



GLOBAL CENTRE FOR PLURALISM  
CENTRE MONDIAL DU PLURALISME

Annual Report 2017

# Opening the Doors to Dialogue



“Pluralism does not mean the elimination of difference, but the embrace of difference. Genuine pluralism understands that diversity does not weaken a society, it strengthens it.”

– His Highness the Aga Khan, Inauguration of the Global Centre for Pluralism, Ottawa, May 16, 2017

Global Centre for Pluralism  
330 Sussex Drive  
Ottawa, ON K1N 0C7  
+1-613-241-2532  
pluralism.ca

Cover image: The Centre's new global headquarters at 330 Sussex Drive, Ottawa, Canada. Credit: Patrick Doyle

# Annual Report 2017

## Contents

4	Secretary General's Message
6	About the Centre
10	Global Highlights of 2017
12	Global Destination for Dialogue
14	Analysis to Inform Dialogue
16	Supporting Pluralism in Action: Global Pluralism Award
20	Engaging Partners in Dialogue
22	Evaluation & Financials
22	Program Evaluation
23	Fund Management
24	Financial Statements



The Ottawa River Singers perform at the inauguration of the Global Centre for Pluralism. Credit: Patrick Doyle



The Centre's headquarters at 330 Sussex Drive.  
Credit: Salina Kassam



## Secretary General's Message

Countries around the world continue to become more and more heterogeneous, but in 2017 that diversity was often opposed rather than valued.

The year was marked by rising populism in Europe and the United States that took aim at immigrants and refugees, by the persecution of Rohingya Muslims in Myanmar and by deepening societal divisions in Syria. The increasing urgency of fostering cultures of understanding and belonging was evident. In other words, the need for pluralism – defined simply as respect for diversity – was made starkly clear.

At the Global Centre for Pluralism, the year's programming emphasized the importance of dialogue. Critical to advancing pluralism is the act of bringing people together – with different expertise and backgrounds – to share ideas on how to accommodate and value diversity in society. Pluralism requires ongoing dialogue by leaders, policymakers, civil society and citizens to tackle the challenges of living

peacefully and productively in diverse societies. Societies that see diversity as an asset rather than a liability are better off economically, politically and socially.

In May, the Centre's international headquarters in Ottawa at 330 Sussex Drive was inaugurated by the Rt. Hon. David Johnston, Governor General of Canada, in the presence of His Highness the Aga Khan. This important heritage building has been handsomely restored to serve its 21<sup>st</sup> century purpose: a global destination for dialogue for people from around the world seeking to effect lasting change. Over the course of the year, the Centre saw over 5,000 people come through its doors to visit the building and attend 24 events. Events included the Pluralism Forum to discuss the consequences of group inequalities with leading global scholars, the launch of new research by the Pierre Elliott Trudeau Foundation and the Centre for International Governance Innovation (CIGI) on the economic advantages to Canada of a diverse workforce, a special



Roundtable on migration, human rights, refugee resettlement and pluralism.  
Credit: Patrick Doyle

Visitor comments from Doors Open Ottawa.



Canadian citizenship ceremony with the Institute for Canadian Citizenship and tours and activities as part of Canada's 150<sup>th</sup> anniversary celebrations.

At the inaugural Global Pluralism Award ceremony in Ottawa in November, the Centre celebrated the achievements of ten finalists who exemplify pluralism in action. Through their work and advocacy, conversations have been initiated around the world to integrate pluralism into human rights advocacy, peacebuilding, poverty alleviation – and even technology.

Throughout the year, new analysis was produced and published on the Centre's website including a major publication series, *Accounting for Change in Diverse Societies*, which examines the experiences of 12 countries where there has been a significant shift in the way the country approaches its diversity, either paving a path toward greater inclusion or exclusion. These analyses continue to generate dialogue as the Centre presents these

findings to a range of practitioners, educators and thought leaders.

At the Centre's inauguration, His Highness the Aga Khan spoke about the meaning of connection: "Connection does not necessarily mean agreement. Far from it. What it does mean is that we connect with one another in order to learn from one another, and to build our future together."

The vision for the Centre's new headquarters is to be a unique space for these global connections to take place and where the Centre's understanding of pluralism will inform and influence dialogue for years to come.

**John McNee**  
Secretary General

# About the Centre

“Canada is a constantly evolving experiment in inclusiveness and making pluralism work. This is what positions us to tell the pluralism story not just here in Canada, but around the world.”

– The Rt. Hon. David Johnston, Governor General of Canada, Inauguration of the Global Centre for Pluralism, Ottawa, May 16, 2017



The Centre's international headquarters  
at 330 Sussex Drive, Ottawa, Canada.  
Credit: Marc Fowler/Metropolis Studios



---

The Global Centre for Pluralism advances positive responses to the challenge of living peacefully and productively together in diverse societies.

---

## Inspired by Canada

Founded by His Highness the Aga Khan in partnership with the Government of Canada, the Centre is inspired by Canada's experience. Respect for diversity has become a defining characteristic of Canada and a core element of the country's identity and yet Canadians recognize that it still requires ongoing effort.

## The Centre's Work

The Centre focusses on informing and influencing the daily decisions and resulting systems that create respect for diversity. By publishing analyses, convening dialogue and recognizing and supporting champions of pluralism, the Centre advances its thesis that when diversity is valued, positive social outcomes are the result.

The Centre's programs:

- Deepen understanding about the sources of inclusion and exclusion around the world
- Identify pathways to pluralism in specific places and cases
- Catalyze learning about the policies and practices that support pluralism
- Build awareness of the benefits of inclusive societies



Credit: Patrick Doyle

## Board of Directors

The Centre is governed by a Board of 12 members, both Canadian and international:

His Highness the Aga Khan, *Chair*  
 Princess Zahra Aga Khan  
 Kofi Annan  
 Iain Benson  
 The Rt. Hon. Adrienne Clarkson  
 Rudyard Griffiths  
 Huguette Labelle  
 Marwan Muasher  
 Azim Nanji  
 Margaret Ogilvie  
 Khalil Shariff  
 Eduardo Stein



OrKidstra performs at the inauguration of the Global Centre for Pluralism. Credit: Sgt Johanie Maheu, Rideau Hall © BSGG-OSGG, 2017

# Global Highlights of 2017



## United Kingdom

- Delivered a symposium at the University of Oxford on the role of education in an uncertain world

## Canada

- Global Pluralism Award honourable mention presented to Wapikoni Mobile
- Opened the Centre's new international headquarters in Ottawa

## France

- Global Pluralism Award honourable mention presented to ATD Quart Monde

## United States

- Global Pluralism Award honourable mention presented to Welcoming America

## Spain

- Global Pluralism Award honourable mention presented to BeAnotherLab
- Published Francisco Colom González's paper "Spanish Transition Forty Years Later: Democracy, Devolution and Pluralism"

## Colombia

- Global Pluralism Award presented to Colombian victims' rights advocate Leyner Palacios Asprilla

## Côte d'Ivoire

- Published Abu Bah's paper "Seeking Democracy in Côte d'Ivoire: Overcoming Exclusionary Citizenship"

## Bolivia

- Global Pluralism Award honourable mention presented to Fundación Construir
- Published Bret Gustafson's paper "Diversity and Democracy in Bolivia: Sources of Inclusion in an Indigenous Majority Society"

## Brazil

- Global Pluralism Award honourable mention presented to Hand Talk
- Published Daniela Ikawa's paper "Building Pluralism Through Affirmative Action in Brazil: The Case of Education"

A world map with a light blue background and dark blue landmasses. Several white callout boxes with rounded corners are connected to specific countries by thin white lines. Each box contains the name of the country and a list of activities or publications. The countries highlighted are Netherlands, Kyrgyzstan, Lebanon, Sri Lanka, Kenya, Nigeria, India, Malaysia, Australia, and Singapore.

### Netherlands

- › Hosted the workshop “Through a Pluralism Lens: Migration and Integration” at the International Metropolis Conference

### Kyrgyzstan

- › Delivered a history and memory masterclass to 50 education specialists

### Lebanon

- › Global Pluralism Award honourable mention presented to Sawa for Development and Aid

### Sri Lanka

- › Published Neil DeVotta’s paper “Majoritarian Politics in Sri Lanka: The Roots of Pluralism Breakdown”

### Kenya

- › Global Pluralism Award presented to Kenyan conflict mediator Alice Nderitu

### Nigeria

- › Published Daniel Agbiboa’s paper “Federalism and Group-Based Inequalities in Nigeria”

### India

- › Published Rochana Bajpai’s paper “Why Did India Choose Pluralism? Lessons from a Postcolonial State”

### Malaysia

- › Published Hwok-Aun Lee’s paper “Majority Affirmative Action in Malaysia: Imperatives, Compromises and Challenges”

### Australia

- › Global Pluralism Award presented to Australian human rights lawyer Daniel Webb

### Singapore

- › Published Daniel Goh’s paper “Diversity and Nation-Building in Singapore”

# Global Destination for Dialogue

---

On May 16, 2017, the Global Centre for Pluralism's international headquarters at 330 Sussex Drive was inaugurated by His Excellency the Rt. Hon. David Johnston, Governor General of Canada, in the presence of His Highness the Aga Khan, creating a new space for thoughtful exchange about the dynamics of pluralism.

---

The opening ceremony celebrated the long-standing partnership between His Highness the Aga Khan and the Government of Canada to establish the Centre. Both partners made considerable investments to create an Endowment Fund and carry out a major revitalization of 330 Sussex Drive, bringing this historic Canadian landmark back to life.

In this beautifully restored building, which formerly served as the Public Archives of Canada (1905–1967) and the Canadian War Museum (1967–2005), the Centre now has a permanent home for expanding its work as a global platform for comparative analysis, learning and dialogue about the importance of valuing diversity.

A signature new space in the building is the Dialogue Centre, a place for people to come together and exchange ideas. In this space, and

throughout the building, the Centre hosts lectures, expert roundtables and programming about the benefits of building societies around the world that choose to foster pluralism.



The Hon. Mélanie Joly, Minister of Canadian Heritage, at the inauguration of the Global Centre for Pluralism. Credit: Patrick Doyle



His Highness the Aga Khan and the Rt. Hon. David Johnston, Governor General of Canada at the inauguration of the Global Centre for Pluralism. Credit: Patrick Doyle



**“The fact that the Centre is established here reinforces Canada’s position as a fervent defender of human rights, of openness and inclusion. We are proud to be partners in this success.”**

– The Hon. Mélanie Joly, Minister of Canadian Heritage,  
Inauguration of the Global Centre for Pluralism,  
Ottawa, May 16, 2017

# Analysis to Inform Dialogue

The Centre launched two major publications series in 2017 and began using its analysis to shape global responses to diversity in different fields of practice and geographies.



(From left to right) Frances Stewart (University of Oxford), Hwok-Aun Lee (Institute for Southeast Asian Studies), Daniela Ikawa (Columbia University) and Daniel Agbiboa (University of Pennsylvania) at the Pluralism Forum in March. Credit: Andrea Cardin

***Intersections: Practicing Pluralism*** considers how pluralism relates to established fields of practice. The first paper, published in 2017, examines the intersections between pluralism and international development. Forthcoming papers will look at social cohesion, democracy promotion, human rights, conflict prevention and peacebuilding and how these fields can apply a pluralism perspective.

***Accounting for Change in Diverse Societies*** explores the factors that led to either more inclusionary or exclusionary responses to diversity in different countries. Nine “change cases,” including Germany, Nigeria, India and Brazil, were published in 2017. The series includes thematic papers by leading global scholars that examine questions from the cases, such as inequalities between ethnocultural groups as obstacles to pluralism and the interaction of ‘hardware’ (institutions) and ‘software’ (culture) to foster pluralism.

Elisabeth King’s paper “International Development, Sustainable Development Goals and Pluralism” was published by the Centre in 2017.



The Centre’s research program has begun to catalyze dialogue worldwide. The Pluralism Forum hosted in March connected four of the Centre’s research partners from the United Kingdom, Malaysia, Colombia and Nigeria with an audience of policymakers, advocates and educators in Ottawa. The panellists discussed different strategies to combat inequalities between groups.

At the International Metropolis Conference in The Hague in September, the Centre hosted a workshop “Through a Pluralism Lens: Migration and Integration” which introduced international migration experts to the Centre’s Germany case and social cohesion paper to illustrate how a pluralism perspective can be applied to global migration challenges.

The research emerging from these publications serves as the basis for the Centre’s pluralism lens on diversity. Development of the lens continued in 2017 with the help of a second Global Pluralism Think Tank and additional expert convening.

The Centre’s analysis continues to be a very useful tool for generating dialogue and awareness about the obstacles and opportunities for advancing pluralism worldwide.

# Supporting Pluralism in Action: Global Pluralism Award

---

The Global Pluralism Award supports and amplifies innovative examples of ‘pluralism in action.’ The inaugural Award received an impressive response – 230 nominations from 43 countries. Nominations originated from an extremely diverse range of fields, from technology, to human rights, to indigenous governance.

---

With financial and in-kind support, the Award raises the profile of change leaders who are making significant contributions to advancing inclusive societies. At a ceremony in 2017, the Global Pluralism Award recognized three winners and seven honourable mention recipients. Using their myriad skills – including advocacy, community organizing, and filmmaking – often with few resources and against great odds, these inspiring individuals and organizations are contributing to global dialogue about how to put pluralism into action.

Through the Award, new audiences around the world are learning about how to engage in, and advocate for, pluralism. From the initial nomination process to the announcement of finalists and the ceremony, the inaugural Award reached audiences in Canada and internationally.

## 2017 Global Pluralism Award Winners

Conflict mediator **Alice Nderitu** of Kenya is one of very few women working in the field of conflict mediation around the world. She takes an innovative approach that values diversity. Her process ensures the interests, values and participation of different groups are respected in negotiations. By adopting a culture of inclusion in her peacemaking, she has brokered successful, sustainable peace agreements in Kenya and Nigeria.



Alice Nderitu, Kenya



Leyner Palacios Asprilla, Colombia

Victims' rights advocate **Leyner Palacios Asprilla** of Colombia addresses the historic violence and ongoing disadvantages suffered by Afro-Colombian and indigenous communities. Colombia is at a critical point in its history as the peace and reconciliation process unfolds. Mr. Palacios is contributing to a more lasting peace in Colombia by ensuring that all victims are heard and their rights respected.

Daniel Webb, Australia



Human rights lawyer **Daniel Webb** of Australia works to protect refugees and asylum seekers from offshore detention on the islands of Manus and Nauru. Much of his work has focussed on public and media advocacy to help shift public attitudes in Australia towards support for refugees. He also defends his clients' rights through the institutions of the law and international bodies, including High Court challenges and engagement at the United Nations.

“What our ten finalists share in common is that they are all contributing in creative and sustained ways to building more inclusive, peaceful societies that truly value diversity. The leadership which they exemplify is urgently needed in today’s world.”

– The Rt. Hon. Joe Clark, former Prime Minister of Canada, Chair of the international Award Jury, November 2017

## 2017 Honourable Mention Recipients

**ATD Quart Monde (France)** for empowering marginalized Roma, migrant and refugee communities and promoting a poverty-free world.

**BeAnotherLab (Spain)** for using state-of-the-art technology, such as virtual reality, to foster empathy and mutual understanding.

**Fundación Construir (Bolivia)** for supporting a more inclusive vision of the law through dialogue between the judiciary and indigenous peoples.

**Hand Talk (Brazil)** for creating a translation app to increase opportunities and independence for deaf individuals.

**Sawa for Development and Aid (Lebanon)** for providing holistic support and humanitarian assistance to refugees in Syria and Lebanon.

**Wapikoni Mobile (Canada)** for supporting reconciliation by travelling to First Nations communities and teaching filmmaking to youth.

**Welcoming America (United States)** for helping to build inclusive local communities for immigrants and refugees.



Global Pluralism Award trophies.  
Credit: Patrick Doyle

## Media Coverage

Media coverage of the Award finalists raised awareness about pluralism around the world.



## Highlights

- Exclusive feature syndicated across the *Reuters* network. Total circulation: 43 million readers.
- Exclusive live primetime interview with winner Leyner Palacios Asprilla on *CNN en Español*.
- Op-ed in *The Guardian* by winner Daniel Webb. Estimated reach: 14 million readers.
- Feature story and op-ed in the *Globe and Mail*, Canada's most widely-read national newspaper.
- Award ceremony attended by 300 guests and watched by 6,800 people in 56 countries.

## Social Media

724,000 reached on Twitter and Facebook

15 million impressions on Twitter

167,000 views of the Award videos

## Engaging Partners in Dialogue

---

The Centre engaged with partners in education, peace-building, democracy promotion and the private sector to inform and influence dialogue and decision-making. Work focussed on how to support practitioners to advance respect for diversity.

---

Highlights included partnering with EUROCLIO (European Association of History Educators) and Aga Khan Foundation to deliver a masterclass for 50 education specialists in Kyrgyzstan. The masterclass promoted an approach to teaching history that increases belonging and inclusion and is tailored to the needs of a diverse society.

The Centre partnered with Aga Khan Foundation and the University of Oxford to present a symposium, "Re-Examining the Mission of Education and the Meaning of Learning in an Uncertain World." The Centre's Board member, Dr. Huguette Labelle delivered a keynote, alongside Portugal's Secretary of State for Education Dr. João Costa, attended by over 150 participants and many thousands of online viewers. Dr. Labelle addressed the need to equip educators and educational institutions to respond to increasing diversity.

At its headquarters, the Centre launched research commissioned by the Pierre Elliott Trudeau Foundation on the economic impacts of pluralism in Canada in collaboration with CIGI. The report, "The Diversity Dividend: Canada's Global Advantage," argues that a diverse workforce is directly linked to increases in revenue and productivity.

Through this work, the Centre was able to introduce considerations of pluralism into a range of discussions and activities, shaping the way these challenges are being tackled.

Huguette Labelle speaking at the Oxford Symposium for Comparative and International Education.  
Credit: Christopher Wilton-Steer



Launch of “The Diversity Dividend: Canada’s Global Advantage” with report authors Jill Stirk (left) and Bessma Momani (right).  
Credit: Patrick Doyle



Masterclass for education specialists in Kyrgyzstan.

# Evaluation & Financials

## Program Evaluation

The Funding Agreement with the Government of Canada requires the Centre to carry out an external evaluation of its activities and projects at least once every five years. This includes an evaluation of progress toward achieving the outcomes set out in the Funding Agreement and a value-for-money audit to assess the economy, efficiency and effectiveness with which funds have been used. The Centre engaged an outside consultant, BDO Interis, to undertake the evaluation and audit for the period from 2012 to 2016.

**“The GCP has delivered significant results, fully aligned with its mandate.”**

– Evaluation Report from BDO Interis, 2017

The external evaluation concluded “there is a clear and continuing demonstrable need for the work of GCP.” The report stated that the Centre is “well-positioned to deliver on its mandate.” The evaluators found that the Centre has already delivered significant results, including “increased understanding about pluralism, and increased awareness of GCP itself and its work.”

The value-for-money audit found that the Centre has a strong governance structure and that the oversight exercised by the Board ensures that the Centre’s programs and activities are designed and delivered with due regard for economy, efficiency and effectiveness. The audit stated that the Centre has met its objective of defining a clear strategic vision to guide its programs and activities.

# Fund Management

The 2006 Funding Agreement between the Government of Canada and the Global Centre for Pluralism created a \$40 million Endowment Fund. The Fund was fully invested in the market in accordance with the principles articulated in the Funding Agreement of 2006 and affirmed by the Centre's Statement of Investment Policy (SIP).

Subsequently, the Centre received a grant of \$15 million from the Government of Canada which was paid equally over two instalments in 2016 and 2017 and invested in the Endowment Fund. His Highness the Aga Khan also committed \$35 million through the Aga Khan Development Network to rehabilitate 330 Sussex Drive in Ottawa, a federal heritage building which the Government of Canada has made available to be the Centre's global headquarters.

Overall, the Endowment Fund has performed well. At the end of 2017, the Fund balance was \$69.8 million.

In 2017, the Centre received another clean audit from Ernst & Young – the auditors appointed by the Members of the Corporation and supervised by the Audit Committee of the Board of Directors. The audited financial statements for 2017 are included in this report. These statements have been approved by the Board of Directors and duly received by the Members of the Corporation.

# Financial Statements

December 31, 2017

## Independent auditors' report

### To the Board of Directors of the Global Centre for Pluralism

We have audited the accompanying financial statements of the Global Centre for Pluralism, which comprise the balance sheet as at December 31, 2017, and the statement of operations, changes in net assets, and 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 Canadian accounting standards for not-for-profit organizations, 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.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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 auditors consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Global Centre for Pluralism as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Ernst + Young LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Canada  
May 14, 2018

## Balance sheet

As at December 31

<b>Assets</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Cash and cash equivalents	211,340	270,469
Other receivables and prepaid expenses	295,403	121,056
	<b>506,743</b>	391,525
Investments <i>[note 3]</i>	69,822,202	62,678,354
Capital assets, net <i>[note 7]</i>	33,221,581	163,857
	<b>103,550,526</b>	63,233,736
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	786,702	552,626
Deferred revenue	332,920	24,241
	<b>1,119,622</b>	576,867
<b>Net assets</b>		
Endowment Fund <i>[note 2]</i>	40,000,000	40,000,000
Unrestricted Fund	29,290,731	22,656,869
Invested in building held for charitable purposes, net <i>[notes 1 and 7]</i>	33,140,173	—
<b>Total net assets</b>	<b>102,430,904</b>	62,656,869
	<b>103,550,526</b>	63,233,736

See accompanying notes

## Statement of operations

Year ended December 31

<b>Revenue from operations</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Investment income <i>[note 4]</i>	2,349,305	5,011,379
Grants	7,524,241	7,553,834
Donations	16,750	16,731
Rental income	1,417,308	1,467
	<b>11,307,604</b>	<b>12,583,411</b>
Contributed property <i>[notes 1 and 7]</i>	<b>34,001,218</b>	—
	<b>45,308,822</b>	<b>12,583,411</b>
<b>Expenses</b>		
Programs and projects	3,046,448	2,519,602
Administration	381,228	296,223
Operations of 330 Sussex	1,147,183	242,442
Amortization of capital assets	959,928	83,917
	<b>5,534,787</b>	<b>3,142,184</b>
<b>Excess of revenue over expenses for the year</b>	<b>39,774,035</b>	<b>9,441,227</b>

See accompanying notes

## Statement of changes in net assets

Year ended December 31

	Endowment fund	Unrestricted fund	Invested in building held for charitable purposes	2017	2016
<b>Net assets, beginning of year</b>	40,000,000	22,656,869	—	62,656,869	53,215,642
Excess of revenue over expenses	—	39,774,035	—	39,774,035	9,441,227
Building held for charitable purposes	—	(34,013,273)	34,013,273	—	—
Amortization	—	873,100	(873,100)	—	—
<b>Net assets, end of year</b>	<b>40,000,000</b>	<b>29,290,731</b>	<b>33,140,173</b>	<b>102,430,904</b>	<b>62,656,869</b>

See accompanying notes

## Statement of cash flows

Year ended December 31	2017 \$	2016 \$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	39,774,035	9,441,227
Add (deduct) items not involving cash		
Contributed property	(34,001,218)	—
Amortization of office furniture and equipment	86,828	83,917
Amortization of building	873,100	—
Unrealised (gain) loss in investment	296,530	(1,700,560)
Net change in non-cash working capital balances related to operations <i>[note 6]</i>	368,408	369,153
<b>Cash provided by operating activities</b>	<b>7,397,683</b>	<b>8,193,737</b>
<b>Investing activities</b>		
Net purchase of investments	(7,440,378)	(7,812,315)
Additions to capital assets	(16,434)	(113,648)
<b>Cash used in investing activities</b>	<b>(7,456,812)</b>	<b>(7,925,963)</b>
<b>Net increase (decrease) in cash and cash equivalents during the year</b>	<b>(59,129)</b>	<b>267,774</b>
Cash and cash equivalents, beginning of year	270,469	2,695
<b>Cash and cash equivalents, end of year</b>	<b>211,340</b>	<b>270,469</b>

See accompanying notes

## Notes to financial statements

### 1. The Centre

The Global Centre for Pluralism [the "Centre"], located in Ottawa, Canada, was created by letters patent on March 8, 2004. The Centre is an international initiative of His Highness the Aga Khan, 49<sup>th</sup> hereditary Imam of Ismaili Muslims, and the Aga Khan Development Network. Conceived as an international centre for the study, practice and teaching of pluralism, its core functions will include research, education, professional development, dialogue, governance reform and cultural exchange.

In 2006, the Government of Canada and His Highness the Aga Khan entered into a Funding Agreement to support the Centre. Pursuant to that agreement, the Centre took receipt of two major grants: a grant of \$30 million received from the Government of Canada and a donation of \$10 million received from His Highness the Aga Khan in 2007. Subsequently, the Centre received a grant of \$15 million from the Government of Canada which was paid equally over two instalments in 2016 and 2017. His Highness the Aga Khan also committed \$35 million through the Aga Khan Development Network toward the rehabilitation of 330 Sussex Drive, Ottawa, a federal heritage structure which the Government of Canada has made available as the Centre's global headquarters. The rehabilitation work was completed in January 2017 and the Centre moved its operations to its headquarters. In fiscal 2017, a contribution of \$34 million was recorded as revenue in the financial statements.

The Centre is mandated to undertake activities which will fulfil its role as a global repository and source for knowledge and know-how about fostering pluralistic values, policies and practices in a variety of settings.

### 2. Significant accounting policies

#### Basis of presentation

These financial statements have been prepared by the Centre in Canadian dollars and in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-For-Profit Organizations", which sets out generally accepted accounting principles for non-publicly accountable enterprises in Canada and includes the significant accounting policies hereafter.

#### Donations and contributions

The Centre follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year during which the related expenses are in-

curred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded when received.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short maturity of approximately three months or less from the date of purchase unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

#### Investments and investment income

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded in the statement of operations.

#### Program and project expenses

The Centre's expenses on programs and projects are recognized as incurred.

#### Capital assets

Property and equipment held for charitable purposes are recorded at the fair value at the time of donation or at cost where such information is available. Where fair value or cost are not available those assets are recorded at a nominal value. Costs associated with the acquisition, construction, restoration and betterment of properties held for charitable purposes are capitalized.

#### Amortization

Amortization of building held for charitable purposes is calculated using the straight-line method over a period of 15 to 40 years. Office furniture and equipment amortization is calculated using the straight-line method over a period of three to five years.

#### Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at the balance sheet date. All other assets and liabilities are translated at their historical rate.

### Endowment Fund

The Endowment Fund [the "Fund"] has been established in accordance with the guidelines set out in the Funding Agreement with the Government of Canada. The agreement acknowledges that the contributions of both the Government of Canada and His Highness the Aga Khan must be capitalized in perpetuity, and only the revenue of the Fund is to be disbursed and used for the purposes of the Fund. Contributions to the Fund are recognized as a direct increase to net assets. Investment income related to the Fund is unrestricted and is recognized as revenue when earned.

### 3. Investments

As required by the Funding Agreement, the Board approved a Statement of Investment Policy in November 2011.

Investments consist of the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash and cash equivalents</b>	4,104,832	3,161,469
<b>Other fixed income</b>		
Investment in pooled fund	31,862,149	29,161,105
	<b>35,966,981</b>	<b>32,322,574</b>
<b>Equities</b>		
Canadian	19,892,083	17,306,903
US	8,031,497	7,926,256
Other international	5,931,641	5,122,621
	<b>33,855,221</b>	<b>30,355,780</b>
	<b>69,822,202</b>	<b>62,678,354</b>

### 4. Investment income

Investment income earned on the Centre's investments consist of the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Interest	819,550	711,929
Dividends	1,181,109	945,647
Realized gains	645,176	1,653,243
Unrealized gain (loss)	(296,530)	1,700,560
	<b>2,349,305</b>	<b>5,011,379</b>

## 5. Spending policy

The Centre is funded primarily from the investment income on an Endowment Fund established at its founding. The Board approves an annual expenditure budget from the Unrestricted Fund based on an established Spending Policy, which management then uses to budget its expenditures for the year. The Spending Policy is designed to provide a stable

and predictable disbursement from the Unrestricted Fund to support the Centre and allow for multi-year planning, as well as maintaining the capacity of the funds to support the Centre in perpetuity. Therefore, it is expected that in any given year, actual investment income as reported on the statement of operations may be greater or less than the Board-approved expenditure from the Endowment Fund, that determines the year's expenses.

## 6. Net change in non-cash working capital balances

The net change in non-cash working capital balances related to operations is comprised of the following:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Other receivables and prepaid expenses	(174,347)	28,880
Accounts payable and accrued liabilities	234,076	316,032
Deferred revenue	308,679	24,241
	<b>368,408</b>	<b>396,153</b>

## 7. Capital assets

In 2007, the Centre and the National Capital Commission entered into a 99-year lease agreement for 330 Sussex Drive, Ottawa, for a nominal amount of \$1 per annum. The lease specifies that all costs related to the building, including renovation costs, operating costs and taxes, are to be borne by the lessee. Given the unique nature of the property and the consequent difficulties in assessing its fair market value, the lease has been valued at a nominal amount of \$1.

Pursuant to a Funding Agreement signed between His Highness the Aga Khan and the Minister for Canadian Heritage in October 2006, His Highness the Aga Khan agreed to contribute \$35 million. This funding was contributed through the Aga Khan Development Network and it was directed towards the rehabilitation of the permanent institutional facilities for the Centre at 330 Sussex Drive, Ottawa, a federal heritage structure which the Government of Canada made available as the Centre's global headquarters.

	<b>2017</b>		<b>2016</b>	
	<b>Cost</b>	<b>Accumulated</b>	<b>Cost</b>	<b>Accumulated</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>	<b>amortization</b>
		<b>\$</b>		<b>\$</b>
Building	34,013,273	(873,100)	12,055	
Office furniture and equipment	325,188	(243,780)	308,754	(156,952)
	<b>34,338,461</b>	<b>(1,116,880)</b>	<b>320,809</b>	<b>(156,952)</b>
Accumulated amortization	<b>(1,116,880)</b>		<b>(156,952)</b>	
Net book value	<b>33,221,581</b>		<b>163,857</b>	

## **8. Financial instruments**

The Centre is exposed to various financial risks through transactions in financial instruments. The Centre manages these risks through compliance with the Statement of Investment Policy approved by the Board. The Centre also monitors and mitigates its financial risks by reviewing, periodically, various financial and investment metrics.

### **Foreign currency risk**

The Centre is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because of fluctuations in the relative value of foreign currencies against the Canadian dollar.

### **Credit risk**

The Centre is exposed to credit risk in connection with its short-term and fixed income investments because of the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

### **Interest rate risk**

The Centre is exposed to interest rate risk with respect to its investments in fixed income investments and a pooled fund, which holds fixed income securities, the values of which will fluctuate with changes in market interest rates.

### **Other price risk**

The Centre is exposed to other price risk through changes in market prices [other than changes arising from interest rate or currency risks] in connection with its investments in equity securities and pooled funds.

## **9. Comparative figures**

Certain comparative figures have been reclassified to be consistent with the presentation adopted in fiscal 2017.



Global Pluralism Award winners, from left to right, Leyner Palacios Asprilla, Alice Nderitu and Daniel Webb. Credit: Patrick Doyle

Algonquin prayer and blessing by Elder Evelyn Commanda at the Centre. Credit: Andrea Cardin



The Centre's bay window, a feature of the building's rehabilitation by KPMB Architects. Credit: Marc Fowler/ Metropolis Studios



Global Shapers North America 2017 Summit at the Global Centre for Pluralism. Credit: Patrick Doyle



Canadian citizenship ceremony at the Centre. Credit: Andrea Cardin

Lypa Pitsiulak's *Husband and Wife with Shaman Animal Helpers* (2003), on loan from the Canada Council Art Bank. Credit: Salina Kassam

