



**IDRC • CRDI**

International Development Research Centre  
Centre de recherches pour le développement international

# Quarterly Financial Report

For the period ending 31 December 2023



Canada

# Mobilizing alliances for greater impact



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

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

## ON THE COVER

Near the village of Melea in the Kanem Region of Chad, women irrigate seedlings on the dried bed of Lake Chad. The lake, which had spanned 26,000 square kilometres in 1963, has shrunk by 90% in recent decades. Climate change is to blame, with population growth and unplanned irrigation also contributing to what the UN calls an 'ecological disaster.'

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

# Contents

<b>IDRC's Commitment to Transparency and Accountability</b>	<b>5</b>
<b>Risk management</b>	<b>6</b>
<b>Management's Discussion and Analysis</b>	<b>7</b>
Performance indicators	8
Overall financial summary	11
Expenses	12
Revenues	14
Donor funding	15
Financial position	16
Actual performance versus budget	17
<b>Unaudited Condensed Interim Financial Statements</b>	<b>21</b>
Statement of Management Responsibility	21
Condensed Interim Statement of Financial Position	22
Condensed Interim Statement of Comprehensive Income	23
Condensed Interim Statement of Changes in Equity	24
Condensed Interim Statement of Cash Flows	25
Notes to the Condensed Interim Financial Statements	26
<b>How to reach us</b>	<b>33</b>

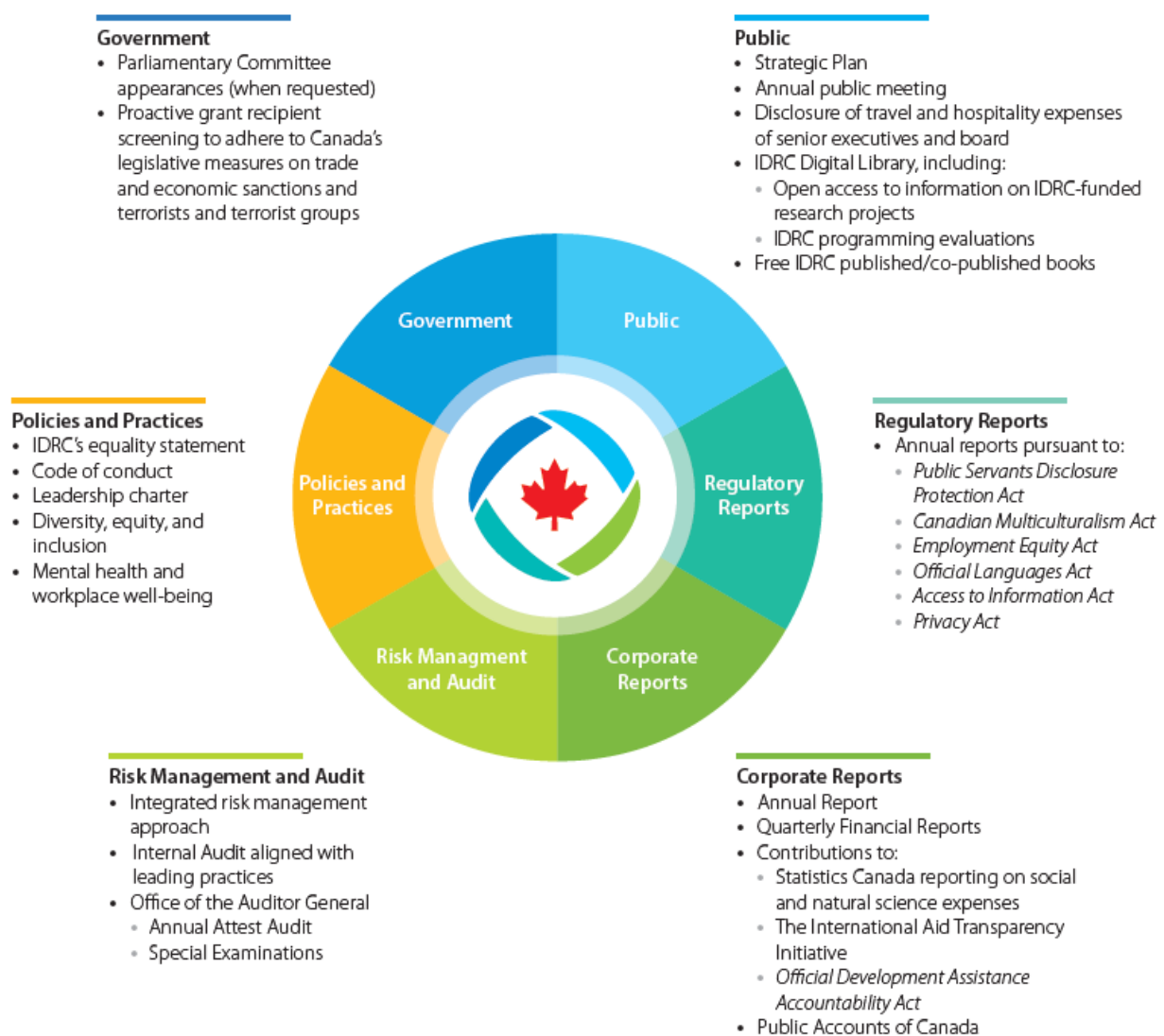


# IDRC's Commitment to Transparency and Accountability

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

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

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



## Risk management

IDRC is committed to implementing a continuous, proactive and systematic approach to risk management. Integrated into all areas of the Centre's operations, risk management is a shared responsibility of Centre managers and employees and is overseen by the Board of Governors. The Centre's risk-management processes are designed to identify risks that may affect the achievement of corporate objectives and manage these risks within an agreed-upon risk-control framework. Risk management is applied strategically and appropriately to provide reasonable assurance that the Centre will achieve its objectives.

The risks section in the *Annual Report 2022–2023* outlines IDRC's main strategic and operational risks, which continue to be applicable.

## Management's Discussion and Analysis

In 1970, the Parliament of Canada created the International Development Research Centre (IDRC) to champion and facilitate research on the challenges facing the world's low- and middle-income regions. IDRC's work is focused on enabling and applying scientific, technical and other forms of knowledge for the advancement of developing countries.

Since its creation, IDRC has identified and responded to critical development challenges, working to help researchers in developing regions find solutions to the most pressing problems facing their communities and countries. From our five international offices in low- and middle-income regions and our head office in Ottawa, IDRC's work has helped bridge the digital divide, supported women in their recovery from the COVID-19 pandemic, addressed the world's food crises, ensured democratic transitions in emerging economies, and built resilience to climate change.

*Strategy 2030*, IDRC's ambitious 10-year agenda, affirms the Centre's vision for a more sustainable and inclusive world. It commits the Centre to the following mission: IDRC will be a leader in research for development, investing in high-quality research and innovation, sharing knowledge and mobilizing alliances for more sustainable, prosperous and inclusive societies.

The Management's Discussion and Analysis section of this document outlines the Centre's financial results and corporate updates for the third quarter of this financial year ended 31 December 2023. This report was prepared in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting (IAS 34) and the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports. The condensed interim financial statements included in this report have not been audited.

All monetary amounts are in Canadian dollars. The Centre recommends that this report be read in conjunction with the *Annual Report 2022–2023*. The disclosures and information presented in the *Annual Report 2022–2023* continue to apply unless otherwise indicated.

Management is responsible for preparing this report, which was approved on 20 February 2024 by the Finance and Audit Committee of the Board of Governors.

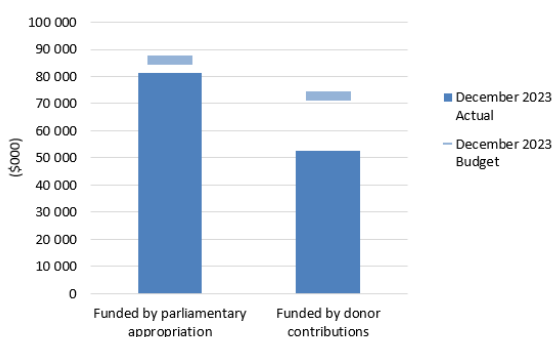
## Performance indicators



### Research expenses compared to budget

Research project expenses are carefully monitored, given that they represent our largest expenditure and are the primary means by which we fulfill our mandate. At 31 December 2023, the research expenses funded by parliamentary appropriation and donor contributions reached \$133.7 million or 84.1% of the year-to-date budget of \$159.0 million. The lower expenses are primarily due to updated timeframes for several large donor-funded projects including the Knowledge and Innovation Exchange (KIX) and the Science Granting Councils Initiative (SGCI) (see Figure 1).

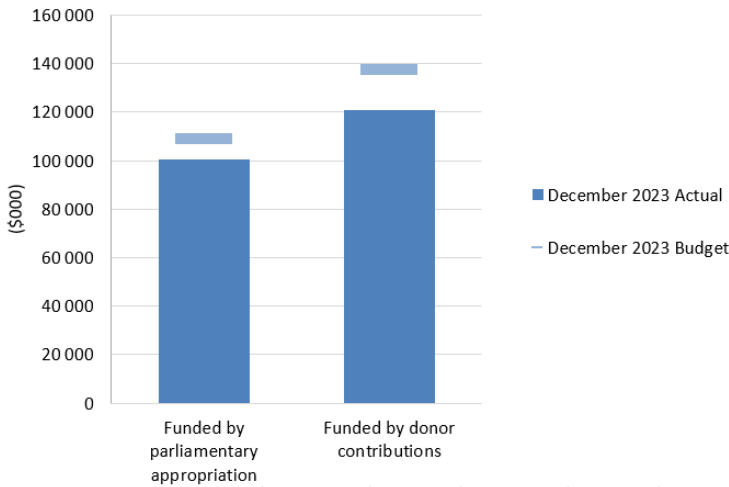
**FIGURE 1: RESEARCH PROJECT EXPENSES**



### Program allocations

Program allocations represent funds approved and reserved for new research projects with disbursements over the project duration. As funds must be allocated before they can be committed and then expensed, program allocations represent a leading indicator for research project expenses, the Centre's largest expenditure. Allocations can be funded by parliamentary appropriation alone or through a combination of parliamentary appropriation and donor contributions. The overall year-to-date allocations funded by parliamentary appropriation of \$100.5 million are below the year-to-date target of \$108.9 million at the end of December 2023. The allocations funded by donor contributions of \$121.0 million are below the year-to-date target of \$137.3 million at the end of December 2023 (see figure 2). Management is taking corrective action so that program allocations will be aligned with budget at the end of the financial year.

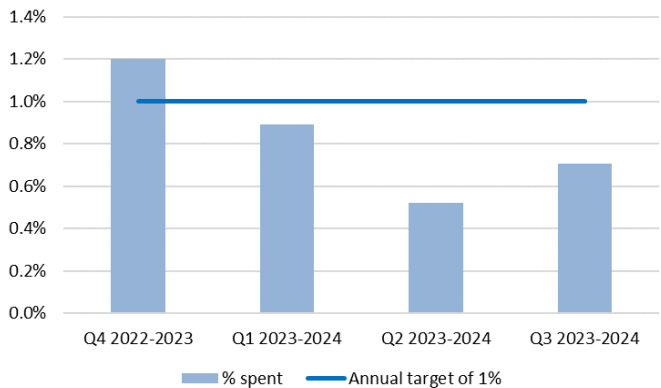
FIGURE 2: PROGRAM ALLOCATIONS



**Investment in learning and professional development**

IDRC must invest sufficiently in learning and professional development to ensure staff have the required skills to deliver on IDRC’s ambitious mandate. IDRC’s performance indicator for learning and professional development is based on the direct expenses for learning and development activities, expressed as a percentage of base salary cost. The Centre invested 0.7% of its payroll in employee learning and professional development during the third quarter ended 31 December 2023, lower than its annual target of 1.0%. Management is following up to ensure employees avail themselves of training opportunities (see Figure 3).

FIGURE 3: LEARNING AND PROFESSIONAL DEVELOPMENT

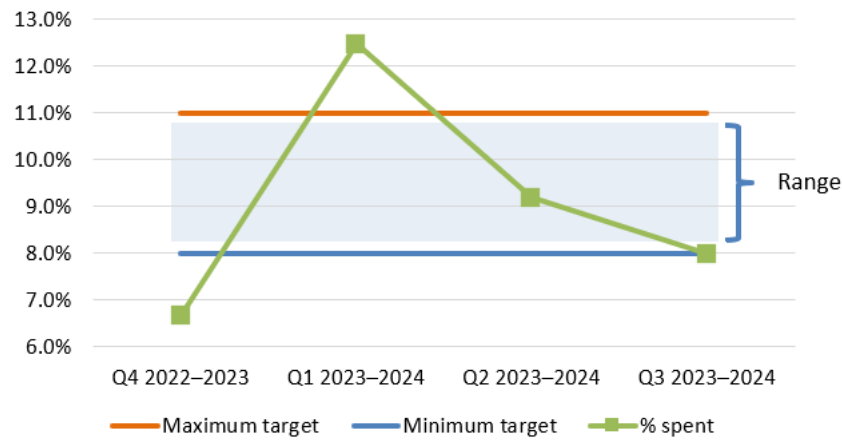


**Corporate and administrative expense ratio**

IDRC continuously ensures that the majority of funds received go towards directly fulfilling its mandate. Consequently, the Centre monitors its corporate and administrative expense ratio (i.e., corporate and administrative expenses as a percentage of the total expenses) in order to ensure it is operating efficiently and providing maximum value to taxpayers and external donors. The percentage of corporate and administrative expenses for the quarter ending 31 December 2023 decreased to 8.0% due to spending for large donor-funded projects ramping

up. This is within the desired target range of 8% to 11%. The ratio is forecasted to remain within the target range at the end of the financial year (see Figure 4).

**FIGURE 4: CORPORATE AND ADMINISTRATIVE EXPENSE RATIO**



## Overall financial summary

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

Expenses of \$184.1 million  
(\$180.0 million in 2022–2023)

Revenues of \$184.9 million  
(\$162.2 million in 2022–2023)

**TABLE 1: SUMMARY OF EXPENSES AND REVENUES**

(\$000)	For the three months ended 31 December				For the nine months ended 31 December			
	2023–2024	2022–2023	\$ change	% change	2023–2024	2022–2023	\$ change	% change
	Actual	Actual	actual <sup>a</sup>	actual <sup>a</sup>	Actual	Actual	actual <sup>a</sup>	actual <sup>a</sup>
<b>Development research programming</b>								
Research projects funded by parliamentary appropriation	31 325	35 219	(3 894)	(11.1%)	81 185	87 965	(6 780)	(7.7%) ①
Research projects funded by donor contributions	22 130	11 018	11 112	100.9%	52 559	45 248	7 311	16.2% ②
Enhancing research capabilities	10 678	9 106	1 572	17.3%	32 555	26 838	5 717	21.3% ③
	<b>64 133</b>	<b>55 343</b>	<b>8 791</b>	<b>15.9%</b>	<b>166 299</b>	<b>160 051</b>	<b>6 248</b>	<b>3.9%</b>
<b>Corporate and administrative services</b>	<b>5 568</b>	<b>8 794</b>	<b>(3 225)</b>	<b>(36.7%)</b>	<b>17 756</b>	<b>19 959</b>	<b>(2 203)</b>	<b>(11.0%)</b> ④
<b>Total expenses</b>	<b>69 701</b>	<b>64 137</b>	<b>5 564</b>	<b>8.7%</b>	<b>184 055</b>	<b>180 010</b>	<b>4 045</b>	<b>2.2%</b>
<b>Total revenues</b>	<b>74 221</b>	<b>59 710</b>	<b>14 511</b>	<b>24.3%</b>	<b>184 909</b>	<b>162 197</b>	<b>22 712</b>	<b>14.0%</b> ⑤
<b>Net results of operations</b>	<b>4 520</b>	<b>(4 427)</b>	<b>8 947</b>	<b>(202.1%)</b>	<b>854</b>	<b>(17 813)</b>	<b>18 667</b>	<b>(104.8%)</b>

<sup>a</sup> \$ and % change actual in 2023–2024 over 2022–2023.

## Variances

①	<b>Research projects funded by parliamentary appropriation</b>	<b>Q3 and YTD decreases</b> are due to lower expenses in several large, multi-year programs such as the Collaborative One Health Research Initiative on Epidemics (COHRIE). Project expenses fluctuate from year to year based on the project's activities planned over the project duration.
②	<b>Research projects funded by donor contribution</b>	<b>Q3 and YTD increases</b> are mainly due to programming activities picking up in relation to large new projects such as phase II of the Climate Adaptation and Resilience (CLARE) initiative. Research project expenses fluctuate from year to year based on the project portfolio.
③	<b>Enhancing research capabilities</b>	<b>Q3 and YTD increases</b> are primarily due to salaries and benefits resulting from fewer vacant positions and the salary adjustments resulting from the ratification of the collective agreement, foreign-exchange losses and the gradual resumption of travel activities.
④	<b>Corporate and administrative services</b>	<b>Q3 and YTD decreases</b> are due to one-time purchases for the fit-up of newly lease space for the head office in the 2022-2023 financial year.
⑤	<b>Total revenues</b>	<b>Q3 and YTD increases</b> in revenue are due to an increase in donor contributions and parliamentary appropriation.  Further rationale for these changes is provided in the Revenue section.

## Expenses

The Board of Governors approved the 2023–2024 budget prior to the start of the financial year. The results from this exercise are incorporated throughout the quarterly financial report.

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

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

**Corporate and administrative services** provide a variety of functions that support the Centre's overall operations and corporate responsibilities. These expenses include services such as

information governance and digital solutions, human resources, finance and administration, legal, risk management and internal audit.

Total year-over-year expenses for the nine months ended 31 December 2023 increased by \$4.0 million or 2.2% due primarily to an increase in expenses for salaries and benefits (see Table 2).

**TABLE 2: YEAR-OVER-YEAR EXPENSES BY CATEGORY**

(\$000)	For the three months ended 31 December				For the nine months ended 31 December			
	2023 Actual	2022 Actual	\$ change actual	% change actual	2023 Actual	2022 Actual	\$ change actual	% change actual
Research projects	53 455	46 238	7 217	15.6 %	133 745	133 214	531	0.4 %
Salaries and benefits	11 968	10 282	1 686	16.4 %	36 375	31 501	4 874	15.5 % <sup>1</sup>
Professional services	743	1 370	( 627)	(45.8%)	2 729	2 937	( 208)	(7.1%)
Accommodations	302	766	( 464)	(60.6%)	1 606	2 304	( 698)	(30.3%) <sup>2</sup>
Travel	749	651	98	15.1 %	1 872	829	1 043	125.8 % <sup>3</sup>
Software expenses	508	558	( 50)	(9.0%)	1 569	1 427	142	10.0 %
Furniture, equipment and maintenance	210	2 683	(2 473)	(92.2%)	664	3 183	(2 519)	(79.1%) <sup>4</sup>
Amortization	210	131	79	60.6 %	530	610	( 80)	(13.1%)
Insurance	2	1	1	123.7 %	209	223	( 14)	(6.3%)
Interest on lease liabilities	365	222	143	64.4 %	1 095	353	742	210.2 % <sup>5</sup>
Depreciation of right-of-use assets	425	481	( 56)	(11.6%)	1 253	1 987	( 734)	(36.9%) <sup>6</sup>
Other	764	754	10	1.4 %	2 408	1 442	966	67.0 % <sup>7</sup>
<b>Total expenses</b>	<b>69 701</b>	<b>64 137</b>	<b>5 564</b>	<b>8.7 %</b>	<b>184 055</b>	<b>180 010</b>	<b>4 045</b>	<b>2.2 %</b>

## Variances

<sup>1</sup>	<b>Salaries and benefits</b>	<b>Q3 and YTD increases</b> are mostly due to fewer vacant positions and an accrual in salaries and benefits resulting from the salary adjustments following the ratification of the collective agreement.
<sup>2</sup>	<b>Accommodations</b>	<b>Q3 and YTD decreases</b> are due to lower rent, utility payments maintenance and property taxes for the new IDRC head office location compared to the previous location.
<sup>3</sup>	<b>Travel</b>	<b>Q3 and YTD increases</b> due to the gradual resumption of travel following the COVID-19 pandemic.
<sup>4</sup>	<b>Furniture, equipment and maintenance</b>	<b>Q3 and YTD decreases</b> are due to one-time purchases for the fit-up of newly lease space for the head office in the 2022-2023 financial year.
<sup>5</sup>	<b>Interest on lease liabilities</b>	<b>Q3 and YTD increases</b> in interest expenses on the lease liability relating to the new lease agreements for the head office in Ottawa and regional offices in Montevideo and New Delhi.
<sup>6</sup>	<b>Depreciation on right-of-use assets</b>	<b>Q3 and YTD decreases</b> in depreciation expenses relating to the terms of new lease agreements for the head office in Ottawa and regional offices in Montevideo and New Delhi.
<sup>7</sup>	<b>Other</b>	<b>Q3 and YTD increases</b> are primarily due to foreign exchange losses.

## Revenues

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

The parliamentary appropriation funding is part of Canada's international assistance envelope and allocated to the Centre to support the delivery of our mandate. IDRC also receives donor contributions to either research programs or specific projects which are recognized as donor-contribution revenue over the life of the co-funding agreement when the related expenses are incurred. Consequently, while projects funded by donor contributions significantly contribute to advancing our mandate, their impact on net results and year-end equity is limited (see table 3 below).

**TABLE 3: REVENUES**

(\$000)	For the three months ended 31 December				For the nine months ended 31 December			
	2023	2022	\$ change actual	% change actual	2023	2022	\$ change actual	% change actual
	Actual	Actual			Actual	Actual		
Parliamentary appropriation — recurring	45 000	41 500	3 500	8.4 %	115 100	102 700	12 400	12.1 % <sup>1</sup>
Parliamentary appropriation — non-recurring	2 706	3 907	(1 201)	(30.7%)	5 436	4 448	988	22.2 % <sup>2</sup>
Total parliamentary appropriation	47 707	45 407	2 299	5.1 %	120 536	107 148	13 388	12.5 %
Donor contributions	26 203	13 492	12 711	94.2 %	62 955	53 345	9 610	18.0 % <sup>3</sup>
Investment and other income	311	811	( 500)	(61.6%)	1 418	1 704	( 286)	(16.8%)
<b>Total revenues</b>	<b>74 221</b>	<b>59 710</b>	<b>14 510</b>	<b>24.3 %</b>	<b>184 909</b>	<b>162 197</b>	<b>22 712</b>	<b>14.0 %</b>

<sup>a</sup> \$ and % change actual in 2023–2024 over 2022–2023.

## Variances

<b>1</b>	<b>Parliamentary appropriation – recurring</b>	<b>The Q3 and YTD increases</b> reflect the parliamentary appropriation that the Centre has drawn down compared to the same period last year. This is attributable to variations in funding needs, which is primarily driven by research expenses.
<b>2</b>	<b>Parliamentary appropriation – non-recurring</b>	<b>The Q3 decrease and the YTD increase</b> are both due to revenue recognition (which is linked with expenses) pertaining to transfers from the Canadian Institutes of Health Research (CIHR) and the Social Sciences and Humanities Research Council (SSHRC). These funds are to support women's health and economic well-being for a post-COVID-19 recovery.
<b>3</b>	<b>Donor contributions</b>	<b>Q3 and YTD increase</b> reflect the inherent variability in donor-contribution revenue. These fluctuations are linked to the phase in the lifecycle of the programs.

## Donor funding

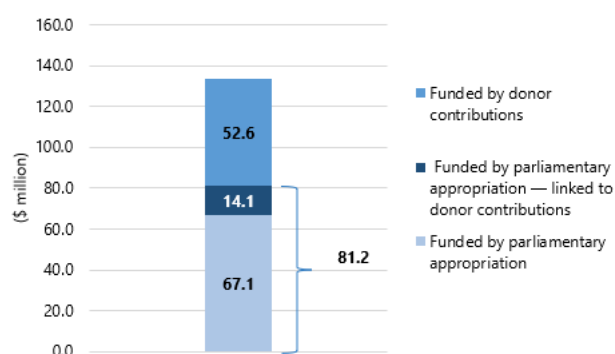
IDRC partners with external donors to undertake high-value research projects that allow it to further its mandate. These partnerships are amplified by combining donor funds with IDRC's own internal funds, resulting in projects that deliver a greater impact. IDRC's funders include bilateral aid organizations, philanthropic foundations, emerging development research funders in the Global South and private-sector actors.

The following are examples of partnerships that amplify the impact of the research which would otherwise not have been feasible if IDRC were to rely solely on its own internal funds:

- Knowledge and Innovation Exchange (KIX) Phases I and II: A joint venture with the Global Partnership for Education (GPE) to strengthen national education systems and accelerate educational progress in the Global South.
- The Climate Adaptation and Resilience (CLARE) initiative Phases I and II: Jointly funded by the UK's Foreign, Commonwealth & Development Office and IDRC. It is an action-oriented research program seeking to increase resilience to weather, climate change and related natural hazards for poor and marginalized communities in Africa and the Asia-Pacific region.
- The Livestock Vaccine Innovation Fund (LVIF) supports the development and production of innovative vaccines to improve livestock health and the livelihoods of farmers. It supports the development, production and commercialization of innovative vaccines against neglected livestock diseases in sub-Saharan Africa, South Asia and Southeast Asia.
- Step Change: A Canada-Netherlands partnership that accelerates equitable and inclusive locally led adaptation by focusing on priority adaptation areas and responding to critical capacity-strengthening needs.
- Scaling Care Innovations in Africa (SCI Africa): An initiative in partnership with Global Affairs Canada that seeks to scale solutions toward gender equality in unpaid care work in sub-Saharan Africa.

For the nine months ended 31 December 2023, IDRC contributed \$14.1 million of our internal funds towards agreements linked to donor contributions. This represents 17.4% of the total Parliament-funded research project expenses (see figure 5).

**FIGURE 5: DEVELOPMENT RESEARCH PROJECT EXPENSES IN 2023–2024**



Since 1 April 2023, \$32.8 million in new co-funding agreements have been signed towards the annual target of \$45.0 million. Management is actively negotiating additional co-funding

agreements that are expected to be signed before the end of the financial year. Consequently, the Centre is expecting to exceed its annual target for the 2023–2024 financial year.

## Financial position

At 31 December 2023, the majority of assets consist of cash and investments derived from the cycle of funding received from donor contributions (see table 4). Total **assets** on 31 December 2023 increased by 8.4% (from \$136.5 to \$147.9 million) compared to 31 March 2023. The increase is mostly due to higher accounts receivable and prepaid expenses resulting from increased donor contributions. The Centre invests excess liquidities not required in the short-term to earn higher interest earnings than can be generated in bank accounts. The investments consist of bonds and guaranteed-investment certificates (refer to Note 2 of the financial statements).

**TABLE 4: SUMMARY OF ASSETS**

(\$000)	Actual		\$ change actual	% change actual
	December 2023	March 2023		
Cash and cash equivalents	44 459	48 081	(3 622)	(7.5%)
Investments	46 064	43 079	2 985	6.9 %
Accounts receivable and prepaid expenses	23 901	13 317	10 584	79.5 %
Right-of-use assets	25 982	26 884	( 902)	(3.4%)
Property, equipment and intangible assets	7 538	5 122	2 416	47.2 %
	<b>147 944</b>	<b>136 483</b>	<b>11 461</b>	<b>8.4 %</b>

Liabilities contain a large portion of deferred revenue, which represents donor funds received but not yet recognized as revenue. Total **liabilities** increased by 8.9% (from \$119.1 to \$129.7 million) compared to 31 March 2023. This is due to an increase in deferred revenue liabilities for projects and programs funded by donor contributions. The employee benefits amount represents the non-current portion; the current portion is included within accrued liabilities (see table 5).

**TABLE 5: SUMMARY OF LIABILITIES**

(\$000)	Actual		\$ change actual	% change actual
	December 2023	March 2023		
Deferred revenue	83 590	70 937	12 653	17.8 %
Accounts payable and accrued liabilities	17 916	19 579	(1 663)	(8.5%)
Lease liabilities	27 130	27 497	( 367)	(1.3%)
Employee benefits	1 054	1 070	( 16)	(1.5%)
	<b>129 690</b>	<b>119 083</b>	<b>10 607</b>	<b>8.9 %</b>

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

**TABLE 6: EQUITY**

(\$000)	Actual	
	December 2023	March 2023
Unrestricted	2 887	1 442
Restricted	1 296	1 296
Net investments in capital assets	7 538	5 122
Reserved	6 533	9 540
<b>Total equity</b>	<b>18 254</b>	<b>17 400</b>

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

The **reserved** equity is intended to be used to absorb fluctuations in the disbursement of outstanding research program commitments, which are dependent on the performance of recipients, and to fund future purchases of property, equipment, intangibles and future initiatives. At 31 December 2023, an amount of \$6.0 million was reserved to absorb fluctuations in the disbursements of outstanding research project commitments, and a total of \$0.5 million was set aside in the reserved equity for the fit-up of regional office leased premises.

The balance of \$2.9 million in **unrestricted** equity represents the residual balance of equity after the allotments to restricted and reserved equity (see table 6). This balance reflects all variances from expenses and revenues.

The \$7.5 million **net investments in capital assets** relates to the portion of the equity representing our net investments in capital assets. The balance increased in December 2023 as capital asset purchases exceeded amortization and depreciation, due to expenses for leasehold improvements of the Centre's regional offices (see table 7).

**TABLE 7: CAPITAL ASSETS**

(\$000)	Balance 1 April 2023	Net changes	Balance 31 December 2023
Leasehold improvements	3 226	2 073	5 299
Computer equipment	286	( 78)	208
Office furniture, equipment and vehicles	1 610	222	1 832
<b>Total property, equipment and intangible assets</b>	<b>5 122</b>	<b>2 416</b>	<b>7 538</b>

## Actual performance versus budget

There were no significant changes in the operating environment since the publication of the *Annual Report 2022–2023*, available on the Centre's website.

In *Strategy 2030*, the Centre is committed to being fit for purpose. Management continues to operate and undertake activities that advance the achievement of the objectives established under *Strategy 2030* while ensuring the efficient use of financial resources to create impact and add value.

The Board of Governors approved the 2023–2024 budget prior to the start of the financial year. The Centre’s operations are subject to seasonal fluctuations and vary from quarter to quarter (see table 8).

**TABLE 8: ACTUALS COMPARED TO BUDGET**

(\$000)	For the nine months ended 31 December 2023				2023–2024
	Actual	Budget	Variance	% Variance	Budget
<b>Statement of comprehensive income items</b>					
<b>Expenses</b>					
Development research programming					
Research projects funded by parliamentary appropriation	81 185	86 070	(4 885)	(5.7%)	107 440 <sup>①</sup>
Research projects funded by donor contributions	52 559	72 924	(20 365)	(27.9%)	94 356 <sup>②</sup>
Enhancing research capabilities	32 555	35 786	(3 231)	(9.0%)	47 571 <sup>③</sup>
Corporate and administrative services	17 756	17 056	700	4.1%	22 757 <sup>④</sup>
	<b>184 055</b>	<b>211 836</b>	<b>(27 781)</b>	<b>(13.1%)</b>	<b>272 124</b>
<b>Revenues</b>					
Parliamentary appropriation	120 536	121 711	(1 175)	(1.0%)	156 885
Donor contributions	62 955	87 511	(24 556)	(28.1%)	113 527
Investment and other income	1 418	381	1 037	272.3%	598
	<b>184 909</b>	<b>209 603</b>	<b>(24 694)</b>	<b>(11.8%)</b>	<b>271 010 <sup>⑤</sup></b>
<b>Net results of operations</b>	<b>854</b>	<b>(2 233)</b>	<b>3 087</b>	<b>(138.2%)</b>	<b>(1 114)</b>

## Variances

<b>① Research projects funded by parliamentary appropriation</b>	<b>Budget variance</b> of \$4.9 million relating to lower than budgeted project payments attributed to the expense patterns in the 2023–2024 financial year.
<b>② Research projects funded by donor contributions</b>	<b>Budget variance</b> of \$20.4 million is due to delays in expenses for a few new large donor-funded agreements signed late in 2022–2023. Donor contributions are received in advance and recognized as revenue when the related project expenses are incurred. The fact that payments did not occur as per the projected timing, especially in large and complex multi-year programs, reflects the inherent unpredictability related to the conduct of research activities.
<b>③ Enhancing research capabilities</b>	<b>Budget variance</b> of \$3.2 million is primarily due to lower salaries and benefits, and less travel than planned at the time of budgeting and the timing of ongoing activities.

4	<b>Corporate and administrative services</b>	<b>Budget variance</b> of \$0.7 million is mostly due to foreign exchange loss, the timing of professional services and software expenses relating to information technology services, as well as for ongoing activities.
5	<b>Total revenues</b>	<b>Budget variance</b> of \$24.7 million due primarily to lower donor contributions for the same reason mentioned in variance 2, "Research projects funded by donor contributions," above.



# Unaudited Condensed Interim Financial Statements

## Statement of Management Responsibility

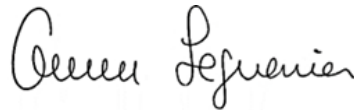
Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting (IAS 34) and the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of condensed interim financial statements that are free from material misstatements. Management is also responsible for ensuring that all other information in this quarterly financial report is consistent, where appropriate, with the condensed interim financial statements.

Based on our knowledge, these unaudited condensed interim financial statements present fairly, in all material respects, the financial position, financial performance, and cash flows of the Centre, as at the date of, and for the periods presented in, the condensed interim financial statements.

On behalf of management,



Julie Delahanty  
President



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

Ottawa, Canada  
20 February 2024

## Condensed Interim Statement of Financial Position

(In thousands of Canadian dollars)  
as at

	<i>(unaudited)</i>	<i>(audited)</i>
	<b>31 December 2023</b>	<b>31 March 2023</b>
<b>Assets</b>		
Current		
Cash	44 459	48 081
Investments (Note 2)	7 168	15 676
Accounts receivable and prepaid expenses (Note 3)	23 901	13 317
	<u>75 528</u>	<u>77 074</u>
Non-current		
Investments (Note 2)	38 896	27 403
Property and equipment	7 538	5 122
Right-of-use assets (Note 4)	25 982	26 884
	<u><b>147 944</b></u>	<u><b>136 483</b></u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	17 916	19 579
Lease liabilities (Note 5)	985	862
Deferred revenue (Note 6)	71 714	63 318
	<u>90 615</u>	<u>83 759</u>
Non-current		
Deferred revenue (Note 6)	11 876	7 619
Employee benefits	1 054	1 070
Lease liabilities (Note 5)	26 145	26 635
	<u>129 690</u>	<u>119 083</u>
<b>Equity</b>		
Unrestricted	2 887	1 442
Restricted	1 296	1 296
Net investments in capital assets	7 538	5 122
Reserved	6 533	9 540
	<u>18 254</u>	<u>17 400</u>
	<u><b>147 944</b></u>	<u><b>136 483</b></u>
Commitments (Note 7)		
Contingencies (Note 8)		

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

## Condensed Interim Statement of Comprehensive Income

(Unaudited — in thousands of Canadian dollars)

	For the three months ended 31 December		For the nine months ended 31 December	
	2023	2022	2023	2022
<b>Expenses</b>				
Development research programming (Note 9)				
Research expenses funded by parliamentary appropriation	31 325	35 220	81 185	87 966
Research expenses funded by donor contributions	22 130	11 018	52 559	45 248
Enhancing research capabilities	10 678	9 106	32 555	26 838
	<u>64 133</u>	<u>55 344</u>	<u>166 299</u>	<u>160 052</u>
Corporate and administrative services (Note 9)	5 568	8 793	17 756	19 958
<b>Total expenses</b>	<u>69 701</u>	<u>64 137</u>	<u>184 055</u>	<u>180 010</u>
<b>Revenues</b>				
Donor contributions (Note 10)	26 203	13 492	62 955	53 345
Investment income	247	212	733	467
Other income	64	599	685	1 237
	<u>26 514</u>	<u>14 303</u>	<u>64 373</u>	<u>55 049</u>
Cost of operations before parliamentary appropriation	(43 187)	(49 834)	(119 682)	(124 961)
Parliamentary appropriation (Note 11)	<u>47 707</u>	<u>45 407</u>	<u>120 536</u>	<u>107 148</u>
<b>Net results of operations</b>	<u>4 520</u>	<u>(4 427)</u>	<u>854</u>	<u>(17 813)</u>

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

## Condensed Interim Statement of Changes in Equity

(Unaudited — in thousands of Canadian dollars)  
for the nine months ended 31 December

	31 December 2023	31 December 2022
<b>Unrestricted equity</b>		
Beginning of period	1 442	12 590
Net results of operations	854	(17 813)
Net transfers from other classes of equity	591	3 192
Balance end of period	2 887	(2 031)
<b>Restricted equity</b>		
Beginning of period	1 296	1 285
Net increase	—	—
Balance end of period	1 296	1 285
<b>Net investments in capital assets</b>		
Beginning of period	5 122	1 692
Net increase	2 416	1 728
Balance end of period	7 538	3 420
<b>Reserved equity</b>		
Beginning of period	9 540	15 189
Net transfers to other classes of equity	(3 007)	(4 920)
Balance end of period	6 533	10 269
<b>Equity, end of period</b>	<b>18 254</b>	<b>12 943</b>

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

## Condensed Interim Statement of Cash Flows

(Unaudited — in thousands of Canadian dollars)  
for the nine months ended 31 December

	31 December 2023	31 December 2022
<b>Operating activities</b>		
Net results of operations	854	(17 813)
Adjustments to determine net cash from/(used in) operating activities		
Depreciation of property and equipment	530	610
Depreciation of right-of-use assets	1 252	1 987
Amortization of investment premiums/discounts	(190)	(7)
Loss on disposal of property and equipment and intangible assets	—	28
Employee benefits	(16)	35
	<b>1 576</b>	<b>2 653</b>
Change in non-cash operating items		
Accounts receivable and prepaid expenses	3 488	7 251
Accounts payable and accrued liabilities	(1 540)	5 078
Deferred revenue	(1 419)	(10 535)
	<b>529</b>	<b>1 794</b>
<b>Cash flows from (used in) operating activities</b>	<b>2 959</b>	<b>(13 366)</b>
<b>Investing activities</b>		
Purchase of investments	(15 989)	(10 000)
Maturity of investments	13 194	5 000
Acquisition of property and equipment	(3 069)	(7 168)
	<b>(5 864)</b>	<b>(12 168)</b>
<b>Cash flows used in investing activities</b>	<b>(5 864)</b>	<b>(12 168)</b>
<b>Financing activities</b>		
Payment of lease liabilities	(717)	(1 901)
	<b>(717)</b>	<b>(1 901)</b>
<b>Cash flows used in financing activities</b>	<b>(717)</b>	<b>(1 901)</b>
<b>Decrease in cash</b>	<b>(3 622)</b>	<b>(27 435)</b>
<b>Cash and cash equivalents beginning of period</b>	<b>48 081</b>	<b>65 075</b>
<b>Cash and cash equivalents end of period</b>	<b>44 459</b>	<b>37 640</b>

Supplementary Information (Note 12)

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

# Notes to the Condensed Interim Financial Statements

(Unaudited — in thousands of Canadian dollars unless otherwise stated)  
For the nine months ended 31 December 2023

## 1. Basis of preparation

### A) General Information

The International Development Research Centre (the Centre or IDRC), a Canadian Crown corporation without share capital, is not an agent of His Majesty and was established as a registered charity in 1970 by the Parliament of Canada through the International Development Research Centre Act.

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

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

### B) Basis of Preparation

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting and the Treasury Board of Canada’s Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports based on the recognition and measurement standards applicable under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These statements have not been audited or reviewed by the Centre’s statutory auditors.

These condensed interim financial statements are prepared on a historical cost basis, except for investments, which are measured at amortized cost and certain other financial instruments, which are measured at fair value through profit and loss.

These condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Centre. All values are rounded to the nearest thousand (\$000), except where otherwise indicated.

### C) Material Accounting Policies

Material accounting policies used in these condensed interim financial statements are disclosed in the notes of the Centre’s annual financial statements for the year ended 31 March 2023.

### D) Significant Judgements and Estimates

Significant judgements and estimates used in these condensed interim financial statements are disclosed in the notes of the Centre’s annual financial statements for the year ended 31 March 2023.

### E) Taxation

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

### F) Application of New Accounting Standards

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

During the first nine months of the financial year, there were no new standards, amendments or interpretations issued by the International Accounting Standards Board or the IFRS Interpretation Committee that had an impact on the current financial statements.

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

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

## 2. Investments and cash equivalents

### Supporting information

The Centre's investment portfolios consist of Canadian federal, provincial, municipal, corporate, schedule I and II bank financial instruments. The bonds have effective interest rates ranging from 0.53% to 4.38% (coupon rates ranging from 1.40% to 7.35%) and guaranteed investment certificates (GICs) have fixed interest rates ranging from 0.50% to 5.55%. The maturity dates of the bonds vary from February 2024 to June 2031 and those of the GICs vary from April 2024 to May 2028. Management intends to hold all investments to maturity.

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

	Net book value at amortized cost December 2023	Fair Value December 2023	Net book value at amortized cost December 2022	Fair Value December 2022
Bonds:				
Federal	3 019	2 722	3 007	2 613
Provincial	21 210	20 682	15 268	14 263
Corporate	3 943	3 689	3 954	3 535
Municipal	892	849	899	830
Total bonds	29 064	27 942	23 128	21 241
Guaranteed investment certificates	17 000	17 238	17 000	17 136
	<b>46 064</b>	<b>45 180</b>	<b>40 128</b>	<b>38 377</b>

### Effective interest rates and maturity terms

	Effective interest rate	Within one year	After one year but no more than five years	More than five years	Total
Bonds:					
Federal	1.85%	—	—	3 019	3 019
Provincial	0.53% to 4.38%	4 068	7 172	9 970	21 210
Corporate	1.84% to 3.20%	—	3 023	920	3 943
Municipal	2.31%	—	892	—	892
Total Bonds		4 068	11 087	13 909	29 064
Guaranteed investment certificates	0.50% to 5.55%	3 100	13 900	—	17 000
		<b>7 168</b>	<b>24 987</b>	<b>13 909</b>	<b>46 064</b>

## 3. Accounts receivable and prepaid expenses

	31 December 2023	31 March 2023
Accounts receivable		
Donor contributions	21 118	6 550
Parliamentary appropriation	—	2 845
Other	1 211	2 444
	22 329	11 839
Prepaid expenses	1 572	1 478
Total accounts receivable and prepaid expenses	<b>23 901</b>	<b>13 317</b>

#### 4. Right-of-use assets

	31 December 2023	31 March 2023
<b>Cost</b>		
Leases beginning of year	38 658	13 168
Additions	350	25 490
	<u>39 008</u>	<u>38 658</u>
<b>Accumulated depreciation</b>		
Beginning of year	(11 774)	(9 419)
Depreciation expense	(1 252)	(2 355)
	<u>(13 026)</u>	<u>(11 774)</u>
<b>Net book value end of period</b>	<u><b>25 982</b></u>	<u><b>26 884</b></u>

During the first nine months of the financial year, the Centre incurred \$136 of expenses related to leases of low-value assets for which the recognition exemption was applied.

The Centre had a one-year lease for office space in Jordan that commenced on 1 November 2022 for which the recognition exemption for short-term leases was applied. The total value of the lease was \$44, and the Centre incurred \$44 of expenses related to this short-term lease. The Centre signed a new lease for the same office space, which commenced on 1 November 2023 for a duration of 6 months. Therefore, the recognition exemption for short-term leases was applied. The total value of this lease is \$27 and the Centre incurred \$9 of expenses related to this short-term lease. In addition, the Centre signed a new lease for a different office location in Jordan which commenced on 1 November 2023 for a duration of 5 years. Once this space is ready to be occupied, the short-term lease will be terminated.

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

#### 5. Lease liabilities

	31 December 2023	31 March 2023
Beginning of year	27 497	4 160
Additions	350	25 405
Interest expense	1 095	678
Lease payments	(1 812)	(2 746)
	<u>27 130</u>	<u>27 497</u>
<b>Lease liabilities included in the statement of financial position</b>		
Current	985	862
Non-current (after one year, but not more than five)	4 831	4 189
Non-current (more than five years)	21 314	22 446
	<u><b>27 130</b></u>	<u><b>27 497</b></u>
<b>Maturity analysis of contractual undiscounted cash flows</b>		
Current	2 331	2 307
Non-current (after one year, but not more than five)	9 560	9 347
Non-current (more than five years)	28 149	30 112
	<u><b>40 040</b></u>	<u><b>41 766</b></u>

#### 6. Deferred revenue

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

**a. Donor-contribution funding for development research programming**

	<b>31 December 2023</b>	<b>31 March 2023</b>
Current	69 465	55 933
Non-current	11 876	7 619
	<b>81 341</b>	<b>63 552</b>

Of the total deferred donor contribution funding, Global Affairs Canada accounts for \$16 777 (31 March 2023: \$12 224) of which \$16 777 (31 March 2023: \$11 349) was received and \$0 (31 March 2023: \$875) is receivable at 31 December 2023.

**b. Parliamentary appropriations – projects and programs**

	<b>31 December 2023</b>	<b>31 March 2023</b>
Current	2 249	7 385

**c. Total deferred revenues**

	<b>31 December 2023</b>	<b>31 March 2023</b>
Current	71 714	63 318
Non-current	11 876	7 619
	<b>83 590</b>	<b>70 937</b>

## 7. Commitments

**Research project-related**

The Centre is committed to making payments of up to \$318.1 million (31 March 2023: \$269.1 million) during the next six years, subject to funds being provided by Parliament or donors and to compliance by recipients with the terms and conditions of their grant agreements. Of this amount, \$185.2 million (31 March 2023: \$185.4 million) is expected to be funded from future parliamentary appropriations and \$132.9 million (31 March 2023: \$83.7 million) from donor contribution agreements.

	<b>31 December 2023</b>	<b>31 March 2023</b>
Within one year	147 478	112 719
After one year, but not more than five	170 171	156 258
More than five years	479	150
Total future payments	<b>318 128</b>	<b>269 127</b>

**Other**

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

	<b>31 December 2023</b>	<b>31 March 2023</b>
Within one year	6 700	7 521
After one year, but not more than five	14 804	12 960
More than five years	36 121	39 646
Total future payments	<b>57 625</b>	<b>60 127</b>

## 8. Contingencies

The Centre may, from time to time, be involved in legal proceedings, claims and litigation that arise in the normal course of business. Based on the advice of legal counsel, management does not expect the outcome of any of these proceedings to have a material effect on the statement of financial position or on the statement of comprehensive income.

As at 31 December 2023, there was one ongoing claim totalling \$0.1 million, whose provision have been recorded as a liability (31 March 2023: \$1.1 million).

## 9. Schedule of expenses

	For the three months ended 31 December		For the nine months ended 31 December	
	2023	2022	2023	2022
<b>Development research programming</b>				
Contribution to institutions and individuals	51 438	44 712	128 768	129 527
Core salaries and benefits	6 525	5 600	19 827	17 136
Co-funded project salaries and benefits <sup>a</sup>	1 851	1 360	5 386	4 107
Professional services	1 910	1 484	4 630	3 644
Travel	553	437	1 394	581
Accommodations	128	467	1 025	1 414
Co-funded project expenses <sup>a</sup>	329	360	908	685
Depreciation of right-of-use assets	289	322	851	1 331
Interest on lease liabilities	249	149	745	237
Meetings and conferences	155	81	434	107
Depreciation of property and equipment	165	97	395	438
Other	541	275	1 936	845
	<b>64 133</b>	<b>55 344</b>	<b>166 299</b>	<b>160 052</b>
<b>Corporate and administrative services</b>				
Salaries and benefits	3 591	3 322	11 161	10 258
Professional services	584	1 155	2 191	2 463
Software expenses	455	533	1 435	1 325
Furniture, equipment and maintenance	116	2 654	456	3 106
Depreciation of right-of-use assets	136	159	401	656
Interest on lease liabilities	116	73	350	116
Travel	86	108	230	125
Accommodations	35	166	184	504
Depreciation of property and equipment	45	33	135	172
Other	404	590	1 213	1 233
	<b>5 568</b>	<b>8 793</b>	<b>17 756</b>	<b>19 958</b>
<b>Total expenses</b>	<b>69 701</b>	<b>64 137</b>	<b>184 055</b>	<b>180 010</b>

<sup>a</sup> Includes all costs directly related to the development of research capabilities in co-funded projects. These represent total expenses for the quarter of \$2 180 (31 December 2022: \$1 720); and for the nine months \$6 294 (31 December 2022: \$4 792). Enhancing research capabilities expenses represent IDRC's multifaceted role as research funder, adviser, and knowledge broker. This means that IDRC is a research funder and builds recipient capacity throughout the research process.

## 10. Donor contributions

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

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2023	2022	2023	2022
Global Partnership for Education Fund (GPE)	8 240	3 265	20 312	21 745
Foreign, Commonwealth and Development Office (FCDO)	7 518	2 043	15 372	2 704
Global Affairs Canada (GAC)	2 337	812	8 278	5 677
Azrieli Foundation	3 210	369	3 297	3 488
Bill & Melinda Gates Foundation	1 055	1 126	3 268	3 856
Swedish International Development Cooperation Agency (SIDA)	700	2 419	2 739	6 280
Ministry of Foreign Affairs Netherlands	170	1 815	2 500	3 485
The Rockefeller Foundation	601	364	1 662	1 179
The William and Flora Hewlett Foundation	690	393	1 566	1 862
Norwegian Agency for Development Cooperation (NORAD)	980	18	1 333	34
The Secretary of State for Health and Social Care (DHSC)	297	577	1 021	1 947
Australian Centre for International Agricultural Research	2	96	561	420
Other donor agencies	403	195	1 046	668
	<b>26 203</b>	<b>13 492</b>	<b>62 955</b>	<b>53 345</b>

## 11. Parliamentary appropriation

	31 December 2023	31 December 2022
Annual parliamentary appropriation recognized	115 400	102 700
Deferred appropriation recognized – projects and programs	5 136	4 448
Parliamentary appropriation recognized in the statement of comprehensive income	<b>120 536</b>	<b>107 148</b>
	For the nine months ended	
	31 December	
	2023	2022
Annual parliamentary appropriation	153 061	156 191
Portion deferred for projects and programs	—	(2 080)
	153 061	154 111
Appropriation recognized for the three months ended 30 June	(33 000)	(23 200)
Appropriation recognized for the three months ended 30 September	(37 300)	(38 000)
Appropriation recognized for the three months ended 31 December	(45 100)	(41 500)
Appropriation recognized for the nine months ended 31 December	(115 400)	(102 700)
Appropriation available for the remainder of the year	<b>37 661</b>	<b>51 411</b>

## 12. Supplemental cash flow information

	31 December 2023	31 December 2022
Interest charges on lease obligations	1 095	131
Interest received from bank deposits	1 337	496
Interest received from investments	885	520

The change in accounts receivables and prepaid expenses excludes an amount of \$14.1 million (31 December 2022: \$12.3 million), as the amount relates to deferred revenue.

The change in accounts payable and accrued liabilities excludes an amount of \$0.1 million (31 December 2022: \$0.3 million), as the amount relates to acquisition of property and equipment, within investing activities.

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