior scientist at iThemba Labs





CMED Health, a grantee under IDRC's AI for Global Health initiative, showcased its data-driven innovations in health services delivery at the December 2023 Annual Summit of the Global Partnership on Artificial Intelligence in New Delhi, India.

The partnership was initiated by Canada and France, and the annual summit is one of the biggest events on the AI global calendar. CMED Health offers a cloud-based preventive health-care platform that monitors health parameters, predicts health risks and reduces health-care costs.

CMED founder Prof. Khondaker Mamun is increasingly recognized as an AI thought leader in Bangladesh.

Amplifying Southern voices for ethical AI development

While the current discourse on AI governance is lively and productive, it lacks sufficient representation from Southern voices and perspectives. To mitigate harm and combat biases effectively, it is crucial to involve experts from Africa, Asia and Latin America in shaping recommendations and norms.

IDRC is funding Southern partners to develop guidelines, frameworks and regulatory mechanisms that promote the responsible and ethical deployment of AI in development contexts. We facilitate multi-stakeholder dialogues, knowledge exchanges and partnerships to develop standards and best practices for responsible AI deployment that fosters human rights, privacy, accountability and social inclusion. The vibrant networks that we fund work towards common goals, fostering a future where AI serves as a force for positive change in development.

"Simply adopting new or innovative approaches to old problems is insufficient. We need to proceed with care and caution, including by marshaling insights from the vast existing knowledge about the promises and pitfalls of leveraging technology and data science for development."

— Luciá Mesa Vélez, the Ladysmith Collective, an IDRC-supported partner

Advancing global governance for responsible AI

IDRC and Global Affairs Canada are spearheading an initiative that will empower governments, civil society organizations and others with evidence to advance the principles of rights-based AI governance. While strides have been made in delineating ethical frameworks for AI, the need now lies in translating these principles into actionable strategies across public and private sectors.

Enter the Global Index on Responsible AI. Led by the South Africa-based think tank Research ICT Africa, this project aims to deliver a comprehensive and dependable assessment of AI development and use across more than 120 countries. Its goal is to better inform international cooperation and ignite local action for responsible AI.

The project team has established a robust measurement framework of 87 indicators and 29 thematic areas designed to gauge the responsible deployment of AI. Harnessing the expertise of 11 research institutions, predominantly hailing from the Global South, and supported by 135 country experts, the project scrutinizes the landscape of responsible AI practices against the measurement framework. The index was released in June 2024.

Aligning AI with human rights and democratic values

The Global Partnership on Artificial Intelligence (GPAI) brings together experts from the public, private and not-for-profit sectors worldwide to foster the responsible development and use of AI in alignment with human rights and democratic values.

Through its working groups, GPAI focuses on key areas such as responsible AI, pandemic response, data governance and innovation. In 2020, GPAI established the International Center of Expertise in Montréal for the Advancement of Artificial Intelligence (CEIMIA) to lead initiatives in responsible AI, pandemic response and data governance.

To enhance GPAI's inclusivity and perspective from the Global South, IDRC is funding an AI specialist from the region. Thomas Hervé Mboa Nkoudou, a Cameroonian researcher now based in Montréal, is collaborating with CEIMIA, the working groups and the Canadian AI community to integrate Southern countries' needs and interests into GPAI's overall efforts toward responsible AI adoption. His role is pivotal in fostering stronger ties between GPAI, CEIMIA and AI stakeholders in the Global South.

Combatting misinformation

In recent years, misinformation has spread rampantly across the global online media landscape, creating what experts call an "infodemic." The problem is especially urgent in the Middle East and North Africa, where a lack of independent media has led people to rely heavily on social media for news.

IDRC is funding research to assess the current state of misinformation in Arabic by gathering data from Arabic fact-checking initiatives and creating a unique multilateral database. Using natural language processing techniques, the research team, led by Wael Alalwani of Open Transformation Lab Inc., will analyze data to identify trends in how misinformation impacts minority groups and the public perception of misinformation and how it spreads.

Addressing data disparities

Data is the foundation of AI innovations and serves as the foundation for algorithms to learn and evolve. When data does not exist, is outdated or does not represent underserved populations, the result can be a biased, inaccurate AI tool.

In 2020, IDRC, the Rockefeller Foundation and other partners united to create the Lacunda Fund, the world's first collaborative effort to fill critical AI data gaps in agriculture, language, health and climate. To date, 16 projects have received funding: 10 for language and six for agriculture. Researchers have developed 13 datasets, all of which are openly accessible.

Agriculture awardees have produced training datasets across sub-Saharan Africa to support various agricultural needs. Language awardees have produced text and speech datasets for natural language processing technologies in East, West and Southern Africa.

In the KenCorpus project, a team of researchers at Maseno University in Kenya has developed rich textual and speech data resources for the following languages spoken in Kenya: Kiswahili, Luhya (including three dialects) and Dholuo. The project is addressing the underrepresentation of African languages in the realm of AI and natural language processing. Among its many potential benefits: helping preserve the languages it represents and serving as a foundation for language-learning materials, such as textbooks and language-learning apps.

The dataset has been downloaded an incredible 250,000 times!

"Every language and culture has a story to tell, and one's native language speaks to one's soul…In this project, we will get the chance to work with selected native speakers across Kenya, involve students in data collection and annotation, and mentor them into building (natural language processing) tools for African languages."

— KenCorpus project team

Looking ahead

The dual disruptions of AI and climate change emphasize the urgency for inclusive and sustainable development strategies that mitigate risks, build resilience and empower individuals and communities — particularly women and the vulnerable — to thrive. As the world increasingly turns its attention to the transformative potential of AI innovations, IDRC will continue to lead by fostering innovative solutions through research.

As one example, IDRC announced in November 2023 the launch of FutureWORKS, a five-year, interdisciplinary, Southern-led research initiative that addresses the future of work in the Global South amid these evolving realities. Five regional hubs, each of which will receive $1.7 million, have been selected to develop and lead research ecosystems in Asia, Africa, the Middle East and Latin America that reflect local talent, needs and interests.

IDRC is proud to collaborate with Canada as we navigate the evolving landscape of technological advancements. Leveraging Canada's leadership in AI policy, we will continue to support the development of inclusive and ethical AI policies, practices and innovations that address the unique challenges and local realities of the Global South.

As AI increasingly shapes economies and societies worldwide, we will work to ensure that emerging technologies benefit all — especially vulnerable communities — and promote sustainable development and equitable access to opportunities. Through our continued efforts, IDRC aims to catalyze positive change, driving progress toward a more inclusive and prosperous future for all.

Management's discussion and analysis

IDRC/PANOS: EDUARDO JALIL

Core business

As a Crown corporation, and part of Canada's global affairs and development efforts, IDRC invests in high-quality research and innovation in developing countries, shares knowledge with researchers and policymakers to inform local and global action, and mobilizes global alliances for impact.

IDRC'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's activities are guided by 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 does this by:

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

Triennial reviews of the strategy, the first of which took place in 2023, provide opportunities to reflect on changes in the external environment, progress and challenges, and necessary adaptations with the goal of improving implementation.

IDRC recognizes that collaboration and networks are key to development impact. IDRC contributes to major Canadian government initiatives and delivers on Canada's international assistance priorities. The Centre works closely with Global Affairs Canada and regularly collaborates with other Government of Canada organizations, such as Canada's research granting councils, to help achieve common objectives related to international assistance priorities.

At 31 March 2024, IDRC had 37 active donor contribution agreements with 15 donors. The value of the donor contributions was $652.8 million.

IDRC's approach to partnering is focused on collaborating with a wide variety of organizations, including government agencies, granting councils, the private sector and philanthropic foundations. This approach seeks to mobilize alliances that increase our contributions to 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 grant recipients at 31 March 2024, the average grant is $658 698 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 and risks. Complex projects often involve multiple grantee institutions, and each recipient institution must sign a grant agreement that provides the terms and conditions of funding. A risk-assessment process that looks at the administrative and financial capacity of grantee institutions is followed for all recipients. The release of funds to grantees is based on progress toward research activities and validated through satisfactory technical and financial reports.

IDRC's Gender Equality and Inclusion Programming Framework (GEIPF) seeks to ensure gender equality and inclusion are promoted intentionally and systematically across the Centre. The GEIPF, introduced in 2021, continues to be operationalized through the consultative development and socialization of technical tools, knowledge-exchange platforms and capacity-strengthening resources.

The Centre's advisory and knowledge-sharing functions are central to its business and overall corporate performance, in accordance with IDRC's mandate as established in the *International Development Research Centre Act*. Knowledge-sharing functions also strengthen the research capabilities of research grant recipients. This component of IDRC's work forms part of its value to recipients and distinguishes the Centre from other development assistance funders. IDRC believes that, where possible, providing local support to enhance research capabilities is best. As such, the employees in IDRC's five regional offices collaborate with research institutions in the Global South to advance initiatives.

An internal advisory body was established to provide strategy, guidance and general oversight on the adoption and use of artificial intelligence tools and services within IDRC. The advisory body will provide economic, social and ethical guardrails for the responsible use of artificial intelligence within the organization.

Corporate governance

The Board of Governors

The Board of Governors is responsible for the stewardship of the Centre: it provides strategic guidance to management and oversees the activities of the Centre. The board acts and conducts its business in accordance with the *IDRC Act*, the IDRC General By-Law and within a governance framework based on other applicable legal rules, policies and governance best practices. The charter of the Board of Governors details the roles, responsibilities, authorities and governance practices of the board and its committees.

In carrying out its responsibilities, the Board of Governors does so in accordance with the highest standards of ethics, integrity, transparency and professionalism. 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 members acknowledge 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.

Membership

The composition of the Board of Governors is defined within the *IDRC Act*.

The *IDRC Act* stipulates that a majority of board members must be Canadian. The board's international composition is important to the Centre. It enables the board to have a viewpoint on the issues and needs of people and communities in the developing world, thereby supporting the continued relevance of the Centre's programs to the developing world.

The chairperson and the president are appointed by the Governor in Council to hold office for terms of up to five years. All other governors are appointed for terms of up to four years. 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 2024)

DOROTHY NYAMBI
Chairperson
Ancaster, Ontario

NURJEHAN MAWANI
Vice-Chairperson
Vancouver, British Columbia

JULIE DELAHANTY
President
Ottawa, Ontario

AKWASI AIDOO
Gastonia, North Carolina, USA

ALEX AWITI
Nairobi, Kenya

PURNIMA MANE
San Mateo, California, USA

BESSMA MOMANI
Kitchener, Ontario

GILLES RIVARD
Mont-Tremblant, Québec

HILARY ROSE
Sherwood Park, Alberta

STEPHEN TOOPE
Toronto, Ontario

Former governors who served during the reporting period:

JEAN LEBEL (term ended 2 May 2023)
Ottawa, Ontario

CHANDRA MADRAMOOTOO (term ended 9 June 2023)
Montréal, Québec

SOPHIE D'AMOURS (term ended 9 June 2023)
Québec, Québec

Function of the board

The board held three meetings in 2023–2024.

The board functions 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 2024)

The **Executive Committee** (convened five times in 2023–2024) ensures that the business of the board is carried out between meetings as necessary. It is also responsible to ensure that the board has a sound approach to corporate governance and is functioning effectively.

The **Finance and Audit Committee** (convened five times in 2023–2024) provides oversight responsibilities with respect to financial management and reporting, internal and external audit, risk management and internal controls, and standards for integrity and behaviour.

The **Strategy, Program Performance and Learning Committee** (convened four times in 2023–2024) supports the board in fulfilling its oversight and foresight responsibilities with respect to strategic and annual planning, and performance monitoring.

The **Human Resources Committee** (convened five times in 2023–2024) supports the board in fulfilling responsibilities with respect to the application of sound human resource policies and practices that support the Centre's mission and mandate.

Compensation

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

- per diem range for board chairperson and governors is $360–$420
- annual retainer range for committee chairpersons is $4,600–$5,400
- annual retainer range for the chairperson is $9,200–$10,800

Centre Executives (as at 31 March 2024)

JULIE DELAHANTY
President

JULIE SHOULDICE
Vice-President, Strategy, Regions and Policy

FEDERICO BURONE
Acting Vice-President, Programs and Partnerships

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

Board secretary (as at 31 March 2024)

SANDEEP PRASAD
Corporate Secretary

Regional Directors (as at 31 March 2024)

KAPIL KAPOOR
Asia Regional Office

MARIE-GLORIOSE INGABIRE
Central and West Africa Regional Office

FEDERICO BURONE
Latin America and Caribbean Regional Office

WESSAM EL BEIH
Middle East and North Africa Regional Office

KATHRYN TOURE
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

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

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

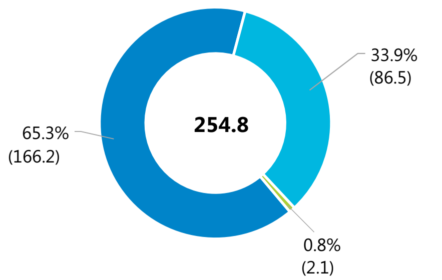
Risk Management and Audit
- Integrated risk management approach
- Internal Audit aligned with leading practices
- Office of the Auditor General
  - Annual Attest Audit
  - Special Examinations

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
- Environmental, Social and Governance Report

Financial resources

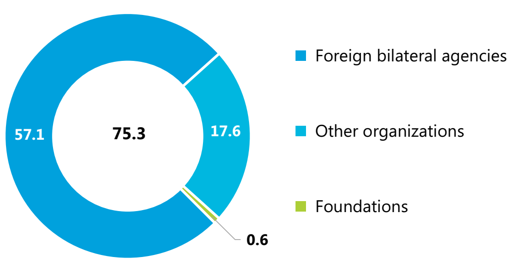
The Centre derives the majority of revenues from a parliamentary appropriation and from donor contributions received pursuant to co-funding agreements. The parliamentary appropriation is the most significant and allows the Centre to deliver its mandate. It includes a recurring portion and a non-recurring portion that fluctuates as parliamentary transfers are agreed upon with other federal government organizations. The total amount of the parliamentary appropriation recognized for 2023–2024 was $166.2 million, which represents 65.3% of IDRC's revenues.

2023–2024 Revenue by source ($ millions)



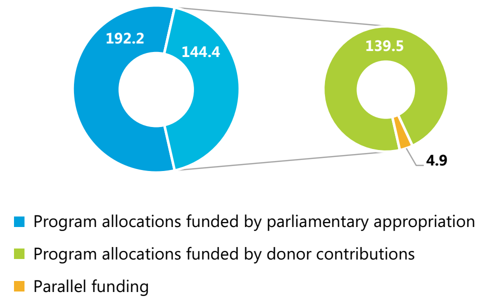
Contributions arising from co-funding agreements are accounted for as donor contribution revenues. In 2023–2024, the value of signed multi-year co-funding agreements was $75.3 million.

2023–2024 Co-funding agreements by donor type
($ millions)



The Centre is able to further leverage donor funds by combining these with those of other donors that provide funds directly to recipients, thereby increasing the total funding available for these projects (referred to as parallel funding). In 2023-2024, $4.9 million of parallel funding was generated, bringing total external contributions to IDRC-funded projects to $144.4 million.

2023–2024 Total contributions to IDRC-funded projects



Financial accountability and sound financial management

IDRC has a solid financial management framework that ensures proper stewardship of funds. From the preparation of a rigorous budget to regular monitoring and analysis of financial results and continuous forecasting, the framework ensures that financial resources are used for their intended purpose and contribute to achieving the Centre's mission and vision.

Management monitors key financial indicators and variables that impact the level of resources available for research in future years, including outstanding commitments, expenditure patterns on new projects and the level of administrative expenses. Tracking these indicators ensures that financial management and planning is exercised with the utmost prudence and diligence regarding public funds while achieving IDRC's goal of being a fit-for-purpose organization.

Sustainable and inclusive organization

Environmental, Social and Governance

As part of Strategy 2030, IDRC made a strong commitment to being a sustainable and inclusive organization. This commitment is at the root of environmental, social and governance (ESG) considerations.

IDRC is releasing a stand-alone ESG report for the 2023–2024 financial year. The report, published on the Centre's website, outlines progress towards implementing its ESG framework, as well as a roadmap for how it will further implement ESG considerations in future years.

Focus on people and talent

IDRC's success relies on employing a workforce that is committed, innovative and engaged. The Centre actively nurtures a healthy and effective workplace that provides employees with opportunities to build the expertise, skills and capacities they need to excel.

In late 2023, the Centre held its employment equity self-identification campaign in which 68% of eligible employees participated.

Workforce diversity:

- 66.8% women
- 31.5% members of visible minorities
- 0.4% Indigenous peoples
- 9.9% persons with disabilities

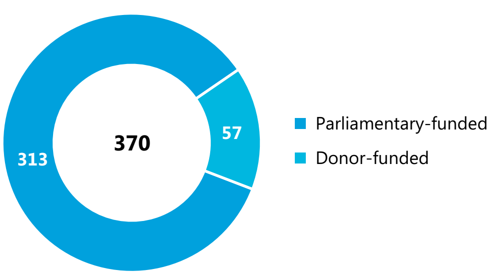
(as at 31 December 2023; as per reporting to the Labour Program of Employment and Social Development Canada, only Ottawa-hired staff positions are included.)

IDRC's diversity, equity and inclusion (DEI) committee delivered interactive workshops to all employees on diversity, equity and inclusion principles, with a clear articulation of IDRC's Culture and Values Statements. These Culture and Values Statements affirm IDRC's ambitions to achieve a more sustainable and inclusive world respecting all individuals, and to be intentional in its actions and accountable in its work and relationships.

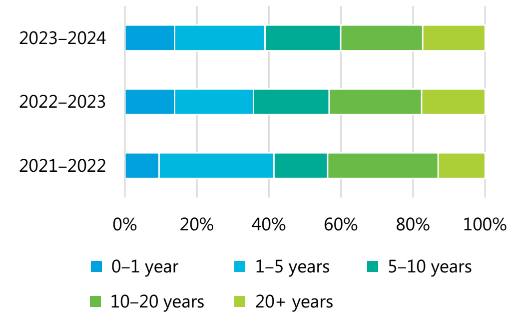
With input from employees, the DEI committee prepared an *Employee Values Playbook* and an *Inclusive Leader Playbook*, which provide guides to help employees live IDRC's values in their daily work life. The playbooks are a tool employees can use to improve their personal and professional growth. They are designed to help them think about their own values, learn from others and apply what they learn in their work. They are also a way to connect with colleagues and create a culture of collaboration, trust and inclusion.

The *Accessible Canada Act (ACA)* requires organizations, including Crown corporations, to develop a three-year plan using a proactive and systematic approach that ensures Canadians with disabilities can fully participate in all sectors of life. IDRC's *Accessibility Progress Report* is available on the Centre's public website and reflects the progress achieved in the first year of implementation of its Accessibility Plan.

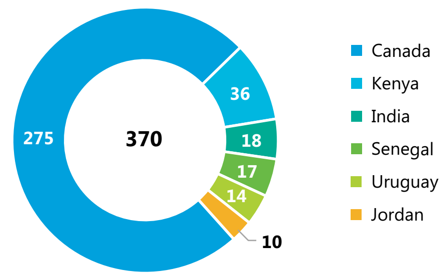
IDRC's workforce by funding source



Years of service

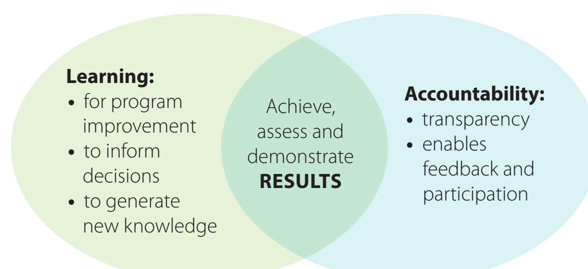


IDRC's workforce by location



Monitoring, evaluation and learning

IDRC uses monitoring, evaluation and learning to assess and demonstrate results, learn how research contributes to development, inform decisions and meet accountability requirements. The Centre engaged in several key monitoring, evaluation and learning initiatives in 2023–2024. As a steward for research and innovation, IDRC believes the way research is evaluated is important for ensuring that it is a positive force for change in the world.



Risk management

The Centre is committed to implementing a continuous, proactive and systematic approach to risk management. The ultimate purpose of IDRC's risk management is the protection of IDRC's assets and successful mandate delivery.

IDRC's risk-management processes and practices are based on guidelines published by two international bodies that foster sound and prudent risk-management practices: the International Organization for Standardization (ISO 31000:2018) and the Committee of Sponsoring Organizations (COSO 2017). IDRC's risk-management processes and practices are also aligned with the Treasury Board of Canada's Framework for the Management of Risk. The guidance provided by these entities has been customized to the Centre's needs and context.

IDRC's mandate, international network and the complex environments in which the Centre operates expose it to a wide range of risks. IDRC applies various controls and strategies to manage risk and, in addition to external audits conducted by the Office of the Auditor General, uses the Institute of Internal Auditors' three-line model for its internal control framework.

- First line: **Operational management** – Management is responsible for establishing and maintaining effective internal controls and executing risk and control procedures on a day-to-day basis.
- Second line: **Risk management** – Risk management provides leading expertise, complementary support, monitoring and a challenge function related to the management of risks.
- Third line: **Internal audit** – The internal audit function provides independent assurance on the adequacy and effectiveness of governance, risk management and internal control to management and the Board of Governors.

IDRC evaluates and monitors various types of risks which can relate to different areas of the Centre's business activity (i.e., financial, reputational, programmatic). The formal and structured risk assessment at the corporate level ensures that the total portfolio of IDRC's risks is considered.

To ensure effective management of risks, risk management principles, practices and accountabilities are integrated at all levels and across the Centre and are designed to identify both opportunities that may enhance and threats that may hinder the achievement of established objectives, and to manage both within acceptable risk levels.

In March 2024, the Board of Governors reviewed key corporate risks, such as cybersecurity and funding, that were identified through a comprehensive Centre-wide assessment process. The appropriate controls and strategies to mitigate those risks were discussed and will be implemented throughout the year.

The evolution of IDRC's risk exposure is continuously monitored and, as required, risks with an increasing trend are escalated for additional review and action.

Internal audit

Internal audit is a key element of IDRC's accountability structure. Its purpose is to enhance and protect organizational value by providing risk-based and independent assurance, advice and insight. This is accomplished by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk-management, control and governance processes, which support management's efforts in the achievement of the Centre's mission and strategic objectives. The purpose, authority and independence, responsibilities, scope of work and professional standards for internal audit are defined in the board-approved internal audit charter, published on IDRC's website.

Results and outlook

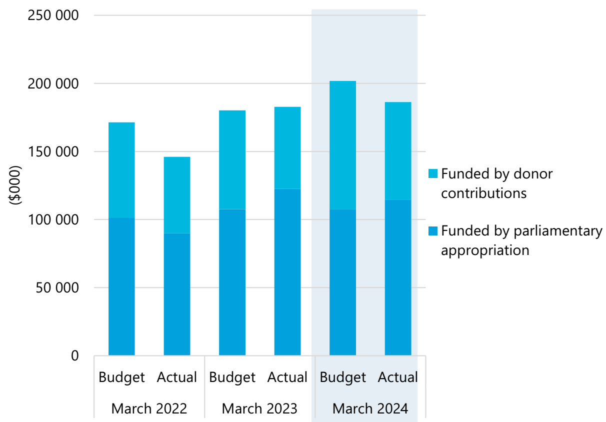
Performance indicators

Performance indicators allow the Centre to monitor its performance and identify areas where corrective measures must be taken when appropriate. IDRC uses a robust set of performance indicators to ensure the Centre is on track to meet its vision and objectives as outlined in Strategy 2030.

Research project expenses compared to budget

Research project expenses are carefully monitored, given they represent IDRC's largest expense and are the primary means by which IDRC fulfills its mandate. At 31 March 2024, $186.2 million, or 92.3% of the overall research project expenses budget of $201.8 million, was achieved. The research expenses funded by parliamentary appropriation are above budget due to higher-than-expected expenses related to supporting women's health and economic wellbeing for a post-COVID-19 recovery and the new Nature-based Climate Solutions in Aquaculture Food Systems in Asia-Pacific (AQUADAPT) program. This increase is offset by lower expenses in research expenses funded by donor contributions due to delays for a few new large donor-funded agreements signed late in 2022–2023. (see Figure 1).

FIGURE 1: RESEARCH PROJECT EXPENSES

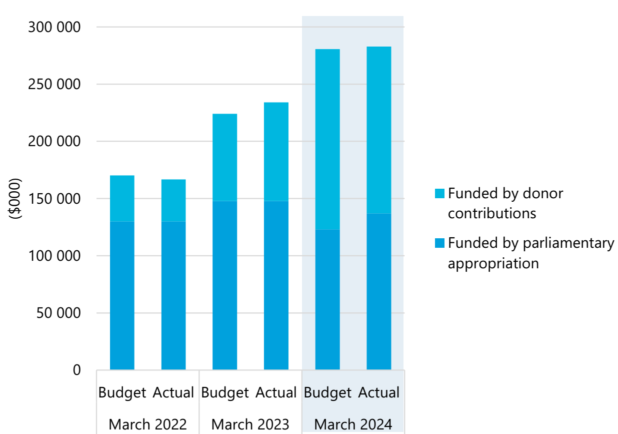


Program allocations

Program allocations represent funds approved and reserved for new research projects with disbursements over the project duration. As funds must be allocated before they can be committed and then expensed, program allocations represent a leading indicator for research project expenses, the Centre's largest expenditure. Allocations can be funded by parliamentary appropriation alone or through a combination of parliamentary appropriation and donor contributions.

Allocations funded by the parliamentary appropriation of $137.1 million are higher than the budget of $123.0 million at 31 March 2024. Allocations funded by donor contributions of $145.8 million are lower than the budget of $157.6 million (see Figure 2). The variances are related to one partnership agreement that was recorded as a parliamentary transfer as opposed to donor contributions.

FIGURE 2: PROGRAM ALLOCATIONS

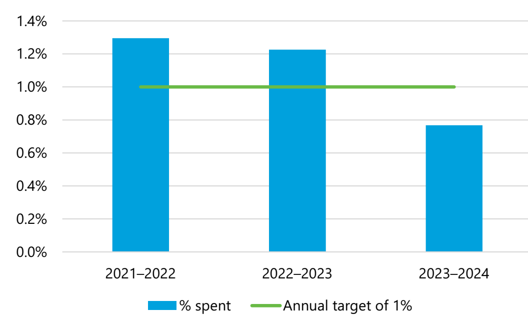


Investment in learning and professional development

IDRC requires highly skilled employees to undertake the work required to deliver on its mandate. Therefore, it is important that the Centre continually invests in learning and development to ensure employees develop and maintain the skills required for IDRC to succeed in a rapidly changing world.

The Centre invested 0.8% of its payroll in employee learning and professional development during the year ended 31 March 2024, slightly lower than the target of 1.0%, mainly due to staffing gaps. Management encourages employees to avail themselves of training opportunities given the need to keep up with rapid technological changes and build new skills to respond to changes in IDRC's operating environment (see Figure 3).

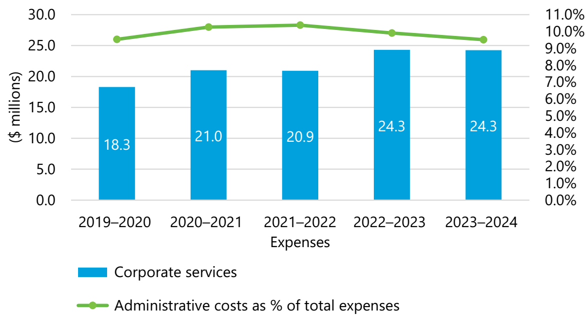
FIGURE 3: LEARNING AND PROFESSIONAL DEVELOPMENT



Corporate and administrative expense ratio

IDRC continuously ensures that the majority of funds received goes towards directly fulfilling its mandate. Consequently, IDRC monitors its corporate and administrative expense ratio (i.e., corporate and administrative expenses as a percentage of total expenses) in order to ensure it is operating efficiently and providing maximum value to taxpayers and external donors. The actual corporate and administrative expenses remained stable in 2023–2024. The percentage of corporate and administrative expenses for the year ending 31 March 2024 decreased to 9.5% (compared to 9.9% for the year ending 31 March 2023) as a result of higher overall expenses (including research project expenses) for the year ended 31 March 2024, compared to previous years. IDRC's corporate and administrative expenses are within the desired target range of 8% to 11% (see Figure 4).

FIGURE 4: CORPORATE AND ADMINISTRATIVE EXPENSES RATIO



Overall financial summary

The 2023–2024 financial year was a year of growth as expenses and related revenues from donor-funded projects were higher than in the previous financial year due to the project cycles of Phase II of the Climate Adaption and Resilience (CLARE) program and Phases I and II of the Knowledge and Innovation Exchange (KIX) program. These funds are used to invest in high-quality research in developing countries, thereby building a more sustainable and inclusive world.

Expenses of $254.9 million
($245.2 million in 2022-2023)

Revenues of $254.8 million
($231.9 million in 2022-2023)

TABLE 1: SUMMARY OF EXPENSES AND REVENUES

($000)	2023–2024 Actual	2022–2023 Actual	$ change actual [a]	% change actual [a]	
Development research programming					
Research projects funded by parliamentary appropriation	114 368	122 495	(8 127)	(6.6%)	1
Research projects funded by donor contributions	71 858	60 315	11 543	19.1%	2
Enhancing research capabilities	44 395	38 130	6 265	16.4%	3
	230 621	**220 940**	**9 681**	**4.4%**	
Corporate and administrative services	**24 254**	**24 300**	**(46)**	**(0.2%)**	4
Total expenses	**254 875**	**245 240**	**9 635**	**3.9%**	
Total revenues	**254 758**	**231 884**	**22 874**	**9.9%**	5
Net results of operations	**(117)**	**(13 356)**	**13 239**	**(99.1%)**	

[a] $ and % change actual in 2023–2024 over 2022–2023.

Variances

1	Research projects funded by parliamentary appropriation	**Year-over-year decrease** of $8.1 million is due to lower expenses in several large, multi-year programs such as the Collaborative One Health Research Initiative on Epidemics (COHRIE). The decrease is partly offset by the new expenses from AQUADAPT. Project expenses fluctuate from year to year based on the project's activities planned over the project duration.
2	Research projects funded by donor contribution	**Year-over-year increase** is mainly due to programming activities picking up in relation to large new projects such as phase II of the CLARE initiative and Phases I and II of the KIX program.
3	Enhancing research capabilities	**Year-over-year increase** is primarily due to salaries and benefits resulting from fewer vacant positions and the salary adjustments resulting from the ratification of the collective agreement, and the gradual resumption of travel activities. It is partly offset by the one-time purchases of furniture and technological equipment for the new head office space that occurred in the 2022–2023 financial year.
4	Corporate and administrative services	**Year-over-year stability** as the salary adjustments resulting from the ratification of the collective agreement are offset by the one-time purchases for the fit-up of newly leased space for the head office that occurred in the 2022–2023 financial year.
5	Total revenues	**Year-over-year increase** in revenues is due to higher donor contributions and parliamentary appropriation. Further rationale for these changes is provided in the Revenues section.

Expenses

The Board of Governors approved the 2023–2024 budget prior to the start of the financial year. The results from this exercise are incorporated throughout the annual report's Management Discussion & Analysis.

IDRC reports expenses under two principal headings: development research programming and corporate and administrative services. The direct costs of ongoing scientific and technical research projects that the Centre funded in **development research programming** are presented by source of funding (see Table 1). Most of these projects are carried out by independent institutions with the support of research grants. Projects also include research activities undertaken by individuals with the support of individual training grants, scholarships, fellowships, internships and individual research and research-related grants. Research project expenses fluctuate annually based on the project portfolio. Research project payments are based upon the recipient's progress on research activities and the submission of satisfactory grant deliverables.

Development research programming includes **enhancing research capabilities** which is an important knowledge-sharing function that is central to IDRC's business and overall corporate performance.

Corporate and administrative services provide a variety of functions that support the Centre's overall operations and corporate responsibilities. These expenses include services such as information governance and digital solutions, human resources, finance and administration, legal, risk management and internal audit.

The table below presents actual expenses by category against the budget for the 2023–2024 financial year and a year-over-year comparison of expenses.

TABLE 2: YEAR-OVER-YEAR EXPENSES BY CATEGORY

($000)	2023–2024 Actual	Budget	Variance	% variance	2022–2023 Actual	$ change actual [a]	% change actual [a]	
Research projects	186 226	201 796	(15 570)	(7.7%)	182 810	3 416	1.9 %	
Salaries and benefits	50 307	50 367	(60)	(0.1%)	42 220	8 087	19.2 %	1
Professional services	3 851	3 364	487	14.5 %	4 267	(416)	(9.7%)	2
Travel	2 594	4 690	(2 096)	(44.7%)	1 328	1 266	95.3 %	3
Accommodations	2 190	3 304	(1 114)	(33.7%)	2 799	(609)	(21.8%)	4
Software services	2 103	1 783	320	17.9 %	2 013	90	4.5 %	
Depreciation of right-of-use assets	1 684	1 381	303	21.9 %	2 355	(671)	(28.5%)	5
Interest on lease liabilities	1 458	1 180	278	23.6 %	678	780	115.0 %	6
Furniture, equipment and maintenance	906	1 703	(797)	(46.8%)	3 719	(2 813)	(75.6%)	7
Amortization	775	557	218	39.1 %	757	18	2.4 %	
Other	2 781	1 999	782	39.1%	2 294	487	21.2%	8
Total expenses	**254 875**	**272 124**	**(17 249)**	**(6.3%)**	**245 240**	**9 635**	**3.9 %**	

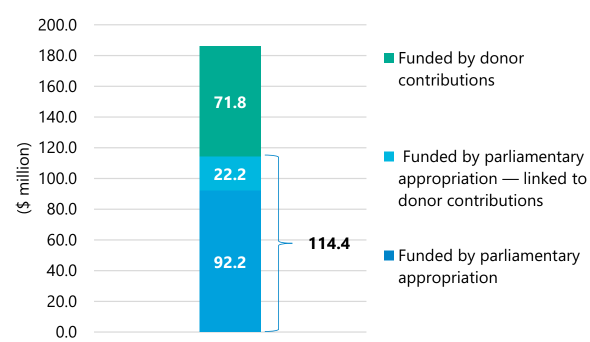
[a] $ and % change actual in 2023–2024 over 2022–2023.

Variances

1	Salaries and benefits	**Year-over-year increase** is mostly due to fewer vacant positions and salary adjustments resulting from the ratification of the collective agreement
2	Professional services	**Budget variance** mostly due to greater use of information technology consulting services. **Year-over-year decrease** due to various one-time facilities and information technology expenses related to the new head office space that occurred in the financial year 2022–2023.
3	Travel	**Budget variance** due to less travel than planned at the time of budgeting as the return to travel following the COVID-19 pandemic has been slower than expected. Furthermore, the Centre is aiming to reduce its carbon footprint. **Year-over-year increase** due to the gradual resumption of travel following the pandemic.
4	Accommodations	**Budget variance** is due to utility payments, maintenance and property taxes for office premises being lower than anticipated at the time of budget preparation. **Year-over-year decrease** is due to lower rent, utility payments, maintenance and property taxes for the new IDRC head office location compared to the previous location.
5	Depreciation on right-of-use assets	**Year-over-year decrease** in depreciation expenses relating to the terms of new lease agreements for the head office in Ottawa and regional offices in Montevideo and New Delhi.
6	Interest on lease liabilities	**Year-over-year increase** in interest expenses on the lease liability relating to the new lease agreements for the head office in Ottawa and regional offices in Montevideo, New Delhi and Amman.
7	Furniture, equipment and maintenance	**Year-over-year decrease** is due to one-time purchases for the fit-up of the newly leased space for the head office in the 2022–2023 financial year.
8	Other	**Year-over-year and budget variance** are mostly due to foreign exchange losses.

The Centre often combines donor funds (pursuant to a co-funding agreement) with parliamentary funds to amplify funding arrangements with donors. In 2023–2024, IDRC contributed $22.2 million of its internal funds towards agreements linked to donor contributions. This represents 24.1% of the total Parliament-funded research project expenses (see Figure 5).

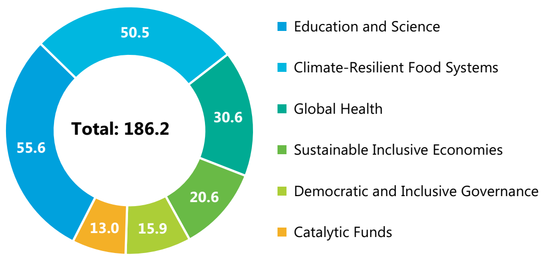
FIGURE 5: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2023–2024



IDRC divides its research project expenses by program based upon needs at the time that funding is allocated. In 2023–2024, the Centre's largest expenses were in the Education and Science program, followed by the Climate-Resilient Food Systems program (see Figure 6).

FIGURE 6: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2023–2024 BY PROGRAM DIVISION

($ MILLIONS)



Revenues

IDRC's revenues include a parliamentary appropriation, donor contributions and revenues from other sources.

The parliamentary appropriation funding is part of Canada's international assistance envelope and allocated to the Centre to support the delivery of its mandate. IDRC also receives donor contributions to research programs or specific projects, which are recognized as donor contribution revenue over the life of the co-funding agreement when the related expenses are incurred. Consequently, while projects funded by donor contributions significantly contribute to advancing the Centre's mandate, their impact on net results and year-end equity is limited.

The table below presents actual revenues against budget for the 2023–2024 financial year, and a year-over-year comparison of revenues.

TABLE 3: REVENUES

($000)	2023–2024				2022–2023	$ change	% change	
	Actual	Budget	Variance	% variance	Actual	actual [a]	actual [a]	
Parliamentary appropriation – recurring	154 866	150 939	3 927	2.6%	150 911	3 955	2.6%	1
Parliamentary appropriation – non-recurring	11 374	5 945	5 429	91.3%	7 380	3 994	54.1%	2
Total parliamentary appropriation	166 240	156 884	9 356	6.0%	158 291	7 949	5.0%	
Donor contributions	86 413	113 527	(27 114)	(23.9%)	71 434	14 979	21.0%	3
Investment and other income	2 105	598	1 507	252.0%	2 159	(54)	(2.5%)	4
Total revenues	**254 758**	**271 009**	**(16 251)**	**(6.0%)**	**231 884**	**22 874**	**9.9 %**	

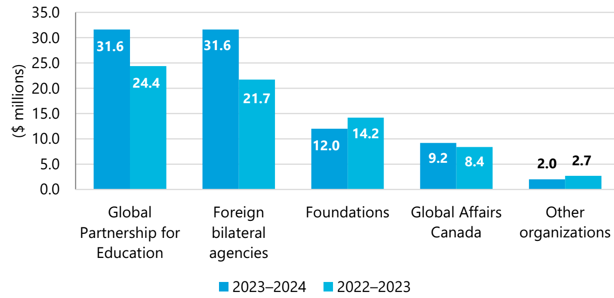
[a] $ and % change actual in 2023–2024 over 2022–2023.

Variances

1	Parliamentary appropriation – recurring	**Budget variance and year-over-year increase** are resulting from a compensation adjustment of $3.9 million to compensate for the impact of collective bargaining agreements concluded.
2	Parliamentary appropriation – non-recurring	**Budget variance** is due to $3.7 million relating to a transfer from Global Affairs Canada for AQUADAPT in support of Canada's climate finance targets and a one-time adjustment of $1.7 million relating to the funding for compensation adjustments. **Year-over-year increase** is mostly due to the above-mentioned transfers and higher revenue recognition relating to transfers from the Canadian Institutes of Health Research (CIHR) and the Social Sciences and Humanities Research Council (SSHRC) to support women's health and economic wellbeing for a post-COVID-19 recovery. These increases are partially offset by the transfer of $2.3 million from CIHR and the Public Health Agency of Canada to support a vaccine clinical trial against the Sudan Ebola virus that occurred in 2022–2023.
3	Donor contributions	**Budget variance** is due to delays in expenses for a few large new donor-funded agreements signed late in 2022–2023. Donor contributions are received in advance and recognized as revenue when the related project expenses are incurred. The fact that payments did not occur as per the projected timing, especially in large and complex multi-year programs, reflects the inherent unpredictability related to the conduct of research activities. **Year-over-year increase** is due to the project cycles of Phase II of the CLARE program and Phases I and II of the KIX program. Donor contribution revenues fluctuate year-over-year based on the project portfolio. These fluctuations are linked to the phase in the life cycle of the programs.
4	Investment and other income	**Budget variance** is due primarily to foreign exchange gains and investment income exceeding budget.

IDRC partners with external donors to undertake high-value research projects that allow it to further its mandate. These partnerships are amplified by combining donor funds with IDRC's own internal funds, resulting in projects that deliver a greater impact. IDRC's funders include bilateral aid organizations, philanthropic foundations, emerging development research funders in the Global South and private-sector actors. IDRC's largest donors in 2023–2024 were the Global Partnership for Education and foreign bilateral agencies (see Figure 7).

FIGURE 7: REVENUES FROM DONOR CONTRIBUTIONS [a]

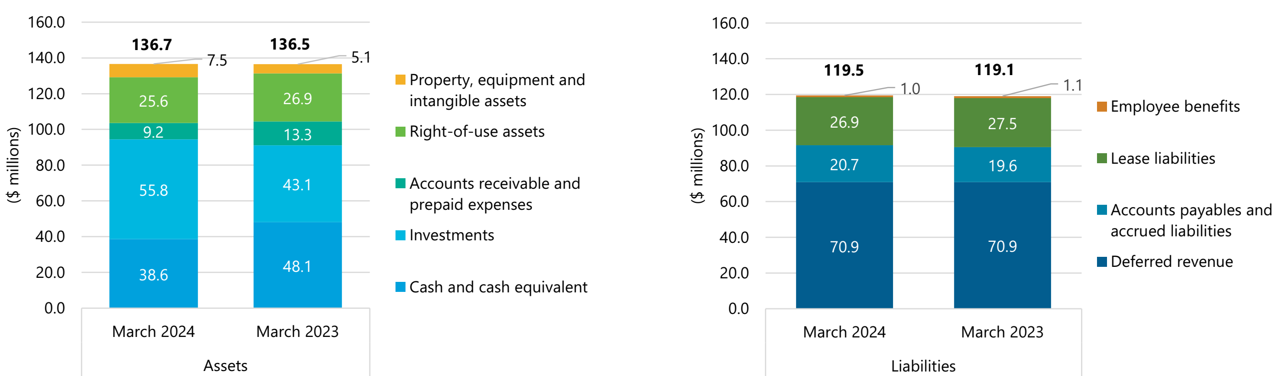


[a] Expended on development research programming and administrative costs.

Financial position

The Centre's financial position is summarized in Figure 8. The majority of assets consist of cash and investments derived from the cycle of funding received from donor contributions. Liabilities contain a large portion of deferred revenue, which represents donor funds received but not yet recognized as revenue.

FIGURE 8: SUMMARY OF ASSETS AND LIABILITIES



Total **assets** increased by 0.1% to $136.7 million (from $136.5 million as at 31 March 2023). Cash balances decreased primarily due to the purchase of investments as well as property and equipment relating to the fit-up of the regional offices. The decrease in accounts receivable and prepaid expenses is mostly resulting from donor contributions and parliamentary appropriation transfers. The Centre invests excess liquidities not required in the short-term to earn higher interest earnings than can be generated in bank accounts. The investments consist of bonds and guaranteed-investment certificates (refer to Note 3 of the financial statements).

Total **liabilities** increased by 0.3% to $119.5 million (from $119.1 million as at 31 March 2023). This is primarily due to higher accounts payable and accrued liabilities. This increase is partly offset by a lower balance of lease liabilities as lease payments reduce this carrying value. The employee benefits amount shown in Figure 4 represents the non-current portion; the current portion is included within accrued liabilities.

IDRC'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.

TABLE 4: EQUITY

($000)	2023–2024 Actual	2023–2024 Budget	2023–2024 Variance	2022–2023 Actual	$ change actual [a]	% change actual [a]
Unrestricted	2 097	157	1 940	1 442	655	(31.3%)
Restricted	1 276	1 285	(9)	1 296	(20)	1.6 %
Net investments in capital assets	7 574	5 420	2 154	5 122	2 452	(32.4%)
Reserved	6 336	6 038	298	9 540	(3 204)	50.6 %
Total equity	**17 283**	**12 900**	**4 383**	**17 400**	**(117)**	**0.7 %**

[a] % change actual in 2023–2024 over 2022–2023.

Restricted equity is stable at $1.3 million and represents funds received as bequests and donations to be used to support young researchers through fellowships, scholarships or internships.

The **reserved equity** is intended to be used to absorb fluctuations in the disbursement of outstanding research program commitments, which are dependent on the performance of recipients, and to fund future purchases of property, equipment, intangibles and future initiatives. At 31 March 2024, an amount of $6.2 million was reserved to absorb fluctuations in the disbursements of outstanding research project commitments and a total of $0.1 million was set aside in the reserved equity for the fit-up of regional office leased premises.

The balance of $2.1 million in **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity. This balance reflects all variances from expenses and revenues.

The $7.6 million **net investments in capital assets** relates to the portion of the equity representing IDRC's net investments in capital assets. The balance increased by $2.5 million year-over-year as capital asset purchases exceeded amortization and depreciation, due to expenses for leasehold improvements of the Centre's regional offices (see Table 5).

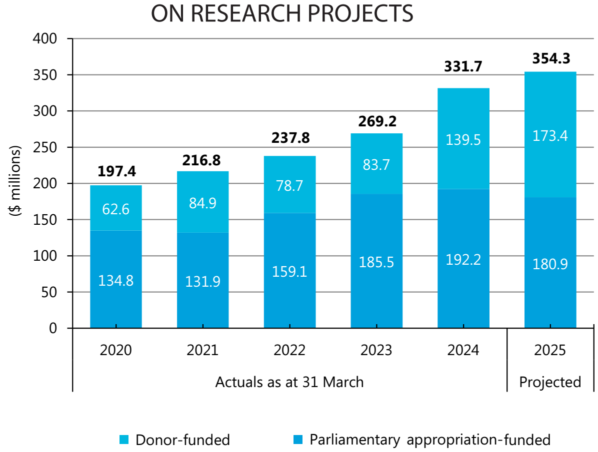
TABLE 5: CAPITAL ASSETS

($000)	Balance 1 April 2023	Net changes	Balance 31 March 2024
Leasehold improvements	3 226	1 784	5 010
Computer equipment	286	(100)	186
Office furniture, equipment and vehicles	1 610	367	1 977
Communication systems	-	401	401
Total property, equipment and intangible assets	**5 122**	**2 452**	**7 574**

Other key financial information

Figure 9 shows the value of outstanding commitments on research projects for five financial years, as well as the projected value for the 2024–2025 financial year.

FIGURE 9: OUTSTANDING COMMITMENTS ON RESEARCH PROJECTS



As at 31 March 2024, the Centre is committed to disbursing up to $331.7 million for development research programming activities. It is anticipated that the funds will be disbursed over the next six years. The increase in 2024–2025 is attributable to greater program allocations funded by donor contributions, which is driven by upcoming milestones and will reduce as milestones are achieved and payments are released. 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.

Historical review and future outlook

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 handling operational expenses to meet organizational needs under Strategy 2030, while ensuring the efficient use of financial resources to create impact and add value. The 2024–2025 budget was prepared with a focus on establishing the necessary financial, human and technological resources required to advance in the achievement of the objectives set out in Strategy 2030. The budget was prepared in the context of the Budget 2023 announcement about the Government of Canada's initiative to bring government spending back to a pre-pandemic level. IDRC's reductions represent approximately 3% of the Centre's recurring parliamentary appropriation and will be applied incrementally beginning in 2024–2025 until 2026–2027.

The Centre's reduction targets will be applied to both research and operational expenses. The reduction in research expenses will impact the level of funds available for new research projects in future years (future program allocation budgets). The reductions in operational expenses will be mainly applied to travel and professional services, as these are the areas of expenses that the Government of Canada is hoping to reduce over the next three years. The 2024–2025 budget reflects moderate spending reductions in these operational categories as a first step to achieving the 3% required spending reduction.

Table 6 provides an historical review of IDRC for the last five financial years for the expenses and revenues found on the Statement of Comprehensive Income, as well as information on program allocations and outstanding commitments. It also presents the financial outlook, providing an overview of the expenses, revenues, allocations and equity forecasts for the 2024–2025 financial year.

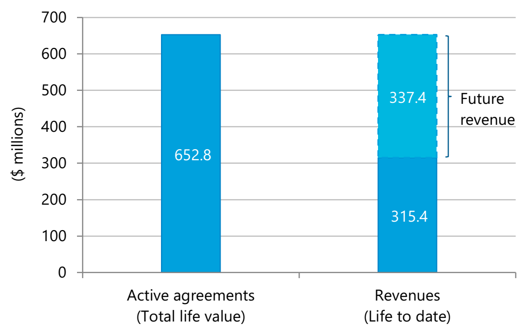
TABLE 6: HISTORICAL REVIEW AND BUDGET OUTLOOK

	Budget	Actual				
($000)	**2024–2025**	**2023–2024**	**2022–2023**	**2021–2022**	**2020–2021**	**2019–2020**
Statement of comprehensive income						
Expenses						
Development research programming						
Research projects funded by parliamentary appropriation	113 170	114 368	122 495	89 910	98 433	88 661
Research projects funded by donor contributions	103 241	71 858	60 315	56 158	47 095	41 688
Enhancing research capabilities	47 702	44 395	38 130	34 689	38 204 [a]	43 322
Development research programming	264 113	230 621	220 940	180 757	183 732	173 671
Corporate and administrative services	23 780	24 254	24 300	20 925	21 015 [a]	18 302
	287 893	254 875	245 240	201 682	204 747	191 973
Revenues						
Parliamentary appropriation — recurring	153 446	154 866	150 911	148 611	145 654	142 907
Parliamentary appropriation — non-recurring	4 427	11 374	7 380	-	-	-
Donor contributions	122 642	86 413	71 434	66 283	56 897	51 637
Investment and other income	981	2 105	2 159	1 267	567	1 191
	281 496	254 758	231 884	216 161	203 117	195 735
Net results of operations	(6 397)	(117)	(13 356)	14 479	(1 630)	3 762
Other financial information						
Financial ratio						
Corporate and administrative expenses ratio	8.3%	9.5%	9.9%	10.4%	10.3%	9.5%
Program allocations						
Development research programming						
Funded by recurring parliamentary appropriation	118 000	124 016	147 858	129 951	100 386	99 431
Funded by donor contributions	94 588	157 117	86 267	36 721	66 992	66 945
Outstanding commitments						
Funded by parliamentary appropriation	180 895	192 176	185 450	159 060	131 899	134 835
Funded by donor contributions	173 405	139 481	83 677	78 706	84 917	62 564

[a] The amount was adjusted to reflect the 2021–2022 presentation (refer to Note 22 of the financial statements).

The figure below shows the status of donor contributions as at 31 March 2024 and distinguishes revenue already recognized versus future revenue.

FIGURE 10: STATUS OF DONOR CONTRIBUTION AGREEMENTS (AS AT 31 MARCH 2024)



As at 31 March 2024, IDRC manages co-funding agreements valued at $652.8 million (see Figure 6). Of this amount, $315.4 million has been recognized as revenue. This leaves a balance of $337.4 million, which represents donor contribution revenue for the next three to five years. Signing new co-funding agreements in the future would replenish this revenue source.

Climate-related financial risk disclosures

IDRC strives to identify, assess and manage climate-related risks and opportunities across the Centre and throughout its work. The Centre recognizes that the transition to a low-carbon economy and the escalation of climate threats could affect the sustainability of its operations, research delivery and funding priorities. IDRC is therefore addressing climate-related risks and opportunities that impact the organization, including from an operational and strategic standpoint.

This year, IDRC has begun to undertake annual reporting on climate-related financial risks facing the organization. This effort is guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was created by the international Financial Stability Board in 2015. It is also in line with the Government of Canada's announcement that Crown corporations with less than $1 billion in assets must adopt TCFD recommendations and begin to report on climate-related financial risks for their financial years starting in calendar year 2024.

Forward-looking statements

IDRC's public communications in this section may include forward-looking information. These statements may involve, but are not limited to, comments relating to strategies, plans or future actions. Forward-looking statements, by their nature, are based on assumptions, are subject to important risks and uncertainties and cannot be relied upon due to, amongst other factors, changing external events and general uncertainties. Actual results may differ materially from those indicated in forward-looking statements due to several factors, including those identified in this section.

Assumptions and external factors

IDRC's progress towards ESG goals, including reducing greenhouse gas emissions and achieving net-zero emissions, relies on assumptions and external factors. These include transitioning to a low-carbon economy, data availability, technology advancement, risk management, regulatory changes, economic conditions, climate-related conditions, data gathering for environmental impacts, timely initiative implementation and third-party compliance.

Although these assumptions were considered reasonable at the time this report was compiled, they should not be viewed as assurances. Readers are cautioned not to overly rely on these assertions as various risk factors could lead to disparities between the actual outcomes and the anticipated results expressed in this section.

IDRC's climate-related risk-management framework incorporates these four core elements:

GOVERNANCE

RISK MANAGEMENT

STRATEGY

METRICS AND TARGETS

The following section describes the actions that IDRC is taking to integrate climate considerations across these four categories.

Governance

IDRC's Board of Governors, which sets the organization's strategic direction, has prioritized research related to climate change as part of the Centre's overall strategy. The board's Executive Committee is responsible for the governance of the Centre's ESG efforts, including its environmental pillar.

Within the executive leadership and management team, IDRC's president, who is also a member of the Board of Governors, is responsible for managing the Centre's climate-action strategy. The Vice-President for Resources and Chief Financial Officer directs the ESG program, oversees the development of the ESG Framework and presents ESG results to the Centre Management Committee, composed of IDRC's senior staff members.

On behalf of the Centre Management Committee, the president and the vice-president for resources provide regular updates to the board's Executive Committee regarding the direction and strategy pursued by the Centre to address climate-related risks and opportunities.

Strategy

For over half a century, IDRC has championed and funded research and innovation to drive global change. The Centre's dedication to these goals was renewed with Strategy 2030, which set out an ambitious agenda to support the achievement of the UN's Sustainable Development Goals (SDGs).

Together with inequality, Strategy 2030 identifies climate change as a major barrier to achieving the SDGs. It articulates a vision for how IDRC uses its deep-rooted experience and broad networks to foster global scientific collaboration and take decisive action to overcome the barriers to sustainable development.

Through Strategy 2030, IDRC is dedicated to driving innovation and promoting knowledge-sharing, establishing the Centre as a key player in tackling climate change and advancing sustainable and inclusive growth globally. IDRC is proud to be a leader in funding climate-related research in the Global South with like-minded partners who are also pursuing meaningful change.

Risk management

At IDRC, strategic risk management means proactively engaging with key stakeholders, broadening the Centre's research strategies to include more climate-related topics, and adjusting its funding models to meet evolving priorities. IDRC is also dedicated to bolstering its operational capabilities and the wellbeing of its employees in response to climate challenges.

IDRC's ESG program has initiated a focus on climate-related risks, with leaders and employees committed to a proactive, continuous and systematic approach to identifying, assessing and managing these risks. This will be integrated into the Centre's enterprise risk management framework in 2024–2025.

As the challenges posed by climate change increase globally and locally, IDRC has identified key climate-related risks and opportunities that could significantly affect its operations and strategic goals. In accordance with the TCFD framework, these are categorized into transition risks (which relate to the shift towards a lower-carbon economy) and physical risks (which involve the direct impacts of climate change, such as extreme weather events, rising sea levels, and shifts in temperature and precipitation).

The Centre's Board of Governors oversees the broader Enterprise Risk Management Framework, which assesses these risks as outlined in the risk-management section of this annual report.

IDRC's strategy addresses the potential impact of these risks on its operations, research initiatives and funding mechanisms, and outlines effective measures to mitigate the risks while capitalizing on emerging opportunities. Recognizing and evaluating these opportunities is crucial for IDRC as it continues to fund research that supports work in areas such as climate resilience and adaptation.

The tables below provide a guide on how IDRC plans to navigate these complexities.

CLIMATE-RELATED RISKS

TRANSITIONAL RISK	Description and potential impacts	Risk mitigation
Operational risks Organizational reputation	Failing to place sufficient organizational emphasis on managing climate-related issues to respond to stakeholders' priorities could potentially impact organizational reputation and impede on the core objective of mobilizing alliances for impact.	Management prioritizes strategic exchanges with stakeholders from the office of the Minister of International Development, Global Affairs Canada, parliamentarians and other key government stakeholders to build support and understand emerging budgetary dynamics.
Research and programming risks Research strategy	Research strategies need to position climate and related topics more broadly and across all five program areas, as both the potential increase of physical climate impacts and prioritization of climate-related research among stakeholders could affect existing strategies.	IDRC management and the Board of Governors through the Strategy, Program Performance and Learning Committee reviews programming priorities for each program division to monitor climate-related impacts on ongoing and future research funded by IDRC and make the appropriate changes as necessary.
Funding and partnerships Research funding	Funding partners may further increase their prioritization of climate-related issues, and IDRC should seize these opportunities in order to expand partner funding and further advance on its core objective of mobilizing alliances for impact.	The Funding Partnerships Strategy is in place and outlines IDRC's approach to engagement with existing and prospective funding partners in support of programming.

PHYSICAL RISK	Description and potential impacts	Risk mitigation
Operational risks Employee wellbeing	IDRC employees from each region could face risks to their wellbeing from climate-related incidents, such as droughts, extreme heat, air pollution and other physical climate impacts. Such climate-related incidents could negatively affect employee health, thereby threatening IDRC's ability to maintain a healthy workplace.	1) IDRC is following the health and safety legislation provided by the Government of Canada and local contexts for regional offices. 2) Various forms of assistance are offered to employees in support of wellbeing. 3) IDRC's security plan provides for frequent assessment and training related to security risks specific to regions where employees are travelling or relocating to and residing. The plan also provides for ongoing third-party security monitoring for employees on travel to or residing abroad.
Operational capacity	Both physical and transition risks posed by climate-related issues may threaten IDRC's ability to fulfill its mandate through a range of impacts, including increased costs, damage to physical infrastructure, reduced capacity for required travel, etc., which could threaten IDRC's core objective of investing in high-quality research and innovation in developing countries.	IDRC monitors the environment to respond to these risks.
Research and programming risks Research delivery	Climate change could impact national academic infrastructure where researchers operate and reduce financial capacity due to costs of addressing severe national climate-related damages. Additionally, risks resulting from climate-related incidents, such as increased spread of infectious disease and climate-related conflicts, may impact research partners' capabilities to deliver on research objectives and threaten IDRC's core objective of investing in high-quality research and innovation in developing countries.	IDRC maintains strong financial management and accountability for the Centre's budget and contracting clauses that allow for flexibility should funding not materialize or change due to unforeseen circumstances.

CLIMATE-RELATED OPPORTUNITIES

AREA OF OPPORTUNITY	Description and potential impacts
Operations – climate initiatives	Developing an operational-level strategy for climate initiatives could enable IDRC to enhance existing operational climate initiatives like the Air Canada Leave Less Program and introduce new initiatives such as the proposed guidelines to promote sustainable regional travel. The consolidation of these initiatives into a cohesive operational-level strategy would support the organizational objective of greening operations and allow IDRC to plan the development of initiatives, leverage synergies between them and track their effectiveness.
Research and programming – research scope	Increased global pressure associated with climate change provides an opportunity for IDRC to build on and expand its existing climate-oriented research and increase the impact of IDRC-supported research, thereby driving the core objective of sharing knowledge for greater uptake and use. This could include areas the TCFD identifies as climate opportunities, including climate resilience and adaptation, energy efficiency and alternative energy sources and renewable energy.
Funding and partnerships – research partnerships	IDRC can build and advance partnerships with key strategic actors, such as the private sector, to access climate-specific funding opportunities to scale research, build skills and innovate for the public good, which will further support the organization's core objective of mobilizing alliances for impact.

Metrics and targets

IDRC continued its commitment to transparency and accountability in environmental, social and governance issues by publishing its ESG report for the financial year 2023-2024, as highlighted on p.18. The report documents IDRC's progress related to climate-related risks, efforts and achievements while continuing to tell the Centre's ESG story.

As an organization with a commitment to building a more sustainable and inclusive world, IDRC has a vested interest in reducing its greenhouse gas (GHG) emissions. IDRC uses the widely accepted classification system based on Scopes 1, 2 and 3 to measure its GHG emissions, and the GHG inventory was developed based on the GHG Protocol. Scope 1 emissions are direct emissions from sources owned or controlled by an organization and a direct result of its activities. Scope 2 refers to indirect emissions associated with the purchase of energy (electricity, heating, cooling). These emissions occur at the facility where the energy is generated but are accounted for by the organization because they are the result of the organization's energy use. Scope 3 emissions are all indirect emissions that occur as a result of an organization's operations but are not within its direct control. They include both upstream and downstream emissions.

To increase the accuracy of IDRC's GHG emissions calculations, the Centre revisited the baseline year for Scopes 1 and 2 to address the 2020-2021 financial year instead of the 2021 calendar year, ensuring consistency with IDRC's reporting period. In addition, to calculate Scope 2 emissions for the 2023-2024 period, the Centre has adopted the International Energy Agency (IEA) factors (Emissions Factors 2023, IEA, Paris https://www.iea.org/data-and-statistics/data-product/emissions-factors-2023), as they were determined to reflect emissions factors which are more representative of IDRC's operations. To ensure a like-for-like comparative figure, IDRC has retrospectively applied the equivalent factors, recalculated and restated the 2020-2021 Scope 2 period emissions.

SCOPE 1

Scope 1 emissions are a small part of IDRC's overall emissions profile. While efforts to reduce these emissions are important, focus and attention are required on indirect emissions to achieve broader sustainability goals.

SCOPE 2

Overall, scope 2 emissions are a small percentage of IDRC's emissions. Several completed initiatives resulted in a 35% reduction in Scope 2 emissions compared to the 2020-2021 financial year, mostly due to moving to the new and more efficient building in the head office.

GHG emissions from electricity consumption in the Ottawa office were reduced by 53% from the baseline year (2020-2021) to 2023-2024.

SCOPE 3

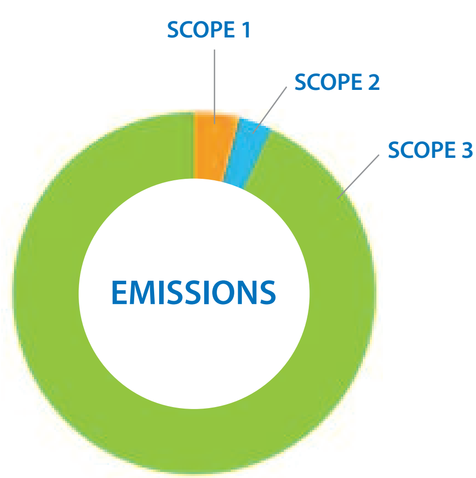
Scope 3 emissions are the largest contributor to IDRC's carbon footprint and are a focus of GHG emission reductions. As an organization that depends on working

Source	Site / Activity	GHG Emissions 2020-2021 baseline (tC02e)	GHG Emissions 2023-2024 (tC02e)
SCOPE 1: DIRECT EMISSIONS			
Natural gas consumption	Head office	83.3	83.6
Emergency diesel generator	Regional offices	0.2	0.0
Fuel consumption (vehicles)	Regional offices	1.4	1.4
Total Scope 1		**84.9**	**85.0**
SCOPE 2: INDIRECT EMISSIONS			
Electricity consumption	Head office	43.1	20.4
	Regional offices	51.6	41.6
Total Scope 2		**94.7**	**62.0**
SCOPE 3: INDIRECT EMISSIONS			
Business travel (Category 6)	Train travel Bus travel Air travel Hotel stays	N/A – re-baselining has been done for Scope 3	0.02 0.01 1948.40 13.20
Total Scope 3			**1961.60**

closely with stakeholders in the Global South, air travel is critical to the Centre's ability to deliver on its strategy. However, emissions related to employee travel are responsible for most of IDRC's emissions.

IDRC has updated its methodology for calculating scope 3 category 6 business travel GHG emissions, achieving more precise data through detailed tracking of cabin types in business air travel. Due to the newly adopted methodology, data for prior years for Scope 3 has been omitted from this report since performance is not comparable. As a result, data from 2023-2024 will be considered the new baseline for Scope 3 GHG emissions.

Demonstrating a commitment to reducing air travel emissions, IDRC has successfully achieved an 8% reduction in emissions on Air Canada flights by purchasing Sustainable Aviation Fuel (SAF) through the Leave Less program and plans to further decrease emissions by expanding sustainable aviation fuel partnerships with other airlines and by reducing emissions from air travel in other ways.



IDRC'S JOURNEY TO NET-ZERO EMISSIONS BY 2050

OUR PATH FORWARD

2025-2030

- Reduce travel emissions by purchasing more sustainable aviation fuel (SAF) where we can.
- Expand Scope 3 emissions measurements
- Commitment to being net-zero by 2050.

2024

- Realigned and strengthened the Risk Management function, which will enhance its ability to identify and manage climate-related risks.
- Developed and deployed a travel planner for more efficient use of corporate travel.

OUR ACHIEVEMENTS

2021-2023

- Moved to new HQ which reduced emissions by 53%.
- The Asia Regional Office moved to a new office location, which reduced emissions by approximately 23% and improved indoor air quality for staff.
- Developed a hybrid work model which reduces both in-office emissions as well as emissions related to employees commuting to the workplace.
- Conducted numerous consultations with leaders across the Centre to obtain feedback and improve engagement related to the Centre's efforts to reduce its emissions.
- Entered into an agreement with Air Canada for the Leave Less program to purchase SAF.*

* Sustainable aviation fuel (SAF) is an alternative fuel made from non-petroleum feedstocks that reduces emissions from air transportation.

Moving forward

IDRC is committed to tackling climate change and its impacts, maintaining resilience and adaptability as it supports high-quality research and innovation in developing regions. The Centre is playing a leading role in integrating climate considerations into development research, with a view to making a significant contribution to global sustainability goals. As it pursues its mandate and activities, IDRC will seek to better understand and manage the emerging risks and opportunities presented by climate change and will continue to demonstrate responsibility and foresight in its consideration of climate issues.

Financial statements

PANOS/LIANNE MILTON

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,

Julie Delahanty
President

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

Ottawa, Canada
18 June 2024

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

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 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at 31 March 2024, 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 the 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.

Mimma Venema, CPA, CA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
18 June 2024

Statement of Financial Position

(in thousands of Canadian dollars)
as at 31 March

	2024	2023
Assets		
Current		
Cash (Note 2)	38 594	48 081
Investments (Note 3)	4 657	15 676
Accounts receivable and prepaid expenses (Note 4)	9 202	13 317
	52 453	77 074
Non-current		
Investments (Note 3)	51 166	27 403
Property and equipment (Note 5)	7 574	5 122
Right-of-use assets (Note 7)	25 551	26 884
	136 744	**136 483**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	20 660	19 579
Lease liabilities (Note 9)	988	862
Deferred revenue (Note 10)	62 127	63 318
	83 775	83 759
Non-current		
Deferred revenue (Note 10)	8 745	7 619
Employee benefits (Note 11)	1 016	1 070
Lease liabilities (Note 9)	25 925	26 635
	119 461	119 083
Equity		
Unrestricted	2 097	1 442
Restricted (Note 12)	1 276	1 296
Net investments in capital assets (Notes 5 and 6)	7 574	5 122
Reserved	6 336	9 540
	17 283	17 400
	136 744	**136 483**

Commitments (Note 13)
Contingencies (Note 14)

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

These financial statements were approved by the Board of Governors on 18 June 2024.

Dorothy Nyambi
Chairperson
Board of Governors

Hilary Rose
Chairperson
Finance and Audit Committee

Statement of Comprehensive Income

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

	2024	2023
Expenses		
Development research programming (Note 15)		
Research projects funded by parliamentary appropriation (Note 16)	114 368	122 495
Research projects funded by donor contributions (Note 16)	71 858	60 315
Enhancing research capabilities	44 395	38 130
	230 621	220 940
Corporate and administrative services (Notes 15)	24 254	24 300
Total expenses	**254 875**	**245 240**
Revenues		
Donor contributions (Note 17)	86 413	71 434
Investment income	969	667
Other income	1 136	1 492
	88 518	73 593
Cost of operations before parliamentary appropriation	(166 357)	(171 647)
Parliamentary appropriation (Note 17)	166 240	158 291
Net results of operations	**(117)**	**(13 356)**

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

	2024	2023
Unrestricted equity		
Beginning of year	1 442	12 590
Net results of operations	(117)	(13 356)
Net transfers from other classes of equity	772	2 208
Balance end of year	2 097	1 442
Restricted equity		
Beginning of year	1 296	1 285
Net (decrease) increase	(20)	11
Balance end of year	1 276	1 296
Net investments in capital assets		
Beginning of year	5 122	1 692
Net increase	2 452	3 430
Balance end of year	7 574	5 122
Reserved equity		
Beginning of year	9 540	15 189
Net transfers to other classes of equity	(3 204)	(5 649)
Balance end of year	6 336	9 540
Equity, end of year	**17 283**	**17 400**

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

	2024	2023
Operating activities		
Net results of operations	**(117)**	**(13 356)**
Adjustments to determine net cash (used in)/from operating activities		
Amortization and depreciation of intangible assets and property and equipment	775	757
Depreciation of right-of-use assets	1 683	2 355
Amortization of investment premiums/discounts	(316)	(29)
Loss on disposal of property and equipment and intangible assets	—	17
Gain on lease modification	—	(84)
Employee benefits	(54)	(9)
	2 088	**3 007**
Change in non-cash operating items		
Accounts receivable and prepaid expenses	634	(3 413)
Accounts payable and accrued liabilities	1 174	1 306
Deferred revenue	3 416	9 869
	5 224	**7 762**
Cash flows from (used in) operating activities	**7 195**	**(2 587)**
Investing activities		
Purchase of investments	(28 142)	(12 930)
Maturity of investments	15 714	4 999
Acquisition of property and equipment	(3 320)	(4 441)
Net proceeds of disposition of property and equipment	—	33
Cash flows used in investing activities	**(15 748)**	**(12 339)**
Financing activities		
Payment of lease liabilities	(934)	(2 068)
Cash flows used in financing activities	**(934)**	**(2 068)**
Decrease in cash	**(9 487)**	**(16 994)**
Cash beginning of year	**48 081**	**65 075**
Cash end of year	**38 594**	**48 081**

Supplementary Information (Note 21)

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

Notes to the Financial Statements

For the year ended 31 March 2024

1. Basis of Preparation

A) General Information

The International Development Research Centre (the Centre or IDRC), a Canadian Crown corporation without share capital, is not an agent of His Majesty and 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 and adapting scientific, technical and other knowledge to the economic and social advancement of those regions.

B) Basis of preparation

These financial statements 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 investments, which are measured at amortized cost and 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) Material Accounting policies

The material 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 that are relevant to understanding these financial statements are disclosed in the relevant notes as follows:

- Credit risk (Note 4 *Accounts receivable and prepaid expenses*)
- Useful lives of assets (Note 5 *Property and equipment*)
- Measurement of borrowing rates (Note 7 *Right-of-use assets*)
- Factors for determining employee benefits (Note 11 *Employee benefits*)
- Provisions and contingent liabilities (Note 14 *Contingencies*)
- Financial instruments risks (Note 19 *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) Application of new accounting standards

I. New standards, amendments and interpretations that took effect in 2023

There were no new standards, amendments or interpretations issues by the IASB or the IFRS Interpretation Committee that had an impact on the current financial statements.

II. Standards, amendments and interpretations not yet in effect

There are no future accounting standards or amendments issued by the IASB that are expected to have a significant impact on the Centre's financial statements.

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. Investments and cash equivalents

Accounting policy

Investments consist of non-derivative financial assets with fixed or determinable payments of principal and interest and fixed maturities. Cash equivalents consist of treasury bills with a maturity of less than 90 days. The Centre's business model is to hold the investments and cash equivalents until maturity to collect the contractual cash flows. The Centre currently holds listed bonds, guaranteed investment certificates and treasury bills that are initially recorded at fair value plus transaction costs that are directly attributable to the acquisition and subsequently measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income in the year in which the investments are derecognized, modified or impaired. The Centre has an investment policy approved by the Finance and Audit Committee of the Board. Interest income is accrued when earned and included in income for the year.

Supporting information

The Centre's investment portfolios consist of Canadian federal, provincial, municipal, corporate, and schedule I and II bank financial instruments. The bonds have effective interest rates ranging from 1.38% to 4.42% (coupon rates ranging from 1.40% to 7.35%) and guaranteed investment certificates (GICs) have fixed interest rates ranging from 0.5% to 5.55%. The maturity dates of the bonds vary from September 2024 to October 2032 and those of the GICs vary from April 2024 to May 2028. Management intends to hold all investments to maturity.

The net book value, measured at amortized cost, and fair value of these investments, are shown in the following tables. The fair values of the investments can be determined by (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices) (Level 2); or (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). The fair values of the Centre's investments are not quoted in an active market, but rather are determined from quoted prices in a decentralized over-the-counter market, which is considered Level 2 in the fair value hierarchy.

	Net book value at amortized cost 31 March 2024	Fair Value 31 March 2024	Net book value at amortized cost 31 March 2023	Fair Value 31 March 2023
Bonds:				
Federal	3 021	2 668	3 010	2 705
Provincial	30 972	30 202	17 221	16 503
Corporate	3 939	3 686	3 951	3 610
Municipal	891	832	897	843
Total bonds	38 823	37 388	25 079	23 661
Guaranteed investment certificates	17 000	17 312	18 000	18 222
	55 823	**54 700**	**43 079**	**41 883**

Effective interest rates and maturity terms

	Effective Interest Rate	Within one year	After one year but no more than five years	More than five years	Total
Bonds:					
Federal	1.85%	—	—	3 021	3 021
Provincial	1.38% to 4.42%	1 557	16 253	13 162	30 972
Corporate	1.84% to 3.20%	—	3 027	912	3 939
Municipal	2.31%	—	891	—	891
Total Bonds		1 557	20 171	17 095	38 823
Guaranteed investment certificates	0.50% to 5.55%	3 100	13 900	—	17 000
		4 657	**34 071**	**17 095**	**55 823**

4. 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 2024 (31 March 2023: nil).

Supporting information

	31 March 2024	31 March 2023
Accounts receivable		
Donor contributions	3 565	6 550
Parliamentary appropriation	—	2 845
Other	3 322	2 444
	6 887	11 839
Prepaid expenses	2 315	1 478
Total accounts receivable and prepaid expenses	**9 202**	**13 317**

5. 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 or disposal.

Any gain or loss arising on derecognition of the property or equipment (calculated as the difference between the net disposal proceeds and the carrying amount of 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 assets.
- Changes to useful life estimates would affect future depreciation expenses and the future carrying value of assets.

Supporting information

	Computer equipment	Office furniture & equipment	Vehicles	Communication systems	Leasehold improvements	Total
Cost						
at 31 March 2023	875	1 702	129	217	4 136	7 059
Additions	—	759	—	425	2 043	3 227
Disposals	(190)	(38)	—	(97)	(416)	(741)
at 31 March 2024	685	2 423	129	545	5 763	9 545
Accumulated depreciation						
at 31 March 2023	(589)	(129)	(92)	(217)	(910)	(1 937)
Depreciation for the year	(100)	(386)	(6)	(24)	(259)	(775)
Disposals	190	38	—	97	416	741
at 31 March 2024	(499)	(477)	(98)	(144)	(753)	(1 971)
Net book value						
at 31 March 2023	286	1 573	37	—	3 226	5 122
at 31 March 2024	**186**	**1 946**	**31**	**401**	**5 010**	**7 574**

At 31 March 2024, the Centre had no impairment of property and equipment.

6. 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.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

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 2023	409
Additions	—
Disposals	—
at 31 March 2024	409
Accumulated amortization	
at 31 March 2023	(409)
Amortization for the year	—
Disposals	—
at 31 March 2024	(409)
Net book value	
at 31 March 2023	—
at 31 March 2024	—

At 31 March 2024, the Centre had no impairment of intangible assets.

7. Right-of-use assets

Accounting policy

The Centre leases office space in six countries in the normal course of its business. The average lease term for office space is 12 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 15). 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 3.8% and 13.5%. The weighted average rate at 31 March 2024 is 5.42% (31 March 2023: 5.38%).

	31 March 2024	31 March 2023
Cost		
Leases beginning of year	38 658	13 168
Additions	350	25 490
	39 008	38 658
Accumulated depreciation		
Beginning of year	(11 774)	(9 419)
Depreciation expense for the year	(1 683)	(2 355)
	(13 457)	(11 774)
Net book value end of year	**25 551**	**26 884**

The Centre incurred $188 of expenses related to leases of low-value assets for which the recognition exemption was applied.

The Centre had an 11-month lease for office space in India that commenced on 1 March 2023, for which the recognition exemption for short-term leases was applied. The total value of this lease was $275 and the Centre incurred $124 of expenses related to this short-term lease until it was terminated on 31 July 2023.

The Centre also had a one-year lease for office space in Jordan that commenced on 1 November 2022 for which the recognition exemption for short-term leases was applied. The total value of the lease was $44, and the Centre incurred $44 of expenses related to this short-term lease. The Centre signed a new lease for the same office space commencing on 1 November 2023 for a duration of 6 months, therefore the recognition exemption for short-term leases was applied. The total value of this lease is $27 and the Centre incurred $23 of expenses related to this short-term lease. In addition, the Centre signed a new lease for a different office location in Jordan which commenced on 1 November 2023 for a duration of 5 years.

8. Accounts payable and accrued liabilities

Accounting policy

Accounts payable and accrued liabilities are incurred in the normal course of operations and 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 operational 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 2024	31 March 2023
Grant payables and accruals	10 173	9 432
Payroll	5 482	4 543
Trade payables	4 638	5 218
Severance benefit (Note 11)	70	69
Other	297	317
	20 660	**19 579**

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 2024	31 March 2023
Beginning of year	27 497	4 160
Additions	350	25 405
Interest expense	1 458	678
Lease payments	(2 392)	(2 746)
	26 913	**27 497**
Lease liabilities included in the statement of financial position		
Current	988	862
Non-current (after one year, but not more than five)	4 983	4 189
Non-current (more than five years)	20 942	22 446
	26 913	**27 497**

	31 March 2024	31 March 2023
Maturity analysis of contractual undiscounted cash flows		
Current	2 403	2 307
Non-current (after one year, but not more than five)	9 895	9 347
Non-current (more than five years)	27 512	30 112
	39 810	**41 766**

10. Deferred revenue

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

Supporting information

a. Donor contribution funding for development research programming

	31 March 2024	31 March 2023
Current	56 376	55 933
Non-current	8 745	7 619
	65 121	**63 552**

Of the total deferred donor contribution funding, Global Affairs Canada accounts for $10 174 (31 March 2023: $12 224), of which $10 174 (31 March 2023: $11 349) was received and $0 (31 March 2023: $875) is receivable at year-end.

b. Parliamentary appropriations – projects and programs

	31 March 2024	31 March 2023
Current	5 751	7 385

c. Total deferred revenues

	31 March 2024	31 March 2023
Current	62 127	63 318
Non-current	8 745	7 619
	70 872	**70 937**

11. Employee benefits

Accounting policy

Pension benefits – head office

Most employees of the Centre working in its head office 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 in regional offices. 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 2024.

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 2024. 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 can have an impact on the defined benefit obligation.

Supporting information

Pension benefits – head office

The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for the employer effective at year-end was 10.9% of gross salary (31 March 2023: 11.1%). Total contributions of $3 370 (31 March 2023: $2 877) 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 2024 were $541 (31 March 2023: $463).

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 2024	31 March 2023
Accrued benefit obligation – end of prior year	1 139	1 141
Current service cost	18	17
Interest cost	52	42
Benefits paid during the year	(192)	(236)
Actuarial loss (gain)	69	175
Accrued benefit obligation – end of year	**1 086**	1 139

	31 March 2024	31 March 2023
Current	70	69
Non-current	1 016	1 070
	1 086	**1 139**

Sick leave benefit

The Centre's sick leave benefit, which is included in current liabilities at 31 March 2024, is $519 (31 March 2023: $492).

12. 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 materially large research programs is drawn down as the funds are used for these programs. 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 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 5 and 6).

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 initiatives.

13. Commitments

Research project-related

The Centre is committed to making payments of up to $331.7 million (31 March 2023: $269.1 million) during the next six years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, $192.2 million (31 March 2023: $185.4 million) is expected to be funded from future parliamentary appropriations and $139.5 million (31 March 2023: $83.7 million) from donor contribution agreements.

	31 March 2024	31 March 2023
Within one year	145 717	112 719
After one year, but not more than five	185 662	156 258
More than five years	278	150
Total future payments	**331 657**	**269 127**

Other
The Centre has entered into various agreements for goods and services in Canada and abroad. These agreements expire at different dates up to 2042. Future payments related to these commitments are as follows:

	31 March 2024	31 March 2023
Within one year	6 350	7 521
After one year, but not more than five	14 763	12 960
More than five years	36 275	39 646
Total future payments	**57 388**	**60 127**

14. 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 2024, there were no claims for which a provision has been recorded as a liability (31 March 2023: $1.1 million).

15. Schedule of expenses

	31 March 2024	31 March 2023
Development research programming		
Contributions to institutions and individuals	178 471	177 287
Core salaries and benefits	27 193	22 959
Co-funded project salaries and benefits [a]	7 776	5 629
Professional services	7 269	5 442
Travel	1 994	1 124
Accommodations	1 386	1 765
Depreciation of right-of-use assets	1 145	1 578
Co-funded project expenses [a]	1 132	961
Interest on lease liabilities	992	454
Amortization and depreciation of property and equipment and intangible assets	595	546
Meetings and conferences	298	225
Furniture, equipment, and maintenance	202	1 841
Other	2 168	1 129
	230 621	**220 940**
Corporate and administrative services		
Salaries and benefits	15 338	13 632
Professional services	3 145	3 434
Software expenses	1 925	1 884
Furniture, equipment, and maintenance	606	1 806
Depreciation of right-of-use assets	538	777
Interest on lease liabilities	466	224
Travel	325	180
Accommodations	268	537
Amortization and depreciation of property and equipment and intangible assets	180	211
Loss on disposal of property and equipment and intangible assets	—	28
Other	1 463	1 587
	24 254	**24 300**
Total expenses	**254 875**	**245 240**

[a] *Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of $8 908 (31 March 2023: $6 590). 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.*

16. 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, either 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.

17. Revenue

Accounting policy

Parliamentary appropriation

The parliamentary appropriation is recorded as revenue in the year for which it is approved by Parliament. The exception is for those funds received for specific projects and programs, which are deferred when received and recognized when related expenses are incurred. The Centre does not receive parliamentary appropriations for which the primary condition is that the Centre purchase, construct or otherwise acquire property or equipment. Aside from parliamentary appropriations received for specific projects and programs, 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

	31 March 2024	31 March 2023
Approved parliamentary appropriation	164 606	159 036
Portion deferred for projects and programs	(7 400)	(7 715)
Deferred appropriation recognized	9 034	6 970
Parliamentary appropriation recognized in the statement of comprehensive income	**166 240**	**158 291**

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

	31 March 2024	31 March 2023
Global Partnership for Education Fund (GPE)	31 646	24 367
Foreign, Commonwealth & Development Office (FCDO)	21 183	6 534
Global Affairs Canada (GAC)	9 205	8 467
Ministry of Foreign Affairs Netherlands	4 375	3 560
Bill & Melinda Gates Foundation	3 814	4 776
Swedish International Development Cooperation Agency (SIDA)	3 516	8 038
Azrieli Foundation	3 444	3 496
Rockefeller Foundation	2 374	2 351
The William and Flora Hewlett Foundation	1 981	3 086
Norwegian Agency for Development Cooperation (NORAD)	1 931	3 083
The Secretary of State for Health and Social Care (DHSC)	1 315	2 475
Agriculture and Agri-Food Canada (AAFC)	724	—
Australian Centre for International Agricultural Research	561	499
Other donor agencies	344	702
	86 413	**71 434**

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2024 was $7 730 (31 March 2023: $6 237) of which $837 (31 March 2023: $769) was from GAC.

18. Related party transactions

Accounting policy

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

Related party transactions are disclosed in Notes 10 and 17 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 2024	31 March 2023
Salaries and short-term benefits	1 770	1 780
Post-employment and termination benefits	234	354
	2 004	**2 134**

19. Financial instruments and related risks

Accounting policy

The Centre's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities that are incurred in the normal course of business. Financial instruments are initially recognized at fair value, which is usually considered to be the transaction price (consideration given). Subsequent to initial recognition, they are measured based on their classification.

The classifications are as follows:

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

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 2024, 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 financial instruments such as cash, investments, accounts receivable, accounts payable and accrued liabilities which arise 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 has investments and extends credit to its recipients and donors in the normal course of business. The maximum exposure is represented by cash, investments and accounts receivable amounts disclosed on the Centre's statement of financial position. The Centre does not use credit derivatives or similar instruments to mitigate risk, and, as such, the maximum exposure is the full carrying value or face value of the financial asset. The Centre minimizes credit risk on cash by depositing the cash only with a reputable and high-quality financial institution. 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. The Centre's investment policy sets out guidelines that define the minimally acceptable counterparty credit ratings pertaining to investments. Investments in financial institutions and corporations must have minimum ratings from two external rating agencies that are equivalent to DBRS ratings for short-term instruments of R1L for governments, Schedule I and II banks and corporations. DBRS ratings for medium/long-term instruments must hold a minimum rating of A (Low) for governments, AA (Low) for Schedule I banks with a $4M investment limit, A (Low) for Schedule I banks with a $1M investment limit, Schedule II banks and corporations. The Centre regularly reviews the credit ratings of issuers with whom the Centre holds investments and confers with the Vice-President, Resources and Chief Financial Officer when the issuer's credit rating declines below the policy guidelines. The investment policy is reviewed and approved as required by the Finance and Audit Committee of the Board of Governors. These policies and procedures are designed to manage and limit the credit risk associated with these financial instruments.

Concentrations of credit risk

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

	DBRS rating	31 March 2024	31 March 2023
Federal	AAA	3 021	3 010
Provincial	R1M/A+ to AA+	30 972	17 221
Corporate	A- to AA+	3 939	3 951
Municipal	A+	891	897
Canadian Schedule I Banks	R1H/BBB+ to AA+	16 800	17 800
Canadian Schedule II Banks	A-1 to AA+	200	200
		55 823	**43 079**

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

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

The Centre has multi-year contribution agreements with non-Canadian donors that are denominated in currencies other than the Canadian dollar. When progress payments are received from those donors, they are translated as described in Note 20. In turn, the Centre incurs expenses and issues multi-year grant agreements mainly 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 is exposed to fluctuations in interest rates on its investments as this would affect the fair value of the instruments. Management intends to hold these instruments until maturity, collecting contractual cash flows over the term of the investment and mitigating exposure to fair value changes. The Centre's interest rate risk is not considered significant.

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

20. Foreign currency translation

Accounting policy

Transactions in currencies other than the Centre's functional currency are recognized at rates in effect at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to Canadian dollars using the exchange rate at that date. Exchange gains and losses are recognized in other income in the period in which they arise. Non-monetary items are measured at historical cost and are not revalued. The Centre does not actively hedge against foreign currency fluctuations.

21. Supplemental cash flow information

	31 March 2024	31 March 2023
Interest charges on lease obligations	1 458	678
Interest received from bank deposits	1 866	883
Interest received from investments	1 163	630

The change in accounts receivables and prepaid expenses excludes an amount of $-3.5 million (31 March 2023: $-4.6 million), as the amount relates to deferred revenue.

The change in accounts payable and accrued liabilities excludes an amount of $0.1 million (31 March 2023: $0.2 million), as the amount relates to acquisition of property and equipment, within investing activities.

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