IDRC | CRDI

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Research for global challenges

Annual Report 2016–2017

Canada

Research for global challenges 2016–2017 at 31 March 2017

The value of the research that the International Development Research Centre (IDRC) supports is evident in every crop yield that is increased, in every income that is improved, and in every right that is respected. We are committed to improving lives and livelihoods in the developing world with research that builds knowledge and evidence to inform solutions. We share this knowledge with other researchers, policymakers, and communities globally to bring about positive change with lasting effects.

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

ON THE COVER
Nakyanzi Lewokadiya is in the shop she co-owns with her husband at a gold mining site in central Uganda. Millions of women work in artisanal and small-scale mining, but discussions about mining policies and practices rarely recognize them. An IDRC-supported study is seeking to identify solutions that can address the barriers that hold women back from participating fully in this industry in the Democratic Republic of Congo, Rwanda, and Uganda.

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

COVER: IDRC / TOMMY TRENCHARD

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CCAFS/PRASHANTH VISHWANATHAN

Our work at a glance

IDRC's vision is to support positive long-term change for those who need it most — but it is the accomplishments made on an annual basis that form the building blocks to our success. We work with some of the brightest minds in the world to achieve results that lead to gender equity, healthier people, higher incomes, cleaner environments, and responsible governments.

MSF/YANN LIBESSART

One of the strengths of IDRC-supported research is **collaboration**. Effective solutions require input from many, including researchers in Canada and in low- and middle-income countries, governments, and communities. The success of IDRC-supported Ebola research is testimony to the fact that working with the right partners in the right places can effect enduring change. **Read more** on page 9.

IDRC/ JAMES RODRIGUEZ

To monitor and demonstrate how the Centre's goals contribute to positive change, **IDRC employs eight development outcomes** that align with global development efforts. This year we highlight how the Centre's research contributes to gender equity through projects that empower women's voices, improve their rights, and enhance their economic opportunities. **Read more** on pages 12 to 15.

Governance

Seven new Board members, including Chairperson Margaret Biggs, were appointed through the **Government of Canada's new merit-based Board appointment process. Read more** on page 6.

Accountability

Most federal Crown corporations are subject to a special examination at least once every ten years. These examinations evaluate whether a Crown corporation's systems and practices are managed economically and effectively. This year, the Auditor General of Canada found that IDRC met the applicable criteria for 17 of 20 systems and practices. Only one significant deficiency was reported, which was addressed in June 2016. **Read more** on page 8.

Our agility enables us to seize opportunities and our commitment to advancing knowledge ensures that the research we support will make an impact in the short and long term.

SUSTAINABLE DEVELOPMENT GOALS

The parallels between IDRC's program goals and the **UN's Sustainable Development Goals** (SDGs) reflect the value and relevance of the Centre's work. The goals set out in the SDGs are pervasive throughout IDRC's work in all three of the Centre's program areas and in our commitment to developing effective partnerships. **Learn more** on page 16.

MASAVA

IDRC's work is guided by three objectives: **invest in knowledge and innovation for large-scale positive change**, **build the leaders for today and tomorrow**, and **be the partner of choice for greater impact**. We're meeting these objectives across all program areas with innovative research and projects that, for example, promote fortified sunflower oil via electronic vouchers to address serious vitamin deficiencies; build bridges between political actors, decision-makers, and policy research experts to foster dialogue about critical development issues; and develop vibrant partnerships to strengthen democracy. **Read more** about IDRC-supported projects on pages 16 to 30.

Approach

IDRC's **Agenda for Action** is a roadmap to reach the Centre's goals. **Learn more** about how this is achieved (pages 31 to 33) by communicating strategically; being smart with resources; investing in our people; working alongside the private sector; and leveraging the Centre's international presence.

Fiscal responsibility

Our financial results and operational changes are the focus of the **Management's Discussion and Analysis** and the **Financial statements**. **Learn more** about IDRC's budget, corporate risks, program allocations, and **more** on pages 37 to 67.

Message from the Chairperson

The global community is at a critical juncture where eliminating extreme poverty is an attainable target.

The roadmap for achieving this target by 2030 is the Sustainable Development Goals (SDGs), which provide a tangible framework around which collective efforts can coalesce. However, business as usual approaches will not suffice. Now more than ever, the world needs IDRC's focus on empowering local actors to build knowledge, identify innovations, and implement solutions that improve the lives of people in the developing world.

This past year brought a renewed focus on IDRC's governance, with the appointment of seven new governors. I was honoured to be appointed Chairperson in June 2016. Also appointed to the Board at that time through the Government of Canada's new open and merit-based appointments process were Mary Anne Chambers, Dominique Corti, Sophie D'Amours, John McArthur, Chandra Madramootoo, and Barbara Trenholm. Together, their experience and dedication have merged with that of existing governors to benefit IDRC's strategic direction, stewardship, and oversight.

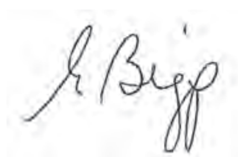
The newly-reconstituted Board will focus on oversight of the Centre's strategic direction and new opportunities for increasing IDRC's reach, relevance, and impact. This will be undertaken within the context of a mid-point review of the Centre's *Strategic Plan 2015-2020*.

The Office of the Auditor General of Canada completed its Special Examination of IDRC. The Special Examination confirmed that IDRC has good corporate governance practices in place, including solid strategic planning, risk management, and performance measurement and reporting.

The report's findings are a testament to my predecessor, the Honourable Monte Solberg, who steered IDRC through a period of significant change. I, along with my fellow governors, thank him for his contribution. I also want to recognize the contribution of Gordon Houlden and Nadir Patel, whose terms on the Board ended during the past year.

I have long admired IDRC's unique model of working directly with local researchers and communities to find innovative solutions to development challenges. I witnessed first-hand the impact of IDRC's work during the Board of Governors' field visit to Colombia and Peru in August 2016. We heard directly from partners about the critical role IDRC plays in helping to build know how and achieve high impact results, whether it be boosting rice yields and reducing malaria outbreaks in Peru through intermittent rice irrigation or, in Colombia, developing effective skills training to address the needs of the more than 4.5 million youth in conflict-affected areas who are neither working nor studying.

The Board of Governors appreciated the opportunity to engage with Minister Marie-Claude Bibeau and officials from Global Affairs Canada throughout the year, in order to ensure that IDRC can be an effective ambassador for Canada's global engagement.



Margaret Biggs
Chairperson

Message from the President

The mid-point of IDRC's *Strategic Plan 2015–2020* provides the opportunity to check on progress, identify course-corrections, and build on strengths. We are seeing strong progress towards scaling-up impact and building leaders, which cover the *Strategic Plan*'s first two objectives. The third objective — to broaden IDRC's partnership base — is presenting challenges due largely to external factors that include an environment of decreasing official development assistance, necessary shifts in funding towards pressing humanitarian crises, and weakened global economic growth. We set an ambitious target for ourselves in support of our intent to increase funding for the development research sector as a whole. Taken holistically, the results so far demonstrate the *Strategic Plan*'s value in focusing the Centre's work on areas where we can achieve the greatest impact. Here are some exciting examples of progress towards each of our three strategic objectives.

First, we are investing in knowledge and innovation for large-scale positive change. In Cambodia, we are supporting Helen Keller International and the University of British Columbia to scale-up a project using household fishponds to improve food security, increase household incomes, and empower women. Researchers are helping households integrate small-scale fish farming with backyard vegetable and fruit gardens. The project includes gender-sensitive training, which is shifting community attitudes to be more supportive of women's contribution to household wealth. Three-quarters of women in households with gardens report having money they can spend at their discretion, allowing them to purchase additional food and to invest in their children's education, compared to 20% in a control group. The monthly income of families with fishponds and home gardens increased between 15 and 30%. The project is being scaled-up to 4,500 households and expanded to four regions in Cambodia.

Second, we are building leaders for today and tomorrow, at both individual and institutional levels. Efforts to strengthen education in developing countries must incorporate both access and quality. The Research on Open Educational Resources for Development (ROER4D) network is studying the use of open educational resources, which are free for others to use and re-purpose, as tools to improve equitable access to quality education. In Karnataka, India, the network is training teachers in how to access, create, and adapt open educational resources in English and Kannada. So far, the training and resources have reached a network of some 13,000 teachers. The Indian government has recognized the value of this approach and work is underway to implement it in two other Indian states. The ROER4D network is receiving global accolades for its leadership, having been recognized by the Open Education Consortium with an Open Education Award for Excellence in the Open Research category in 2016.

Third, IDRC is the partner of choice for greater impact. Safe and Inclusive Cities (SAIC) is a global research effort jointly funded with the United Kingdom's Department for International Development. This partnership has produced significant results. For instance, SAIC-supported research in Côte d'Ivoire demonstrated how youth have emerged as both victims and perpetrators of violent crimes. This is a growing problem in a country where 38% of the population is 14 years of age or younger. The research findings prompted the government to launch a nationwide project called the Vulnerable Youth Integration Program. It provides youth with skills and civic and citizenship training to support their integration in society. Given the prevalence of this issue in other countries, the experience in Côte d'Ivoire will be closely watched.

IDRC's value is embedded in the networks, institutions, and individuals we support. Three of the four 2016 World Food Prize laureates are former IDRC grantees, recognized for their work on sweet potato fortification. The Economic Policy Research Centre, supported by the Think Tank Initiative, was recognized at the 2016 Excellence Awards in Human Development Reporting for its role in leading the production of the *Uganda Human Development Report 2015: Unlocking the Development Potential of Northern Uganda*. Meanwhile, Nighat Dad, an IDRC-supported digital rights activist and lawyer in Pakistan, was awarded the Dutch government's Human Rights Tulip for her work towards protecting women, girls, and other marginalized groups on social media. These are just a few of many examples from the past year.

I was pleased to appear before the House of Commons Standing Committee on Public Accounts to discuss the results of the Special Examination by the Office of the Auditor General of Canada. The report found 17 of 20 systems and practices met the applicable criteria. Two met the criteria with improvement needed. The first recommended integrating strategic direction, risk management, and performance measurement into project planning and monitoring. The second recommended a systematic approach to assessing risk associated with parallel partnerships. A risk assessment process was completed for parallel partnerships and an action plan is in place to address the remaining recommendations. The report found one significant deficiency in relation to appointments to the Board. This issue was addressed in June 2016 with new appointments to IDRC's Board of Governors.

At the core of IDRC's impact is our staff. Their work is not always celebrated with awards because so much of it happens off-stage. But we are immensely proud when our staff receive well-deserved recognition, as Senior Program Officer Jemimah Njuki did when she was named a New Voices Fellow at the Aspen Institute. This initiative is designed to encourage expert voices from the developing world to join the global development discussion. Her voice is among those the world should be hearing.

We thank Chairperson Margaret Biggs, former Chairperson Monte Solberg, and the Board of Governors for their leadership and commitment to ensuring IDRC's excellence. Together, we are energized to position IDRC for success through 2020 and beyond.

Jean Lebel, PhD
President

Research for global challenges

Our mandate

Directed by the *International Development Research Centre Act* (1970), the Centre works "to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions." IDRC strategically invests in knowledge, innovation, and solutions that can be scaled for impact; builds leaders in government, research, and business in the developing world for today and tomorrow; and ensures that the Centre will be a partner of choice in strengthening developing countries and in maintaining important relationships for Canada.

Our business model

In carrying out our mandate, we:

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

Our objectives

IDRC launched its *Strategic Plan 2015–2020: Investing in solutions* in April 2015. It focuses on:

- Investing in knowledge and innovation for large-scale positive change
- Building leaders for today and tomorrow
- Being the partner of choice for greater impact

While pursuing our three strategic objectives, IDRC makes every effort to contribute to major Canadian government initiatives, as well as to deliver on international development priorities.

IDRC's long-term commitment: Putting an end to Ebola

IDRC's objectives of scaling up results, building leaders, and partnering for greater impact are evident in the Centre's commitment to eradicating Ebola by developing an effective vaccine and counteracting misinformation about the disease's spread.

In the midst of the disease's outbreak in West Africa, IDRC, alongside the Canadian Institutes of Health Research, Global Affairs Canada, and the Public Health Agency of Canada, contributed to the funding and oversight of an Ebola virus vaccine trial on Canada's behalf. Partnering with the World Health Organization (WHO), the Norway Institute of Public Health, and several other research partners, IDRC's funding helped to support the training and deployment of Guinean and other West African technicians who helped ensure the safety of the trial in the field. Canadian experts co-chaired the scientific advisory committee and the data safety monitoring board, a key oversight mechanism for clinical trials. IDRC funding also supported a training program for local journalists to strengthen mass media campaigns and counteract misinformation on Ebola virus transmission and control.

In June 2015, the Centre's contribution to the Ebola crisis was recognized with the public service's "Exemplary Contribution under Extraordinary Circumstances" award, which was proudly shared with 11 other Canadian government departments. In December 2016, the efficacy of the Ebola vaccine trial was confirmed when the prestigious medical journal *The Lancet* published the trial's final results.

Although the vaccine has yet to be licensed for commercial distribution, based on the strength of research results it was recently deployed on an emergency humanitarian basis by the WHO in response to a new epidemic of Ebola virus in the Democratic Republic of Congo. IDRC's support continues with the testing of the vaccine for people with HIV, who are particularly vulnerable to the virus.

Summary of operations

Corporate profile

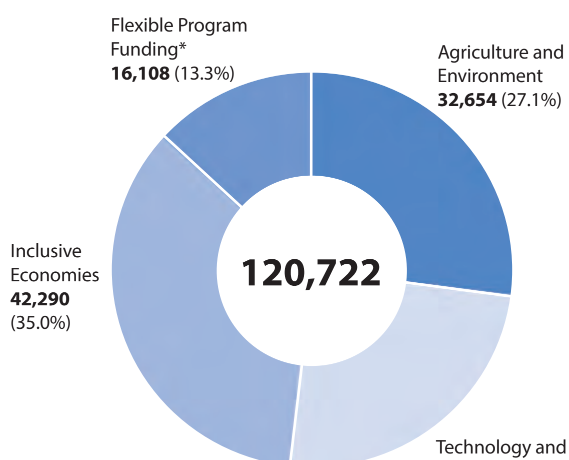
A Crown corporation and part of Canada's global affairs and development efforts, IDRC invests in knowledge, innovation, and solutions to improve lives and livelihoods in the developing world. Working to drive change for those who need it most, IDRC brings together the right partners to increase opportunities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

This year was the second under IDRC's *Strategic Plan 2015–2020: Investing in solutions*. This guiding document provides three overarching objectives and outlines the *Agenda for action* that guides the Centre to ensure that it reaches its goals.

Program focus

IDRC's three program areas, **Agriculture and Environment** (encompassing Agriculture and Food Security, Climate Change, and Food, Environment, and Health), **Inclusive Economies** (Employment and Growth, Governance and Justice, Think Tank Initiative, and Maternal and Child Health), and **Technology and Innovation** (consisting of programming in Foundations for Innovation and Networked Economies) focus our investments to promote innovation, bringing opportunities to those who need them most.

Allocations by program area in 2016-2017 ($000)



* Flexible Program Funding includes Forward Planning, Strategic Initiatives, and Corporate Initiatives.

IDRC and the world

IDRC supports research in all of Canada's development countries of focus, as well as in other countries. Our head office is in Ottawa. We maintain four regional offices across the developing world (Cairo, Egypt; Montevideo, Uruguay; Nairobi, Kenya; and New Delhi, India).

Global

Allocations ($000)	Projects
25,191	**279**
20.9% of total	

Sub-Saharan Africa

Allocations ($000)	Projects
46,424	**244**
38.4% of total	

Asia

Allocations ($000)	Projects
21,934	**145**
18.2% of total	

Latin America and the Caribbean

Allocations ($000)	Projects
18,943	**137**
15.7% of total	

Middle East and North Africa

Allocations ($000)	Projects
8,230	**45**
6.8% of total	

Our funding

During the past year, total revenues from Parliament amounted to $147.5 million. This represented 68.8% of our 2016–2017 revenues and 3% of Canada's international assistance.

As of 31 March 2017, IDRC was involved with eight donor partners in 23 donor contribution agreements valued at $379.8 million. During 2016–2017, IDRC signed two donor contribution agreements valued at $29.6 million.

> *"With a focus on broadening the Centre's growing partnership base and brokering new relationships, IDRC will foster collaborations that generate powerful ideas, integrate expertise from the private sector, and multiply resources devoted to development solutions."*
>
> *— IDRC Strategic Plan 2015–2020*

Key financial highlights For the year ended 31 March 2017 (in thousands of dollars)	2015-2016	2016-2017	
	Actual	**Actual**	**Revised budget**
Revenues			
Parliamentary appropriation [a]	183 478	147 474	149 206
Donor contributions	77 267	64 429	73 586
Investment and other income	2 354	2 295	1 305
	263 099	**214 198**	**224 097**
Expenses			
Development research programming	245 832	186 059	206 892
Corporate and administrative services	19 953	19 811	19 166
	265 785	**205 870**	**226 058**
Net results of operations	**(2 686)**	**8 328**	**(1 961)**
Equity			
Unrestricted	1 843	8 793	463
Restricted	1 129	1 225	1 129
Net investments in capital assets	9 810	10 009	10 206
Reserved	5 057	6 140	4 080
Administrative services ratio [b]	**7.5%**	**9.6%**	**8.5%**
Program allocations			
Funded by Parliamentary appropriation	98 991	93 140	93 000
Funded by donor contributions	41 264	27 582	36 493
	140 255	**120 722**	**129 493**

[a] Parliamentary appropriation represents 68.8% of total revenues.

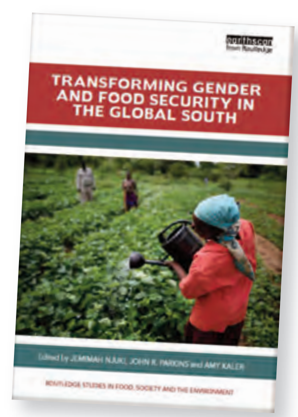
[b] Expenses for development research programming represents 90.4% of the total expenses.

Sharing knowledge for development

Research results and documents generated as a result of IDRC-supported projects, IDRC recipients, and IDRC employees are tangible intellectual outputs of the Centre's investments.

IDRC believes that publicly funded research should be freely and openly available. The IDRC Digital Library helps researchers in developing countries engage in the international dialogue on development issues and increases the impact of their work. It is a repository of knowledge providing free access to more than 53,000 documents.

We also provide free full-text digital versions of all books IDRC co-publishes on the IDRC website. This year we added five more titles, published in South Africa, Thailand, the United Kingdom (two books), and the United States, to our online collection of more than 325 books in various languages.



IDRC's impact in the world

IDRC is pioneering an approach to explore how the research the Centre supports contributes to positive change in the lives of people in the developing world. By examining our program areas, we identified eight development outcomes to which our work contributes. The outcomes align with IDRC's programming and with broader global development efforts such as the UN Sustainable Development Goals (SDGs). The eight outcomes that IDRC has identified to help address the world's most pressing development challenges are:

- **Enhanced gender equity**
- Improved governance for better policies and services
- Improved safety, security, and inclusivity
- Improved health for all
- Enhanced environmental sustainability
- Improved educational systems
- Enhanced economic empowerment
- Strengthened knowledge generation and use

This year's Annual Report demonstrates how IDRC's programs contribute toward gender equity. Enabling gender equity research and exploring how women and girls can benefit from targeted research and interventions inform the Centre's approach to programmatic goals. By supporting research that confronts the structural and root causes of gender inequities, IDRC helps to ensure that women, young girls, and children can take advantage of the same opportunities as men.

Three aspects of gender equity are emerging across IDRC programming: women's economic empowerment, improving women's dignity and rights, and empowering women's voices.

Women's economic empowerment

IDRC-supported research enhances women's education, economic opportunities, and financial inclusion. This comprises identifying solutions in agriculture that improve women's income and access to markets, supporting female entrepreneurship in technology-based interventions, and examining how care work and other domestic duties are valued and redistributed inside and outside the household.

Since 2015, IDRC's programming in agriculture and food security has been testing, developing, and scaling 88 solutions to improve nutrition and increase production and incomes. Women farmers make up half of the people benefitting from these solutions: nearly 80,000 women are involved in testing these solutions and more than 35,000 women participated in training events. To date, more than 93,000 women have used these solutions to increase yields, improve their income, and feed their families nutritious foods.

Nearly 70% of Nepal's cultivated crop land is on rain-fed terraces, which limits mechanization and productivity for millions of farmers. Narrow terraces require planting and weeding by hand — time-consuming and tedious work that typically falls to women. The Nepal Terrace Farmers and Sustainable Agriculture Kits (SAKNepal) project is testing an innovative public-private model to scale up low-cost sustainable agriculture kits to improve livelihoods. The regionally relevant kit of seeds, tools, and agronomic innovations will help to increase productivity and income, reduce female drudgery, and enhance environmental sustainability for hillside terrace farmers in Nepal.

Forty low-cost products and practices that sustainably boost yields, create better working conditions for women, and help farmers cope with climate change were pre-tested and improved. One low-cost technology, a $2 handheld corn sheller that removes kernels from the cob, has significantly reduced female drudgery.

SAKNepal has also published one of the world's most comprehensive picture books of best practices/products for subsistence farmers to assist illiterate women farmers in particular. An illustrated flyer accompanies each SAK product to instruct rural farmers on their use. Within six months the project sold 7,500 products, benefitting more than 30,000 smallholder farmers in Nepal.

Closing gender gaps

Research on the care economy supported by the Growth and Economic Opportunities for Women (GrOW) program demonstrates that women's economic empowerment depends largely on closing the gender gaps in unpaid work and investing in quality care services.

In Kenya, GrOW-supported research is demonstrating how community-based childcare affects not only women's employment choices, but their overall wellbeing. Early findings from their research show that mothers who send their children to childcare are more likely to work and have greater autonomy. The health of children also tends to be improved if they attend childcare, and they tend to exhibit fewer signs of cognitive delay.

©FAO/TARA L LAMA

Low-cost sustainable agriculture kits are improving livelihoods for millions of farmers in Nepal, where nearly 70% of cultivated crop land is on rain-fed terraces that limit mechanization and productivity.

GrOW has been actively promoting dialogue and synthesis and contributing to international debates to increase the influence of the research they support. In the past year, GrOW has contributed to the UN High-Level Panel on Women's Economic Empowerment and the Commission for the Status of Women by preparing background papers and organizing panels. Three care economy research teams presented their work during the What Works Summit in London in September.

Digital technologies to drive economic prosperity

IDRC's research has demonstrated that, under the right conditions, digital technologies like the Internet and mobile phones can drive economic prosperity and improve governance — key elements in supporting women's empowerment and the achievement of the SDGs. Recent IDRC-funded research has shown that when taking differences in education and income into account, women are more active users of digital tools than men. The key is that women need equitable access, education, and skills to seize opportunities in the digital economy, such as new livelihood prospects unconstrained by a limited local job market.

Read more about an IDRC-funded project that will help Haitian youth, particularly women, develop skills for digital jobs on **page 23**.

Greater financial inclusion

Proyecto Capital helps people living in poverty access formal financial products and services. They work with the public and private sectors to develop innovative financial products and services that expand the reach and impact of conditional cash transfers (CCTs), which are provided by local governments to millions of low-income families. They help these families take the first steps to financial inclusion by ensuring that these payments are deposited into savings accounts or mobile wallets to help families save money and make transactions safely.

The vast majority of *Proyecto Capital*'s beneficiaries are women living in poverty. To enhance their use and access to financial services, *Proyecto Capital* develops programs to build their financial capacity. IDRC's support helps to strengthen these activities by generating evidence, creating training spaces, and promoting dialogue and the dissemination of information about opportunities for linking social and public policies with financial inclusion efforts.

- Agreements with 21 social protection programs, other government bodies, banks, and credit unions in Latin America and the Caribbean have supported the transfer of more than $6 million of CCTs to savings accounts.

- In 2016, *Proyecto Capital* developed various programs to advance the financial skills of more than 1,800,000 people, most of them women.
- Cooperation agreements with 17 formal financial institutions in the region have led to the design of 12 new financial products/services tailored to the needs of the poor.

Improving women's dignity and rights

Research supported by IDRC is empowering women and girls to overcome and prevent gender violence; improve rights and access to sexual and reproductive health services and information; and prevent child, early, and forced marriages.

Reinforcing rights

Since 2012, IDRC has been working with a consortium of partners in Kenya to generate practical knowledge about the functioning of formal and informal land tenure, governance, and justice structures in some of Nairobi's largest informal settlements. This pioneering research revealed a staggering "poverty penalty" in the Mukuru informal settlement, meaning residents pay three to four times more for services such as electricity than residents with superior services in wealthier neighbourhoods. Women face additional challenges, as their lack of access to toilets makes them more likely to be raped or assaulted.

The knowledge generated from this research directly empowered Mukuru's women. They increased their understanding of their legal rights under the Kenyan Constitution, which helped them launch a sanitation advocacy campaign demanding better facilities and infrastructure.

As a direct result of the findings and efforts of the IDRC-supported research consortium, the Nairobi County government declared a Special Planning Area in the Mukuru informal settlement, paving the way to redevelopment to improve living conditions for hundreds of thousands of residents. The project has also fed into a similar policy change in Kiambu County, with the potential to guide policies and practices across other peri-urban centres nationwide. Once living conditions are improved, residents can tap into their economic potential and have a better chance of escaping the current cycle of exclusion and poverty.

Protecting women's rights online

The Internet is increasingly mirroring society, and this means that many of the opportunities and threats to women's empowerment are also found online. Women who are able to access the Internet face significant threats to their online agency, privacy, and dignity — trolling, revenge porn, and viral rape videos are rampant.

Technology is implicated in online harassment and offline violence against women and girls, but it can also be leveraged to improve safety and dignity. The IDRC-supported Harassmap initiative has helped document incidents, build understanding, and change attitudes about sexual harassment in Egypt, including the creation of harassment-free zones and new policies in public universities against sexual harassment.

Electronic health registries that include personal data can also compromise privacy rights and lead to harassment and blackmail. IDRC partners helped overturn a Kenyan government directive to create an online school registry of boys and girls living with HIV.

The abuse of online power led Nighat Dad, a lawyer, to establish a foundation to defend digital rights, with a particular focus on protecting women, girls, and other marginalized groups on social media. IDRC is supporting Dad's Digital Rights Foundation (DRF) through Privacy International's privacy and development network in Asia.

DRF launched *Hamara Internet* (meaning "Our Internet"), a project that holds digital security training workshops across Pakistan to promote the rights of citizens to use the Internet free from harassment, surveillance, or other digital threats. Late last year, DRF launched Pakistan's first cyber harassment helpline to provide free and confidential support to victims of online harassment.

Empowering women's voices

IDRC-supported research also promotes capacity development for female researchers, especially in male-dominated fields such as science, technology, engineering, and mathematics (STEM). It also generates awareness of the gender dimensions of research and innovation.

Women's leadership

The African Institute for Mathematical Sciences' (AIMS) Next Einstein Initiative trains the brightest African students in advanced mathematics, building a critical mass of scientific and technical talent to address Africa's key development challenges. AIMS seeks to close the gender gap for women in STEM education and careers by ensuring

AIMS CAMEROON/MBACHAM SANTHER

Ngeche Doris is a program officer at the African Institute for Mathematical Sciences (AIMS), which trains the brightest African students in advanced mathematics. The goal is to build a critical mass of scientific and technical talent that will address Africa's key development challenges.

that at least 30% of all AIMS students are women — a high bar to reach given that only 17% of AIMS applicants are women. Gender equality is integrated into AIMS training to raise awareness of the gendered implications of research. AIMS is active in global dialogues on women in science and has recently launched the "AIMS Women in STEM" initiative to accelerate progress for African women. Learn more about AIMS on **page 27**.

By mid-2016, AIMS graduated 1,121 alumni (32% women), from 43 African countries. Of the more than 350 women who have graduated from AIMS, many are assuming leadership roles to contribute to Africa's development. For example:

- While studying at AIMS-South Africa, Chika Yinka-Banjo from Nigeria developed a model to ensure robots can detect and avoid obstacles. She then pursued a PhD in robotics at the University of Cape Town, producing another model to guide robots to perform a pre-entry safety inspection in mines. Now a lecturer at the University of Lagos, Chika has just received a small research grant funded by IDRC that will allow her to establish a research group in robotics and artificial intelligence at her university.
- After attending AIMS, Angelina Lutambi from Tanzania completed a master's in mathematics at the University of Stellenbosch and a PhD in epidemiology at the University of Basel in Switzerland. She is now a leading scientist at Tanzania's Ifakara Institute, where she uses mathematical models to explore the impact of health interventions to inform policies to combat HIV/AIDS.
- Tabitha Gathoni Mundia graduated from AIMS–South Africa, where she acquired the math skills necessary to develop the world's first mobile money statistical scorecard, *MKesho*. Equity Bank, the largest microfinance and retail bank in East and Central Africa by customer base, used *MKesho* to grant credit to the unbanked population in Kenya. In 2012, Mundia joined the International Finance Corporation, the private sector arm of the World Bank Group, as a risk analyst.

IDRC investments in building the capacity of female researchers in agriculture and food security are leading to increased gender equity in research results. A cross-project gender strategy emphasizes support for gender-transformative research; builds the expertise of researchers to develop gender-responsive solutions and carry out gender-based analysis; and supports women researchers in becoming leaders in their field. This strategy aims to develop leaders by supporting female researchers at varying stages in their careers in order to build the capacity of women to take on leadership positions.

IDRC's support enables emerging women research leaders to realize their potential, becoming authorities in their field and using their expertise and influence to help advance solutions to support positive change.

Results 2016-2017

IDRC drives change for those who need it most by supporting interdisciplinary, solution-oriented, and policy relevant research. Pathways of impact guide the Centre's work from initial inputs through to development outcomes that have lasting effects.

The parallels between the Centre's program goals and the **UN's Sustainable development goals** (SDGs) reflect the value and relevance of IDRC's work. **Gender equality** (**SDG 5**) is pervasive throughout the Centre's three program areas, via outcome goals such as empowering women through their control of production resources, enhancing women's economic empowerment, and reducing violence against women and youth in the public and private spheres.

The Agriculture and Environment program area is also contributing towards **sustainable cities and communities** (**SDG 11**) and **climate action** (**SDG 13**) with outcome goals that include environmental sustainability and safer cities that are better prepared to adapt to climate change. The Food, Environment and Health component of this program area is also contributing toward **good health and well-being** (**SDG 3**) by lowering the burden of non-communicable diseases and promoting good health for all.

The Inclusive Economies program area is strengthening **economic growth and decent work** (**SDG 8**), **reducing inequalities** (**SDG 10**), bolstering **peace, justice, and strong institutions** (**SDG 16**), and promoting **good health and well-being** (**SDG 3**) through outcome goals such as strengthening youth employment opportunities; innovating for better quality, more accessible, and equitable health services; strengthening health information systems by providing better accountability; shaping more inclusive and safe communities; and forging more equitable and prosperous societies.

The Technology and Innovation program area is advancing **quality education** (**SDG 4**) and **decent work and economic growth** (**SDG 8**), supporting **industry, innovation, and infrastructure** (**SDG 9**), **eliminating poverty** (**SDG 1**), and reinforcing **peace, justice, and strong institutions** (**SDG 16**) through outcome goals such as improved governance for better policies and services, enhancing economic empowerment, improving educational systems, and strengthening the generation and use of knowledge.

IDRC also maintains a strong focus on maintaining and developing **partnerships** to attain the Centre's outcome goals (**SDG 17**); however, this year the Centre contended with changes and uncertainties among funders of development research. Although many substantial and effective collaborations are in place, reduced funding could constrain the Centre's scope for impact and may have implications for program development. In response, the Centre is committed to ongoing strategic thinking to modify and tailor its approach and to consider the role of collaboration without co-funding.

IDRC's rigorous monitoring and reporting system keeps the Centre aligned with its plans, priorities, and objectives. Assessing performance on an annual basis identifies challenges that remain and lessons to be learned. It is also an opportunity to recognize instances, such as the projects described below, where the Centre has met and even surpassed goals.

OBJECTIVE 1

Invest in knowledge and innovation for large-scale positive change

We support innovators in testing new ideas and finding ways to adapt existing know-how and technology to transform the lives of the poor. **Reducing poverty and improving equality is the essence of the SDGs — and it is also the foundation of IDRC's work.** When success is achieved, the next step is to scale up, bringing the benefits to more people and regions.

We are on track to meet this objective's targets by 2020, with progress towards generating, identifying, and testing scalable ideas and innovations. Some of our successful projects are emerging as models that are being tested for implementation by other actors. The projects below demonstrate how research efforts across IDRC's three program areas are taking knowledge and innovation to the next level.

IDRC/NAASHON ZAALK

Safe and inclusive cities

SAIC researchers visit the Harare Safe Node Area in Khayelitsha Township near Cape Town, South Africa. Safe Node Areas are neighbourhoods where comprehensive community development is creating safe and integrated communities.

Safe and Inclusive Cities (SAIC) is a global research initiative jointly funded by IDRC and the UK's Department for International Development that documents the links between urban violence, poverty, and inequality. Research teams in 16 countries work in 40 cities across Latin America, South Asia, and sub-Saharan Africa to test the effectiveness of urban violence reduction theories, strategies, and interventions.

Research results from a SAIC project in Côte d'Ivoire about the growing role of youth in violence, led by the Université Alassane Ouattara, garnered national attention from the Minister of Higher Education, representatives of the Supreme Court, the National Assembly, various ministries, and civil society. Following a policy outreach event that focused on improving the management of urban violence, particularly among youth, the Ivorian government created a nationwide project called the Vulnerable Youth Integration program. The program focuses on re-socializing children between the ages of 14 and 21 who belong to youth gangs, providing them with skills as well as civic and citizenship training for social inclusion that will support their integration in society. In addition, the government has mandated the minister in charge of youth promotion, and all other ministers concerned, to take emergency measures to carry out this project. Since June 2016, the number of targeted youth has increased from 300 to 1,000 children. IDRC is currently exploring opportunities with partners to build on this innovative program.

The research findings emerging from the SAIC-supported study on South Africa's Community Work Program (CWP), led by the Centre for the Study of Violence and Reconciliation, have caught the eye of national officials responsible for public employment, including the country's deputy president. The CWP is a poverty reduction plan that provides two days of work per week to unemployed and under-employed South Africans. Results found that in addition to reducing poverty, an improved sense of community among participants reduced violence where CWP was established. More than 200,000 participants (75% women) have been employed, and researchers found that the program has helped to strengthen social bonds and reduce crime. These results have prompted the national government to endorse a second phase of research to test practical ways to scale up interventions across 186 sites; the lessons learned will be applied to CWP sites across the country and shared internationally.

Livestock Vaccine Innovation Fund

The Livestock Vaccine Innovation Fund was established in September 2015 as a partnership between the Bill & Melinda Gates Foundation, Global Affairs Canada, and the International Development Research Centre. It represents a joint investment of $57 million over five years to support the development, production, and commercialization of innovative vaccines against priority livestock diseases in sub-Saharan Africa, South Asia, and Southeast Asia.

During its second year, the Fund successfully launched its first call for proposals entitled "Innovations in Livestock Vaccines," and five projects were selected for funding. Three of the five projects were approved this year and are moving toward implementation.

The first is focussed on engineering a commercially-viable vaccine to protect against all known variants of hemorrhagic septicemia. This acute and often fatal bacterial disease affects mainly cattle and buffaloes in Asian and African countries. Most Asian countries rank hemorrhagic septicemia as the most significant contagious disease in cattle and buffaloes; globally the disease ranks second in terms of livestock units lost for buffalo, and it ranks fifth for cattle. Hemorrhagic septicemia epidemics are often devastating, not only jeopardizing livelihoods based on animal production, but also impeding the harvest of vital crops dependent on animal traction.

The second project is ultimately focussed on the development of a viable vaccine candidate that can be produced commercially for East Coast Fever (ECF), a leukemia-like tick-borne disease of cattle that is a leading cause of cattle mortality in most of sub-Saharan Africa. ECF is the most economically important tick-borne disease in Africa — every year one million cattle die and 28 million are at risk of the disease. When accounting for mortality, morbidity, loss of production, transportation, and mining and agricultural labour, in 2014, the economic losses measured in 13 sub-Saharan countries were estimated at US$1 billion. Although a live vaccine has existed for more than 40 years, it requires technical expertise to administer as well as storage and transport in liquid nitrogen at a temperature of -80°C — making it expensive and rarely accessible to poor farmers. This project will reformulate the partially-protective antigen to generate high antibody levels and better vaccine efficacy.

The third project concentrates on the development of vaccine candidates for African swine fever. There is currently no vaccine available for this devastating pathogen, which has a mortality rate of up to 100% in infected pig herds. Prevalent in at least half of sub-Saharan African countries, a vaccine could benefit 6–17 million smallholder farmers in the region. A recent African swine fever outbreak in the Russian Federation resulted in economic losses estimated at US$1 billion.

Promoting fortified sunflower oil through e-vouchers

In many regions of Tanzania, chronic micronutrient deficiencies caused by a limited diet contribute to stunted growth and increased susceptibility to disease. The consequences of vitamin A deficiency can be particularly disastrous for children, who are at risk of xerophthalmia, an illness that can ultimately lead to blindness if left untreated.

The Masava project is addressing these persistent health problems with ingenuity and innovation. Derived from a Kiswahili phrase, *masava* translates to "natural sunflower oil fortified with vitamin A." Indeed, unrefined sunflower oil is an excellent vehicle for vitamin A, which readily dissolves in fats.

The Government of Tanzania announced its intention to expand the production and consumption of fortified foods to conquer nutritional deficiencies, but reaching poor rural Tanzanians is difficult. With the support of IDRC and Global Affairs Canada through the Canadian International Food Security Research Fund (CIFSRF), and managed by the non-governmental organization the Mennonite Economic Development Associates (MEDA), the Masava project has enabled three local processors in the remote Manyara and Shinyanga regions of northern Tanzania — where there are particularly high rates of vitamin A deficiency in children — to fortify unrefined sunflower oil with vitamin A. So far, 58,978 litres of oil have been fortified and distributed in intervention areas, benefitting more than 350,000 people.

Masava has demonstrated that rural fortification is possible, and that small- and medium-sized enterprises can assist the government in reaching nutritional policy goals while stimulating the local economy. But producing fortified oil in poor rural areas was only the first step — a large-scale marketing campaign was required to address the fortified oil's higher cost hurdle. Now e-voucher discounts delivered by mobile phone are generating demand for the fortified oil, and providing a price incentive for rural consumers. MEDA continues their work to boost long-term demand for the fortified oil, and to document best practices to help in the implementation of a national food fortification strategy aimed at reducing vitamin A deficiency. They will eventually withdraw from the project so that the local processing businesses can continue to grow on their own.

IDRC/EMAN HELAL

Egypt's first mobile service linking farmers to buyers

Ibrahim Sayed supervises the tomato harvest on a farm in Upper Egypt. The Bashaier project designed a Web and mobile-based platform that links smallholder farmers with traders and sellers to build business links and boost incomes.

Smallholder farmers dominate Egyptian agriculture, but they are being hindered by a lack of marketing knowledge, technical skills, and the dissemination of information. An analysis by the Knowledge Economy Foundation (KEF) — a non-governmental organization founded by private sector partners that aims to strengthen supply chains and the Egyptian economy — revealed that a major barrier in the agri-food supply chain is the absence of market information and of linkages between members of the supply chain.

To improve the livelihoods of smallholder farmers, the IDRC-supported Bashaier project designed a Web and mobile-based platform adapted to the needs of fruit and vegetable farmers, traders, and sellers in the Beheira and Minia governorates. Created by KEF, it is Egypt's first mobile service linking smallholder farmers to buyers, thereby opening their access to a wider range of customers and higher incomes. A three-pronged approach was adopted to manage the dissemination of information, strengthen capacity building, and to build business links.

The agri-food digital network on mobile apps, Web, and SMS provides information such as daily national wholesale market prices of fruits and vegetables to enable farmers to better negotiate their crop sales at a local level. Technical data such as weather forecasts as well as irrigation and pest control advice, provided via SMS, equips farmers with weekly reminders of the tasks necessary to tend specific crops. These interactive communication and knowledge-sharing tools are already facilitating the flow of market and technical information between farmers and traders, government experts, food wholesalers, and sellers.

Approximately 48,000 farmers have directly benefitted from deals with various market buyers through the network; on average, these deals are of a 10-20% higher value than the prices received from traders before the project. By putting farmers directly in contact with market buyers, the digital network provides major leverage to help them grow in the value chain.

An animal feed concept with legs

The poultry and fish industries are among the fastest growing agri-businesses in many African countries, but providing protein for these stocks represents 60–70% of animal production costs. In collaboration with feed companies and an insect rearing company, the "Insect feed for poultry and fish production in sub-Saharan Africa" project has demonstrated the feasibility of using insects rather than soybeans and fish meal as feed. The switch will help reduce costs for small-scale producers and redirect crops that are currently being used as feed towards human consumption.

This cost-effective and sustainable market also presents opportunities for job creation and income generation. More than 100 farmers and young entrepreneurs have been trained in insect rearing in Kenya and Uganda so far. With a market of 345,000 tonnes of dried insects per year (equivalent to US $260 million), it is estimated that the market will create 43,000 jobs in Kenya alone. Project partners Makerere University and the International Center of Insect Physiology and Ecology are working with private sector feed companies (Ugachick and Unga Feeds Kenya), insect rearing companies (Sanergy), and regulatory bodies (Kenya and Uganda Bureaus of Standards) to ensure that regulators understand the science behind the product and the benefit to consumers.

The findings from this research will inform policy and support the development of appropriate national standards for the use of insects as feed ingredients for poultry and fish. This concept already has legs: a North American regulatory body has also approved the use of insects as feed for the first time. The Canadian Food Inspection Agency recently approved farmed maggots for use in poultry feed in Canada.

Strengthening eHealth systems to reduce maternal and infant mortality

In much of the developing world, women unnecessarily suffer higher rates of maternal mortality and morbidity — but most of the causes of sickness or death affecting mothers and infants are easily preventable. The "Strengthening Equity through Applied Research Capacity in eHealth" (SEARCH) cohort of projects seeks to strengthen the evidence base on how eHealth/mHealth (mobile health) can be integrated into health systems to increase equity, improve governance and accountability, and strengthen the health system as a collection of interdependent parts. This year SEARCH saw numerous achievements and good results in Latin America, sub-Saharan Africa, and Southeast Asia.

IDRC's initial modest investment in a pilot study of 15 health centres in Peru is experiencing an unprecedented scale up by the Ministry of Health. The IDRC-funded WawaRed health information system for maternal health, which currently has 18,372 patients registered, will be extended to 350 health centres across the country. This includes 20 health centres in the Amazon regions of Cajamarca and Loreta, where there have been reports of the Zika virus.

WawaRed works to ensure that women in Peru and their healthcare providers have the information they need to make pregnancy and childbirth safer by standardizing, collecting, and sharing data using a single electronic health record system. Text message reminders of appointments and voice messages in local languages spoken by indigenous women provide accurate, timely, and trusted advice. Doing so means the right information reaches the most vulnerable groups and it improves the integration of health information systems across the country.

In the rural district of Nouna in Burkina Faso, regular access to health services is crucial for pregnant women and for people living with HIV. However, reaching these vulnerable populations can pose a major challenge. The Mos@an project, part of the SEARCH initiative, leveraged the widespread use of mobile phones to monitor patients and their use of healthcare services in 26 villages. The mobile phone-based system — with content in five local languages — in addition to the training of midwives and engagement with national and district policymakers, has resulted in near universal access to health services (97.5%) for a population of 330,000 in the district. The project and its results are being drawn on as a case study for the national eHealth strategy, and the Ministry of Health is keen to scale up the project from five to all 19 health centres in the Nouna district — and potentially beyond to neighbouring districts.

In Vietnam's mountainous Thai Nguyen province, 95% of the 820 underserved women belonging to ethnic minorities who registered with the SEARCH-supported mMom system reported greater access to maternal and child health information since its launch in July 2014. The project extended the reach of critical health information through timely SMS and interactive voice messages. The mMom system was transferred to the provincial health department where plans are already underway to scale it up province-wide.

IDRC/ATUL LOKE

Priyanka and Parveen check the quality of water samples collected throughout Bangalore in ATREE's soil and water quality lab. This research institute is leading a project to understand the effects of climate change and urbanization on water availability.

OBJECTIVE 2

Build the leaders for today and tomorrow

IDRC helps to address the world's most pressing development issues by supporting emerging and established leaders and transformative institutions. Our contributions are equipping research, policy, and business innovators with the tools and support they need to find lasting solutions to climate change, disease, inequality, food insecurity, and poverty. These investments are developing the strong leadership that is needed to meet the ambitious targets of the Sustainable Development Goals.

The Centre is on-track to meet or exceed this objective's targets by 2020. Progress is expected to accelerate in the coming years as the impact of projects deepens, as scalable projects grow, and as IDRC-supported individuals and institutions emerge as leaders in their field.

These projects highlight how IDRC is strengthening and supporting leadership across our program areas.

A strong voice at COP22

Designated the "COP of Action," the 22nd session of the Conference of the Parties (COP22) to the United Nations Framework Convention on Climate Change (UNFCCC) in Marrakech, Morocco, was an opportunity to build on the historic endorsement of the previous year's climate agreement at COP21 in Paris. Approximately 30,000 participants attended the event, which focussed on concrete action plans to implement the newly-ratified Paris Agreement, especially the steps related to adaptation, transparency, technology transfer, mitigation, capacity building, and sustainable development.

An official UNFCCC observer agency, IDRC hosted nine events, including the two-day Development and Climate Days, as well as IDRC's official UNFCCC side event on resilient development. More than 20 IDRC-supported researchers shared their research results, with others joining negotiations as part of their respective national delegation. IDRC hosted and co-hosted sessions highlighting how research investments in developing countries foster innovative solutions for climate change adaptation, inform resilient and sustainable urban planning, and contribute to evidence-based policy development.

By incorporating on the ground communications support for COP22, IDRC succeeded in delivering one of their most successful social media campaigns to date. IDRC's social media audience was 525% larger than is typical (including 33% more unique users engaged and 91% more tweets earned and hosted). Our connections and dialogue with peers, partners, and potential allies will be brought forward to COP23 in 2017 in Germany.

The Lancet Commission on Syria

IDRC grantees based at the American University of Beirut are leading the "Commission on Syria: Health in conflict" for *The Lancet*, one of the most prestigious medical and health science publications in the world. The journal has adopted a series of global commissions that convene groups of experts for a limited time to produce thematic work aimed at improving human lives through scientific review and inquiry, and to encourage accountability for the problem under study.

The Commission on Syria marks the first time a Southern institution has led one of the journal's global commissions. Articles that focus on the experience of health practitioners and the health of Syrians inside and outside of the country will be published in five issues of *The Lancet*. The first article, *Health workers and the weaponisation of health care in Syria: a preliminary inquiry for The Lancet–American University of Beirut Commission on Syria*, was published in March 2017, marking the sixth anniversary of the civil war in Syria.

The Commission's aim is to mobilize global action to address current and future health needs of the Syrian population, and to inform the rebuilding of a global health response to the on-going conflict. This includes advocating for the protection of Syrians in conflict zones, the safeguarding of health facilities and personnel, and the provision and protection of aid response. It also hopes to inform the enormous efforts that will be required in the post-conflict rebuilding of the health system and human resources (including doctors, nurses, technicians, and specialists).

Increasing policy influence

The Policy Analysis for Growth and Employment project, with funding from IDRC and the UK's Department for International Development, supports work by the Partnership for Economic Policy (PEP) that addresses three areas of critical importance for the poor in Africa, Asia, and Latin America: labour markets, social protection, and entrepreneurship.

A global network of economic researchers, PEP informs pro-poor market policy through applied research, policy engagement, and capacity-building. In their role as a global think tank, PEP provides research and policy advice, promotes Southern expertise, and ensures that this expertise is heard in policy debates. The first phase of the three-year project, which ended in 2016, enabled the success of 65 research projects, of which 29 were conducted in low-income countries or fragile or conflict states. It also saw 274 researchers receive training, of which 147 were women. More than half of the researchers have experienced significant career-promoting events, which they believe will lead to increased policy influence at home.

In a study titled *How Chinese investment can provide economic opportunities in the Central African Republic*, the researchers, including project leader Roger Yélé, were trained and mentored as they developed a computable general equilibrium model of the Central African Republic's (CAR) economy. In 2012, China committed to invest CFA franc 15 billion (approximately $2.26 million) in CAR's cotton industry, the country's largest exported cash crop. The research team used their model to simulate the effects of Chinese investment to answer questions about how this could benefit CAR's economy and to quantify the overall economic impact of China's involvement in the industry, from cottonseed production to transforming the seeds into fibres and the fibres into clothes. Based on their findings, the researchers recommended that Chinese investment be oriented towards restoring the textile sector in CAR to support sustainable growth throughout the country.

The team's expertise was quickly acknowledged by national and regional institutions, and was used to assist in evidence-based policymaking. The Economic and Monetary Community of Central Africa recruited Yélé to help develop macroeconomic models of member countries, and the Minister of Commerce appointed him to lead the modelling team in charge of assessing the fiscal impact of the economic partnership agreement between Central Africa and the European Union.

IDRC/SHIHO FUKADA

A class discussion at ISTEAH in Port-au-Prince, Haiti. ISTEAH is helping to ensure the country's sustainable development by training a critical mass of Haitian professionals to help rebuild the country following the devastating earthquake in 2010.

Preparing Haitian youth for digital jobs

A new project designed to enhance the technical skills of young Haitians, particularly women, was launched when the Honourable Marie-Claude Bibeau, Canada's Minister of International Development and La Francophonie, visited Haiti in February 2017.

Locally adapted online courses will be designed, piloted, and evaluated for young women, and platforms will be developed to match young Haitians with companies working in the digital economy, particularly those owned by the Haitian diaspora. The project will build on the experience of the Latin American and Caribbean Network Information Centre (LACNIC), an IDRC partner that has offered an advanced-level capacity building program for information and communication technology professionals in Haiti since 2012. LACNIC set up and led Ayitic, an Internet for development initiative from 2013–2016. Consisting of workshops on technical aspects of communication infrastructure, Ayitic trained 250 professionals and built capacities among technical professionals who held key teaching or management positions at local institutions.

The digital marketplace is a promising sector for youth employment, particularly for young women. Flexible hours and work from home enhances the participation of women in the online workforce, which includes graphic design, web development, and technical report writing. The project will provide much-needed technical skills to Haitian youth, particularly young women, so that they can enter the workforce and take control of their future. At least 500 students (women aged 18 to 25) are expected to be trained in digital skills and data-driven entrepreneurship, at least 150 professionals will be trained in advanced Internet development and management issues, and 10 professionals will be trained to teach women about digital education.

LACNIC has built a strong presence across the Caribbean from its long-established regional office in Trinidad, and interest has already been expressed in scaling up the project across the region.

Building bridges between political actors, decision-makers, and policy research experts

Building Bridges was conceived as a constructive space for African leaders to foster dialogue about critical development issues in Africa. This policy-focussed research and outreach program at the University of Cape Town's Graduate School of Development Policy and Practice (GSDPP) aims to close gaps in analysis and thinking by building bridges between political actors, decision-makers, and policy research experts.

Leading in Public Life (LPL), the leadership component of the program, built the capacity of 48 young African leaders from eight countries. LPL provides the next generation of African leaders with a learning space where they can acquire and exchange knowledge and build peer support networks that are critical to their professional success. High-level experts mentor the next generation of the continent's public servants with dialogue focussed on regional integration and inclusive governance. The project has contributed to the reputation of the graduate school as a knowledge hub and a prominent public leadership institution in the Global South.

IDRC was the first donor to commit funding to the program, and the early support enabled the graduate school to leverage additional funding from the Ford Foundation and the UK's Department for International Development. The experiences from the LPL program led to a partnership between GSDPP and Sciences Po Executive Education in Paris and *Institut Supérieur de Management* in Dakar to develop and deliver the Global Leadership for Africa's Development (LeAD Campus) program for young African leaders. LeAD Campus develops the skills of current and future African leaders to contribute to sustainable and inclusive growth for the continent.

A report produced in the first year of the program, called African Economic Integration, contributed to a greater understanding of the forces favouring or opposing development integration in Africa, and recommended strategies to help drive the reform agenda.

Recognizing leaders in innovation and development

Many of our past and present grantees and staff were recognized in 2016–2017 for achievements they made in their fields, for emerging as knowledge leaders, and for bringing solutions to pressing development issues. IDRC is proud to have supported the work of these leading individuals and institutions in Canada and the developing world.

Jan Low, **Robert Mwanga**, and **Maria Andrade**, all former IDRC grantees, were three of the four 2016 World Food Prize laureates for their work on sweet potato fortification. IDRC supported these researchers at early stages of their careers, demonstrating the Centre's long-term investment in building leaders in innovative fields of study.

Andrade, Low, and Mwanga undertook a multi-year effort to develop disease-resistant, drought-tolerant, high-yield varieties of orange-fleshed sweet potato that can flourish in the variable soils and conditions of sub-Saharan Africa. Their work will help to alleviate hunger and counter the devastating effects of vitamin A deficiency, which contributes to high rates of blindness, immune system disorders, and premature death in children and pregnant women in Africa.

Senior IDRC program specialist **Jemimah Njuki** has been named a New Voices Fellow at the Aspen Institute. This Bill & Melinda Gates Foundation initiative offers development experts a year-long program of media support, training, research, and writing under the guidance of experienced mentors and trainers. It is designed to bring more expert voices from the developing world into the global development discussion. Njuki oversees a portfolio of agriculture and food security projects and she is one of IDRC's top experts on gender-based issues in development.

Former IDRC grantee **Cesar Victora** won the Jon Dirks Canada Gairdner Global Health Award for his outstanding contributions to maternal and child health and nutrition, with a particular focus on the impact of exclusive breastfeeding on infant mortality and on the long-term impact of early life nutrition.

Gregor Reid was elected by his peers to the Fellowship of the Royal Society of Canada in recognition of his role as a world leader of probiotic research. The Royal Society of Canada was established in 1883 as Canada's National Academy of distinguished scholars, artists, and scientists. Reid currently leads an IDRC-supported project that aims to expand small-scale yogurt processing and distribution by incorporating a new technology for freeze-dried probiotic bacteria that has a two-year shelf life.

Nighat Dad is an activist and lawyer working to defend digital rights in Pakistan and other developing countries, with a particular focus on protecting women, girls, and other marginalized groups on social media. In late 2016, she won the Dutch government's prestigious Human Rights Tulip award for her work. IDRC is supporting Dad's Digital Rights Foundation through Privacy International's privacy and development network in Asia.

The innovative work of two IDRC research partners is being recognized with the 2017 Schwab Foundation Social Entrepreneur of the Year Award. **Yves Moury** of *Fundación*

IDRC/BARTAY

Capital and **Vivek Maru** and **Sonkita Conteh** of Namati are among the 17 outstanding leaders from 13 organizations receiving awards from the Schwab Foundation. IDRC is honoured to partner with *Fundación Capital* and Namati to enhance economic opportunities for vulnerable groups and to foster better and more inclusive justice systems.

The IDRC-supported **Mos@n project**, implemented by the *Centre de recherche en santé de Nouna,* was recognized by the *Fondation Pierre Fabre* for its efforts to improve health service provision and the monitoring of pregnant women, new mothers, children, and people living with HIV in Burkina Faso's Nouna district. **Dr Maurice Yé** accepted the prize at the *Fondation Pierre Fabre*'s inauguration of the e-health observatory for countries in the South.

The President of Côte d'Ivoire honoured **Professor Francis Akindès**, the principal investigator in the Safe and Inclusive Cities initiative project "Phenomenology of criminal violence and challenges for local urban governance in Côte d'Ivoire", with the country's 2016 Award of Excellence for Research and Teaching.

Delali Dovie, project leader of the IDRC-funded "Integrated climate smart flood management for Accra – Ghana" project received the Global Innovation Competition award, which recognizes innovations and inspirational ideas that address governance, inclusion, and accountability.

Schoolgirls enjoy probiotic yogurt during recess. Researchers in Kenya and Uganda are evaluating business models to turn small farmers into dairy processors, which could create 1,000 profitable new businesses that provide up to 250,000 consumers with daily access to probiotic dairy products.

Although the award was not related to his work for IDRC, he has now found synergies between the work IDRC is funding and the work funded under the award.

Abu Shonchoy, who was the lead researcher for the IDRC-supported South Asian Network for Economic Modelling project "Changing labour markets in Bangladesh", has won the Albert Berry Prize for his paper *Can solar lanterns improve youth academic performance? Experimental evidence from Bangladesh*. The prize is awarded annually at the Canadian Economic Association conference for the best paper submitted by a graduate student or new scholar in development economics.

Julio Berdegué, principal researcher at long-term IDRC partner RIMISP (Latin American Centre for Rural Development), has been appointed Assistant Director General of the Latin America and the Caribbean regional office of the Food and Agriculture Organization of the United Nations (FAO).

Juan Rivera became the Director General of Mexico's National Institute of Public Health in February 2017. As a senior expert, Rivera has provided guidance, advice, and vetting for a number of IDRC projects related to food environments and policies in Latin America.

The IDRC-supported **Higher Institute for Growth in Health Research for Women consortium** in Cameroon built the leadership skills of 52 early-career women, in part through a mentor-protégé program, to help advance their careers in health research. Six young women involved in the program have already received awards, including the African Youth Awards for Public Servant of the Year and Nestlé's Creating Shared Value for Rural Development Prize.

IDRC's continued support of the ***Programme de Troisième Cycle Inter-Universitaire en économie*** (PTCI) has enabled the network of francophone economics departments across 18 African countries to train more than 2,000 master's and PhD students since its inception in 1994. With more than 95% of the program's graduates remaining in the region, IDRC's capacity building efforts are having significant multiplier effects as PTCI's alumni become teaching and research mentors in their respective countries. Over the last 15 months, many former PTCI students were promoted to key and strategic positions in national public administrations and various universities.

By the end of 2016, the **Caribbean and Central American Security Platform**, implemented by IDRC partner *Fundación Nacional para el Desarrollo*, had successfully completed its goal of creating a new cohort of 18 young researchers and specialists (10 women and eight men) on citizen security in Honduras, El Salvador, and the Dominican Republic. The first cohort of researchers has produced important data-based insights in critical areas, from youth at risk in El Salvador and Honduras, to sexual harassment faced by Dominican women using collective transportation.

As part of the **International Research Chairs Initiative**, a joint collaboration between IDRC and the Canada Research Chairs program, Xiaoyan Zhu (Tsinghua University) and Ming Li (University of Waterloo) developed a medical information management system that integrates clinical, healthcare, medical insurance, and hospital information in rural areas. It has been distributed to the clinical and health departments of China's Hainan Province, and is serving more than 6 million users.

OBJECTIVE 3

Be the partner of choice for greater impact

Raising co-funding from like-minded organizations is at the heart of IDRC's efforts to support life-changing research, and it is at the core of realizing the SDGs. A commitment to global cooperation and partnership is essential to effectively leverage the financial resources available to tackle the world's pressing issues. IDRC's support of research programs fosters collaborative research that draws on the unique talents and knowledge of a range of collaborators from industry, government, and civil society. These collaborations link experts in the North and South to share ideas, foster innovation, and promote capacity building.

The Centre has many vibrant collaborations that are increasingly efficient, and it has the agility to respond to time-sensitive needs, such as supporting Zika virus research and innovations for Syrian refugees.

However, in terms of quantity, donor contributions have fallen short of expectations due to changes and uncertainties among funders of development research. This situation presents challenges in meeting the *Strategic Plan*'s $450 million target in new co-funding agreements that provide additional resources to supplement IDRC's Canadian Parliamentary appropriation. IDRC remains focused on pursuing quality co-funding opportunities. At the same time, IDRC is continuously reviewing its co-funding agreement forecast based on current prospects and will do so through to 2020.

Filling Zika's knowledge gaps

Since its detection in Brazil in 2015, the Zika virus has rapidly spread throughout Latin America and the Caribbean. More than 2 million infections and 4,000 suspected cases of Zika virus-related birth defects have been recorded in Brazil alone. Zika transmission and its potentially severe consequences, including its association with microcephaly, make it a top public health challenge.

In the spring of 2016, IDRC and the Canadian Institutes of Health Research launched a $3-million call to support research that responds to the outbreak of the virus and the health threat it represents for populations in the hardest hit countries in Latin America and the Caribbean. This funding will promote international collaborations involving Canadian and Latin American researchers who will conduct field studies in Argentina, Colombia, and Ecuador. Three Zika projects were identified that will help fill the knowledge gaps related to the causes and effects of the virus and ultimately prevent its transmission.

IDRC/MINZAYAR

Workers learn from senior colleagues at a garment factory in Yangon, Myanmar. A new research effort will focus on better employment and working conditions in the garment, electronics, and agricultural sectors in Southeast Asia.

Turning value chains into social gains in ASEAN

In Asia, manufacturing is a crucial source of employment for low-skilled workers, particularly women. In August 2016, the Honourable Chrystia Freeland, Canada's Minister of Foreign Affairs and former Minister of International Trade, announced IDRC support for "Turning value chains into social gains in Southeast Asia," a $1.7-million research effort focused on better employment and working conditions in the garment, electronics, and agricultural sectors.

The project complements Canadian technical support to the Association of Southeast Asian Nations (ASEAN) to help member states integrate small and medium enterprises (SMEs) into global value chains. Together with Grow Asia, IDRC will also launch the Learning Partners Forum, a network of experts that will share lessons from agricultural value chains in Cambodia, Indonesia, Myanmar, the Philippines, and Vietnam.

SMEs account for between 50–95% of employment in many ASEAN member states. These initiatives aim to provide policymakers and other relevant stakeholders with the knowledge, training, tools, and resources they need to ensure that SMEs, particularly those that are run by women, are competitive, resilient, and able to access international markets.

Developing climate change solutions in Africa

The African Institute for Mathematical Sciences (AIMS), a pan-African network of graduate-level training centres, is building a critical mass of mathematical scientists in Africa who can address the continent's complex economic, health, agriculture, and environmental challenges. In August, the Honourable Marie-Claude Bibeau, Canada's Minister of International Development and La Francophonie, announced a $22.6-million contribution over five years to help train African scientists to develop climate change adaptation and mitigation solutions. A specialized climate change program will be launched at the AIMS-Rwanda centre, in addition to a climate change course option at all AIMS centres across Africa.

The funding, which builds on past contributions from IDRC, the Government of Canada, and the UK's Department for International Development, will also support up to three research chairs to lead some 50 African researchers to build a specialized body of knowledge in addressing the impacts of climate change in

Africa. A climate change internship program will be created for AIMS students and alumni, as well as research fellowships for outstanding African women mathematical scientists to conduct climate change research.

Typically AIMS alumni go on to become emerging leaders in fields where mathematical sciences are foundational — from health sciences to computer science and mathematics itself. Some alumni have already demonstrated their impact on climate change research. For instance, alumni have developed crop models to estimate the future of food security in the face of a changing climate; used mathematical modelling to help industry convert waste to energy; and developed models to understand the diffusion patterns of infectious diseases as warming climates lengthen transmission seasons.

Investing in advanced scholars

Barriers to education in many low- and middle-income countries (LMICs) limit the development of human capital, leading to significant skills gaps. This is compounded by the often difficult transition of young researchers from academia to productive work settings. While there are greater opportunities for scholars in Canada, exposure to developing and emerging economies is limited and restricts their ability to contribute as leaders in a globally competitive work environment.

An estimated 452 scholars will receive support, 115 of whom will be scholars at Canadian universities going abroad, while 337 scholars will come to Canada from low and middle-income countries.

A new IDRC partnership to support advanced scholars, launched in late 2016 with the Social Sciences and Humanities Research Council, the Community Foundation of Canada, and the Rideau Hall Foundation, will expand the Queen Elizabeth II Jubilee scholarships, managed by Universities Canada. This expansion will help doctoral and post-doctoral fellows and early career scientists transition to research careers in universities and leading businesses. It will enable advanced scholars from the Global South to pursue studies at Canadian universities and benefit from industry placements — and it will support their Canadian peers in conducting research in LMICs.

IDRC's investment of $10 million is expected to leverage between two and three times this amount over the life of the program from university contributions, donations from the philanthropic and private sectors, and other public agencies. An estimated 452 scholars will receive support, 115 of whom will be scholars at Canadian universities going abroad, while 337 scholars will come to Canada from LMICs. The supported scholars will focus broadly on areas in IDRC's programming priorities that contribute to solutions for development challenges. Through their applied research, creative leadership, and professional networking, these scholars will contribute to stronger economies and more prosperous societies, as well as significantly enrich the body of knowledge in their respective fields of expertise.

Educational innovations for Syrian refugees

The impact of the Syrian conflict and accompanying refugee crisis on the education systems in Jordan and Lebanon is immense. Estimates suggest that approximately 714,000 displaced Syrian children are out of school, and almost half of them are in Jordan and Lebanon. The challenges in the education systems of the two countries are similar: overcrowded classrooms, lack of qualified teachers, insufficient educational resources, traumatized children, high dropout rates, and curriculum mismatch.

The project "Digital learning innovation for Syrian refugees and host communities," which receives parallel funding from the Ford Foundation, was acknowledged in the Canadian prime minister's statement to the UN General Assembly as an important component of Canada's contributions to Syrian refugees and host communities. In collaboration with project partners the International Education Association, Birzeit University, and potentially *Makani* (a UNICEF project that means "My space" in Arabic), the project will develop and test digital educational tools and resources to enhance accessibility and quality of learning in up to 35 schools in Lebanon and Jordan. It will also build the capacities of a pool of educators through a training-of-trainers methodology that combines bottom-up with top-down approaches to ensure sustainability and efficient scalability.

IDRC also partnered with the Canadian Institutes of Health Research to offer doctoral and post-doctoral research training awards to eligible refugees who have recently arrived in Canada. The intention of the awards is to ease the settlement process and facilitate refugees' re-entry into the research careers they left behind, in addition to adding new perspectives to Canada's research community. Award recipients will complete their training at an eligible Canadian research institution under the leadership of a researcher with an independent appointment.

IDRC/TOMMY TRENCHARD

Improving early childhood development in refugee communities

In February 2017, the Maternal and Child Health team partnered with Aga Khan University's Institute of Human Development and the Sinai Health System in Toronto to co-lead research on early childhood development in Nairobi. The Nairobi project will be comparative to separate global work underway on early childhood development in South Africa, Bangladesh, and India that is being conducted by the Alliance for Human Development.

This project will assess the effectiveness of a package of interventions in critical areas of child development in an informal settlement in Nairobi that is home to internally and externally displaced families. It aims to understand vulnerability and resilience in the early years of development and effective responses to support early childhood development in the context of displacement. It will also build capacity in the science of early childhood development for frontline workers, researchers, and leaders in policy and practice.

The Aga Khan Foundation's history of supporting work on human and early childhood development and IDRC's niche in supporting implementation research made for an obvious funding partnership, and the organizations are co-funding this $2-million project equally.

In Nairobi's Korogocho slum, researchers are testing whether the expansion of childcare options can improve women's economic opportunities. A new project will assess the effectiveness of interventions in critical areas of child development in an informal settlement in Nairobi that is home to internally and externally displaced families.

Partnering to promote innovative public-private-civil society partnerships

Advancing economic growth while achieving broad-based progress in living standards has become a key priority the world over. With growing inequalities, persistent gender gaps, and mounting pressures to boost economic opportunities for young people, countries are searching for practical guidance to tackle these challenges. There is growing recognition that sustainable solutions cannot come from government, civil society, or the private sector alone — innovative approaches that encompass public-private-civil society partnerships are needed.

IDRC has joined forces with the World Economic Forum (WEF) and the World Bank Group to help regional leaders identify concrete ways to grow their economies while tackling inequality. In early 2017, WEF called for case studies on innovative and effective public and private sector approaches that have a broad impact on business and society. More than 200 case studies were submitted from around the world. Among the 20 selected by a panel of judges, one was from IDRC grantee *Fundación Capital*, which features their graduation program in Paraguay. These case studies will be featured in an online interactive platform as part of a compendium of inclusive growth practices to guide policy actors.

Knowledge for democracy in Myanmar

A new civilian parliament in Myanmar was voted in following an historic election in 2015. Reforms are now on the horizon in this emerging democracy and there is a need for diverse, informed, and engaged public participation to deepen the democratic process. Knowledge for Democracy Myanmar is a $10.7 million program launched by IDRC in partnership with Global Affairs Canada that will build on previous programming in the country to support democratic transition in Myanmar through policy research.

An estimated 240 senior civil servants and parliamentarians will receive support to improve their capacity to use research for policymaking.

As Myanmar transitions to a democratic government, it is crucial to nurture meaningful dialogue about the process and to promote economic growth that benefits women and men of all ethnicities. The Knowledge for Democracy Myanmar program will use several approaches to strengthen analytical thinking and research capacity among civil society, business leaders, and government — including legislators and policymakers — at organizational and individual levels.

Three to five Burmese institutions involved in research and policy development will receive support to improve capacity to produce analysis for evidence-based policymaking, and at least 40 local experts will be targeted to receive support to improve their research capacity. Several national research networks and professional associations will be established as platforms for knowledge sharing and engagement on policy reform, and an estimated 240 senior civil servants and parliamentarians will receive support to improve their capacity to use research for policymaking. In addition, more than 2,000 participants are expected to be involved in 30 knowledge sharing and networking stakeholder events.

Fostering financial inclusion to reduce poverty

Access to and use of formal financial services can help the world's poorest people prosper. They help people manage risks, and they provide a safe place to save money for emergencies, to invest in education, or to realize small business opportunities.

IDRC has invested in research to support innovative solutions to foster financial inclusion for the most vulnerable since 2011. A partnership with the Alliance for Financial Inclusion (AFI) — a global network owned and driven by policymaking and regulatory institutions from almost 100 developing countries where 85% of the world's unbanked live — aims to enhance policies and regulations to scale solutions for financial inclusion for the most vulnerable, with a specific focus on women. AFI's members include central banks, ministries of finance, and other regulatory authorities.

In November 2016, with support from IDRC, AFI launched the Financial Inclusion Initiative for Latin America and the Caribbean to promote inclusive and sustainable growth and poverty reduction through sustainable financial inclusion policies in the region. It will generate new knowledge in policy areas including gender and financial inclusion, digital financial services, and financial literacy. Ultimately, it will enable many AFI member institutions to design, adopt, and implement policies to improve the livelihoods of millions of financially underserved people around the world, particularly in Latin America and the Caribbean.

Every dollar of IDRC's $1.9 million investment will help mobilize three dollars by AFI.

The partnership focuses on four areas: addressing the gender gap, fostering digital financial services, using financial inclusion data to improve policy, and launching a Latin American public policy initiative on financial inclusion. The potential for impact at scale in this project is directly linked to the nature of the partnership designed between IDRC and AFI — every dollar of IDRC's $1.9-million investment will help mobilize three dollars from AFI.

Agenda for action

IDRC is working strategically to achieve its three objectives. The Centre's Agenda for Action consists of six specific actions that form the roadmap to reach our goals: focus the Centre's programming; work alongside the private sector; leverage the Centre's international presence; communicate strategically; be smart with resources; and invest in staff development.

Communicating strategically

Seizing opportunities to share the impact of our success with Canadians, individuals, organizations, and businesses helps to increase our visibility and position IDRC as a partner of choice.

In the past year, we organized or participated in 32 public events in Canada and around the world. These include prestigious events such as COP22, where IDRC hosted nine events and delivered one of the Centre's most successful social media campaigns to date (**see page 21 for details**); the UN's Habitat III conference, where the Safe and Inclusive Cities team reported on their final results; and the World Food Prize, where three former IDRC grantees were honoured (**see page 24**).

IDRC received a good level of media attention in 2016, with 2,376 pieces from Canadian and international media mentioning the Centre.

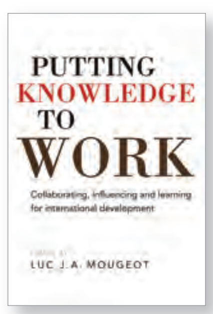
Collaboration with these trusted Canadian publications resulted in 18 in-depth articles — reaching approximately 1.4 million Canadians, including teachers and educators, both online and offline.

IDRC continued to profile its innovative research results to the Canadian public through partnerships with *Canadian Geographic* and *Québec Science*. In addition, IDRC concluded a new partnership with *L'actualité*, the Quebec current affairs magazine. Collaboration with these trusted Canadian publications resulted in 18 in-depth articles featuring important development issues being addressed by IDRC-funded research that reached approximately 1.4 million Canadians, including teachers and educators, both online and offline.

A continued focus this year was expanding our use of social media to engage regional accounts, piloting paid advertising, and sharing our research results. By highlighting campaigns related to international theme days/weeks and incorporating more visuals and infographics, we increased our global Twitter following by 49% and grew overall engagements by 151%. Our Facebook likes grew by 15% with a 62% increase in overall engagement. LinkedIn traffic increased by 22%. IDRC's Klout score, a measure of social influence, grew from 61 to an all-time high of 65 (the global average is 40), placing IDRC's social media presence in the world's top 5% of social influencers.

IDRC's revitalized public website was launched in 2016. Informed by usability testing, website metrics, and site user surveys, the redesigned website features an interface with streamlined menus, simplified navigation, and, most importantly, a responsive design for a wide range of devices.

IDRC's book publishing program co-published five new books with presses around the world this year, and many more books are in development. All of our books are available open access through our website and the IDRC Digital Library.



Being smart with resources

Maximizing the Centre's resources through careful planning, acting on efficiencies, and adapting our processes to new opportunities will guarantee greater impact for our work. An important accomplishment was the completion of the new IT infrastructure, which allows the Centre to use integrated software solutions for all its administrative needs (financial, grant administration, performance monitoring, and office productivity suite). This not only increased efficiency across the Centre, but it significantly reduced IT infrastructure maintenance costs to support these systems.

Streamlining processes through the implementation of specific solutions and with automated electronic workflows resulted in simpler, faster, and more efficient approvals in procurement, accounting, and human resources.

The installation of new microphones and cameras in meeting rooms simplified logistics for organizers of videoconferences. With a service level of 99.6% uptime during business hours, the use of videoconferencing technologies continues to reduce the need for travel.

Being smart with resources also means space optimization and paper usage reduction. Indeed, IDRC has a "Digital by Default" model to decrease paper-based operations and business processes. Physical records required to comply with legislative and regulatory requirements were digitized, freeing 2,475 square feet of office space. Records identified to be at the end of the retention period (based on IDRC retention policies) were processed and destroyed. These actions enabled IDRC to reduce the space it leases at head office.

The relocation of the Montevideo office (within the city of Montevideo) and digitization of documents also generated significant savings in space reduction and costs.

Investing in our people

The Centre's success is a tribute to its highly qualified, international, and multilingual workforce. Many employees possess specialized technical skills and extensive knowledge of particular geographic areas. This allows them to engage effectively with researchers in framing research problems, improving research design, implementing research methods, and seeing that the research results have practical impacts on development. Overall, the diversity of IDRC's workforce allows the organization to better understand development challenges, to identify opportunities for innovation and impact, and to invest in solutions.

In 2016–2017, following the launch of a talent management strategy in the previous year, a competency framework was developed and will support the review of competencies by job family. Talent management efforts focused on the development of a strategy to assist in recruiting for specialized positions, the development of an approach to increase Canadian presence in regional offices, the review of the Centre's onboarding process, and the development and delivery of talent development priorities for program staff. In 2016–2017, IDRC invested 1.2% of its payroll in staff development.

Working alongside the private sector

The private sector is an essential component of economies around the world and a key partner in development and innovation. The SDGs identify the need to "strengthen the means of implementation and revitalize the global partnership for sustainable development" (goal 17) by encouraging multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources to achieve development outcomes.

IDRC's collaboration with the private sector is informed by four strategic interventions that take into account the diversity of the private sector and IDRC's program level objectives:

1. To develop and grow new markets for tested proof of concept innovations that target food security in poor economies, IDRC collaborates with micro, small, and medium-sized firms from these economies;
2. To bring research results and innovations to scale, IDRC collaborates with national and multinational corporations that can leverage technical expertise, infrastructure, and data;
3. To strengthen the visibility and social impact of research results, IDRC works with business-facing intermediaries to facilitate joint efforts with multinational and national corporations;
4. IDRC participates in select international fora to expand the visibility and influence of research results in high-level international private sector agendas.

Since 2015, IDRC has strengthened internal systems and practice to be better equipped to collaborate with the private sector. In particular, the Centre implemented a risk identification and response mechanism that provides early profiling of potential funders, a revised approach to intellectual property, and improved tracking of parallel-funded partnerships. In interactions with the private sector, IDRC has maintained its Open Access Policy approach to ensure widespread access to research supported by IDRC funds. The Centre also explores the ethical issues around private-public partnerships.

Leverage the Centre's international presence

IDRC's four overseas offices in Cairo, Egypt; Delhi, India; Nairobi, Kenya; and Montevideo, Uruguay, keep the Centre close to its work. Global staff, who work closely with Canada's missions abroad, contribute substantially to the relevance and effectiveness of the Centre's programming. This is particularly the case in regards to their ability to connect solutions with local actors, identify and support emerging leaders, and foster multi-sectoral partnerships.

While IDRC has adopted a common structure for regional offices, each operates in a distinct context with diverse opportunities and constraints. The efficacy of different types of partnerships vary between the regions. This is especially the case for government agencies, which are important to IDRC due to their role in the use of research results in public policy, or in scaling up solutions in a country or region. In certain countries, the activities of outside organizations are subject to increasing levels of scrutiny, with a variety of implications ranging from project approvals to corporate reputation. IDRC must continue to monitor and manage political and cultural sensitivities related to research on particular topics.

Corporate governance

The Board of Governors

Responsibilities

The Board of Governors is responsible for the stewardship of the Centre: it sets strategic direction and oversees operations. The Board acts and conducts all of its business in accordance with the *IDRC Act* and by-law. The roles and responsibilities of the Board, its composition, structure, and organization are described in detail in its Charter. Key responsibilities of IDRC's Board are to:

- Establish the Centre's strategic direction;
- Review and approve the Centre's corporate priorities, budget and financial statements;
- Assess and ensure that systems are in place to manage risks associated with the Centre's business;
- Ensure the integrity of the Centre's internal control and management information systems;
- Monitor corporate performance against strategic plans;
- Monitor the performance and succession planning of the President and Chief Executive Officer; and
- Assess its own performance in fulfilling Board responsibilities.

Principles of accountability

The Board of Governors promotes, adheres to, and maintains the highest standards of ethical behavior and transparency. Board members must act honestly, in good faith, and with a view to the best interests of IDRC. They exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Board members adhere to the principles set in the *Conflict of Interest Guidelines* and must declare any potential conflict of interest at the beginning of each meeting.

Membership

The Centre is a unique institution — established and supported by the Canadian Parliament, yet directed by an international Board of Governors of up to 14 members, including the President and Chairperson.

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

In order for the Board to conduct informed decision-making and stewardship, all members of the Board shall have suitable experience and skills to provide thoughtful and experienced counsel on a broad range of issues related to the Centre's mandate. The capacity and skills of Board members are reviewed on an on-going basis to ensure that the Board, at all times, possesses the requisite skills to conduct its work effectively. The Board's international composition further ensures that the Board has a window on the developing world and its needs and issues.

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

The Chairperson of the Board reports for the Centre to Parliament through the Minister of International Development.

The IDRC Board of Governors (as at 31 March 2017)

MARGARET BIGGS
Chairperson
Ottawa, Ontario

CHANDRA MADRAMOOTOO
Vice-Chairperson
Montreal, Quebec

JEAN LEBEL
President
Ottawa, Ontario

ALANNA BOYD
Toronto, Ontario

MARY ANNE CHAMBERS
Thornhill, Ontario

DOMINIQUE CORTI
Montreal, Quebec and Milan, Italy

SOPHIE D'AMOURS
Quebec City, Quebec

SCOTT GILMORE
Ottawa, Ontario

SHAINOOR KHOJA
Vancouver, British Columbia

JOHN McARTHUR
Vancouver, British Columbia and Washington, D.C., USA

URI ROSENTHAL
Rotterdam, The Netherlands

BARBARA TRENHOLM
Fredericton, New Brunswick

Former Governors who served during the reporting period:

THE HONOURABLE MONTE SOLBERG, P.C.
Calgary, Alberta

GORDON HOULDEN
Edmonton, Alberta

NADIR PATEL[1]
New Delhi, India

Functioning of the Board

In 2016-2017, the Board held three regular meetings and one extraordinary meeting by electronic means.

The Board works through four (4) more specialized standing committees. This structure ensures a more even distribution of workload, while allowing for the provision of more detailed advice to the whole Board on decision points concerning respective committees' areas of focus.

As of March 31, 2017 IDRC's four Board committees are:

- **Executive Committee:** functions for the Board between regular Board meetings on urgent matters, as well as setting the agendas for all Board and Board committee meetings.
- **Finance and Audit Committee:** provides oversight of IDRC's finance and audit functions, and reviews and recommends management-proposed budgets and financial reports to the full Board.
- **Governance Committee:** considers the appropriate composition of Board committees and identifies Board skills gaps and potential Board appointees, the latter being for consideration by the government (as it deems appropriate and through any processes the government identifies).
- **Human Resources Committee:** considers and recommends the President's annual performance appraisals and agreements to the full Board, and deals with other human resources matters, such as any proposed annual pay increases for IDRC staff.

Committee composition as of March 31 2017 is as follows:

Executive Committee
Margaret Biggs (Committee Chairperson), Mary Anne Chambers, Jean Lebel, Chandra Madramootoo, Uri Rosenthal, Barbara Trenholm

Finance and Audit Committee
Barbara Trenholm (Committee Chairperson), Alanna Boyd, Mary Anne Chambers, Scott Gilmore,

Governance Committee
Margaret Biggs (Committee Chairperson), Dominique Corti, Shainoor Khoja, John McArthur

Human Resources Committee
Mary Anne Chambers (Committee Chairperson), Dominique Corti, Sophie D'Amours, Shainoor Khoja, Jean Lebel

Compensation
Compensation for governors is set according to Government of Canada *Remuneration Guidelines for Part-time Governor in Council Appointees in Crown Corporations:*[1]

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

Centre Executives (as at 31 March 2017)

IDRC's head office is located in Ottawa, Canada. The four regional offices are located in Cairo, Egypt; Montevideo, Uruguay; Nairobi, Kenya; and New Delhi, India.

JEAN LEBEL, President

JOANNE CHARETTE, Vice-President, Corporate Strategy and Communications

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

STEPHEN McGURK, Acting Vice-President, Programs and Partnerships

TRENT HOOLE, Corporate Secretary and General Counsel

Regional Directors

FEDERICO BURONE
Regional Office for Latin America and the Caribbean

SIMON CARTER
Regional Office for Sub-Saharan Africa

ANINDYA CHATTERJEE
Regional Office for Asia

KATHRYN REYNOLDS, Acting
Regional Office for the Middle East and North Africa

[1] Governors who are concurrently members of Canada's Public Service do not receive honoraria.

Managing and measuring our performance

Stewardship and accountability

IDRC is accountable to Parliament and to Canadians for its use of public resources. The Board of Governors plays a key role by guiding the Centre in fulfilling its mandate and ensuring that the funds entrusted to IDRC are managed responsibly. IDRC's evaluation system fosters both accountability and transparency throughout the organization at the project, program, and corporate levels. All evaluations of IDRC's programming are publicly available through the IDRC Digital Library. We also provide open access to information on research projects we fund.

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

- IDRC publishes unaudited quarterly financial reports on its website.
- IDRC's financial statements are audited annually by the Office of the Auditor General of Canada.
- IDRC's operations are examined periodically by the Office of the Auditor General of Canada.
- IDRC is subject to both the *Access to Information Act* and the *Privacy Act*. Eight requests were received under the *Access to Information Act* in 2016–2017. No requests were received under the *Privacy Act*.
- IDRC is also subject to the *Canadian Environmental Assessment Act*, 2012. Pursuant to IDRC's obligations under that *Act*, in 2016–2017 IDRC did not carry out or provide financial assistance to projects that it determined would be likely to cause significant adverse environmental effects.
- IDRC publishes travel and hospitality expenses for members of its Board of Governors and executives on its website.
- IDRC held its annual public meeting in Ottawa in November 2016.
- In accordance with legislative requirements, IDRC submitted reports to designated authorities on its application of the *Canadian Multiculturalism Act*, the *Employment Equity Act*, and the *Official Languages Act*.
- IDRC's designated Senior Officer submitted the annual report on the *Public Servants Disclosure Protection Act* indicating that there were no disclosures to report, despite awareness-raising activities regarding the *Act* itself.
- IDRC contributes information to Statistics Canada, which compiles information on the Government of Canada's expenses in social and natural sciences.
- IDRC has adhered to the international Aid Transparency Initiative alongside the Government of Canada. It also provides its data set in the format stipulated by the Initiative to help the Government show how it meets its international commitments.
- IDRC contributes to the Government's report under the *Official Development Assistance Accountability Act*. IDRC also provides data and information supporting the Government of Canada's contribution of official development assistance data to the Organization of Economic Cooperation and Development.

Internal audit

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

For more information on risk, see Management's Discussion and Analysis, pages 37 to 50.

Program support

IDRC collaborates with a wide variety of organizations, including government agencies, granting councils, the private sector, and philanthropic foundations. Partnerships complement IDRC investments in research for development by deepening and broadening the reach of research results, increasing financial resources for research partners, and bringing innovations to scale to address the needs of developing countries. IDRC's approach to partnering focuses on establishing co-funded or parallel-funded programs with funders around IDRC's well-defined program map, thereby mobilizing resources that are additional to the Canadian Parliamentary appropriation.

Evaluation

High-quality evaluation is an important tool for ensuring effective use of public funds and for documenting and assessing results. Our approach to evaluation, its purposes, and guiding principles is presented in the publicly accessible *Evaluation at IDRC* document that was revised this year.

At IDRC, evaluations are framed in terms of utility: evaluations should have a clear intended user and purpose for accountability, decision-making, and learning for program improvement.

IDRC completed eight evaluations during the year, primarily focused on programming funded in partnership with other donors. For instance, in collaboration with the Australian International Food Security Research Centre (ACIAR), IDRC managed the independent evaluation of Cultivating Africa's Future (CultiAf), a four-year, $15 million competitive grant facility. This evaluation was carried out to assess results achieved by the program, and to inform future programming and influence partnership directions between the two organizations. The evaluation found that the program has been well managed and its capacity development initiatives were laudable. The evaluation noted a need for greater visibility of the program within ACIAR as a means for greater buy-in.[2]

As part of its learning process, the Centre also commissioned a mid-term evaluation of the Growth and Economic Opportunities for Women (GrOW) program, a five-year, $18.6 million program co-funded with the UK's Department for International Development and The William and Flora Hewlett Foundation. This evaluation assessed how the program was positioned to achieve its outcomes by the program's scheduled end date in 2018, assessed the quality of its research, and gauged the success of its capacity-building efforts. Overall, the GrOW program was found to be moderately well-positioned to achieve its outcomes. The program was seen to add value and have the capacity to generate a strong body of evidence to address gaps in the broader field of women's economic empowerment related to inclusive growth, and build in-country research capacity. Limited evidence was found with regards to influencing policy and policy uptake and this was noted as an area needing further improvement.[3]

It is important to note that the Centre also supports IDRC grantees in the commissioning of evaluations of their projects. For example, this year IDRC supported grantees in commissioning the evaluation of the Maternal and Child Health program on Improving Maternal and Prenatal Care for Ethnic Minorities in Vietnam, among others.

We work to strengthen evaluation practice for our staff, our grantees, and the wider international development community. This year, in collaboration with Better Evaluation, IDRC supported the development of an interactive *Program Managers' Guide to Evaluation* that IDRC staff and grantees can use for managing an evaluation that is conducted by external or internal evaluators. The guide is publically available.

Evaluations of IDRC programming are publicly available through the IDRC Digital Library.

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[2] Universalia (2016). Evaluation of the Cultivate Africa's Future Fund (CultiAF): Final Evaluation Report.

[3] Universalia (2017). GrOW Formative Evaluation for Mid-term Review: Final Report.

IDRC/BARTAY

Management's discussion and analysis

Diego Chivata and Philipe Reyes weigh a bag of potatoes before it goes to transportation. An IDRC-supported project is enhancing the adoption of more disease resistant and nutritionally improved potato varieties in Colombia through targeted agricultural training, food security interventions, and national awareness raising campaigns.

Management's discussion and analysis

This Management's Discussion and Analysis (MD&A) provides a narrative discussion of the financial results and operational changes for the financial year ended on 31 March 2017. This discussion should be read with the Financial Statements and accompanying notes provided on pages 51 to 67, which were prepared in accordance with the International Financial Reporting Standards (IFRS). All monetary amounts are presented in Canadian dollars unless otherwise specified.

In assessing what information is to be included in the MD&A, management applied the concept of materiality as guidance. Management considers information material if it is probable that its omission or misstatement would influence decisions that readers make on the basis of the MD&A.

Summary of results

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

Revenues

Revenue decreased by 18.6% to $214.2 million from $263.1 million in 2015-2016. Details on page 41.

Expenses

Expenses decreased by 22.5% to $205.9 million from $265.8 million in 2015-2016. Details on page 44.

Equity

Total equity has increased to $26.2 million, from $17.8 million at 31 March 2016. The main variance was in unrestricted equity, which increased by $7.0 million to $8.8 million. Details on page 49.

Outstanding commitments

Outstanding commitments decreased by 17.2% to $210.1 million from $253.8 million in 2015-2016. Details on page 48.

TABLE 1: SUMMARY OF SELECTED FINANCIAL INFORMATION

	2015-2016	2016-2017				2017-2018
($000)	**Actual**	**Original budget**	**Revised budget**	**Actual**	**Variance**	**Budget**
Statement of comprehensive income items						
Revenues	**263 099**	**231 030**	**224 097**	**214 198**	**(9 899)**	**207 054**
Parliamentary appropriation	183 478	149 206	149 206	147 474	(1 732)	138 706
Donor contributions	77 267	81 353	73 586	64 429	(9 157)	67 782
Investment and other income	2 354	471	1 305	2 295	990	566
Expenses	**265 785**	**231 693**	**226 058**	**205 870**	**(20 188)**	**216 933**
Development research programming	245 832	213 217	206 892	186 059	(20 833)	199 164
Corporate and administrative services	19 953	18 476	19 166	19 811	645	17 769
Net results of operations	(2 686)	(663)	(1 961)	8 328	10 289	(9 879)
Statement of financial position items						
Cash and cash equivalents	57 546	n/a	n/a	70 884	n/a	n/a
Accounts receivables and prepaid expenses	6 946	n/a	n/a	7 766	n/a	n/a
Equity	17 839	15 227	15 878	26 167	10 289	16 288
Project management items						
Allocations funded by Parliamentary appropriation	98 991	92 000	93 000	93 140	140	98 000
Allocations funded by donor contributions	41 264	39 300	36 493	27 582	(8 911)	45 669

2016-2017 revised budget

The 2016-2017 original budget in Table 1 was presented in the *2015-2016 Annual Report*. During the year, management revised the original budget to reflect the most current information available. The decrease in budgeted revenues reflects changes that took place during the implementation of ongoing agreements, in a way that affected current year estimates. The expenses budget was also adjusted to reflect changes in research project expenses funded by Parliamentary appropriation and funded by donor contributions.

Corporate developments

In June 2016, Monte Solberg (Acting Chairperson), Gordon Houlden, and Nadir Patel completed their terms as governors. In the same month, Margaret Biggs was appointed Chairperson and Mary Anne Chambers, Dominique Corti, Sophie D'Amours, John McArthur, Chandra Madramootoo, and Barbara Trenholm were appointed as governors.

Corporate risk

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

The areas of highest risk faced by the Centre at 31 March 2017 are listed in the table below.

Key risk	Risk level	Risk response strategies and actions
OPERATIONAL RISK **Security** IDRC's employees worldwide contribute substantially to the relevance and effectiveness of programming. Operating in complex and challenging environments can put employees' health, safety, and security at risk.	High	The Centre closely monitors and manages security situations at its regional office locations, as well as in countries where Centre employees travel to deliver programs, through intelligence gathering, procedures, and preparedness plans. Management is assisted by a Travel Advisory Group and a Security and Emergency Planning Team coordinated by the Centre Security Officer. The Centre also provides safety and security training and provides health services before and after official travel to all employees. Emergency contacts can be used during travel.
Results Significant changes to the internal and external environment have imposed greater accountability and transparency expectations, and increased the complexity of oversight activities. There is a risk that significant changes to policies, regulations, and processes to meet changing expectations will impact programming, operations, and results.	Medium	The Centre has committed to operate in a respectful and professional manner with its employees. This encompasses negotiating the first collective agreement, supporting non-unionized employees, and ensuring sound human resources practices are in place. Additionally, various intelligence gathering efforts take place to understand and assess changes to the external landscape. This information is used to inform operations to meet accountability and transparency expectations.

Key risk	Risk level	Risk response strategies and actions
FINANCIAL RISK **Parliamentary funding** A substantial part of IDRC funding comes from a Parliamentary appropriation. The recurring portion has not increased since 2007 — and even decreased in nominal terms during the 2012-2015 period — therefore the Centre has had to absorb inflation in salaries, goods, and services. There is a risk that IDRC is not able to effectively and efficiently operate due to a frozen or decreased Parliamentary appropriation.	High	Senior management continues to communicate and engage with key decision-makers in the Canadian federal government in relation to the allocation of the International Assistance Envelope. Various cost containments have been implemented to optimize resources without significantly impacting programming.
Donor contributions Donor contribution funding is key to development impact. It provides ideas, expertise, and resources in the form of pooled donor contributions. There is the risk of not being able to attract and maintain acceptable levels of donor co-funding.	Medium/ Low	The Centre has created a five-year Partnership Implementation Plan to reflect its *Strategic Plan 2015-2020: Investing in Solutions*. This implementation plan includes specific objectives that aim to increase resources, develop new and innovative ways of partnering, and improve the effectiveness of current partnering practices. As of 31 March 2017, IDRC had 23 active donor contribution agreements worth $379.8 million, coming from eight different co-funding donors. In 2017–2018, IDRC expects to sign six additional donor contribution agreements that have a multi-year value of $34.7 million.
STRATEGIC RISK **Performance measurement** Performance measurement and communication of results are key enablers to strategic engagement, learning, and influence. This can be challenging for an organization involved in supporting research where it is difficult to capture outcomes. There is a risk that performance measurement and communication of results does not meet the needs of stakeholders, support strategic-decision making, or influence positive change.	Medium	The Centre is developing a program performance monitoring system that will be launched later this year. The system is based upon a new Performance and Learning Report model that supports decision-making. This type of results reporting will also encourage learning activities. Collaboration with media and participation in conferences and round tables supports external communication of results.

REVENUES

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

TABLE 2: REVENUE DISTRIBUTION

	2015-2016 Actual	2016-2017 Actual
Parliamentary appropriation	69.7 %	68.8 %
Donor contributions	29.4 %	30.1 %
Investment and other income	0.9 %	1.1 %

TABLE 3: REVENUES

	2015-2016	2016-2017				2017-2018
($000)	Actual	Revised budget	Actual	Variance	% change actual [a]	Budget
Parliamentary appropriation	183 478	149 206	147 474	(1 732)	(19.6%)	138 706
Donor contributions	77 267	73 586	64 429	(9 157)	(16.6%)	67 782
Investment and other income	2 354	1 305	2 295	990	(2.5%)	566
Total revenues	**263 099**	**224 097**	**214 198**	**(9 899)**	**(18.6%)**	**207 054**

[a] % change actual in 2016-2017 over 2015-2016.

Parliamentary appropriation revenue

The Parliamentary appropriation allows the Centre to deliver its mandate. The Centre's funding is part of Canada's International Assistance Envelope (IAE). The Parliamentary appropriation decreased by 19.6% to $147.5 million from $183.5 million in 2015-2016. The decrease was scheduled and is linked to the end of the Development Innovation Fund for Health (DIF-H) initiative on 31 March 2017. The budget variance of $1.7 million represents the unused portion of the non-recurring appropriation that was not required for the DIF-H and was not drawn down. Consequently, the unused funds lapsed at the end of the year.

TABLE 4: USE OF THE PARLIAMENTARY APPROPRIATION RECEIVED

($000)	2015-2016 Actual	2016-2017 Actual	2017-2018 Budget
Total expenses	**265 785**	**205 870**	**216 933**
Minus:			
Donor-funded expenses	77 267	64 429	67 782
	188 518	141 441	149 151
Replenishment (reduction) of financial reserve	(713)	1 083	-
Appropriation used for purchase of property, equipment, and intangibles	2 500	2 860	1 200
Total funding requirement	**190 305**	**145 384**	**150 351**
Parliamentary appropriation	183 478	147 474	138 706
Unused (shortfall) appropriation	**(6 827)**	**2 090**	**(11 645)**

The total funding requirement for the 2016-2017 financial year was lower than the Parliamentary appropriation received by $2.1 million. These funds will be used early in 2017-2018. The 2017-2018 shortfall will be funded by unrestricted equity (for example, the carried-over funds) and revenue sources other than the Parliamentary appropriation.

Development Innovation Fund for Health (DIF-H)

Year 2016-2017 was the final one of the Development Innovation Fund for Health (DIF-H), a multi-year $225 million initiative created in February 2008 to bring Canadian and developing-country scientists and the private sector together to tackle persistent health challenges facing poor countries. In its concluding year, the initiative needed $1.7 million less than what was foreseen in 2008, bringing the overall spending to $223.3 million against a budget of $225.0 million.

DIF-H

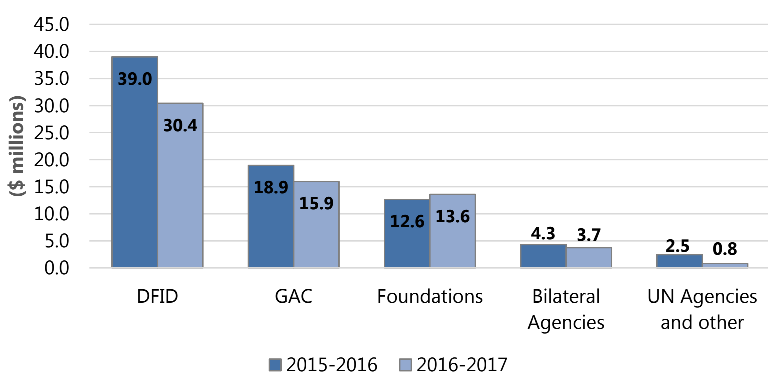
$1.7 million under budget on **$225** million

Donor contribution revenues

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

Donor contribution revenues decreased by 16.6% to $64.4 million from $77.3 million in 2015-2016. The year-over-year decrease in donor contribution revenues has two distinct causes. First, budgeting for the year had anticipated a $3.7 million reduction linked to the completion of several co-funded programs during the year. Second, deferred spending in relation to delays in the competitive award of research grants for the Livestock Vaccine Innovation Fund, combined with lower than foreseen payment requests from several recipients of the Canadian International Food Security Research Fund, explain most of the variance against the budget (see Table 3). The distribution of the funding received from donor contributions, in dollar terms, is shown in Figure 1.

FIGURE 1: REVENUES FROM DONOR CONTRIBUTIONS[a]



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

DFID: Department for International Development (UK)

GAC: Global Affairs Canada

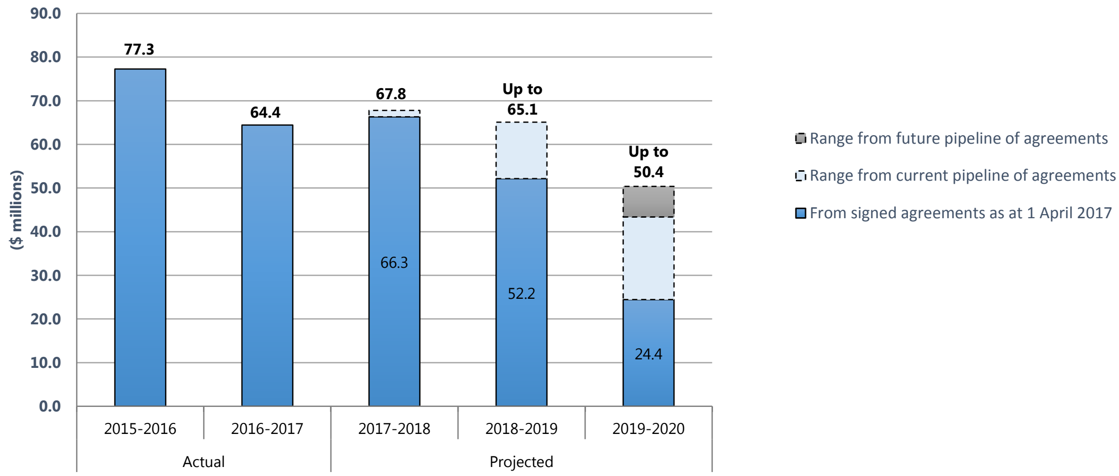
Donor contribution revenues include the administrative cost recovery that allows the Centre to cover the indirect expenses that enable capacity building and internal services in support of the projects. Indirect expenses consist mostly of variable costs that can be apportioned amongst the Centre and donor share of projects. The Centre does not include any of its Parliament-funded fixed corporate costs (for example, overhead) in its administrative cost recovery from donors.

Revenue outlook

The Centre's appropriation from Parliament is anticipated to be $138.7 million in 2017-2018, a net decrease of $8.8 million from 2016-2017. The decrease is entirely in the non-recurring portion of the Parliamentary appropriation and reflects the completion of the funding for the Development Innovation Fund for Health (DIF-H) on 31 March 2017. The recurring portion of the Centre's appropriation is $136.0 million.

In 2017-2018, donor contribution revenues will reach $67.8 million. Management anticipates that almost all of this amount will come from agreements signed and ongoing at 31 March 2017, of which Global Affairs Canada and the UK Department for International Development will contribute the most (72%). Beyond 1 April 2018, the level of donor contribution revenues will depend significantly on the materialization of new agreements in 2017-2018 and future years (see Figure 2).

FIGURE 2: REVENUES FROM SIGNED AND PROJECTED AGREEMENTS



Co-funding agreements take time to develop. The context of strained aid budgets has not been conducive to significant donor collaboration in development research. In 2016-2017, the Centre signed two new agreements totalling $29.6 million (see Figure 3). Management foresees the value of new contribution agreements signed in 2017-2018 to be approximately $34.7 million. This budget figure can be highly variable as agreements have lumpy values and are subject to the unpredictability of administrative requirements unique to each donor.

Signing new agreements replenishes the unspent agreement value which represents donor contribution revenue for three to five years ahead. The four-year trend in unspent agreement value is declining, which will lead to a lower annual donor contribution revenue in the future. At 31 March 2017, $187.4 million remained unspent. By 31 March 2018, the amount remaining to be spent is anticipated to drop to $157.7 million (see Figure 3). Management is in the process of revisiting its resource mobilization strategy, which will be discussed with the Board of Governors during the upcoming year.

FIGURE 3: DOLLAR VALUE OF SIGNED DONOR CONTRIBUTIONS AGREEMENTS

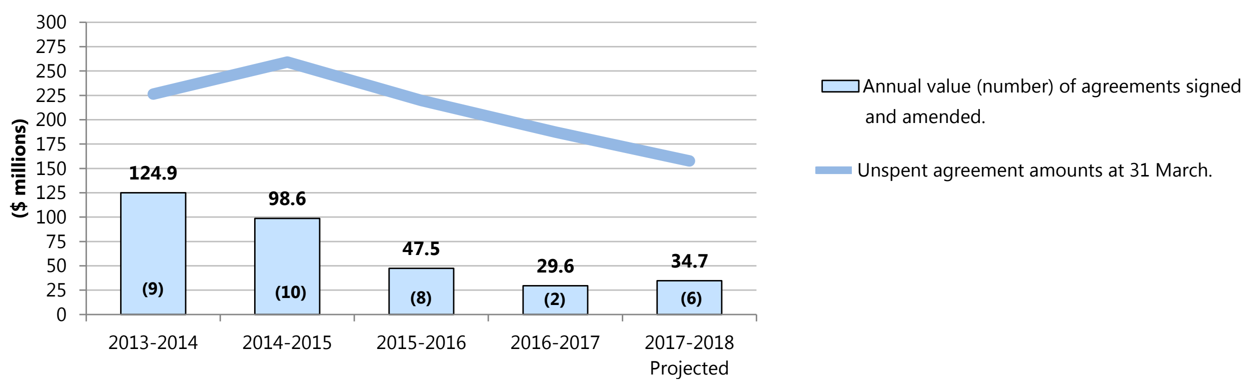
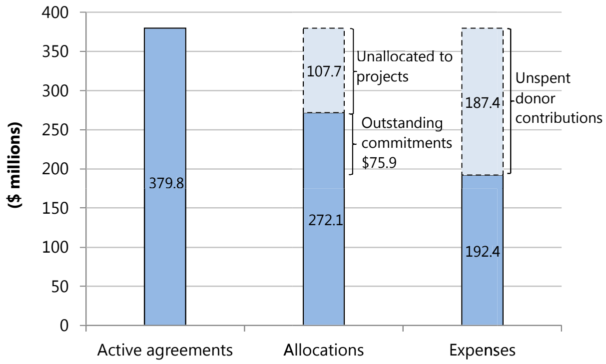


FIGURE 4: DONOR FUNDING AS AT 31 MARCH 2017



As at 31 March 2017, the Centre was involved with eight donor partners in 23 donor contribution agreements valued at $379.8 million. Of this amount, $192.4 million was spent as at 31 March 2017 leaving a balance of $187.4 million remaining to be spent over the life of the agreements. Figure 4 shows that $107.7 million of the active agreements remains to be allocated to specific research projects.

EXPENSES

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

TABLE 5: EXPENSES

	2015-2016	2016-2017				2017-2018
($000)	Actual	Revised budget	Actual	Variance	% change actual [a]	Budget
Development research programming						
Research projects funded by Parliamentary appropriation	137 868	98 514	88 262	(10 252)	(36.0%)	95 641
Research projects funded by donor contributions	65 545	61 113	53 319	(7 794)	(18.7%)	55 551
Enhancing research capabilities	42 419	47 265	44 478	(2 787)	4.9 %	47 972
	245 832	**206 892**	**186 059**	**(20 833)**	**(24.3%)**	**199 164**
Corporate and administrative services	**19 953**	**19 166**	**19 811**	**645**	**(0.7%)**	**17 769**
Total expenses	**265 785**	**226 058**	**205 870**	**(20 188)**	**(22.5%)**	**216 933**

[a] % change actual in 2016-2017 over 2015-2016.

Development research programming expenses

The expenses for development research programming decreased by 24.3% in 2016-2017 to $186.1 million, down from $245.8 million in 2015-2016.

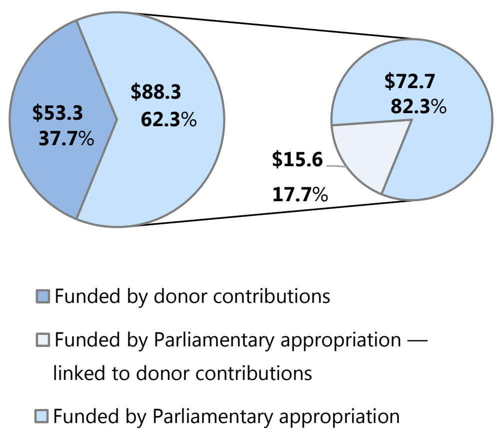
Research projects reflect the direct costs of scientific and technical research projects funded by the Centre as part of its ongoing programs. Most of these projects are carried out by independent institutions with the aid of research grants. Other project activities — just over 4% — are carried out or brokered internally. Projects also include work and activities undertaken by individuals with the aid of individual training grants, scholarships, fellowships, internships, and individual research and research-related grants. In 2016-2017, research project expenses funded by Parliamentary appropriation decreased by 36.0% to $88.3 million from $137.9 million in 2015-2016. This year-over-year decrease reflects the scheduled decrease in expenses as the DIF-H concluded its final year. When compared to the 2016-2017 budget, the expense levels were $10.3 million lower than planned. While $1.7 million is related to lapsed DIF-H funding, the remainder of $8.6 million variance is due to a combination of new project approvals being too late in the year for subsequent commitment and expenses to occur (some $1.2 million of which is linked to the donor contributions in the delayed Livestock Vaccine program mentioned earlier), and, at the same time, delays in recipient reporting linked to payments due late in the fourth quarter. The timing differences affected expenses more than in the past because recent years have seen a significant increase in projects that commenced in the fourth quarter of the year, increasing the Centre's exposure to report slippage. Research project expenses funded by donor contributions also decreased by 18.7% to $53.3 million from $65.5 million in 2015-2016 (see Table 5), $7.8 million lower than budgeted. The explanation for this is the same as was given for the donor contribution revenue variance. Table 6 provides an overview of the year-over-year change in project expenses per program area.

TABLE 6: RESEARCH PROJECT EXPENSES BY PROGRAM AREA ($000)

Program Area	2015-2016 Actual	2016-2017 Actual
Agriculture and Environment	62 149	48 824
Technology and Innovation	83 355	31 836
Inclusive Economies	55 030	43 287
Flexible funds	2 879	17 634
Total	**203 413**	**141 581**

The difference of $61.8 million is most apparent in Technology and Innovation, where two donor-funded programs ended during 2016-2017. The significant donor contribution revenue and expense variance took place in programs of the Agriculture and Environment area. Other shifts relate to the distribution of flexible funds.

FIGURE 5: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2016-2017 ($ millions)



The co-funding modality links the expense patterns of contributions from both the Centre and donors. While the majority of research project expenses are funded by Parliamentary appropriation, a significant portion (37.7% or $53.3 million) is funded by donor contributions. Donor contributions are always made in a co-funding modality with the Centre, which required a Centre contribution of $15.6 million, or 17.7% of all Parliament-funded research project expenses. In co-funded research projects, every dollar from IDRC's Parliamentary appropriation was matched by an average of 3.4 donor dollars. See Figure 5.

Enhancing research capabilities represent important Centre activities in the developing regions of the world. As outlined in the *IDRC Act*, the advisory and knowledge brokerage functions of the Centre are central to its business and to overall corporate performance. Actual expenses increased compared to the previous year mostly due to higher co-funded project and program expenses. A small portion of the higher expenses was due to one-time additional expenses related to the optimization of the office space at the Ottawa office — the recurring benefits of such optimization will be realized in future years. The budget variance of $2.8 million reflects, among other things, a number of staff vacancies, less travel than originally planned (in large part because of vacancies), and fewer professional services used. Close to $0.9 million of the savings was in connection with co-funded projects and programs.

The Centre supports research that has impacts in a number of developing regions around the world. A detailed distribution of new project allocations per region can be found on page 10. Over time, the regional distribution of expenses follows a similar pattern.

Corporate and administrative service expenses

Corporate and administrative services units provide a variety of policy, executive, administrative, and service functions that support the Centre's overall operations and the meeting of corporate responsibilities. These expenses include the services provided by information management, information technology, human resources, finance and administration (see Corporate services in Figure 6). Corporate and administrative services expenses were $0.6 million (3.4%) higher than budgeted (see Table 5), which was due to the costs of returning a portion of leased head office space to the landlord as part of an office space optimization initiative. Excluding these one-time costs, actual expenses decreased when compared with the previous year. Full benefits of the optimization of office space will be realized from the year 2017-2018 onwards. These savings are combined with the benefits of having implemented an internal multi-office shared resource service model in 2015-2016.

FIGURE 6: CORPORATE AND ADMINISTRATIVE SERVICES EXPENSES

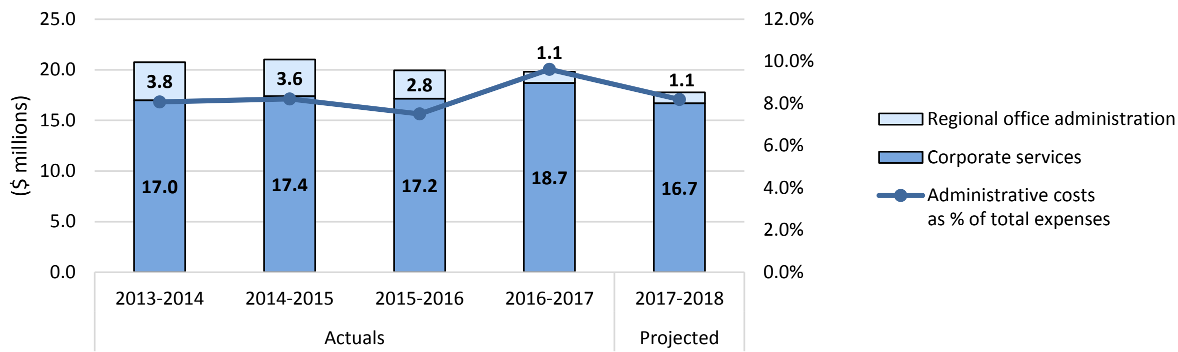


Figure 6 shows the temporary increase of corporate and administrative services in both absolute and relative terms — going from 7.5% of total expenses in 2015-2016 to 9.6% in 2016-2017. The percentage increase is exacerbated by lower-than-budgeted overall expenses in 2016-2017. The Corporate services cost ratio will decrease to 8.2% of total expenses in 2017-2018 as administrative expenses reap the benefits of the previously described cost-saving measures. In fact, the 2017-2018 budget for corporate and administrative services is $17.8 million, a decrease of $2.2 million since management implemented the internal shared resource service model two years ago (see Table 5 and Figure 6).

Human resources management and staffing measures

The 2017-2018 staff complement will remain at 367.9 full-time equivalents (FTEs), unchanged from 2016-2017. The Centre will continue to monitor the competiveness of salaries and benefits for Centre employees to maintain an appropriate balance between our ability to attract new talent and the resulting cost of doing so.

As indicated in the Agenda for Action included in the *Strategic Plan 2015-2020: Investing in solutions*, the Centre will continue to invest strategically in the professional development of its employees. The Centre spent 1.2% of its payroll cost on staff training and development, amounting to an average of $1,318 per full time equivalent (FTE) in 2016-2017. In 2017-2018, the average is projected to be $1,437 per FTE.

Expenses outlook

The 2017-2018 financial year is the third year of the Centre's five-year strategic plan. While focusing its programming to help Canada meet its foreign policy and development goals, the Centre will remain prudent with its resources and agile in its processes. Total expenses will reach $216.9 million during 2017-2018, an increase of 5.4% from $205.9 million in 2016-2017.

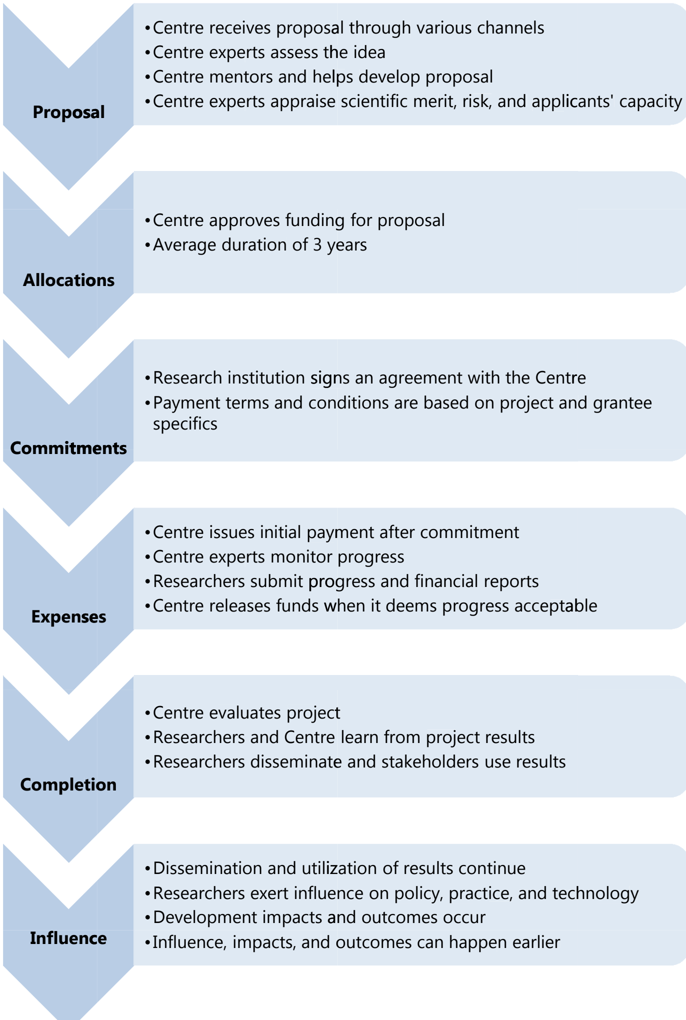
Development research programming expenses are expected to increase by 7.1% to $199.2 million as compared to actual expenses of $186.1 million in 2016-2017. See Revenue Outlook, page 42.

In order to be smart with resources, the corporate and administrative services focus is still on continuous improvement and efficiency within the context of limited resources. These expenses are expected to decrease to $17.8 million as a result of the efforts made to reduce rent in Ottawa and two regional offices as well as to reduce software licencing costs after the replacement of the Enterprise Resource Planning system.

OTHER KEY FINANCIAL INDICATORS

As part of its mandate, the Centre provides financial support to researchers and innovators in developing countries and carries out certain research activities internally. The timing of the key life-cycle events (see Figure 7) directly influences the level of future development research expenses. As such, the Centre carefully monitors project-related financial indicators, such as allocations and outstanding commitments, to ensure early detection of trends inconsistent with forecasted budgetary targets.

FIGURE 7: FINANCIAL LIFE CYCLE OF RESEARCH PROJECTS



Project allocations represent the funds approved and reserved for new research projects, which can last to five years, with disbursements over their lifespan. Allocations can be funded either by Parliamentary appropriation alone or by a combination of Parliamentary appropriation and donor contributions (co-funding).

Program allocations funded by Parliamentary appropriation

Program allocations funded by the Parliamentary appropriation change from year to year as management takes into account the expenditure pattern of the new projects. This year, all allocations are funded only by the recurring portion of the Parliamentary appropriation.

In 2016-2017, program allocation targets were set at $93.0 million as compared to $99.0 million in 2015-2016. These annual fluctuations are part of the normal business model driven mainly by the levels of outstanding project commitments from projects approved and committed in previous years, and allocation patterns of the current year. As such, in 2017-2018, program allocations funded by the Parliamentary appropriation are expected to be $98.0 million (see Figure 8).

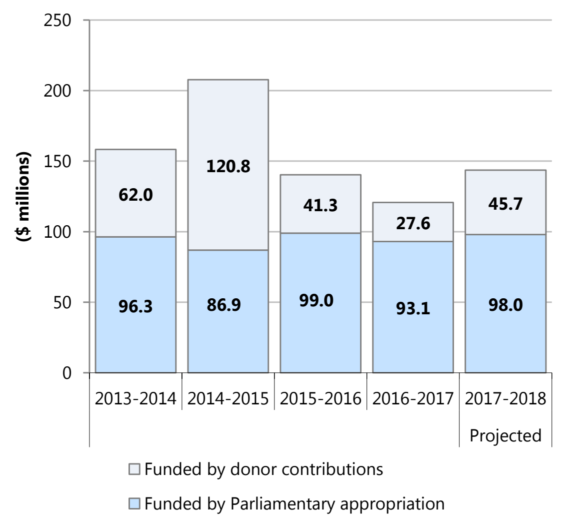
A portion of program allocations funded by Parliamentary appropriation are linked to allocations funded by donor contributions. In 2016-2017, $14.9 million (included in the amounts in the preceding paragraph) was matched against the program allocations funded by donor contributions described below. In 2017-2018 the linked amount is projected to be $18.0 million.

Program allocations funded by donor contributions

Program allocations funded by donor contributions decreased by 33.2% to $27.6 million in 2016-2017 from $41.3 million in 2015-2016, $8.9 million lower than budget (see Figure 8) which is due to delays in project selection in the Livestock Vaccine program mentioned earlier.

In 2017-2018, the Centre plans to allocate $43.1 million from previously signed donor contribution agreements and, conservatively, $2.6 million from agreements expected to be signed in 2017-2018, for a total of $45.7 million.

FIGURE 8: PROGRAM ALLOCATIONS



Parallel funding allocations

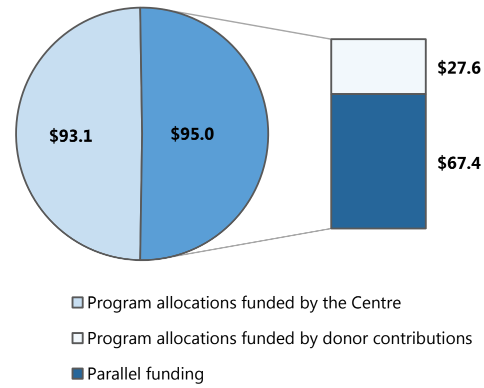
From time to time, like-minded organizations provide additional funding directly to a recipient in support of projects initiated or co-initiated by the Centre. The allocation of parallel funding comes as a result of either our efforts, the recipient's, or both, and has a significant impact on project activities. The allocation of parallel funding demonstrates success by the Centre's employees and recipients in leveraging resources in support of development research, increasing project activities that would otherwise not have been supported. Parallel funding differs from donor contributions as the Centre does not manage these funds and they are not accounted for as revenue. In 2016-

2017, a total of $67.4 million was allocated in parallel (includes 13 signed agreements), bringing the total new project value to $188.1 million.

During the year, the Centre and the Canadian Institutes for Health Research (CIHR) collaborated on the Canada-Latin America and the Caribbean Zika Virus Research Program in which CIHR and IDRC are each contributing $1.5 million over five years. The Centre will support low and middle income country researchers and CIHR will support Canadian researchers.

The Aga Khan Foundation of Canada (AKFC) and the Centre's Maternal and Child Health initiative collaborated to reach marginalized and at-risk populations of children with a platform aimed to expand and deepen the understanding of vulnerability and resilience in the early years of child development. AKFC and the Centre are contributing up to $1 million each.

FIGURE 9: PROGRAM ALLOCATIONS FUNDED BY OTHERS IN PARALLEL ($ millions)



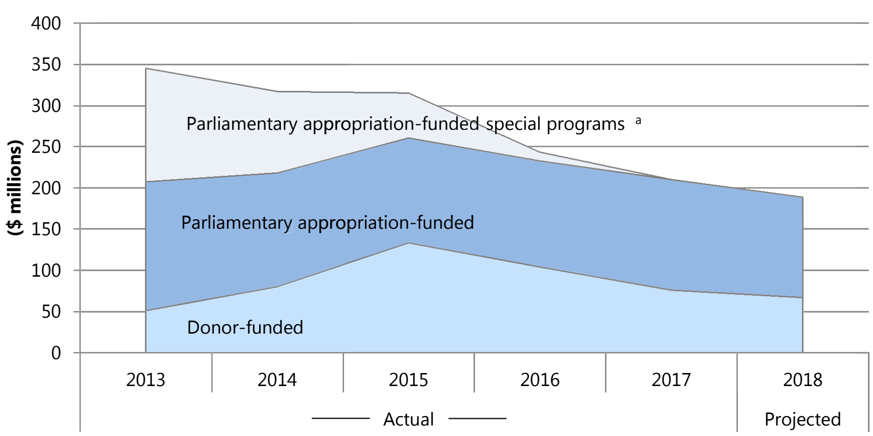
Outstanding commitments on research projects

As at 31 March 2017, the Centre is committed to payments of up to $210.1 million for development research programming activities over the next five years. Commitments are subject to funds being provided by Parliament and by donor partners, and to recipients' compliance with the terms and conditions of their grant agreements. As a result of the DIF-H receiving its final year of funding in 2016-2017, there are no outstanding commitments related to the DIF-H at the end of March 2017.

Despite IDRC's plan to grow the value of new donor contribution agreements, it is expected that outstanding commitments from donor contributions will decrease in 2017-2018 (see Figure 10).

While the total amount of outstanding commitments fluctuates from year to year as a result of new donor contribution agreements and special programs, the level of outstanding commitments funded by Parliamentary appropriation remains relatively stable over time. Consistent with sound financial management practices, the Centre continuously monitors the level of outstanding commitments funded by Parliamentary appropriation to ensure it remains proportionate to the level of the recurring annual appropriation. The amount of outstanding commitments funded by Parliament currently represents 98% of the annual recurring Parliamentary appropriation. Historically, this portion of the outstanding commitments fall in a narrow band below and above 95%, which is deemed acceptable for the sustainability of annual research project expenses.

FIGURE 10: OUTSTANDING COMMITMENTS ON RESEARCH PROJECTS (AT 31 MARCH)



[a] Special programs are funded from the non-recurring portion of the Centre's Parliamentary appropriation. In years prior to and including 2012-2013, special programs included the DIF-H and Canada's fast-start financing (under the Copenhagen Accord), while 2013-2014 to 2015-2016 only includes the DIF-H.

FINANCIAL POSITION DISCUSSION

TABLE 7: ASSETS AND LIABILITIES

For definitions of current and non-current assets and liabilities refer to the Notes to the Financial Statements, page 57.

($000)	2015-2016 Actual	2016-2017 Actual	% change actual [a]
Current assets	79 481	82 608	3.9 %
Non-current assets	9 810	10 009	2.0 %
Total assets	**89 291**	**92 617**	**3.7 %**
Current liabilities	62 977	51 402	(18.4%)
Non-current liabilities	8 475	15 048	77.6 %
Total liabilities	**71 452**	**66 450**	**(7.0%)**

[a] % change actual in 2016-2017 over 2015-2016.

The increase in assets is linked to an increase in advances received from the active donor contributions agreements. Total assets increased 3.7% to $92.6 million from $89.3 million in 2015-2016.

Total liabilities decreased by 7.0% to $66.5 million from $71.5 million. The increase in non-current liabilities is due to higher deferred revenue for programs and projects funded by donor contributions that represent the unspent portion of funds received. Lower accounts payable and lower value of accruals for project payments at year end contribute to the decrease in current liabilities. As indicated in the Financial Statements, a small portion (3.5%) of the Centre's liabilities relates to future employee benefits. Those liabilities are assessed by an actuary (see Notes 4h and 12 to the Financial Statements). The largest future benefit liability, totalling $2.5 million, is the balance of the abolished voluntary departure severance benefit that decreases gradually as employees who did not opt for an immediate cash-out in 2013 draw down their amounts. In general, future employee benefit liabilities are small with little year-over-year variance.

TABLE 8: EQUITY

	2015-2016	2016-2017			2017-2018	
($000)	Actual	Revised budget	Actual	Variance	Budget	% change actual [a]
Unrestricted	1 843	463	8 793	8 330	125	377.1 %
Restricted	1 129	1 129	1 225	96	1 214	8.5 %
Net investments in capital assets	9 810	10 206	10 009	(197)	8 809	2.0 %
Reserved	5 057	4 080	6 140	2 060	6 140	21.4 %
Total equity	**17 839**	**15 878**	**26 167**	**10 289**	**16 288**	46.7 %

[a] % change actual in 2016-2017 over 2015-2016.

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

The Centre increased its **reserved equity** to $6.1 million at 31 March 2017. The reserved equity sets aside 4% (up from 3%) of the recurring portion of the annual Parliamentary appropriation (of $136.0 million) to buffer fluctuations in program spending beyond budgeted levels. The closure amount also includes $0.7 million for the Enterprise Resource Planning system upgrade that will be undertaken in 2017-2018. The reserve equity is important for several reasons: to protect against the evolving funding modality and nature of the programming; to offset the variability of the timing of programming expenses, which is dependent on the performance of recipients; and to reduce the potential impact of small variations in the rate of development research programming expenses on total expenses. The Finance and Audit Committee of the Board of Governors has approved the Centre's policy for managing equity.

The **unrestricted equity** represents the residual balance of equity after the allotments to internally restricted and reserved equity. Unrestricted equity has increased to $8.8 million from $1.8 million in 2015-2016. The increase is mainly due to delayed project payments.

Financial position outlook

Total equity is projected to decrease to $16.3 million at the end of 2017-2018, with the restricted equity remaining stable through the end of the year. The change in net investment in capital assets (by $1.2 million) will represent the difference between the depreciation of property, equipment, and intangible assets and the addition to intangible and other capital assets. The reserved equity may fluctuate throughout the year, but will remain at $6.1 million at the end of 2017-2018. Finally, the availability of unrestricted equity takes into account the project expenditure cycle and should fall to $0.1 million by 31 March 2018.

HISTORICAL REVIEW

	Actual				Budget
($000)	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Statement of comprehensive income					
Revenues					
Parliamentary appropriation — Recurring	143 658	136 006	136 006	136 006	136 006
Parliamentary appropriation — Non-recurring	59 286	54 018	47 472	11 468	2 700
Donor contributions	58 163	66 809	77 267	64 429	67 782
Investment and other income	853	2 013	2 354	2 295	566
	261 960	258 846	263 099	214 198	207 054
Expenses					
Development research programming					
Research projects funded by Parliamentary appropriation	144 383	135 039	137 868	88 262	95 641
Research projects funded by donor contributions	48 176	55 968	65 545	53 319	55 551
Enhancing research capabilities	44 145	42 945	42 419	44 478	47 972
Development research programming	236 704	233 952	245 832	186 059	199 164
Corporate and administrative services	20 809	20 968	19 953	19 811	17 769
	257 513	254 920	265 785	205 870	216 933
Net results of operations	4 447	3 926	(2 686)	8 328	(9 879)
Other key financial indicators					
Program allocations					
Development research programming					
Funded by recurring Parliamentary appropriation	96 279	86 868	98 991	93 140	98 000
Funded by donor contributions	62 032	120 844	41 264	27 582	45 669
Outstanding commitments					
Funded by Parliamentary appropriation	236 710	182 053	139 548 [a]	134 161	122 236
Funded by donor contributions	80 209	133 293	103 896 [a]	75 929	66 651
Statement of financial position					
Assets					
Cash and cash equivalents	43 364	49 613	57 546	70 884	
Investments – current	12 502	10 968	14 989	3 958	
Accounts receivable and prepaid expenses	5 756	14 966	6 946	7 766	
Property and equipment	7 553	6 855	6 479	6 630	
Intangible assets	3 135	2 663	3 331	3 379	
Liabilities					
Accounts payable and accrued liabilities	25 383	25 315	31 841	18 315	
Deferred revenue – current	24 645	31 721	31 136	33 087	
Deferred revenue – non-current	1 387	3 381	5 027	12 733	
Employee benefits	4 296	4 123	3 448	2 315	
Equity					
Unrestricted	214	4 114	1 843	8 793	125
Restricted	1 117	1 123	1 129	1 225	1 214
Net investments in capital assets	10 688	9 518	9 810	10 009	8 809
Reserved	4 580	5 770	5 057	6 140	6 140

[a] In addition there is $10.4 million to be funded from future donor contributions as well as Parliamentary appropriation (see Note 15a to the Financial Statements).

Financial statements

Management Responsibility for Financial Statements

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

Management maintains books of accounts, information systems, and financial and management controls that are designed to provide reasonable assurance as to the reliability of financial information and as to the safeguarding of assets from loss or unauthorized use. Management designs controls to ensure 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 Auditor include reviewing internal controls, including accounting and financial controls and their application. The Auditor General of Canada conducts an independent audit of the annual financial statements in accordance with Canadian generally accepted auditing standards. His audit includes appropriate tests and procedures to enable him to express an opinion on the financial statements. The external auditors have full and free access to the Finance and Audit Committee of the Board.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board benefits from the assistance of its Finance and Audit Committee in overseeing and discharging its financial oversight responsibility, which includes the review and approval of the financial statements. The Committee, which is made up of independent governors, meets with management, the internal auditors, and the external auditors on a regular basis.

Jean Lebel, PhD
President

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

Ottawa, Canada
21 June 2017

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 Financial Statements

I have audited the accompanying financial statements of the International Development Research Centre, which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the International Development Research Centre as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

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

MK Kerrigan

Mary Katie Kerrigan, CPA, CA
Principal
for the Auditor General of Canada

21 June 2017
Ottawa, Canada

Statement of Financial Position

(in thousands of Canadian dollars)
as at 31 March

	2017	2016
Assets		
Current		
Cash and cash equivalents (Note 5)	70 884	57 546
Investments (Note 6)	3 958	14 989
Accounts receivable and prepaid expenses (Note 7)	7 766	6 946
	82 608	79 481
Non-current		
Property and equipment (Note 8)	6 630	6 479
Intangible assets (Note 9)	3 379	3 331
	92 617	**89 291**
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 10)	18 315	31 841
Deferred revenue (Note 11)	33 087	31 136
	51 402	62 977
Non-current		
Deferred revenue (Note 11)	12 733	5 027
Employee benefits (Note 12)	2 315	3 448
	66 450	71 452
Equity		
Unrestricted	8 793	1 843
Restricted	1 225	1 129
Net investments in capital assets (Notes 8 and 9)	10 009	9 810
Reserved	6 140	5 057
	26 167	17 839
	92 617	**89 291**

Commitments (Note 15)
Contingencies (Note 16)

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

These financial statements were approved for issuance by the Board of Governors on 21 June 2017.

Margaret Biggs
Chairperson
Board of Governors

Barbara Trenholm
Chairperson
Finance and Audit Committee

Statement of Comprehensive Income

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

	2017	2016
Revenues		
Donor contributions (Note 13)	64 429	77 267
Investment and other income	2 295	2 354
	66 724	79 621
Expenses		
Development research programming (Note 20)		
Research projects funded by Parliamentary appropriation	88 262	137 868
Research projects funded by donor contributions	53 319	65 545
Enhancing research capabilities (Note 21)	44 478	42 419
	186 059	245 832
Corporate and administrative services (Note 20)		
Corporate services	18 710	17 164
Regional office administration	1 101	2 789
	19 811	19 953
Total expenses	**205 870**	**265 785**
Cost of operations before Parliamentary appropriation	(139 146)	(186 164)
Parliamentary appropriation (Note 14)	147 474	183 478
Net results of operations	**8 328**	**(2 686)**

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

	2017	2016
Unrestricted equity		
Beginning of year	1 843	4 114
Net results of operations	8 328	(2 686)
Net transfers (to)/from other classes of equity	(1 378)	415
Balance end of year	8 793	1 843
Restricted equity		
Beginning of year	1 129	1 123
Net increase	96	6
Balance end of year	1 225	1 129
Net investments in capital assets		
Beginning of year	9 810	9 518
Net increase	199	292
Balance end of year	10 009	9 810
Reserved equity		
Beginning of year	5 057	5 770
Net increase/(decrease)	1 083	(713)
Balance end of year	6 140	5 057
Equity, end of year	**26 167**	**17 839**

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

	2017	2016
Operating activities		
Net results of operations	8 328	(2 686)
Adjustments to determine net cash (used in)/from operating activities		
Amortization and depreciation of intangible assets and property and equipment	2 190	2 208
Amortization of premium on bonds and medium term notes	105	71
Loss on disposal of property and equipment	436	—
Employee benefits	(1 133)	(675)
	1 598	1 604
Change in non-cash operating items		
Accounts receivable and prepaid expenses	(820)	8 020
Accounts payable and accrued liabilities	(14 360)	6 526
Deferred revenue	9 657	1 061
	(5 523)	15 607
Cash flows from operating activities	**4 403**	**14 525**
Investing activities		
Purchase of investments	(4 010)	(15 041)
Maturity of investments	14 936	10 949
Acquisition of property and equipment and intangible assets	(2 026)	(2 500)
Net proceeds of disposition of property and equipment	35	—
Cash flows from/(used in) investing activities	**8 935**	**(6 592)**
Increase in cash	**13 338**	**7 933**
Cash beginning of year	**57 546**	**49 613**
Cash end of year	**70 884**	**57 546**
Composition of cash and cash equivalents (Note 5)		
Cash	70 884	57 546
Cash equivalents	—	—
	70 884	**57 546**

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

Notes to the Financial Statements

for the year ended 31 March 2017

1. Corporate information

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

2. Authority and objective

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

The objective of the Centre is to initiate, encourage, support, and conduct research into the problems of the developing regions of the world and into the means for applying and adapting scientific, technical, and other knowledge to the economic and social advancement of those regions.

3. Basis of preparation

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

4. Summary of significant accounting policies

The significant accounting policies of the Centre are:

a. Revenue recognition

i) Parliamentary appropriation

The Parliamentary appropriation is recorded as revenue in the year in which it is drawn down except for the portion received for specific projects and programs, which is deferred and recognized as 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. There are no conditions or contingencies existing under which the Parliamentary appropriation would be required to be repaid once received by the Centre. The *IDRC Act* gives the Board of Governors the authority to allocate all appropriated funds.

ii) Donor contributions

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

b. Grant payments

All grant payments to institutions carrying out research projects approved by the Centre are subject to the provision of funds by Parliament or by co-funders. They are recorded as an expense in the year they come due under the terms and conditions of the agreements under Research projects funded by Parliamentary appropriation or Research projects funded by donor contributions. Refunds on previously disbursed grant payments are credited against the current year expenses or to other income in situations where the grant account has been closed.

c. Property and equipment, depreciation and impairment

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

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

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

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

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

An assessment is made at each reporting date as to whether an asset or a group of assets contained in this category is impaired. Any adjustment to the carrying value of the asset is recorded in the statement of comprehensive income. At 31 March 2017, the Centre had no impairment of property and equipment.

d. Intangible assets, amortization and impairment

The Centre's intangible assets consist of internally developed software that is not an integral part of any hardware. The software is initially recorded at cost, which includes the cost of material, direct labour, and any other costs directly attributable to bringing the software to a working state for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The amortization period and method for intangible assets are reviewed at least at each financial year-end. Amortization is calculated using the straight-line method. The estimated useful life of items in this asset class ranges from 3 to 5 years.

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

An assessment is made at each reporting date as to whether an intangible or a group of intangible assets is impaired. Any adjustment to the carrying value of the asset is recorded in the statement of comprehensive income. At 31 March 2017, the Centre had no impairment of intangible assets.

e. Leases

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

f. Financial instruments

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

The classifications are as follows:

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

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

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

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

iii) Impairment of financial assets
An assessment is made at each reporting date as to whether a financial asset or group of financial assets is impaired. Any adjustment to the carrying value of the financial asset is recorded in the statement of comprehensive income. At 31 March 2017, the Centre had no impairment of financial assets.

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

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

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

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

Management determines the remaining accrued obligation for voluntary severance benefits using an actuarial evaluation that is conducted every three years, or as necessary. The most recent actuarial estimate was completed for the year ended 31 March 2017. Refer to Note 12.

Sick leave benefit
The Centre allows employees a number of fully paid sick days in each year. Unused sick days can be accumulated indefinitely but do not vest in that they cannot be paid out in cash or used as vacation. Management determines the accrued obligation for sick leave benefits using an actuarial evaluation that is conducted every three years, or as necessary. The most recent actuarial estimate was completed for the year ended 31 March 2017. The Centre presents the accrual as a current liability.

i. Equity

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

i) Restricted equity

Restricted equity for special programs and operational initiatives is drawn down as the funds are used for these programs and initiatives. Restricted equity unused at the end of the programs and initiatives is reclassified by management into unrestricted equity. In 2011-2012, equity was restricted by $1.1 million to top up the investment income of an endowment bequeathed to the Centre to enable, in perpetuity, the annual awarding of the John G. Bene Fellowship in Community Forestry. During the current year $0.1 million was added to restricted equity for funds received for *David and Ruth Hopper & Ramesh and Pilar Bhatia* Canada bursaries. These funds will be used to support young researchers from Canada, India, and the Philippines in the early stages of their careers, particularly women, through fellowships, scholarships, or internships.

ii) Net investments in capital assets

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

iii) Reserved equity

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

j. Use of judgments, estimates, and assumptions

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

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

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

k. New and revised accounting standards

The following amendments and improvements to IFRS were issued by the International Accounting Standards Board (IASB) effective for reporting periods beginning on or after 1 January 2016:

Amendments to IAS 1 Disclosure Initiative – Presentation of financial statements - The IASB issued amendments to IAS 1 in December 2014 that provide additional guidance to help entities apply judgment when meeting the presentation and disclosure requirements in IFRS. The amendments clarify that materiality applies to the whole financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments clarify that entities should use professional judgment in determining where and in what order information is presented in the financial statements. The adoption of these amendments had no material impact on IDRC's financial statements.

Annual Improvements to IFRS – 2012–2014 Cycle – In September 2014, the IASB issued annual improvements covering several standards and topics as follows: *IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations* clarifies the accounting for changes in methods of disposal; *IFRS 7 – Financial Instruments: Disclosures* clarifies the application of the disclosure requirements to servicing contracts and addresses the applicability of the offsetting amendments to *IFRS 7* to condensed interim financial statements; *IAS 19 – Employee Benefits* clarifies the requirements to determine the discount rate in a regional market sharing the same currency; and *IAS 34 – Interim Financial Reporting* clarifies the meaning of disclosure of information elsewhere in the interim financial report. The adoption of these annual improvements had no impact on IDRC's financial statements.

l. Accounting standards and amendments not yet in effect

The following standards and amendments issued by the IASB have not been early adopted and have been assessed as having a possible effect on the Centre in the future.

- *IFRS 9 – Financial Instruments* – The final version of this new standard was issued by the IASB in July 2014. This standard largely retains the classification and measurement requirements and new hedge accounting model included in earlier versions, while introducing a single forward-looking expected credit loss impairment model. This version is effective for reporting periods beginning on or after 1 January 2018 and is to be applied retrospectively. Early application is permitted. The adoption of this new standard is not expected to have a material impact on IDRC's financial statements.
- *IFRS 15 – Revenue from Contracts with Customers* – This new standard, issued by the IASB in May 2014, establishes a comprehensive framework for the recognition, measurement and disclosure of revenue. This new framework will replace existing revenue recognition guidance in IFRS. IFRS 15 is to be applied for annual periods beginning on or after 1 January 2018, using one of the following methods: retrospective or modified retrospective with the cumulative effect of initially applying the standard as an adjustment to opening equity at the date of initial application. Early application is permitted. The Centre is currently assessing the impact of this standard on its financial statements, therefore, the impact is not known at this time.
- *IFRS 16 – Leases* – This new standard issued by the IASB in January 2016 will replace *IAS 17 – Leases,* For lessees, *IFRS 16* eliminates the classification of leases as either operating or financing leases that exist under *IAS 17*, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. This standard is effective for reporting periods beginning on or after 1 January 2019. *IFRS 16* is to be applied retrospectively, using either a full retrospective approach or a modified retrospective approach. Early application is permitted, but only if *IFRS 15* has also been adopted. The Centre is currently assessing the impact of this standard on its financial statements, therefore, the impact is not known at this time.

5. Cash and cash equivalents

The Centre occasionally purchases cash equivalents which are comprised of money market instruments such as commercial paper, bankers' acceptances, and bearer deposit notes. The weighted average yield as at 31 March 2017 is nil (31 March 2016: nil) and the average term to maturity at the time of purchase is nil (31 March 2016: nil).

	31 March 2017	31 March 2016
Cash	70 884	57 546
Cash equivalents	—	—
	70 884	**57 546**

6. Investments

The Centre invests in fixed income instruments such as bonds and money market instruments. Money market instruments comprise items such as commercial paper, bankers' acceptances, and bearer deposit notes. The weighted average yield as at 31 March 2017 is 1.07% (31 March 2016: 1.10%) and the remaining average term to maturity as at 31 March 2017 is 53 days (31 March 2016: 79 days). The carrying amount of investments approximates their fair value due to the short-term nature of these instruments.

	31 March 2017	31 March 2016
Canadian chartered banks	3 958	14 989
	3 958	**14 989**

7. Accounts receivable and prepaid expenses

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

	31 March 2017	31 March 2016
Accounts receivable		
Donor contributions	3 485	2 973
Other	3 162	2 515
	6 647	5 488
Prepaid expenses	1 119	1 458
Total accounts receivable and prepaid expenses	**7 766**	**6 946**

The Centre did not identify any receivables that are either past due or impaired as at 31 March 2017 (31 March 2016: nil).

8. Property and equipment

	Computer equipment	Office furniture & equipment	Vehicles	Communication systems	Leasehold improvements	Total
Cost						
at 31 March 2016	2 527	1 118	363	1 237	11 135	16 380
Additions	269	—	33	117	1 480	1 899
Disposals	(737)	(166)	(145)	(499)	(1 301)	(2 848)
at 31 March 2017	2 059	952	251	855	11 314	15 431
Accumulated depreciation						
at 31 March 2016	(1 688)	(790)	(317)	(928)	(6 178)	(9 901)
Depreciation for the year	(251)	(91)	(11)	(88)	(836)	(1 277)
Disposals	737	166	124	499	851	2 377
at 31 March 2017	(1 202)	(715)	(204)	(517)	(6 163)	(8 801)
Net book value						
at 31 March 2016	839	328	46	309	4 957	6 479
at 31 March 2017	**857**	**237**	**47**	**338**	**5 151**	**6 630**

9. Intangible assets

	Software
Cost	
at 31 March 2016	12 734
Additions	961
Disposals	(525)
at 31 March 2017	13 170
Accumulated amortization	
at 31 March 2016	(9 403)
Amortization for the year	(913)
Disposals	525
at 31 March 2017	(9 791)
Net book value	
at 31 March 2016	3 331
at 31 March 2017	**3 379**

10. Accounts payable and accrued liabilities

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

	31 March 2017	31 March 2016
Grants payable and accruals	9 616	22 383
Trade payable	3 234	4 071
Payroll	4 916	4 877
Severance benefit (Note 12)	170	109
Other	379	401
	18 315	**31 841**

11. Deferred revenue

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

	31 March 2017	31 March 2016
Donor contribution funding for development research projects		
Current	33 087	31 136
Non-current	12 733	5 027
	45 820	**36 163**

Of the total deferred donor contribution funding, Global Affairs Canada (GAC) accounts for $21 327 (31 March 2016: $12 161) of which $19 327 (31 March 2016: $12 161) was received and $2 000 (31 March 2016: $0) is receivable at year-end.

12. Employee benefits

a. Pension benefits – head office

Most of the employees of the Centre are covered by the Public Service Pension Plan (the Plan), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Centre. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution rate for the employer effective at year-end was 11.8% of gross salary (31 March 2016: 12.1%). Total contributions of $3 671 (31 March 2016: $3 879) were recognized as an expense in the current year.

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

b. Pension benefits – regional offices

The Centre and eligible regional employees contribute to various defined contribution pension plans as specified in each Plan Agreement. The Centre's contributions to all regional office plans for the year ended 31 March 2017 were $246 (31 March 2016: $237).

c. Severance benefit

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

	31 March 2017	31 March 2016
Accrued benefit obligation – beginning of year	3 557	4 437
Current service cost	101	161
Interest cost	46	55
Benefits paid during the year	(251)	(1 096)
Actuarial gain	(195)	—
Other	(773)	—
Accrued benefit obligation – end of year	**2 485**	**3 557**

	31 March 2017	31 March 2016
Current	170	109
Non-current	2 315	3 448
	2 485	**3 557**

13. Donor contributions

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

	31 March 2017	31 March 2016
Department for International Development (UK)	30 387	38 986
Global Affairs Canada	15 936	18 923
The William and Flora Hewlett Foundation	11 063	10 180
Australian Centre for International Agriculture Research	2 106	2 827
Bill & Melinda Gates Foundation	2 017	1 962
Norwegian Agency for Development Cooperation	1 616	1 450
The World Bank	802	2 227
Other donor agencies	502	712
	64 429	**77 267**

The Centre recovers administrative costs from the management of donor contribution funding. The total recovery for the year ended 31 March 2017 was $4 907 (31 March 2016: $6 058) of which $195 (31 March 2016: $388) was from GAC.

14. Parliamentary appropriation

	31 March 2017	31 March 2016
Approved Parliamentary appropriation	149 206	183 478
Unused and lapsed appropriation	(1 732)	—
Parliamentary appropriation recognized in the statement of comprehensive income	**147 474**	**183 478**

15. Commitments

a. Research project-related

The Centre is committed to making payments of up to $210.1 million (31 March 2016: $253.8 million) during the next five years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, $134.1 million (31 March 2016: $139.5 million) is expected to be funded from future Parliamentary appropriations and $76.0 million (31 March 2016: $103.9 million) from donor contribution agreements. As at 31 March 2016, $10.4 million represented a mix of future donor contributions and Parliamentary appropriations.

	31 March 2017	31 March 2016
Within one year	103 485	125 316
After one year, but not more than five	106 605	128 489
Total future payments	**210 090**	**253 805**

b. Other

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

	31 March 2017	31 March 2016
Within one year	9 266	8 095
After one year, but not more than five	27 592	30 304
More than five years	3 908	11 973
Total future payments	**40 766**	**50 372**

The operating lease expense recognized in the statement of comprehensive income for fiscal year ended 31 March 2017 is $8 009 (31 March 2016: $7 110).

16. 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.

17. Related party transactions

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

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

Compensation of key management personnel

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

	31 March 2017	31 March 2016
Salaries and short-term benefits	1 263	1 097
Post-employment benefits	403	372
	1 666	**1 469**

18. Financial instrument risks

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

a. Credit risk

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

Concentrations of credit risk

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

	DBRS rating	31 March 2017	31 March 2016
Canadian chartered banks	R1-L	3 958	14 989
		3 958	**14 989**

b. Market risk

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

i) Currency risk

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

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

ii) Interest rate risk

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

c. Liquidity risk

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

19. Capital management

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

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

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

20. Schedule of expenses

	31 March 2017	31 March 2016
Development research programming		
Contributions to research projects	137 801	199 330
Core salaries and benefits	23 651	23 563
Co-funded project salaries and benefits [a]	6 821	6 236
Accommodations	4 903	4 224
Professional services	3 742	4 092
Travel	3 072	2 574
Amortization and depreciation	1 358	1 479
Meetings and conferences	394	598
Co-funded project expenses [a]	2 493	2 188
Other	1 824	1 548
	186 059	**245 832**
Corporate and administrative services		
Salaries and benefits	11 622	12 507
Accommodations	2 442	2 336
Office supplies and expenses	1 272	1 163
Professional services	1 270	1 004
Amortization and depreciation	832	729
Furniture, equipment, and maintenance	725	762
Other	1 648	1 452
	19 811	**19 953**
Total expenses	**205 870**	**265 785**

[a] Includes all costs directly related to the development of research capabilities in co-funded projects and programs. These represent total expenses of $9 314 (31 March 2016: $8 424). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser, and knowledge broker. This means that IDRC is not just a research funder offering financial support to create new opportunities for research, but it is also a research adviser and knowledge broker engaging with its recipients throughout the research process.

21. Reclassification

To simplify reporting and accurately capture the roles of various IDRC personnel in capacity building as research advisers and knowledge brokers, a change was made to combine Enhancing research capabilities and Research complements into a single line Enhancing research capabilities on the statement of comprehensive income. This also reflects the constantly evolving nature of the capacity building support to our program delivery that frequently requires an integrated approach. Prior year figures were reclassified to conform to the current year's presentation resulting in $8 220 of expenses related to Research complements being combined with $34 199 of expenses related to Enhancing research capabilities for a total of $42 419.

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