“Next time someone says ‘innovation’ and ‘Canadian’ don’t go together, point them toward … Grand Challenges Canada.”

Editorial, Globe and Mail

“This is precisely the approach that has enabled Grand Challenges Canada to punch so well above its weight on the international development scene; a combination of agility, entrepreneurial drive, and a little “Canadian humility” have proved a potent mix.”

Grandmother power in Canada’s global aid, BBC

“Grand Challenges Canada is making tangible, measurable differences in some of the greatest areas of inequity in the world, especially in the maternal and child health space, and also in mental health.”

International Expert Panel Review of Grand Challenges Canada

“We see [Canada] and Grand Challenges Canada as a key partner, and we look forward to strengthening this partnership as part of the next phase of Grand Challenges.”

Bill Gates
VISION, MISSION AND VALUES

Our Vision
A world in which innovation accelerates the achievement of the Sustainable Development Goals.

Our Mission
To catalyze innovation that saves and improves the lives of the most vulnerable in Canada and low- and middle-income countries.

Our Values
Grand Challenges Canada is committed to:

Fostering a Culture of Impact, which focuses us on catalyzing innovation that saves and improves the lives of the most vulnerable in Canada and low- and middle-income countries. We recognize that the challenges we are seeking to address are too big for any one organization to tackle alone. We provide numerous entry points for others who share our values to join us in amplifying the Culture of Impact.

Boldness and Creativity: Transforming the status quo through action, and enabling others to do the same. This includes being innovative, entrepreneurial and action-oriented to achieve results. It also involves taking considered risks to achieve transformational impact.

Excellence: Aspiring to the highest level of performance for ourselves, and for our innovators, partners, stakeholders and colleagues. This includes making decisions based on the best available science and evidence, and creating space and processes for learning from both success and failure. We broadly share what we have learned, to accelerate progress.

Integrity: Taking ownership and pride in our actions, and using our resources in a responsible way to maximize impact while ensuring accountability and transparency. Being open and honest in all our interactions and upholding the highest ethical standards.

Diversity and Inclusion: Treating all people with respect, dignity and fairness. This includes our commitments to advance gender equality, and to call out and address inequities and power imbalances in our working relationships. We strive to create a workplace in which the contributions of all individuals are valued and respected, regardless of race, ethnicity, gender, socio-economic status, age, religion, perspectives and experiences.

Humility: Catalyzing meaningful, values-based relationships between Indigenous and non-Indigenous peoples in Canada and in the countries in which we work. We move towards reconciliation by acknowledging we are visitors; taking actions that show respect for local customs, values and protocols; and supporting individuals’ and communities’ rights to self-determination.
INTRODUCTION

This document articulates Grand Challenges Canada’s strategic pathway towards a world in which innovation accelerates the achievement of the Sustainable Development Goals. It describes how we support innovators and their innovations, and our approaches to building and managing our high-performing team, to growing our impact, to enhancing organizational effectiveness, to securing financial sustainability, and to strengthening our approach to results-based management. It is accompanied by a corresponding five-year costed operational plan.

We Support Bold Ideas with Big Impact®

Grand Challenges Canada is dedicated to supporting Bold Ideas with Big Impact®. Funded by the Government of Canada and by other partners, Grand Challenges Canada is an adaptable platform to implement government and other funders’ priorities. Grand Challenges Canada funds innovators in low- and middle-income countries (LMICs) and Canada. The bold ideas Grand Challenges Canada supports integrate science and technology, social and business innovation—known as Integrated Innovation®.

Grand Challenges Canada is an independent, not-for-profit corporation, governed by an experienced Board of Directors, supported by a Scientific Advisory Board and an Investment Committee. Our Indigenous work is also guided by the Indigenous Innovation Council.

The Grand Challenges Canada Foundation, a separate but related charitable entity, provides a vehicle to enable philanthropic contributions in support of the same vision and mission.

We Are an Innovation Platform

Grand Challenges Canada is an innovation platform that seeds and transitions to scale scientific, social and business innovations to drive sustainable impact at scale. Our platform:

1. **Leverages resources and expertise from public, private and philanthropic partners**: Grand Challenges Canada engages partners from across sectors and countries to support transformative ideas, amplifying the impact of public investments in innovation.

2. **Deploys both grant and non-grant financing**: Grand Challenges Canada makes use of a broad range of financial tools, including an array of investment approaches to support the promising innovations recommended by our Investment Committee as they transition to scale.
3. **Applies the best of public and private approaches to evaluate impact, manage risk and knowledge, and ensure affordable access:** Grand Challenges Canada has developed an integrated approach to impact measurement to track our organizational performance, our innovators’ capacity development, and the social impact resulting from innovations.

We have found that each innovator we support is unique and requires her/his own tailored investment approach, to enable their innovation(s) to scale sustainably. Our contribution to the success of our innovators is to provide this tailored approach in a manner that is efficient and effective—ensuring value for money for our funders and impact for our ultimate beneficiaries. We strive to be as innovator-centric as possible.

As a core part of our platform, Grand Challenges Canada promotes gender equality by ensuring that the innovators we support have considered the ways in which their innovation, governance and activities can contribute to the empowerment of women, girls and 2SLGBTQQIA (Two-Spirit, lesbian, gay, bisexual, transgender, transsexual, queer, questioning, intersex and asexual) people.

**Our Collaborative Advantage**

Grand Challenges Canada is one of many actors and organizations in the Innovation for Impact (I4I) ecosystem. We play an important role in this ecosystem, not as a competitor but as a collaborator—an organization that can help other actors to amplify and optimize the impact of their investments. This is our **Collaborative Advantage**. Key elements of this Collaborative Advantage include:

1. The proven capacity to **build and maintain partnerships** across the public, private and philanthropic sectors. These partnerships are based on:
   a. Trust built through personal relationships, nurtured over time.
   b. The ability to bring together a disparate range of funders and stakeholders, and to understand and flexibly respond to a broad range of overlapping priorities and objectives to address a challenge coherently.

2. Almost a decade of ‘**learning by doing**’ in the innovation for impact ecosystem, which provides a wealth of knowledge and experience that we can share with our partners and networks, including:
   a. The Grand Challenges Network
   b. The International Development Innovation Alliance (IDIA)
   c. The Canadian Partnership for Women and Children’s Health (CanWaCH).

3. A deep commitment to **nimbly and rapidly learn from both success and failure** and course correct, as needed.
   a. We have cycles of iteration and learning that occur on a quarterly and annual basis, which allow us to rapidly implement, test and improve our approaches.
4. Because of our **responsive and accountable governance** structures, Grand Challenges Canada can respond rapidly and effectively to shifts in the global environment and/or changes in funder priorities.
   a. For example, our platform can launch a new targeted challenge within six months of receiving the mandate and funds to do so.

Grand Challenges Canada, in turn, benefits greatly from our work with our innovation for impact partners and stakeholders.

**We Embrace Innovation Risk**

Grand Challenges Canada is an impact-first investor that is willing to take on innovation risk that other investors are not willing or able to manage, for the purpose of enabling innovators to succeed. Grand Challenges Canada’s independent risk management function provides the necessary flexibility and responsiveness to support and catalyze the success of a broad pipeline of innovations. This function, in turn, is supported by a Board of Directors, including an Audit, Finance & Risk Committee, an Investment Committee, a Scientific Advisory Board and an Indigenous Innovation Council that are each tailored to provide the necessary blend of scientific, business and social innovation expertise, to balance independence with a high level of accountability.

**Our Innovators Save and Improve Lives**

Our key indicators of success are the number of lives saved and improved as a result of Grand Challenges Canada-funded innovations. As of June 2019, the innovations we have supported have saved 12,600 lives and improved 1.61 million lives. However, the impact of innovation is only fully realized when innovations are being used at scale. The innovations we have supported to date have the potential to save over one million lives and improve over 50 million lives by 2030.

The path to scale and sustainability for any innovation is marked by the achievement of a critical set of milestones: evidence that their innovation improves the health and development of vulnerable populations; influence of policy environments; capacity to crowd in investors and strategic partners; and organizational maturity that enables sustainability and global access. We are increasingly measuring our innovators’ achievement of these milestones, and our platform’s ability to enable their achievement, as key performance indicators.

It is not possible to fully capture the richness of the impact resulting from our innovation platform in numbers. We strive to enhance our quantitative impact measurement approaches with the important stories of innovation ecosystems created, young careers launched and vulnerable populations empowered, to better articulate the positive change we are enabling.
THE CONTEXT IN WHICH WE OPERATE

Realizing the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are an ambitious agenda for a safer, fairer and healthier world by 2030, and were agreed to by all 193 Member States of the United Nations in 2015. The SDGs are applicable to all countries in the world. Progress against the 17 interconnected Goals and the 169 nested targets is being tracked by the measurement of 230 indicators.

In this context, Universal Health Coverage (UHC)—that all people and communities receive the quality health services they need without financial hardship—is called out as one of the SDG targets. Low- and middle-income countries seeking to achieve UHC are looking for ways to do so efficiently and effectively; to do so will require innovation.

Over the course of the implementation of this Strategic Plan, Grand Challenges Canada will align our work with SDGs and will track how the innovations that we support contribute to the achievement of the SDGs, including UHC. Through our work, we are contributing to the following 12 SDGs:

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice, Strong Institutions
17. Partnerships for the Goals

Growing Interest in Innovation

Since Grand Challenges Canada was launched in 2010, the international development innovation ecosystem has become more crowded, with innovation becoming more a more prominent focus for donor, local and aid-recipient governments:

- In Canada, Global Affairs Canada has increased its focus on development innovation, through initiatives such as the $1.5 billion International Assistance Innovation Program.
• Domestically, the federal Social Finance Fund, promising $755 million over 10 years, is to be introduced in 2020, while the Privy Council Office’s Impact and Innovation Unit has been working across the government to launch domestic challenge programs.

• Globally, the World Health Organization, Global Financing Facility at the World Bank, and other multilateral organizations with influence in LMICs recognize they could play a role in facilitating the scale of innovation.

• Despite this increased prominence, the use of technology, particularly big data, artificial intelligence and machine learning, dominates high-level innovation conversations. There continues to be an important role for Grand Challenges Canada, with our focus on Integrated Innovation and supporting LMIC innovators, to identify and solve the challenges that are most relevant to their lives.

Looking forward, we will continue to promote Grand Challenges Canada as a preferred innovation partner for the public, private and philanthropic sectors.

Rapid Growth of Innovation Networks

With the growing international interest in innovation, a number of global innovation networks and alliances have arisen:

• Grand Challenges Canada is an anchor partner in the Global Grand Challenges network, which includes three anchor partners (Grand Challenges Canada, the Bill & Melinda Gates Foundation and USAID) and ten other partners (Africa, India, South Africa, Ethiopia, Brazil, Thailand, Israel, Korea, China and Peru). As this network continues to mature, it is increasingly able to partner with other funders to support innovation.

• We are also partners in the International Development Innovation Alliance (IDIA). IDIA currently includes 14 core partners, including Grand Challenges Canada and three of our main funders (Global Affairs Canada, USAID and DFID). As the influence of IDIA continues to grow to include other governments and funders, the network is becoming an important strategic platform.

As we continue to grow and mature, Grand Challenges Canada will continue to play a leadership role in these (and other) global innovation networks.

Grand Challenges Canada’s strengths leave us well positioned to thrive in the global innovation for impact ecosystem

Grand Challenges Canada has a number of strengths and organizational competencies that together form a significant collaborative advantage in the global innovation for impact ecosystem:

• Proven expertise in applying and adapting processes to enable innovation for impact, including:
  o Identifying winners early and enabling unsuccessful innovation to fail fast and as inexpensively as possible
  o Attracting and supporting new/unusual innovators, particularly those from low- and middle-income countries
  o Being nimble, flexible and adaptable to changing priorities.
• Strong track record in working successfully and collaboratively with the government, and trusted by the public service to accountably deliver large programs and to mobilize non-government funding from a broad range of partners.
• First mover in targeting neglected areas of innovation, including:
  o Building pipelines of innovations in areas such as mental health (Global Mental Health) and early child development (Saving Brains)
  o Overcoming the "pioneer gap" with our approach to enable innovations to transition to scale.

... And going forward we must remain nimble

Given the rapidly changing and growing innovation-for-impact ecosystem, Grand Challenges Canada must remain flexible and responsive, both to the demands of our funders and to the changing needs of our ultimate beneficiaries in low- and middle-income countries, conflict settings and Indigenous communities in Canada.

Lessons Learned

Nine years ago, when we started implementing our platform for development innovation, we talked a lot about creating pipelines of innovation and growing the innovation ecosystem. Innovation theory suggests that a successful innovation process needs:

• A broad pipeline of innovations, in order to optimize the chances that a smaller subset of these innovations can have a truly transformational impact
• Targeted supports and systems, to enable innovators to succeed in their work.

Over the course of more than 25 innovation competitions that we have conducted, we have realized that growing an innovation pipeline does not, in and of itself, lead to longer-term, sustainable and scalable solutions. Likewise, a thriving innovation ecosystem does not guarantee that innovators will be able to identify and access the supports that they need to succeed. These elements are necessary but not sufficient to drive impact.

An important lesson learned for us has been that to unlock the transformational potential of our innovators (and maximize the value for money from our funders’ investments in innovation) would require a broadening in focus: from innovation to Innovation for Impact (I4I). We realized that it isn’t innovations that move through the innovation ecosystem but human beings—innovators. On-the-ground impact—saving and improving lives—is the result of the vision, commitment and the effort of individual innovators, and the systems and supports that are put in place to help them to translate their transformative ideas into impact at scale.

This is not to discount the value of investments in building innovation pipelines and ecosystems, but rather to recognize the importance of combining these elements with an innovator-centered approach to catalyzing innovation for impact. Grand Challenges Canada will continue to ensure that our innovators are at the heart of our work, and to keep improving on this focus. This is particularly true for innovators with innovations transitioning to scale, as each innovation has a unique path to scale that needs to be nurtured.
A third learning for us has been that any gap in the innovation-for-impact system can reduce impact and value for money. We have found that although it is important to focus attention on enabling promising innovations to transition to scale as quickly as possible, for transformational advances to occur efficiently, it is critical to maintain a pipeline of seed innovations. Going forward, we will endeavour to commit an equal amount of funding to seed awards as to transition-to-scale investments.

Further, as much as it is important to support a broad number of seed innovations to build the innovation pipeline, the impact of these investments can only be realized if they have a path to move on from seed through transition-to-scale to impact. Moving forward, we will continue to develop targeted capabilities to support and connect innovators across the innovation-for-impact ecosystem.

One of the most compelling and impactful elements of Grand Challenges Canada’s approach is our ability to leverage funding from private, public and not-for-profit institutions, usually at the project level. Grand Challenges Canada’s percentage of non-Government of Canada funding in the platform has increased from ~5% over our first seven years of operations to 26% as of the end of 2018. Grand Challenges Canada will continue discussions with other potential funders to maintain and, to the extent possible, further increase this percentage. That being said, anchor funding from the Government of Canada (via Global Affairs Canada) is necessary to maintain alignment to Canadian development priorities, to ensure the needed connections and brand association for the platform to succeed, and to leverage additional funding from non-government partners.

Finally, many global health solutions do not have a readily available, market-based pathway to sustainability. Even those that do have revenue-generating models (e.g., products) require uptake into public systems for maximum scale and impact. As such, we have come to realize that, to maximize the impact of most innovations, they will need to be taken up by national health systems and/or supported by multi-lateral organizations as a bridge to public sector uptake. Over the next five years, we will continue to assess how best to align with local country government priorities. We will continue to experiment with our role in enabling government uptake with other partners.
OUR PILLARS

Over the next five years, Grand Challenges Canada will be focusing our work in three pillars of activity: Development Innovation, Humanitarian Innovation and Indigenous Innovation. **Table 1** outlines the programs and activities that we are undertaking in each of these pillars as of June 2019. Over the next five years, our primary focus will be to continue to build out the Humanitarian Innovation and Indigenous Innovation pillars. Our objective is to mature all three pillars so that they support both open and targeted challenges, to address the most pressing Grand Challenges and benefit those most affected by these challenges. We do not anticipate adding additional pillars in the period covered by this strategy.

Our primary geographic focus will remain low- and middle-income countries, conflict settings and Canada, while remaining responsive to the needs of our program funders.

**TABLE 1:** Overview of Existing and Proposed Programs in Development, Humanitarian and Indigenous Innovation.

<table>
<thead>
<tr>
<th>PILLARS</th>
<th>PROGRAMS</th>
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<tbody>
<tr>
<td>Development Innovation</td>
<td>Open Innovation: Stars and Transition To Scale</td>
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<tr>
<td></td>
<td>Saving Lives at Birth: A Grand Challenge in Development</td>
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<tr>
<td></td>
<td>Saving Brains: A Grand Challenge in Development</td>
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<td></td>
<td>OPTions Initiative</td>
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<td></td>
<td>Global Mental Health</td>
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<td>Humanitarian Innovation</td>
<td>Creating Hope in Conflict: A Humanitarian Grand Challenge</td>
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<tr>
<td>Indigenous Innovation</td>
<td>Indigenous Innovation Initiative</td>
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STRATEGIC GOALS

To support our mission of catalyzing innovation that saves and improves the lives of the most vulnerable in Canada and low- and middle-income countries (LMICs), Grand Challenges Canada’s Strategic Plan outlines five Strategic Goals:

<table>
<thead>
<tr>
<th>SG 1</th>
<th>SG 2</th>
<th>SG 3</th>
<th>SG 4</th>
<th>SG 5</th>
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<tr>
<td>Mature existing development innovations</td>
<td>Incubate new Grand Challenges</td>
<td>Secure financial sustainability</td>
<td>Be the preferred Innovation for Impact partner</td>
<td>Be the premier Innovation for Impact employer</td>
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These Strategic Goals will guide our planning and implementation efforts in the Development Innovation, Humanitarian Innovation and Indigenous Innovation pillars over the next five years.

**Strategic Goal 1: Mature Existing Development Innovations**

Grand Challenges Canada has now supported over 1,000 innovations at seed and over 100 innovations to transition to scale\(^1\). Many of these innovations are now poised to realize their true potential to save and improve lives in LMICs. Through the following actions, Grand Challenges Canada will work to mature the existing pipeline of development innovations to generate big impact, by:

- Extending the timeline and quantum of support we can provide, in order to fully address the pioneer gap and to enable the most impactful, previously funded innovations to thrive.
- Supporting successful hand-offs that ensure that the most impactful innovations continue to transition to scale.
- Creating and using paths for proven innovations to be taken up by LMIC governments.
- Making use of innovative financing mechanisms to further enhance the potential for innovations to sustainably transition to scale.
- Exiting from mature Grand Challenges (e.g., Saving Brains and Saving Lives at Birth).
- Dedicating resources to track the impact of and lessons learned by innovators during and after our funding, to ensure that progress towards scale and sustainability continues and is aligned with global access commitments, and to learn from when that doesn’t happen. This includes identifying and tracking meaningful performance indicators beyond ‘lives saved’ and ‘lives improved’, to better convey the impact of our innovation platform.
- Engaging people who have experienced the challenges our programs are targeting

\(^1\) We support about 10% of the most promising seed innovations to transition to scale, while another ~15% transition to scale through outside channels and with other partners.
STRATEGIC GOAL 1 PERFORMANCE MEASURES AND TARGETS

<table>
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<th>Performance Measures</th>
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<tbody>
<tr>
<td>5 innovations adopted by more than one government</td>
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<tr>
<td>20 innovations reaching over one million lives each</td>
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<tr>
<td>150,000 lives saved and 14 million lives improved,</td>
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<tr>
<td>as a result of Grand Challenges Canada-supported innovations</td>
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Strategic Goal 2: Incubate New Grand Challenges

We continuously evaluate opportunities for new Grand Challenges and related initiatives to save and improve lives. As we exit from currently funded Grand Challenges, we can initiate new Grand Challenges. Each new Grand Challenge will be approached with clear go/no-go decision points, and will include seed, transition-to-scale and innovator support components. New pipelines of innovations will be built in greenfield areas and the most promising will be transitioned to scale through the following actions:

- Establishing seed pipeline and initiating transition-to-scale support for the OPTions Initiative.
- Establishing seed pipeline and initiating transition-to-scale support for the Indigenous Innovation Initiative.
- Establishing seed pipeline and initiating transition-to-scale support for a youth-focused global mental health Grand Challenge.
- Scoping additional targeted challenges within the Development Innovation, Humanitarian Innovation and Indigenous Innovation pillars.
- Incubating, launching and providing support for an impact investment fund that supports the scaling of maternal, newborn and child health innovations that require Series B private sector investment.

Engaging people who have experienced the challenges our programs are targeting

STRATEGIC GOAL 2 PERFORMANCE MEASURES AND TARGETS

<table>
<thead>
<tr>
<th>Performance Measures</th>
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<tr>
<td>Up to 4 additional Grand Challenges incubated within existing pillars</td>
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<tr>
<td>Ten-fold increase in reach of top 10% of innovations from new Grand Challenges</td>
</tr>
<tr>
<td>Impact investment fund launched</td>
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Strategic Goal 3: Secure Financial Sustainability

Grand Challenges Canada and the Grand Challenges Canada Foundation form an innovation platform, with support from a broad range of funders in the public, private and philanthropic sectors. Our funders, in turn, provide support for organizational expenses, program expenses and project funding (i.e., their support flows through to innovators).

Global Affairs Canada plays an important role as Grand Challenges Canada’s anchor funder. Support from Global Affairs Canada ensures that Grand Challenges Canada’s innovation platform is viable and can operate at an efficient size and scope. Support from the Government of Canada, through Global Affairs Canada, enables us to crowd in additional funders and leverage their support to solve critical Grand Challenges. Looking forward, we will continue to work closely with Global Affairs Canada and to increasingly leverage their non-financial resources, including relationships and networks, to further amplify the impact of Grand Challenges Canada’s innovation platform.

Supporting Grand Challenges Canada as our anchor partner allows the Government of Canada to position itself as a leader in innovation, and nimbly and flexibly fund solutions to critical challenges in priority policy areas. The platform also allows the transfer of the risks inherent in innovation to an independent external platform (i.e., the ability to take on the risk that innovations will fail because the platform as a whole succeeds and to transfer the hard work of risk management to the platform).

Over the life of this plan, Grand Challenges Canada will continue to seek predictable, year-over-year funding to support and grow our core operations and programs, with the flexibility to identify and pursue priorities where we can have the greatest impact. We will also seek to limit our exposure to financial liabilities, as a result of unpredictable funding cycles and innovator actions. We will ensure our financial sustainability to 2025 and beyond through the following actions:

- Securing re-commitment of Global Affairs Canada as an anchor funder; estimating support at ~75% of our platform.
- Securing complimentary funding to limit stopping and starting of activities due to government funding cycles.
- Securing funding to support Humanitarian Innovation.
- Securing funding to support Indigenous Innovation.
- Securing flexible funding from our primary partners for those operational costs that are difficult to cover.

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2 As of June 2019, Grand Challenges Canada leverages $2 dollars of funding for every $1 of Government of Canada-deployed funding. This includes leverage at the level of innovation projects into the innovations we support, and leverage into the Grand Challenges Canada platform.

3 Average over the five-year period from FY 2020–21 to FY 2024–25.
STRATEGIC GOAL 3 PERFORMANCE MEASURES AND TARGETS

- $40M per year secured from Global Affairs Canada for Development Innovation
- $20M in complementary funding secured to limit stopping and starting of activities and to cover expenses that government funders are unable to cover
- $20M per year total funding secured to support Humanitarian Innovation
- $20M per year total funding secured to support Indigenous Innovation

Strategic Goal 4: Be the Preferred Partner for Innovation with Impact

In addition to the specific programmatic objectives and activities outlined above, Grand Challenges Canada will continue to be a leading global resource and source of expertise on innovation with impact. We have also accumulated significant sector knowledge and expertise, particularly in global health innovation for impact. We will grow our capabilities and reputation as a thought leader in innovation for impact through the following actions:

- Maximizing the potential for innovations to sustainably go to scale by integrating lessons from our programs, partners, venture advisors, incubators and support functions, among others.
- Experimenting with financial tools (e.g., non-grant finance, results-based payments) to learn which ones best enable innovations to scale and be sustainable.
- Mobilizing funders and other partners, including those within our existing network, to invest in the most impactful solutions.
- Leveraging the Grand Challenges approach as a vehicle for science and innovation diplomacy.
- Advancing gender equality in innovation programs.
- Ensuring that innovations and knowledge are made broadly and affordably accessible, including through enforcing rights attained pursuant to our Global Access Policy and Open Access Publication requirements.
- Sharing the lessons we have learned with others through knowledge management, strategic knowledge translation, and consulting.
- Exploring opportunities for innovations designed for LMIC settings to save and improve lives in Canadian communities.
Strategic Goal 5: Be the Premier Innovation for Impact Employer

Grand Challenges Canada is supported by an agile, committed and effective team. Access to diverse people with the competencies to accomplish our mission is our primary asset and a key success factor in maximizing organizational performance. Grand Challenges Canada strives to attract the most talented individuals by having a positive working environment, where every employee knows that they can make a difference and is recognized for doing so. We will continue to develop and support the full potential of our employees, to enable them to grow as individuals, in teams and within the organization. Grand Challenges Canada will develop and maintain this high-performing and resilient team through the following actions:

- Supporting the professional development of each employee.
- Maintaining clear role descriptions so that growth paths, where available, are clear to all employees.
- Helping managers be good managers.
- Creating succession plans for all key employees.

Strategic Goal 4 Performance Measures and Targets

| The Government of Canada enables Grand Challenges Canada to deliver all innovation programming within this strategy |
| The Government of Canada actively seeks the advice of Grand Challenges Canada to advise on its innovation programming |
| Grand Challenges Canada is regularly invited as a thought leader to participate in global innovation forums |

Strategic Goal 5 Performance Measures and Targets

| At least 90% of staff rated “outstanding” and “strong contributors” in their previous performance review are retained year over year |
| At least 80% of staff report job satisfaction (via annual survey) year over year |
| Succession plans defined for all key positions |
IMPLEMENTING THE PLAN

Partnerships

Partnerships are at the core of Grand Challenges Canada's success. Over the past 10 years, Grand Challenges Canada has developed a range of strategic partnerships with Canadian and international organizations, institutions and funders. Another important element of Grand Challenges Canada’s approach to partnerships is leadership in the network of global Grand Challenges organizations. Grand Challenges Canada is an anchor partner in this international network, and supports the development and implementation of Grand Challenges organizations in strategic partner countries. Annex 1 provides an overview of Grand Challenges Canada’s strategic partnerships and the network of global Grand Challenges organizations.

In implementing this Strategic Plan, we will continue to explore strategies to engage partners and mobilize their financial and non-financial resources in order to maximize the impact of our platform, in addition to the work outlined in Strategic Goal 4: Be the Preferred Innovation Partner.

Finances

Grand Challenges Canada’s financial sustainability is dependent on program funding and operational funding. Program funding is tailored to the specific timing and financial needs of our programs, and its value speaks for itself. Operational funding provides a foundation for programming, required both during active program deployment but also after program deployment, to track outcomes, to ensure Global Access commitments are fulfilled, to enable transition to scale, to manage and monitor repayables, and to maintain partnerships and networks.

Stable, predictable and flexible operational funding will remain critical to addressing the operational recommendations of the recent Summative Evaluation of the Development Innovation Fund in Health and the International Expert Panel Review of Grand Challenges Canada. In addition to the specific actions of Strategic Goal 3: Secure Financial Sustainability, Grand Challenges Canada has, and will, continue to diversify our funding sources. The Grand Challenges Canada Foundation will also provide a vehicle to enable philanthropic contributions to support the vision and mission of the Foundation, which is aligned with our mission and vision, to enable the delivery of our programs.
Organization

Activities
As an entrepreneurial organization, Grand Challenges Canada has experimented over the last nine years with the types of activities that its innovation platform should provide, to generate the greatest value-add to the innovators it supports and to the ecosystems in which it operates. Grand Challenges Canada’s innovation platform is currently being applied in three pillars: (1) development innovation in LMICs; (2) humanitarian innovation in conflict zones; and (3) Indigenous innovation with Indigenous communities in Canada.

Grand Challenges Canada aims to produce the greatest impact as efficiently as possible. A rough indicator of efficiency is operations costs, presented as a percentage of total budget. Historically, ‘operations’ costs included all costs that were not flowed through to innovators. Operations costs have fluctuated over the past five years, from a low of 10% in 2014–15 to a high of 22% in 2017–18. Two factors drive the percentage: activity types, and the amount of program spending in a given year, which is driven by the availability of funds from our funders. Going forward, we will be separating costs to be more comparable with other funders; our operations costs will be called “Operations & Administration”, and all costs needed to run our programs will be part of Programs (Operations directly relating to Programs, Program Support Activities and Flow-Through Funding to Innovators).

Grand Challenges Canada will continue to focus on optimizing resource management in the context of program results, while acknowledging for the first time the resource-intensive nature of many of our Program Support Activities. We will seek to strike an appropriate balance between the activities we take on, the resources required to ensure these activities have the expected impact, and the willingness of our funders to support our operations.

Enablers
Grand Challenges Canada attracts young, ambitious talent with significant professional development requirements, which we need to understand and support so that they can realize their full potential. In addition to the actions supporting Strategic Goal 5: Be the Premier Innovation for Impact Employer, we will shortly deliver a human resources plan and, more broadly, continue to maintain a culture of trust, openness and empowerment.

As noted in the Partners and Finances sections, strengthening of partnership development and resource mobilization—both key enablers—will continue to further improve our effectiveness and efficiency. Expanding funding and in-kind contributions to support this is an important requirement going forward. Accountability will be further strengthened through the monitoring, analysis and reporting of our performance, along with comprehensive risk management. This provides a factual basis for decision-making, and helps to maintain the confidence of our funders and other stakeholders. These enablers are further discussed in the remainder of this section.
**Risk**

As an innovation organization, we recognize that in order to deliver impact we have to take on and manage risk. We are working to quantify those risks that correlate strongly with higher levels of impact and those that are more weakly correlated with impact (i.e., we should not take on higher risk unless it increases the chance of impact). Our organizational risk appetite is:

*As an innovation platform working in challenging contexts, Grand Challenges Canada has a high appetite for innovation and external risk, a low appetite for fiduciary risk, and a medium appetite for other forms of execution risk. We are only willing to take on greater fiduciary and execution risks if it will increase the potential for social return, and only with corresponding mitigation measures. We have a low risk tolerance for organizational fiduciary, reputational, governance and impact risk.*

Grand Challenges Canada’s risk appetite for each category of risk that we track and manage is:

<table>
<thead>
<tr>
<th>Project Risks</th>
<th>Overall Risk Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Innovation</td>
<td>High</td>
</tr>
<tr>
<td>2. Execution</td>
<td>Medium</td>
</tr>
<tr>
<td>3. Fiduciary</td>
<td>Low</td>
</tr>
<tr>
<td>4. External</td>
<td>Medium</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organizational Risks</th>
<th>Overall Risk Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Fiduciary</td>
<td>Low</td>
</tr>
<tr>
<td>6. Reputational</td>
<td>Low</td>
</tr>
<tr>
<td>7. Governance</td>
<td>Low</td>
</tr>
<tr>
<td>8. Impact</td>
<td>Low</td>
</tr>
</tbody>
</table>

Since our inception, Grand Challenges Canada has put a strong focus on risk management and mitigation, as outlined in our *Risk Management Policy*. Our approaches in this regard have been refined and enhanced over the past nine years under the guidance of the Audit, Finance & Risk Committee. The key elements of our approach to risk management, mitigation and reporting include:

1. **Corporate Risk Profile**: The detailed profile lists the categories of risk we are aware of, and provides an assessment of risk impact, risk likelihood and a risk mitigation/response. This is reviewed and presented to the Audit, Finance & Risk Committee every six months (June and December) and to the full Board once a year (December). Our funding agreements with donors also include risk profiles that are also updated and reported on to our Board of Directors, as part of our reporting requirements.

2. **Key Risk Report**: Management analyzes the key risks every six months and provides a Key Risk report to the Board for discussion (June and December).
3. **Risk Event Reports**: Risk event reports are provided to the Audit, Finance & Risk Committee every quarter (or more frequently if the risk event is urgent). The reports describe any risk events that have occurred and management’s approach to address them and mitigate such risks from reoccurring (where possible). Risk events are then reported to the relevant funder, where applicable.

4. **Mitigation Measures**: There are a multitude of mitigation measures within each of the categories of risk. Some illustrative examples include:
   a. **Innovation Risk**: How we structure our programs (i.e., that we fund a lot of projects at seed with smaller amounts of funding, and fewer projects at Transition To Scale with higher amounts of funding);
   b. **Fiduciary Risk (Project)**: How we advance funds (e.g., funding in tranches with milestones and a holdback), and how we conduct pre-funding due diligence (e.g., pre-grant inquiries, institutional assessments, peer review by the Canadian Institutes of Health Research, multi-faceted due diligence by the Transition To Scale team, spot-check audits, regular reporting, site visits, compliance calls, programmatic check-in calls, etc.)

Management will continue to work with the Audit, Finance & Risk Committee to review and enhance our risk management and mitigation procedures.

**Progress**

Impact measurement is a core element of our innovation platform. As noted earlier, our key indicators of success are the number of lives saved and improved as a result of Grand Challenges Canada-funded innovations. The goal is to provide innovators with a logistically feasible and meaningful approach to measuring the impact of their innovations. Core elements that we track and measure include:

1. **Outcomes (Lives saved and lives improved)**
   - Actual outcomes to date
   - Projected outcomes to 2030 – Because the impact of an innovation is not fully realized until at scale, we model out the future impact of innovations prior to transition-to-scale funding, to better assess their potential impact at scale.

2. **Outputs and Activities**
   - Additional indicators are measured to help assess whether or not meaningful and long-lasting changes are occurring as a result of the innovations we fund. These include:
     o Scale and sustainability, which are measured through the increased magnitude of reach of an innovation, as well as revenue generation, investments and partnerships that facilitate growth and expansion.
     o Systems-level change, which is measured through engagement of government, decision-makers and other key stakeholders and service delivery partners, and the resulting policy and practice influence.
     o Challenge-level change, which is measured through challenge-specific indicators.
3. Qualitative Measures of Impact

- Recognizing that the impact of an innovation on an individual basis cannot be fully captured in numbers, we experiment with using storytelling and other qualitative measures to supplement quantitative data.

These core elements form the centrepiece of accountability for results at Grand Challenges Canada. We plan to dedicate resources to track the impact of innovations and innovators during and after projects and investments have run their course, to ensure that Global Access agreements are implemented and innovations are taken up at scale. As we have worked with our innovators and partners, the need to more comprehensively convey the impact of the Grand Challenges Canada innovation platform has arisen. To do so, we will be moving beyond the metrics of ‘lives saved’ and ‘lives improved’, and will experiment with meaningful ways to capture the major milestones achieved by innovators as they navigate the paths between a bold idea and generating big impact.

In addition to the impact of the innovations Grand Challenges Canada funds, we also monitor our organizational effectiveness and efficiency. As Grand Challenges Canada grows, we recognize this aspect also needs to mature. We will be exploring the adoption of a more structured framework to assess our organization, in order to understand gaps and stimulate solutions that move the organization towards excellence.

Taken together, our regular monitoring, analysis and evaluation of program and organizational results provides the opportunity for Grand Challenges Canada to learn from the implementation of this Strategic Plan and inform the strategic decision-making process.

The second part of this plan is a more detailed, five-year costed operational plan, which sets out the activities underlying each goal and the budget required to achieve them.
ANNEX 1: OUR PARTNERS

ANCHOR FUNDERS

Canadian Global Affairs
Affaires mondiales
Canada

THE
ROTMAN FAMILY
FOUNDATION

FUNDING PARTNERS

Australian Aid

BILL & MELINDA GATES foundation

Department of Health & Social Care

the ELMA foundation

McConnell Foundation

Ministry of Foreign Affairs of the Netherlands

Norad

pivotal VENTURES

UBS Optimus Foundation

USAID FROM THE AMERICAN PEOPLE

UK aid FROM THE BRITISH PEOPLE
INTERNATIONAL DEVELOPMENT INNOVATION ALLIANCE (IDIA)

Grand Challenges Canada is a Non-State Actor in Official Relations with:

World Health Organization