



Building inclusive societies in a time of crisis





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Cover image: A women's empowerment workshop by the Center for Social Integrity (CSI) in Myanmar, a winner of the 2019 Global Pluralism Award. Like many community organizations, CSI adapted its operations to continue their work during the COVID-19 pandemic.

Credit: Center for Social Integrity

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ANNUAL REPORT 2020

Building inclusive societies in a time of crisis

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Secretary General's Message

Looking back at 2020, I have been reflecting on how this watershed year will be remembered and woven into our collective historical narratives. As we discuss the pandemic with future generations, it will be critically important that we speak about the inequities that have surfaced, how we have responded, and the lessons learned about the importance of pluralism.

While many societies worldwide are still grappling with the daily toll of the pandemic on their people and healthcare systems, in other contexts, where vaccines are rolling out, life is gradually returning to normal. And yet, the global inequities that we see in vaccine availability and distribution, and the stark gaps in the resilience of health and education systems, and compassionate social safety nets, must not be ignored. These systemic issues predate the pandemic, but until now have been too easy to neglect. The strength of these institutional responses is a key indicator of how well a

society will weather crises, which groups will be disproportionately impacted and how existing fault lines will be affected. Building up these social supports and institutional responses as central priorities, not optional extras, is integral to going beyond recovery towards more inclusive and just societies – this should be the new normal that we strive for.

With the aim of inspiring more thoughtful and practical responses to rising exclusion and marginalization, the Global Centre for Pluralism's work in 2020 focused on amplifying exceptional examples of pluralism in action. For instance, our Global Pluralism Award, which recognizes grassroots pluralism champions, pivoted to a fully online format for this year's nominations, which resulted in some of the highest quality nominations of any cycle to date. Conscious of the heightened need for practical, tangible actions for pluralism, we are excited to continue to work with our Award alumni from past cycles.



Meredith Preston McGhie speaking to CBC journalist Zahra Premji for Ismaili TV, "Pluralism in a Fractured World: The Challenge of Our Times", July 2020.



An illustration from Meredith Preston McGhie's presentation at the Asian Peace Practitioners' Research Conference, November 2020. Credit: Chan Wai

Our work also looked to expand awareness and understanding of pluralism. From our headquarters in Ottawa, and from our own living rooms, we added our voice to over 20 online events and conferences with participants from around the world, arguing for how pluralism can strengthen approaches to peacemaking, national security, human rights, governance, education and much more. As well, we launched a highly popular online platform, the *Pluralism and the Pandemic Portal*, to share global expert analysis and dialogue on issues from inclusive economies to digital democracy.

Finally, we developed practical tools for those looking to apply

pluralism to their work, such as teachers, policymakers and peacebuilders. Our summer online intensive course for Canadian teachers, "Talking about Racism in the Classroom", followed by a series of policy recommendations, met an important demand at a critical time. Additionally, despite travel restrictions, we deepened our engagement on peacemaking and conflict resolution and developed new work to apply our pluralism lens to peace processes around the world.

By continuing to speak out for the value of pluralism and its importance for building bridges of understanding and respect among people, we can help to shape how

we remember and learn from this period in history. The Centre's work advances a different vision to the often divisive rhetoric dominating current global discourse – building resilience to global crises requires an enduring commitment to inclusion across the entire spectrum of society. This long-term work demands sustained commitment, complicated conversations, and a careful look at the root causes of exclusion that lead to crises. The pandemic has forced us to confront our fragility, our divisions, and our inequality. This is an immense opportunity for us to move, clear-eyed, towards a different type of recovery, predicated on inclusion and equity. The pandemic reminded us just how much pluralism was under threat around the world, and that pluralism is the answer to our post-pandemic renewal.

Meredith Preston McGhie
Secretary General

About the Centre

The Global Centre for Pluralism is an independent, charitable organization founded by His Highness the Aga Khan and the Government of Canada. The Centre works with policy leaders, educators and community builders around the world to amplify and implement the transformative power of pluralism.

About Pluralism

Diversity in society is a universal fact; how societies respond to diversity is a choice. Pluralism is a positive response to diversity. Pluralism involves taking decisions and actions, as individuals and societies, which are grounded in respect for diversity.

We are living an historic moment of urgency for pluralism. Societies

worldwide are being challenged to address issues of injustice, inequality and exclusion. When societies commit to becoming more just, peaceful and prosperous by respecting diversity and addressing systemic inequality, the impacts can be transformational. When the dignity of every individual is recognized, everyone feels they belong. We are all better off, for generations to come.



Black Lives Matter march in New York City, United States, 2020.

Credit: Jim Naureckas, flickr.com/edenpictures



Above: COVID-19 health checks in India, 2020.

Credit: Flickr.com/45909111@N00

Our Vision and Mission

At the Global Centre for Pluralism, we believe that societies thrive when differences are valued. Our mission is to influence perspectives, inform policies and inspire pathways to advance pluralism.

Our Work

The Centre's programs include:

- ▶ **Global Analysis**
Developing action-oriented research and tools to support the implementation of more inclusive policies and practices around the world

- ▶ **Educating for Pluralism**
Building the capacity of educators and schools to advance pluralism
- ▶ **Global Pluralism Award**
Celebrating and supporting the work of worldwide champions working to build more peaceful societies that respect differences
- ▶ **Peace and Conflict**
Applying a pluralism lens to support peace processes around the world



Global Headquarters

The Centre’s global headquarters sits on the unceded territory of the Algonquin Nation in Ottawa. The Algonquin Nation views this site near the Ottawa River as a place of immense spiritual, political and social significance as well as a meeting place of many peoples and ideas, a concept that mirrors the Centre’s goal of advancing pluralism. Understanding the history of this land helps to remind us of our own challenges to advance pluralism in Canada, the urgency to pursue reconciliation, and the lessons that we at the Centre can

draw from our history to apply in our work in Canada and around the world.

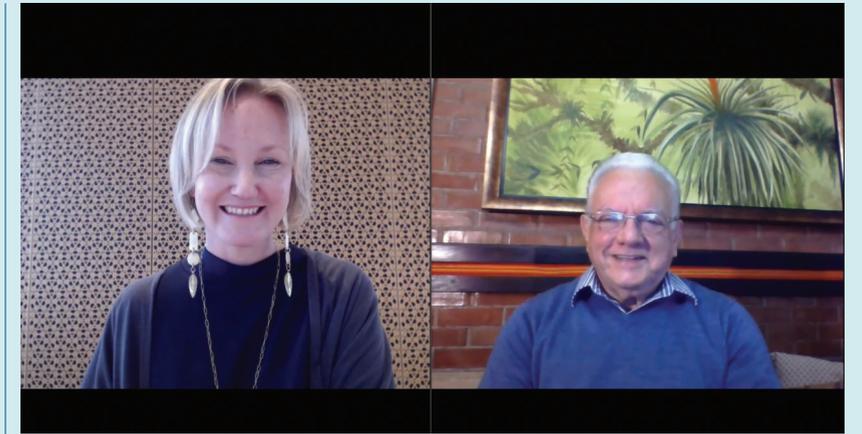
This Canadian heritage landmark first housed the Public Archives (1905–1967) and then the Canadian War Museum (1967–2005). Following a multi-year restoration, underwritten by His Highness the Aga Khan as part of the partnership with the Government of Canada, the building at 330 Sussex Drive was inaugurated in May 2017. In addition to housing the Centre’s operations, it enables us to convene events, and provides a gracious and much sought after

dialogue space in the nation’s capital to influence perspectives, inform policies and inspire pathways to advance pluralism.

The Centre’s headquarters at 330 Sussex Drive, Ottawa, Canada.

Credit: Metropolis Studios

Meredith Preston McGhie interviewing Board member Eduardo Stein for the *Pluralism and the Pandemic Portal* about the impacts of the pandemic in Guatemala and the wider Latin American region. He discusses institutional and judicial weakness due to corruption, the impacts on Venezuelan migrants and refugees, the role of women’s leadership and the need for multiculturalism to become a source of strength across the region.



Board of Directors

The Centre is governed by an international Board of Directors.

- His Highness the Aga Khan (Chair)
- Princess Zahra Aga Khan
- Iain Benson
- The Rt. Hon. Adrienne Clarkson
- Huguette Labelle
- The Rt. Hon. Beverley McLachlin
- James Irungu Mwangi
- Azim Nanji
- Marty Natalegawa
- Margaret Ogilvie
- Khalil Shariff
- Eduardo Stein (term ended in 2020)

This year, we were pleased to welcome James Irungu Mwangi to the Centre’s Board.

Mr. Mwangi is Executive Director of the Dalberg Group, a collection of impact-driven businesses that champion inclusive and sustainable models around the world. Mr. Mwangi was previously with McKinsey & Company, and is an Archbishop Tutu Leadership Fellow (2009), a Young Global Leader

of the World Economic Forum (2013), and a member of the Young Presidents’ Organization (2018).

“I am honoured to be joining the Board of the Global Centre for Pluralism, particularly at this critical moment. The pandemic has underscored that coordinated, collaborative global action is required to enact positive change. I look forward to supporting the Centre as it continues its crucial work of championing equity, inclusion and peace throughout the world, in the face of this current crisis and the many challenges that lie ahead.”

— JAMES IRUNGU MWANGI



Program Highlights 2020



SECTION A

Above: One of the largest shrines in Kabul, Afghanistan, the Sakhi shrine is particularly important to the Shia Muslim minority.

Credit: Keith Siddel, flickr.com/keith_denise

GLOBAL ANALYSIS INFORMING POLICY AND PRACTICE

All societies are living with diversity and engaging with differences. Understanding how societies around the world are navigating both the challenges and opportunities posed by diversity is a central concern of the Centre's work. When policymakers, practitioners and changemakers are able to identify the gaps in their country's treatment of diversity and track trends towards inclusion or exclusion over time, they are better able to develop sustainable solutions that are unique to their

context. The analytical work of the Centre focuses on providing evidence-based analysis and tools to help advance pluralism as a powerful, practical approach to building peaceful societies.

Progress on the Global Pluralism Monitor

In 2020, much of our work focussed on our Global Pluralism Index, which we have renamed the Global Pluralism Monitor to better reflect the tool's purpose. The Monitor evaluates societies' treatment of diversity across economic, political and cultural spheres to understand gaps, enable conflict prevention and catalyze change.



WHAT IS THE GLOBAL PLURALISM MONITOR?

The Centre's Global Pluralism Monitor is an action-oriented tool that examines the treatment of diversity holistically.

The Monitor focuses on the interplay between institutional and cultural responses to diversity to evaluate inclusionary and exclusionary practices across society.

Bogotá, Colombia

Credit: GCP

Based on findings of our pilots, we improved the Monitor's assessment framework and methodology to include better tracking of the intersectional nature of diversity, such as how gender interacts with other aspects of identity, like class or ethnicity, to compound inequality. Recognizing that there are highly situated ways in which different identities can affect one's experience of marginalization, we revised the Monitor to try to capture these nuances at the country level. The pilot findings enabled us to engage a range of stakeholders across the Canadian government to discuss how to integrate pluralism into their own work.

We launched assessments in six countries: Afghanistan, Australia, Canada, Colombia, Germany and Kenya, as the first phase of a wider roll-out of country assessments. We also developed online training for our country assessment teams. The Centre aims to produce country assessment reports for 30 countries by the end of 2022.

We finalized agreements with the multinational market research firm, Ipsos, for perception survey data collection in Australia, Canada, Colombia and Germany, and with the pan-African research institute, Afrobarometer, for data collection in 34 African countries.

The result of a multi-year research program, the Monitor continues to be informed by ongoing reflections and revisions as the Centre learns more about the dynamics of pluralism in varied contexts. To continue to enhance the rigour of the Monitor, we established a Technical Advisory Group of global experts on diversity issues. This growing research network will provide feedback on revisions to the Monitor and conduct a methodological review for all ongoing assessments.

B EDUCATION

PROMOTING PLURALISM IN THE CLASSROOM AND BEYOND

Founded on the belief that schools are incubators for inclusive and equitable societies, our Educating for Pluralism program equips educators with the knowledge, skills, strategies and resources to advance pluralism in their classrooms and educational environments. With COVID-19 causing increased isolation, school closures and fewer opportunities for students to discuss issues of difference, the need for programming on diversity, equity and inclusion was evident. We continued to provide workshops on our learning framework to school leaders and educators from around the world, exploring how online spaces can introduce new ways of interacting and collaborating.

Facilitating critical conversations about anti-Black racism

As the topic of anti-Black racism took hold of the national discourse in the summer of 2020, facilitating critical conversations about systemic racism became a priority. We launched summer professional development sessions for Canadian educators called “Talking About Racism in the Classroom”. Over the course of two months, in partnership with the Canadian

Commission for UNESCO, and facilitated by inclusion and anti-racism consultants Destine Lord and Elsa Mondésir Villefort, we delivered 38 dialogue-based online sessions to over 500 teachers and administrators from across Canada. These free, two-hour sessions provided educators with key definitions and practical concepts to facilitate conversations in their classrooms about anti-Black racism and hold space for emotions. In order to accommodate all of the teachers on our waitlist, we also hosted a live webinar, which to date has been viewed over 3,700 times.

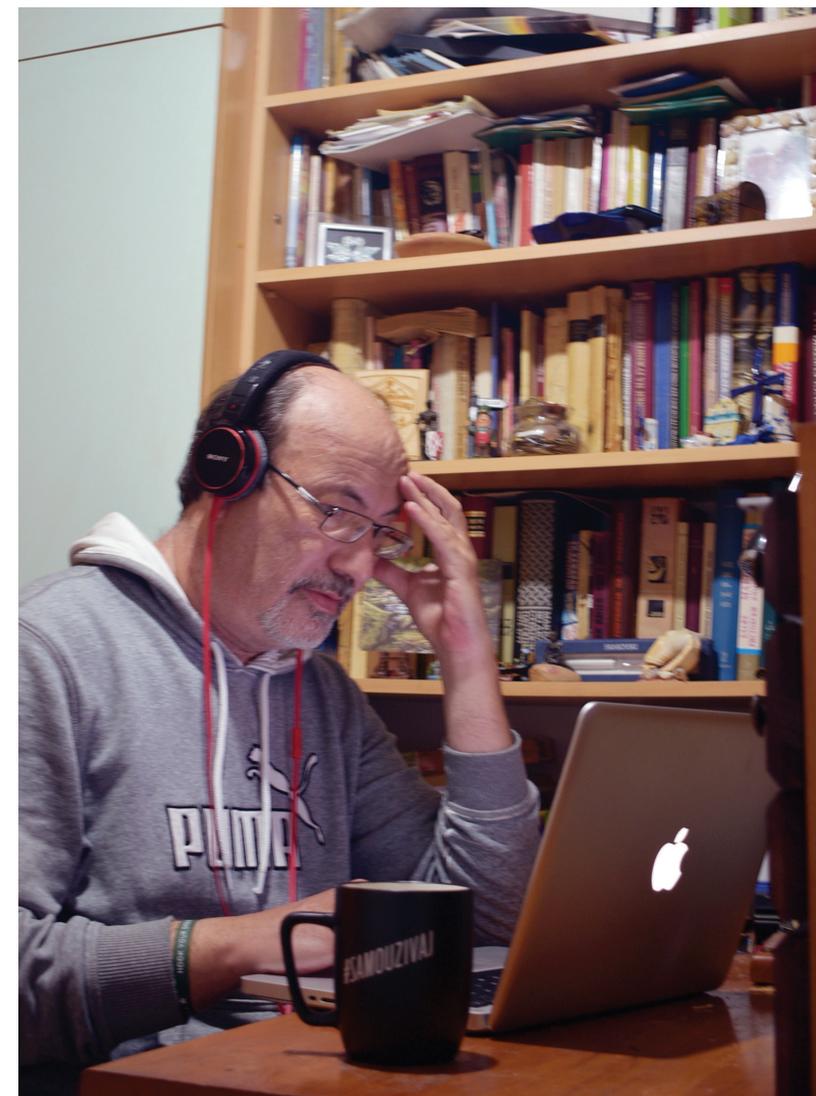
Based on feedback from the participants of “Talking About Racism in the Classroom”, we produced a policy brief with recommendations to Canadian ministries and faculties of education on how to better equip teachers to address anti-Black racism, focusing on professional development, curriculum development and strategic planning. The policy recommendations target governments, school boards and the entire school community, from parents and caregivers to administrators. Our dialogue on the recommendations will continue in 2021.

New programs in development

Two new programs were developed, which are being piloted in 2021.

- ▶ **Professional Development for Educators** is an online training program to equip teachers with the knowledge, skills and confidence to advance pluralism in the classroom. Grounded in our evidenced-based learning framework, this training comprises six weeks of moderated, interactive online sessions.
- ▶ **Pluralism Reflection Tool for Schools** is a strategic planning resource designed to empower school leaders and educators to identify and address discrimination, marginalization and exclusion in their learning environments.

Participants from our programming will remain connected for the purposes of collaboration and resource sharing through our education platform, MOZAIKO.



“I’m a high school English teacher and the texts we read involve many topics that can prompt uncomfortable conversations. This discomfort can be tough as the teacher but it opens incredible opportunities for learning, understanding and acceptance. I feel the framework and strategies Destine shared this afternoon will help in continuing to build my confidence in these conversations – about racism, and also about many other topics.”

— AN OTTAWA TEACHER WHO PARTICIPATED IN THE “TALKING ABOUT RACISM IN THE CLASSROOM” PROFESSIONAL DEVELOPMENT SESSION

Above: Anti-racism consultant Destine Lord (left) delivered the webinar, “Talking About Racism in the Classroom”, with sign language interpretation provided by the Sign Language Interpreting Associates of Ottawa, August 2020.

Below: Mire Mladenovski, a member of the ‘Learning History that is not yet History’ network in the Balkans (a winner of the 2019 Global Pluralism Award), teaching remotely during the pandemic.

Credit: LHH



GLOBAL PLURALISM AWARD

AMPLIFYING PLURALISM IN ACTION

The Global Pluralism Award launched its global call for nominations in February 2020. The onset of COVID-19 required us to respond creatively to minimize the impact on the nomination process. We extended our deadline and enhanced online promotions. The result was nearly 500 outstanding submissions from 74 countries, covering a diverse range of initiatives.

New members join the Award Jury

We were honoured to welcome four new jurors who bring a wealth of insights to the selection process. Joining the international jury are: Bishop Precious Omuku, Archbishop of Canterbury's Special Representative on Conflict in Sub-Saharan Africa; The Honourable Ratna Omidvar, Canadian Senator; Ambassador Annika Söder, Chair of the European Institute of Peace and former Deputy Minister of Foreign Affairs of Sweden; and Kim Ghattas, Emmy-winning journalist and Non-Resident Senior Fellow of the Carnegie Endowment for International Peace.

"I have the honour of chairing the jury of the Global Pluralism Awards, whose remarkable recipients clearly demonstrate that pluralism is a practice, not a theory. The recipients are transforming lives in every geography and sector, and demonstrate the power of working collectively to drive change."

— THE RT. HON. JOE CLARK, FORMER PRIME MINISTER OF CANADA AND JURY CHAIR, IN AN INTERVIEW FOR THE PLURALISM AND THE PANDEMIC PORTAL

Celebrating the achievements of Award laureates

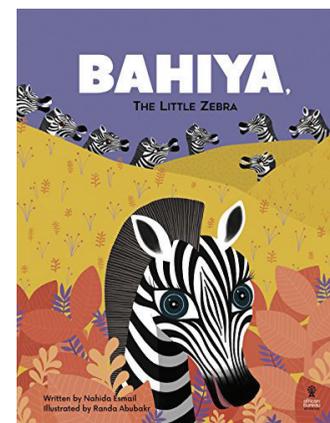
Our 2019 Award laureates demonstrated impressive creativity by pivoting their operations to respond powerfully to the challenges of the current health crisis.

Deborah Ahenkorah expanded her publishing team and developed a new business-to-business approach for distributing her books. Several companies have made large orders of books, which they gave to over 4,000 employees. Her social enterprise, African Bureau Stories, has three new stories in production,

to be published in 2021, with the print edition of *Bahiya: the Little Zebra* set to be launched at a virtual event with the Centre in 2021.

The 'Learning History that is not yet History' network put together a multinational team of authors, editors and researchers to develop resources to teach the history of the Balkans. The team pivoted to working virtually to develop lessons about multi-perspective approaches to the history, horrors and perspectives of war, which are now being peer-reviewed.

The Center for Social Integrity (CSI) continued to foster pluralism in conflict-affected regions in Myanmar while adding new programming, including hygiene kit distribution and COVID-19 awareness sessions. They also organized an online panel about



Cover image of the latest book from African Bureau Stories, *Bahiya, the Little Zebra*, by author Nahida Esmail and illustrator Randa Abubakar.

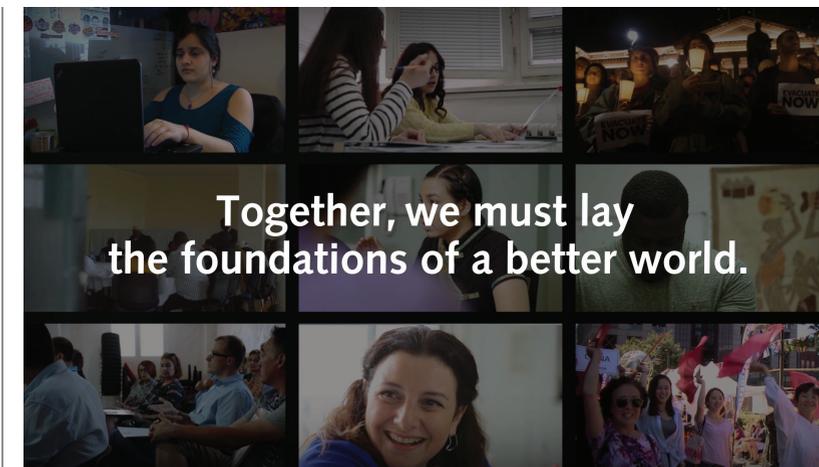
the impacts of the pandemic on social cohesion and pluralism in Southeast Asia and how we can safeguard communities from hate speech and misinformation online. Prior to the pandemic, CSI conducted a youth pluralism study trip in Indonesia that included training on promoting pluralism through storytelling and the arts.

The Centre was also pleased to applaud the extraordinary achievements of our 2017 Award winners. Leyner Palacios Asprilla was named Truth Commissioner for Colombia, and a documentary profiling his work, and featuring the Award, was broadcast nationally on one of Colombia's top TV networks. Alice Wairimu Nderitu was appointed UN Special Adviser on the Prevention of Genocide.



A winner of the 2019 Award, the Center for Social Integrity (CSI), based in Myanmar, convenes a discussion with community leaders regarding food security in light of the pandemic in Northern Rakhine State.

Credit: CSI



WHAT IS THE GLOBAL PLURALISM AWARD?

The Global Pluralism Award recognizes and supports the extraordinary achievements of organizations, individuals and governments working to build societies where everyone belongs.

The Award is presented once every two years to champions of pluralism around the world.

Above: A still from the video featuring Award alumni, which helped launch the global call for Award nominations.

Below: International jurors announced for the third cycle of the Global Pluralism Award. Clockwise from top left: The Rt. Hon. Joe Clark, Paula Gaviria Betancur, Kim Ghattas, The Hon. Ratna Omidvar, Siva Kumari, Bishop Precious Omuku and Ambassador Annika Söder



D

GLOBAL ENGAGEMENT

PLACING PLURALISM AT THE CENTRE OF PEACEBUILDING

Building peace processes and agreements founded on the principle of pluralism can engender more durable agreements and prevent future conflict. This year, the Centre deepened its engagement in the fields of peacebuilding and conflict prevention and supported peace practitioners around the world to apply a pluralism lens to their work.

In March, the Centre hosted an expert roundtable to reflect on the state of peacemaking globally and the role Canada can play. “How Can Pluralism Contribute to Building More Sustainable Peace?” discussed how pluralism needs to be considered more centrally

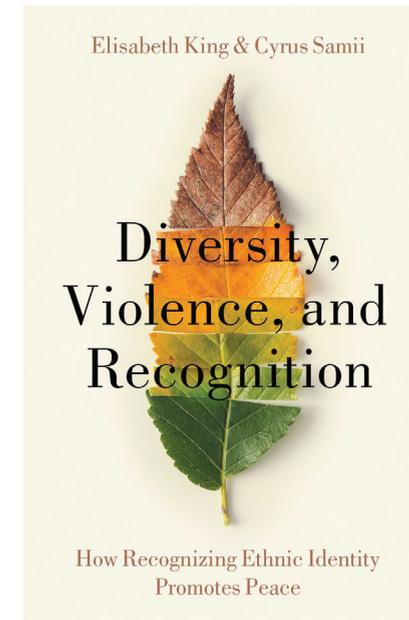
at all stages of a peace process. As Dr. Katia Papagianni, Director of Policy for the Centre for Humanitarian Dialogue, argued, peacemakers must “take an inclusive approach from beginning to end of the peace process.” Following the roundtable, the Centre published key recommendations, including how Canada can play a transformative role in peacemaking and become an innovative leader in the field.

In October, we convened a virtual book launch of *Diversity, Violence, and Recognition: How Recognizing Ethnic Identity Promotes Peace* by Elisabeth King and Cyrus Samii of New York University. In a discussion moderated by Obi Anyadike, Senior Africa



Katia Papagianni, Director of Policy for the Centre for Humanitarian Dialogue, at the Centre's peacebuilding roundtable, March 2020.

Credit: Patrick Doyle



Elisabeth King and Cyrus Samii, co-authors of the book *Diversity, Violence, and Recognition: How Recognizing Ethnic Identity Promotes Peace*.

Editor at *The New Humanitarian*, the authors emphasized the importance of recognizing ethnic identity as a strategy for building peace. The theme of this book – the positive impacts of recognizing ethnic identity alongside other markers, such as religion, race, language, indigeneity, class or gender – is particularly salient to our work at the Centre, because it points to tangible actions political and civil society leaders can take to foster peace.

This year's addition to our series of publications, *Intersections*, focused on the field of peacebuilding and conflict prevention. *Intersections* is a collection of papers exploring how pluralism intersects with existing fields of practice or perspectives on diversity, such as international development, democracy promotion or human rights. The series is designed to

help practitioners apply pluralism in their work.

In his paper, “Intersections: Pluralism and Conflict Prevention”, Stefan Wolff, Professor of International Security at Birmingham University and an expert on the prevention, management and settlement of ethnic conflicts, explores how to take a pluralistic approach to conflict prevention. Specifically, he argues that since many conflicts around the world stem from the mistreatment of diversity, a pluralistic approach to conflict prevention, which requires practitioners to address divisions and exclusions before they lead to violence, can pave the way for more inclusive societies and sustainable peace.



Stefan Wolff, author of the new paper, “Intersections: Pluralism and Conflict Prevention” for the Centre's *Intersections* series.

Illustration by Brandon Serbec



An illustration from the *Pluralism and the Pandemic Portal*.

Credit: Brandon Serbec

SECTION

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PLURALISM AND THE PANDEMIC INFORMING THE RECOVERY

Articulating the transformational power of pluralism has always been key to the Centre’s work. With the onset of the pandemic, we embarked on an ambitious digital publishing project to convey to global audiences the important role for pluralism at this historic juncture. We created the *Pluralism and the Pandemic Portal*, where we presented a series of curated analyses and conversations about the impacts of the pandemic from the perspective of pluralism.

We published analysis and interviews from 37 thought leaders and practitioners from 16 countries, including the Right Honourable Adrienne Clarkson, the Right Honourable Joe Clark, Eduardo Stein, Justice Albie Sachs, Nanjala Nyabola and Jean-Marie Guéhenno. These conversations demonstrated the relevance of pluralism to many areas of work, with content spanning seven themes, including peacebuilding, education, media and technology, migration and inclusive economies.

These dialogues helped to expand awareness of the inequities and exclusion revealed and exacerbated by the pandemic, and also offered valuable lessons for setting the groundwork for a more inclusive recovery.

Featured analysis from *Pluralism and the Pandemic*

In “We Are in This Together: How Our Shared Fragility Reminds Us of Our Shared Humanity”, 26th Governor General of Canada and the Centre’s Board member, the Right Honourable Adrienne Clarkson said, **“What I think is very interesting about a crisis is that it reveals what your society is. Each of our societies all over the world dealing with this pandemic is having its cracks revealed. It is not as though we are more fragile; we are always fragile. We are very imperfect human beings. What the pandemic has done is to make us understand that we have to look at certain fragilities in our own society.”**



An illustration from the *Pluralism and the Pandemic Portal*.

Credit: Brandon Serbec

1 In “Reflections from Jurist **Albie Sachs** on Lockdown and South Africa’s future”, long-time human rights activist, lawyer, judge and author Justice Albie Sachs said, “How sad that the moment of our greatest equality should also be the moment of our greatest inequality. And yet how good it is that each act of isolation by each one of us in our own separate world becomes an act of binding and transcendent human interdependence and solidarity.”

Photo credit: Tom Sandler

2 In “The Massive Challenge of Governing Online Spaces Across Africa”, **Nanjala Nyabola**, a writer and political analyst based in Nairobi, Kenya, said, “through online conversations, combined with offline mobilization and transnational discourses, Black Lives Matter has mainstreamed radical discourse on rethinking policing around the world. Even if this was it for the movement, that would still be a tremendous victory. But I don’t think it’s going to stop there.”

3 In “Digital Pluralism: Using a Pluralism Lens to Think About Digital Citizenship Education in Covid-19”, **Nicole Fournier-Sylvester**, Education Manager at the Global Centre for Pluralism, said, “The COVID-19 pandemic has brought to light and exacerbated many of the existing inequities in education systems worldwide. Although long-term consequences remain unclear, one issue is certain: access to technology and the Internet is increasingly tied to the right to education.”

Photo credit: AFS Global Conference

4 In “The Need for Global Solidarity in the Pandemic Response”, **Jean-Marie Guéhenno**, a distinguished fellow in the Foreign Policy program at Brookings and a member of the U.N. secretary-general’s High-Level Advisory Board on Mediation, said, “A pandemic that attacks the weakest links will come back. And so there is a very strong rationale for global solidarity. It should be a priority, but it’s not. There is a kind of tension between the immediate political priorities of focusing on one’s self and the longer term needs. A world where there are collapsing states and ungoverned spaces is a dangerous world for everybody.”

Photo credit: Julie David de Lossy/Crisis Group



Funding and Financials

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 given the pandemic.

At the end of 2020, the Fund balance was \$67.9 million. In 2020, 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 2020 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

Independent auditor's report

To the Board of Directors of the
Global Centre for Pluralism

Opinion

We have audited the accompanying financial statements of the **Global Centre for Pluralism** [the "Centre"], which comprise the balance sheet as at December 31, 2020, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2020, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Centre in accordance with the ethical requirements that are

relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
May 27, 2021

Balance sheet

As at December 31

Assets	2020 \$	2019 \$
Current assets		
Cash and cash equivalents	218,985	124,429
Other receivables and prepaid expenses	338,399	139,982
Total current assets	557,384	264,411
Investments <i>[note 3]</i>	68,429,883	69,261,082
Capital assets, net <i>[note 7]</i>	30,179,484	31,539,386
	99,166,751	101,064,879
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued liabilities	409,214	1,179,393
Deferred revenue <i>[note 8]</i>	192,947	1,900
Deferred capital contributions <i>[note 9]</i>	562,684	—
Total current liabilities	1,164,845	1,181,293
Net assets		
Endowment Fund <i>[note 2]</i>	40,000,000	40,000,000
Unrestricted Fund	27,863,853	28,413,748
Invested in building held for charitable purposes, net	30,138,053	31,469,838
Total net assets	98,001,906	99,883,586
	99,166,751	101,064,879

See accompanying notes

Statement of operations

Year ended December 31

	2020 \$	2019 \$
Revenue		
Investment income [note 4]	2,276,914	7,311,683
Grants	15,055	100,000
Donations	24,822	22,137
Rental income [note 10]	1,394,061	1,528,192
	3,710,852	8,962,012
Other income	14,428	—
Contributed property / donations	—	3,204
	3,725,280	8,965,216
Expenses		
Programs and projects	2,396,485	3,290,466
Administration and other	207,995	312,889
Operations of 330 Sussex Drive	1,108,450	1,245,487
Amortization of capital assets	1,894,030	1,849,054
	5,606,960	6,697,896
Excess (deficit) of revenue over expenses for the year	(1,881,680)	2,267,320

See accompanying notes

Statement of changes in net assets

Year ended December 31

	Endowment Fund \$	Unrestricted Fund \$	Invested in building held for charitable purposes \$	2020 \$	2019 \$
Net assets, beginning of year	40,000,000	28,413,748	31,469,838	99,883,586	97,616,266
Excess (deficit) of revenue over expenses	—	(1,881,680)	—	(1,881,680)	2,267,320
Building held for charitable purposes	—	(521,660)	521,660	—	—
Amortization	—	1,853,445	(1,853,445)	—	—
Net assets, end of year	40,000,000	27,863,853	30,138,053	98,001,906	99,883,586

See accompanying notes

Statement of cash flows

Year ended December 31

	2020 \$	2019 \$
Operating activities		
Excess of revenue (deficit) over expenses for the year	(1,881,680)	2,267,320
Add (deduct) items not involving cash		
Amortization of office furniture and equipment	40,585	51,600
Amortization of building	1,853,445	1,797,454
Unrealized gain in investments	(762,240)	(2,598,984)
Net change in non-cash working capital balances related to operations [note 6]	(214,865)	447,902
Cash provided by (used in) operating activities	(964,755)	1,965,292
Investing activities		
Net sale (purchase) of investments	1,593,439	(153,100)
Additions to capital assets	(534,128)	(1,750,620)
Cash provided by (used in) investing activities	1,059,311	(1,903,720)
Net increase in cash and cash equivalents during the year	94,556	61,572
Cash and cash equivalents, beginning of year	124,429	62,857
Cash and cash equivalents, end of year	218,985	124,429

See accompanying notes

Notes to financial statements

December 31, 2020

1. The Centre

The Global Centre for Pluralism [the "Centre"], located in Ottawa, Canada, was incorporated under Part II of the *Canada Corporations Act* by letters patent dated March 8, 2004. The Centre continued under the *Canada Not-for-profit Corporations Act* in 2014 and, accordingly, is exempt from income taxes. The Centre is an international initiative of His Highness the Aga Khan, 49th 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 and 2018, contributions of \$34 million and \$1 million, respectively, were recorded as revenue in the financial statements.

The Centre is mandated to undertake activities that will fulfill 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 incurred. 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.

Rental income

Rental income is accounted for on a straight-line basis over the lease term.

Financial instruments

Financial instruments include cash and cash equivalents, other receivables, investments, accounts payable and accrued liabilities.

Financial assets and financial liabilities are initially measured at fair value. Subsequently, they are measured at amortized cost, with the exception of investments in equities that are publicly traded, which 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 in investment income.

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.

Program and project expenses

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

Awards program

The Centre disburses awards to recipients annually to deliver agreed upon programs as defined in the underlying agreements. Awards are recorded as advances, presented in other receivable and prepaid expenses, when disbursed and are subsequently recorded as program and project expenses upon receipt of the expenditure report from the recipient.

Allocation of expenses

The Centre's expenses, other than the direct Program and project costs, are allocated between program and project and administration and other based on the proportion of program and administrative headcount.

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 as 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:

	2020 \$	2019 \$
Cash and cash equivalents	3,450,920	3,114,692
Royal Bank of Canada guaranteed investment certificates	500,000	450,000
Other fixed income		
Investment in pooled fund	31,235,724	32,379,131
	35,186,644	35,943,823
Equities		
Canadian	19,570,256	20,219,286
US	7,882,218	7,770,832
Other international	5,790,765	5,327,141
	33,243,239	33,317,259
	68,429,883	69,261,082

As at December 31, 2020, included in the cash and cash equivalents and total equity are dividends receivable by the Investment Manager in the amounts of \$49,473 [2019 - \$47,565] and \$109,193 [2019 - \$97,997], respectively.

4. Investment income (loss)

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

	2020 \$	2019 \$
Interest	920,358	1,046,678
Dividends	1,218,517	1,457,837
Realized gains (loss)	(624,201)	2,208,184
Unrealized gains	762,240	2,598,984
	2,276,914	7,311,683

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, which 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 comprises the following:

	2020 \$	2019 \$
Other receivables and prepaid expenses	(198,417)	97,097
Accounts payable and accrued liabilities	(770,179)	445,079
Deferred revenue	191,047	(94,274)
Deferred capital contributions	562,684	—
	(214,865)	447,902

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.

	2020		2019	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Building	36,412,487	(6,274,435)	35,890,828	(4,420,990)
Office furniture and equipment	444,962	(403,530)	432,493	(362,945)
	36,857,449	(6,677,965)	36,323,321	(4,783,935)
Accumulated amortization	(6,677,965)		(4,783,935)	
Net book value	30,179,484		31,539,386	

8. Deferred revenue

The following table illustrates a reconciliation of the deferred revenue opening and closing balance for the year ended December 31:

	2020			2019
	Lease Revenue \$	Grants \$	Total \$	Total \$
Deferred revenue, opening balance	1,900	—	1,900	94,900
Received during the year	118,577	87,525	206,102	7,000
Recognized into revenue during the year	—	(15,055)	(15,055)	(100,000)
Deferred revenue, closing balance	120,477	72,470	192,947	1,900

9. Deferred capital contributions

During the year, the Centre received capital contributions from the Royal Canadian Mint ["RCM"] towards certain capital expenditures relating to delamination work in Wing B at 330 Sussex Drive. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

The changes in the deferred capital contributions balance are as follows:

	2020 \$	2019 \$
Balance, beginning of year	—	—
Add contributions restricted for purchase of capital assets	577,112	—
Less amortization of deferred capital contributions	(14,428)	—
Balance, end of year	562,684	—

10. Rental income

Rental income consists primarily of the operating lease agreement that the Centre has entered into with RCM for lease of Wing B at 330 Sussex Drive. Rental income in the statement of operations includes base rent, other space rent, recovery of common area maintenance costs, management fee, and reserved parking.

	2020 \$	2019 \$
Base rent	658,147	658,147
Reserved parking	23,953	42,840
Management fee	47,270	50,792
Common area maintenance costs	639,158	701,970
Other space rent	25,533	74,443
	1,394,061	1,528,192

11. 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 a portion of its expenditures and 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.

12. COVID-19

The outbreak of the coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Centre in future periods.

13. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.