

2021—
2022

Annual Report

Your Innovation Partner



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A Message from the Chair of the Board of Directors

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I continue to contribute my time and leadership to Grand Challenges Canada because of the unique contribution we make to solving some of the world's most important challenges. I think that Grand Challenges Canada is a 'gem'—I am so proud of what we have and will continue to accomplish together.

GUYLAINE SAUCIER

We live in a world of growing challenges—increasing conflict in Ukraine, Yemen, Ethiopia, South Sudan and elsewhere, a worsening climate crisis, deepening health inequity in many countries, particularly in the context of the continuing COVID-19 pandemic. Thinking about these challenges can be overwhelming, let alone knowing where to begin to solve them.

Grand Challenges Canada (GCC) offers an important antidote to these challenges. For the last 12 years we have built and tested our innovation platform, learning how to make real progress in addressing critical global challenges. Despite our comparatively small size, GCC ‘punches above its weight’ in finding solutions across a range of challenges, and supporting and enabling these innovations to go to scale.

As Chair of the Board, I, along with my Board of Directors colleagues, now turn our minds to defining the place for Grand Challenges Canada in the future. In particular, we want to identify how the power of the Grand Challenges Canada platform—to fight inequities by supporting innovation—could be deployed to new challenges. How can our innovation for impact platform mobilize new stakeholders around new challenges, such as climate change? What challenges could be addressed using a Grand Challenges approach? I look forward to finding the answers to these questions, together with our talented team and partners.

As always, I am deeply grateful to all of the members of the Board of Directors, Councils and Committees who contribute greatly to our work through their invaluable insight and support. In particular, I would like to acknowledge the contributions of our Committee and Council chairs:

- **Johanne Charbonneau**, Chair of the Audit, Finance & Risk Committee
- **Morris Rosenberg**, Chair of the Governance & Human Resources Committee

- **Gerhard Pries**, Chair of the Investment Committee
- **Carol Dahl**, Chair of the Program Advisory Council
- **Diane Roussin** and **Karri-Lynn Paul**, Chair and Vice Chair, respectively, of the Indigenous Innovation Council.

In February 2022, we were saddened by the passing of a world-renowned leader in public health and champion for innovation in Africa. A former member of GCC’s Board and Scientific Advisory Committee, Dr. Mwele Ntuli Malecela made important contributions to our work and to our governance.

Thank You to Our Partners and Funders

Our work would not be as rich and transformative without the support of our partners and funders. In particular, I would like to thank the Government of Canada—including Global Affairs Canada, Women and Gender Equality Canada and Indigenous Services Canada—for their ongoing financial support of Grand Challenges Canada.

Additionally, I am grateful for the partnerships with the Bill & Melinda Gates Foundation; the other members of the Grand Challenges Network; the United States Agency for International Development’s (USAID) Bureau for Humanitarian Assistance; the UK’s Foreign, Commonwealth and Development Office (FCDO) and Department of Health and Social Care; the Ministry of Foreign Affairs of the Netherlands’ Department for Stabilisation and Humanitarian Aid; as well as the many other partners and funders. Without these partnerships, our work would not be possible.

Best regards,



Guylaine Saucier, CM, FCPA
Chair, Board of Directors

A Message from the Co-CEOs

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What inspires me about the work we support at Grand Challenges Canada is that we are changing the status quo. We support innovators who would otherwise not be able to test their bold ideas. We are creating pathways to scale that have never existed before, so that proven innovations can have lasting impact. We have created structures that invite private sector investors to be part of the solution. All of this while still staying focused on our ‘north star’: saving and improving lives.

JOCELYN MACKIE

“

What inspires me about the work with GCC is how we enable innovative solvers—who are closest to the Grand Challenges—to develop and test their ideas for how to make the world a more equitable place. From the relatively simple act of linking those who have been excluded from traditional funding approaches to resources, networks and peers, we are helping to enrich the global marketplace of scalable and sustainable solutions.

KARLEE SILVER

The last two years have been a period of deep change and uncertainty. The unprecedented, and continuing, COVID-19 pandemic has impacted our collective health and well-being, and disrupted every facet of our work and lives, and those of the innovators that we support.

This year, we celebrated an important milestone: **10 million lives improved** [🔗](#) by the innovations that we have supported! This is an important accomplishment for our Global Health Innovation and Humanitarian areas of impact. The impact will only continue to grow over time, while those individuals whose lives have already been improved, and the communities they live in, are set on a different trajectory to thrive.

Our Humanitarian area of impact continues to grow and mature, as a result of the initial success of **Creating Hope in Conflict: a Humanitarian Grand Challenge** [🔗](#). To date, this program has funded 62 innovators in 23 conflict-impacted countries, with a total investment of over \$26 million. Looking to the future, we are working to grow this area of impact with a continued focus on localization—supporting innovators who are on-the-ground in the communities and countries most impacted by conflict.

The Indigenous Innovation Initiative also continues to grow and evolve, moving towards a more sustainable and impactful platform to support Indigenous innovators across Canada. We are inspired by the **Indigenous Gender Equality Program’s first impact report** [🔗](#). Grand Challenges Canada is proud to host this important platform for reconciliation and transformative Indigenous innovation.

The pandemic coincided with the launch of our **Strategic Plan to 2025** [🔗](#)—a five-year plan to save and improve lives through innovation. At the mid-point of our strategic plan, we are proud to share that, despite the pandemic, we are on track to achieve many of its ambitious targets. This accomplishment is due to the exceptional work, adaptability and dedication of the entire Grand Challenges Canada team and advisors, and the innovators that we support.

The mid-point review of our Strategic Plan is not only an opportunity to reflect on our successes and learnings to date; it is also an opportunity to think strategically about the future. This year, we are sharing with you some reflections on three key areas that we intend to explore more deeply in the final years of our current strategic period.



Photo credit: The Yukon Soaps Company

How Can Grand Challenges Canada Continue to Evolve as an Organization That Shifts Decision-Making To, and Meaningfully Engages With, the Communities Where Innovations Are Being Implemented?

Globally, there is growing momentum to shift decision-making and power from those who have historically had power, to those who have historically been marginalized. In our work, this means continuing a journey to shift power from organizations in high-income and relatively conflict-free countries like Canada, to decision-makers in low- and middle-income countries and places of conflict. In the context of the Indigenous Innovation Initiative, it means working to shift decision-making from non-Indigenous leaders to Indigenous leaders and communities.

We are proud that the Grand Challenges Canada model has always focused on supporting innovators closest to the challenges they are working to solve. To date, in our Global Health Innovation and Humanitarian areas of impact, 63% of deals are led by institutions in low- and middle-income countries and/or conflict-affected countries. But we know we can do more.

Over the coming years, we will be continuing to challenge norms and the way we have 'always done things'. Some examples include: working with country governments to define challenges and be engaged in the selection process of new innovations; trying more trust-based approaches for grant management while still upholding high accountability to meet the needs of our funders; and supporting the Indigenous Innovation Initiative's strategic vision to be a self-determining platform.

What Is Our Most Impactful Role in Enabling Scale and Sustainability?

The focus on scale and sustainability has always been at the core of how we evaluate and support innovations for impact. As a small organization with limited resources, however, it is increasingly important for us to focus on how we can best catalyze the ecosystem for sustainable, long-term impact at scale.

We were proud to incubate the Women's and Children's Health Technology Fund last year that successfully launched with a [\\$30 million USD first close](#). Also, we are a year into executing on our *Public Sector Demand and Scale Strategy*. This strategy has led to enabling two Kenyan county governments to articulate needs for [innovative solutions to advance their priorities](#).

In the second half of this Strategic Plan, we will be continuing to work closely with the World Health Organization and the Global Financing Facility to meet country-level demand for innovations that have been de-risked and have evidence that they save or improve lives. We will also be focusing on how we can continue to enable private-sector investment in innovations for impact from our portfolio, and partners' portfolios, to support sustainable scale. This work will inform future strategies for private- and public-sector demand and scale.

How Can We Further Leverage Grand Challenges Canada's Innovation for Impact Platform?

As an innovation platform, we often get asked to advise on other organizations' innovation processes or aspirations. We have also been asked to get involved in new challenge areas. Now that we have reached the number of new challenges we anticipated exploring within our current Strategic Plan, we are considering the best way to meet these opportunities and potentially lay the foundation for growth.

We will be dedicating some resources to better articulating our offerings, to see if this results in measured, and properly resourced, growth. One new area we have been asked to examine more deeply, by advisors and partners, is a Grand Challenge to enable health in the face of climate change. We look forward to learning from this focus over the next 1–2 years to inform our next Strategic Plan.

We are deeply grateful for Grand Challenges Canada's dedicated advisors and governors—particularly the Board of Directors, chaired by Guylaine Saucier, the Program Advisory Council, Investment Committee and the Indigenous Innovation Council. Your insights and contributions are fundamental to our impact and continued growth and evolution.

We remain incredibly grateful to all of our funding partners, in particular the Government of Canada. Thank you for your trust in our platform to help you achieve your goals.

We are so thankful for the entire Grand Challenges Canada team who have worked through over two years of a global pandemic with grace, humour and perseverance. We are humbled by their thoughtful and collaborative dedication to the incredible innovators GCC is privileged to support.

We look forward to enabling more impact together in the second half of our current Strategic Plan.



A handwritten signature in black ink, appearing to read 'Jocelyn'.

A handwritten signature in black ink, appearing to read 'Karlee Silver'.

Jocelyn Mackie and Karlee Silver
Co-Chief Executive Officers

12 Years of Impact—By the Numbers*

Grand Challenges Canada has supported over 1,400 innovations in 96 low- and middle-income countries and/or conflict-affected countries, as well as in Indigenous communities in Canada. Within our Global Health Innovation and Humanitarian pillars, 63% of deals have been led by institutions in low- and middle-income countries and/or conflict-affected countries.



These innovations have the potential to save up to 1.78 million lives and improve up to 64 million lives by 2030

(plus one million lives saved and 52 million lives improved through implementation partners**)



57,800 lives saved

(plus 28,000 lives saved through implementation partners**)



11.76 million lives improved

(plus 1.6 million lives improved through implementation partners**)



30.4 million people using innovations



31,000+ jobs created in low- and middle-income countries



42% of projects led by women and gender-diverse individuals



336 projects led by Canadian-based institutions



For every \$1 that Grand Challenges Canada has deployed from Global Affairs Canada, we have leveraged \$2.03 from other partners and investors

*As of end of fiscal 2021–2022.

**As reported by health impact funds that GCC helped catalyze and in which GCC invested; some implementation partners calculate projections differently—impact will likely be realized between 2029–2033.

① To learn more about the transformative impact of the Indigenous Innovation Initiative visit:
https://indigenouinnovate.org/downloads/i3-fy-2021-2022-annual-report_august-2022.pdf

① To discover the growing portfolio of the Humanitarian Grand Challenge, visit:
<https://humanitariangrandchallenge.org/wp-content/uploads/2022/04/HGC-Annual-Report-2022.pdf>

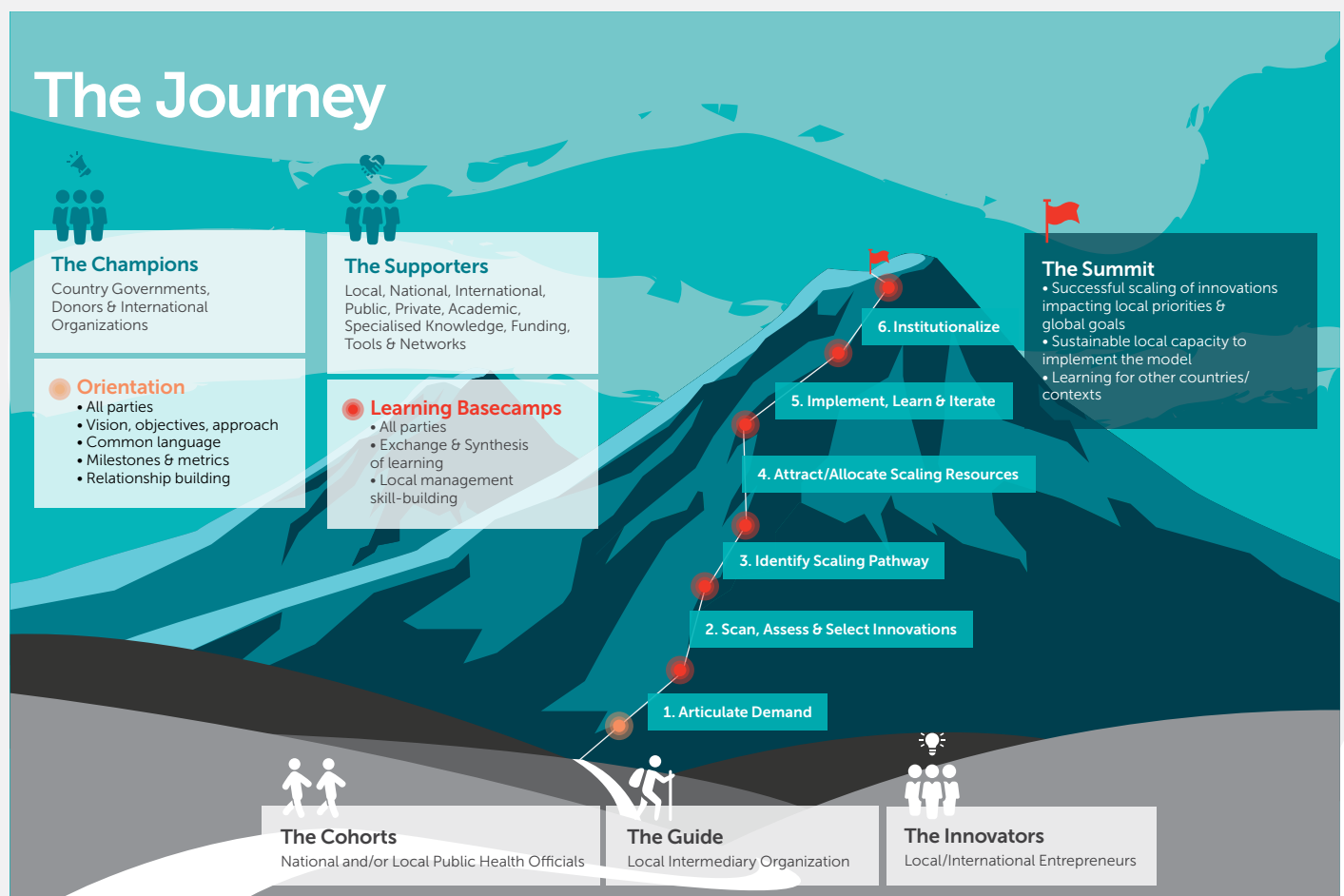
Strategic Highlights

Forging a Path Towards the Sustainability and Scale of Supported Global Health Innovations

With a well-curated pipeline of tested, ready-to-scale solutions (involving a multi-year process of evidence building, de-risking business models, proving value for money and building governance practices), Grand Challenges Canada's next goal is to maximize the impact of its investments in the innovation process.

Healthcare provision in low- and middle-income countries is mainly a government responsibility. The objective of our two-year *Public Sector Demand and Scale Strategy* is to test the role of GCC in increasing the sustainability and scale of GCC-supported global health innovations by meeting the demand for ready-to-scale solutions articulated by the public sector in low- and middle-income countries.

A Model for Enhancing Public Sector Demand for & Scaling of Innovations



Priority activities include catalyzing the readiness of priority countries to demand and scale health innovations by supporting local intermediaries to increase the ability of government to articulate demand. Notably, led by Insight Health Advisors, GCC is funding an experiment to test a six-step approach to design and institutionalize demand and scale of health innovations—the ‘Mountain Model’—in Makueni and Kajiado counties in Kenya. At the end of 2021–2022, both counties had clearly articulated the types of novel solutions they are seeking to achieve the health goals in their regions.

In addition, we are focused on responding to country demand by leveraging the core capabilities of multilateral organizations, like the World Health Organization (WHO) and the World Bank, as proxies for country government demand. Two GCC-supported innovations ([Hewatele](#) and SPO2) were selected via a transparent process initiated by the WHO to address oxygen needs in Somalia during the pandemic.

Early observations from local partners include:

- Our commitment to a true demand-driven approach, where counties and local actors determine their most pressing health gaps that can be addressed by innovation, has been highly valued for fostering locally driven development. This demand articulation approach, free of vendor or donor-driven interests, has sought to bridge the gap between government priorities and population needs, by involving both frontline healthcare workers/community health workers as well as civil servants.
- The method of sourcing potential innovations should be aligned to counties’ needs and priorities; this includes preferring locally grown solutions and selecting the most promising innovators/innovations, based on their evaluations of alignment and fit.

Incubating New Models to Bring in New Resources to Save and Improve Lives

In December 2021, [Cross-Border Impact Ventures](#) (CBIV) announced the launch of its firm and Women’s and Children’s Health Technology Fund, which will invest in health technology companies that address the health needs of women, children and adolescents, and make health systems more resilient. CBIV is working towards an ultimate fund size of more than \$100 million USD.

CBIV was incubated in partnership with Grand Challenges Canada. In addition to providing initial funding to develop the strategy and facilitate the first close of the Women’s and Children’s Health Technology Fund, GCC also supports CBIV with access to world-class expertise in health and health impact modeling.

CBIV also benefits from our connections with other global health organizations and on-the-ground implementation partners. GCC will provide advisory support to CBIV, including supporting its impact assessments and serving on several advisory committees. CBIV is an independent organization and retains all decision-making about what investments it makes.

Grand Challenges Canada was able to support CBIV as a result of the success of the first health impact fund we invested in and helped to catalyze, the [Global Health Investment Fund](#). The Global Health Investment Fund has achieved impressive impact and return results, which are captured in our leveraged impact reporting and financial statements, respectively. We are optimistic that CBIV will be as successful.



Living Our Values

To effectively catalyze innovation, which saves and improves the lives of the historically excluded in Canada as well as low- and middle-income countries, it is important that we continue to take actions to improve Inclusion, Diversity, Equity and Accessibility (IDEA) in our programming, as well as in how we work internally and externally with innovators and partners. To avoid perpetuating the same systemic inequality we aim to fight, living our values (as set out in Grand Challenges Canada's five-year Strategic Plan) often means setting our intentions in a community-led manner. 'Walking the talk' also requires having the courage to be uncomfortable, to strive for authentic relationship-building with the communities that walk this journey with us and to hold ourselves accountable.

Boldness and Creativity

Our Board of Directors approved our second IDEA Action Plan this year and we have been busy working on the active commitments set out in that Plan, in addition to building the values of anti-oppression across GCC. A *Senior Leadership Diversity Plan* was launched to include more diverse and intersectional voices to leadership through mentorship and internal promotions; our employee engagement survey results show us that we are moving in the right direction, even as there is so much more work to do. Foundational work was also conducted in developing and piloting our screening and interview processes that aims to be more inclusive by removing barriers for applicants, a goal in our IDEA Action Plan. We feel strongly that this focus will enable us to better serve the innovators we support, and partners with which we collaborate.

Excellence

The International Development Innovation Alliance's [Equity and Inclusion Taskforce](#) was designed to address the interrelationship between equity and inclusion, the individual, the institution and the innovation development space. In 2021, a tool to self-assess equity and inclusion in the design and development of an innovation was created across five themes: motivation, ownership, environment, action and assessment. Co-CEO Jocelyn Mackie is co-chairing the next iteration of that work, to explore shifting power in this space through innovation practices in the 2022–2023 period. Alongside our peers, GCC's leadership in the innovation development space is part of our commitment to equity, diversity and inclusion with all stakeholders.

Integrity

As part of our *Senior Leadership Diversity Plan*, we created a new role of Senior Manager, Inclusion, Diversity, Equity and Accessibility, to be an internal resource for GCC, leading our IDEA Action Plan goals and implementing our IDEA Policy, and to continue to make our processes more equitable for the innovators we support. This role is our commitment to accountability, as anti-oppression often requires continuous unlearning of biases and learning of new best practices.

GCC's Decolonization Working Group identified areas of improvement focused on decolonizing our processes and strategic approach to leading our departments, as well as on removing barriers for innovators. These priorities guide the necessary macro and micro changes needed for engaging with innovators in a culturally competent manner, and set the foundation for unlearning, learning and evolving the goals of this group.

Diversity and Inclusion

We continued learning more about inclusivity in 2021–2022: Pride at Work Canada held a Trans Inclusion in the Workplace training; Feldman Daxon Partners facilitated Feedback Training on how to give and receive feedback; Native Child and Family Services of Toronto facilitated a session on Truth and Reconciliation; while Box of Crayons focused on The Coaching Habit for developing curiosity when engaging colleagues, innovators and partners.

Humility

This work requires creating an inclusive work culture, so employees have the support and psychological safety they need to build the same environment for innovators. While we have a long way to go, internally, our Human Resources team kicked off a comprehensive pay equity review; an external consultant was hired to rank positions within Grand Challenges Canada and compare them with similar organizations, to assess fair compensation across roles and teams at GCC. Externally, we focused on collecting constructive feedback from innovators through progress reports via our grant management portal and through satisfaction surveys, to be standardized for annual data collection, in order to incorporate innovator input into all work we do.

Rotman Innovation of the Year Award: Fresh Life Initiative

The Rotman Innovation of the Year Award was launched in 2020, as part of Grand Challenges Canada's 10th anniversary. The Award is in honour of the late Joseph Rotman (Founding Chair of Grand Challenges Canada) and his family, in recognition of their unfailing support of GCC. The Rotman Innovation of the Year Award is presented to an innovation that has had the largest sustainable increase in lives saved or lives improved over the past year, and which emulates Mr. Rotman's vision for innovation for impact. The recipient institution receives a flexible \$10,000 CAD prize from the Rotman Family.

Fresh Life Initiative

Fresh Life Initiative (Fresh Life) is a Kenya-based, for-profit social enterprise that works to improve access to safe sanitation in low-income communities. Fresh Life takes an innovative value-chain approach to solve the sanitation challenge in communities with poor or no access to sewer systems. High-quality, container-based toilets are installed in communities, from which waste is safely removed on a regular basis, treated and converted into end-products, including organic fertilizer and insect-based animal feed. These toilets are manufactured locally and come with a handwashing station and a sanitary bin as part of the standard offering.

Fresh Life's model is particularly unique within GCC's sanitation portfolio, as it is the first to scale through a franchise model. Fresh Life provides access to safe sanitation through a network of franchisees that operate Fresh Life's container-based communal toilets. These franchisees, known as Fresh Life Operators, typically reside in the same communities in which they operate and have a vested interest in improving its sanitation standards.

To maintain their status as an operator, franchisees must ensure that toilets comply with hygiene standards set out in the agreement with Fresh Life and meet the monthly subsidized payment of 850 KES (approximately \$9.50 CAD). This monthly payment entitles the Fresh Life Operator to real-time customer support via a customer support mobile application, maintenance and regular waste collection services.

Fresh Life's franchise network stands at 4,018 toilets in Nairobi and 585 toilets in Kisumu, and is now expanding into a third city—Eldoret, one of Kenya's largest cities—in partnership with the city's water and sanitation company.



Fresh Life, Sam Kung'u

☆ HIGHLIGHTS



To date, 145,000 lives have been improved through consistent access to toilets.



11,650+ mT of waste has been removed from communities that would otherwise have been dumped untreated into nearby rivers and waterways.


Improving access to toilets from which waste is safely removed and treated regularly is a critical means for communities to improve health outcomes. According to UNICEF, better sanitation and hygiene could prevent the deaths of 297,000 children under the age of five each year globally.

Stories of Impact: Lwala Community Alliance, Kenya

The Challenge

To transform the health system by using a community-led approach to health rather than imposing siloed technical solutions to specific illnesses.

The Innovation

Lwala's  model for comprehensive community health centres on professionalizing fragmented community health cadres, creating strong networks with facility-based health providers and enabling the community to lead change and to hold the health system accountable. This involves inclusive approaches such as:

1. Revising National Certification Guidelines to reverse eligibility requirements (such as formal educational attainment) that bar many traditional birth attendants from becoming community health workers, and providing training and supportive supervision to ensure they thrive in their roles.
2. Addressing barriers to high-quality care at the facility level by implementing targeted, evidence-based clinical packages on obstetric hemorrhage and expanding access to ultrasound services.
3. Empowering community groups to lead the planning, execution and evaluation of local initiatives, including drafting annual plans and budgets, mobilizing resources to renovate and upgrade health facilities, and sharing feedback on quality of care.
4. Enabling informed and coordinated decision-making at community, county and national levels by developing and piloting an Electronic Community Health Information System.

In a watershed moment for community health, on August 2, 2022, Migori County passed landmark legislation that established community health workers as a recognized and paid cadre of the health workforce, and which defined frameworks for the governance and management of community health systems. It codified the county's commitment to community health workers and paves the way for sustainability of the innovation within the local health system. Lwala has been a proud partner to the Migori County government in making this law a reality.



Lwala, Jamie Clayton



With the support of partners like Grand Challenges Canada, we were able to accelerate new legislation in Migori County that strengthens community health and ensures the payment of community health workers, who are the backbone of the health system.

**JULIUS MBEYA, CO-CEO,
LWALA COMMUNITY ALLIANCE**



PROJECTED IMPACT



By the end of the current funding period, GCC estimates that:

2,500 community health workers in Migori County will be compensated for their valued work.

Community Health Worker service will be expanded to cover a population of 1.1 million people.



By 2030, GCC's impact modelling estimates that:


Up to 727,000 women and children will receive Lwala's package of services, of which 287,000 lives will be improved and 7,000 lives will be saved.

Stories of Impact: StrongMinds, Uganda and Zambia

The Challenge

In Africa, 66 million women are living with depression and 85% have no access to treatment.

The Innovation

StrongMinds'  Group Interpersonal Psychotherapy therapeutic model provides free, group-talk therapy, facilitated by community-based lay counsellors, to treat depression and improve the well-being of underserved women and adolescents living with depression in Uganda and Zambia. Through direct implementation and replication through government and mission-aligned non-governmental organization partners, StrongMinds leverages existing health and education systems and non-government organization infrastructure to reach new markets and create sustainable access to mental health treatment in Sub-Saharan Africa.

Early in the COVID-19 pandemic, StrongMinds launched an innovative tele-therapy model that is enabling the organization to scale more widely and efficiently, to reach new and underserved clients. StrongMinds has integrated phone-based technologies throughout its operations, including enabling remote supervision and training to partners who provide in-person talk therapy. Approximately 75% of clients who complete StrongMinds' therapy programs experience clinically significant improvements in depression symptoms, with early results indicating that tele-therapy is almost as effective as in-person therapy. When looking at tele-therapy specifically, 74% of adolescents experienced significant improvements in depression symptoms while, for in-person therapy, 77% of adolescents experienced significantly improved symptoms.



Photo credit: StrongMinds

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Thanks to the support of Grand Challenges Canada, we were able to pilot our adolescent program and reach the group of individuals with the highest rates of depression globally (those ages 12 to 17). The funding has also allowed us to continue to scale our reach, helping us provide resources to even more women in remote communities of Sub-Saharan Africa. To date, we have reached over 150,000 women and adolescents, thanks to these investments. We greatly appreciate GCC's commitment to improving access to mental health services in a landscape where available funding is so limited.

SEAN MAYBERRY, CEO, STRONGMINDS

PROJECTED IMPACT



2021 was a record-setting year. StrongMinds provided treatment for depression for over 42,000 individuals, nearly doubling pre-pandemic totals and far exceeding the annual target of 36,500.



By the end of the current funding period, GCC estimates that more than 233,000 lives will be improved.



By 2030, StrongMinds will cultivate new replication partnerships, supported by multi-year philanthropic funds, to realize the goal of treating two million patients in Sub-Saharan Africa.



Projet jeune leader, photo credit: Raherimampianina Fanambinantsoa Marc

Management Discussion and Analysis

Overview and Highlights

The close of fiscal year 2021–2022 marks the halfway point for Grand Challenges Canada’s *Strategic Plan to 2025*. We are pleased to report that we are generally on track to achieve the ambitious priorities set out in that Plan, aligned with the following strategic goals:

1. Mature Existing Development Innovations
2. Incubate New Grand Challenges
3. Secure Financial Sustainability
4. Be the Preferred Innovation for Impact Partner
5. Be the Premier Innovation for Impact Employer.

Learnings over the course of executing on the first half of the *Strategic Plan to 2025* are helping us to chart a path forward to expand and deepen the impact we can have as an innovation-for-impact platform.

Strategic Goal 1:

Mature Existing Development Innovations

Recognizing the increasing maturity of our funded portfolios, this past fiscal year has been focused on defining Grand Challenges Canada’s optimal role in supporting innovations’ successful transition to scale.

In 2021–2022, we adopted a new portfolio structure within our Global Health Innovation area of impact. We consolidated existing investments into five thematic focus areas in which Grand Challenges Canada has developed deep expertise:

- Maternal, newborn and child health
- Early childhood development
- Safe pregnancy termination
- Youth mental health
- Sanitation.

The new structure has permitted more efficient portfolio management and will allow us to better support innovators, build learning communities and optimize impact.

We awarded our first funding under the terms of our new Institutional Support Grant from Global Affairs Canada, focused primarily on reinvesting in some of the most promising, mature Transition To Scale innovations in our Global Health Innovation and Humanitarian portfolios. The timing of these reinvestments is strategic for innovators approaching critical points in their trajectory towards scale and sustainability, and the flexible terms of Institutional Support Grant funding will allow us to better meet these innovators’ needs as they grow and learn over the course of their transition-to-scale journey.

Grand Challenges Canada’s sphere of influence extends beyond the support we can offer to individual innovators, however, and there is an opportunity for us to play a greater leadership role in the innovation-for-impact ecosystem, to help catalyze scale and sustainability for funded innovations beyond our transition-to-scale timelines. We finalized a *Public Sector Demand and Scale Strategy* that articulates priority activities we will undertake, to determine the most effective role for us to play in aligning the supply of innovative solutions with demand articulated by key stakeholders in the public sector. We also welcomed a new Director of Scale and Sustainability to our management team to lead this work.

Strategic Goal 2: Incubate New Grand Challenges

New Grand Challenges earmarked for development at the outset of the *Strategic Plan to 2025* are progressing well, validating our ability to scope and implement impactful challenges that are bold in who and how these areas of activity fund.

As of the close of this fiscal year, our Options for Pregnancy Termination Innovation Initiative (OPTions Initiative) is poised to make its first transition-to-scale investments, sourced from a diverse pipeline of early-stage innovations that increase early access to existing safe abortion products and services, or reimagine methods of pregnancy termination that better protect the health and rights of clients. Learnings from this challenge have helped us to realize Grand Challenges Canada's unique value-add as a funder in the sexual and reproductive health and rights (SRHR) space; as a result, the primary focus for our SRHR portfolio going forward will be to develop next-generation methods of pregnancy termination and improve comprehensive SRHR product delivery and client access pathways.

Fiscal year 2021–2022 also saw the launch of the Global Mental Health program's second call for seed funding for innovations in youth mental health. Review and selection of Round 2 projects will prioritize youth-led applications for funding, as was the case for Round 1—89% of 18 Round 1 seed projects funded to date are led by youth, and 44% are funded via organizations which themselves are led by youth.



Creating Hope in Conflict: a Humanitarian Grand Challenge neared the end of its first phase of programming. Its [Annual Report](#) details the achievements to date of a growing portfolio of funded humanitarian innovations that are increasingly deeply connected to the communities they seek to serve. We said goodbye to the inaugural Director of the Humanitarian Grand Challenge, Chris Houston. We are grateful for his impassioned and ethical leadership; he leaves

behind an excellent team to welcome a new director in 2022. This report also presents humanitarian donors, agencies and practitioners with valuable lessons learned from this first phase of the Humanitarian Grand Challenge, with a view to deepening localization in the humanitarian system.



The Indigenous Innovation Initiative published its first [bi-annual impact report](#), *The Indigenous Gender Equality Program: Planting seeds and innovating our way home*. In it, the Indigenous Innovation Initiative team explores how the first cohort of Indigenous innovators to move through this program are dismantling colonial and oppressive systems and rebuilding through love, respect, responsibility and reciprocity to all their relations.

One of GCC's organizational priorities is to increase funding to innovators based in La Francophonie, in particular, Francophone countries in Sub-Saharan Africa. GCC is making concerted effort to increase its presence and reach more innovators in these countries that have been underrepresented in funded innovations. As a result of these efforts, in its latest round of funding, the Stars in Global Health program has increased the proportion of funding to Francophone countries in Sub-Saharan Africa from an average of 7% in past rounds to 22%.

Strategic Goal 3: Secure Financial Sustainability

We continue to operationalize a seven-year, \$200-million Institutional Support Grant signed with Global Affairs Canada in late 2021. Efforts to source complementary funding continue, including fundraising underway to secure renewal for the Humanitarian platform from existing partners and prospective new ones. Renewal conversations began this past fiscal year and are progressing well. We also worked hard throughout the year to secure funding to expand our youth mental health programming and will be welcoming new donor partners; details will be announced later this year.



The Indigenous Innovation Initiative platform has raised a total of \$2.5 million, including more than \$1.5 million in new match funding in fiscal year 2021–2022. Moreover, the Initiative leveraged an additional \$1 million in support from its wide network of partners. Indigenous innovators are also signaling that funding from the Indigenous Innovation Initiative is supporting their capacity to leverage even more substantial capital and supports from the wider ecosystem. For example, with Round 1 innovators, their total in leveraged funds across the 10 projects is estimated to be more than \$3 million (based on self-reported leveraged funds for some of the 10 projects).

Ensuring the financial sustainability of the Indigenous Innovation Initiative remains a priority. To further support this, this year we began to further enhance its fundraising capacity by operationalizing the Grand Challenges Canada Foundation.

With previous funding from the Government of Canada under the Development Innovation Fund in Health (DIF–H), Grand Challenges Canada invested \$10 million in the Global Health Investment Fund (GHIF) in 2011–2012. This was a high-risk investment that had the potential for both impact and financial returns. The positive results exceed expectations: over the last 10 years, GHIF has grown to \$108 million USD and invested in 12 companies, which have collectively improved 1.6 million lives and saved 28,000 lives through a range of innovative health products. Our initial investment was instrumental in catalyzing this impact. Returns from the Global Health Investment Fund allowed us to invest in Cross-Border Impact Ventures and, importantly, to establish a prudent reserve fund that will make our organization more stable in the face of transitions to come.

Strategic Goal 4: Be the Preferred Innovation for Impact Partner

Grand Challenges Canada has been synthesizing and implementing learnings from its maturing portfolio over the past fiscal year, as a model and resource for others invested in innovator-centric approaches to funding and meaningful shifting of power in the context of innovation for impact.

The flexible terms of our Institutional Support Grant with Global Affairs Canada have allowed us to make key process changes in 2021–2022, which are informed by learnings emerging from our portfolios. These have included an update to our Transition To Scale phasing framework and deployment of resources for strengthening ecosystems in which innovators operate. We continue to reflect on our work and to implement informed changes that will make us a better partner and the funder of choice for innovators.

Quarterly engagements with our Program Advisory Council have yielded rich learnings over the past fiscal year. Since 2020, the Council has operated under a refreshed mandate aimed at generating organization-level reflection and actionable learning to support our Global Health Innovation and Humanitarian programs. We welcomed three new advisors who bring deep, contextualized expertise in scaling and sustaining innovation for impact: Drs. Olugbenga Adesida (Cabo Verde), Martina Lukong Baye (Cameroon) and Geci Karuri-Sebina (South Africa). All of us at Grand Challenges Canada are deeply saddened by the sudden passing of Dr. Baye, early in her first term with the Program Advisory Council. We are grateful for the formative contributions that she made to our work, both as an advisor and as a leader in the maternal, newborn and child health community at large.

We continue our efforts to shape the broader innovation-for-impact ecosystems based on learnings from our portfolio. In particular, we have endeavoured over the past fiscal year to take a thought leadership role among our peers in the global [Grand Challenges network](#) and the [International Development Innovation Alliance](#) on matters of scale and sustainability, and on ways to meaningfully shift power in our sector to those who are closest to the challenges we address.

Strategic Goal 5: Be the Premier Innovation for Impact Employer

We are implementing material changes to how Grand Challenges Canada operates, to ensure it remains a place where diverse, high-performing team members want to work and develop.

Much of our work in the past year in support of this strategic goal is summarized in the Living our Values section of this report. In addition, recognizing its critical importance for employees' well-being, we have maintained flexibility in our work-from-home/return-to-office plans throughout the fiscal year and will continue to do so.

We also made the decision to implement a four-day work week pilot starting in 2022–2023. Our goal for the pilot is to enable the team to achieve 100% productivity, at 100% pay, while working only 80% of a conventional work week. This pilot will be an opportunity to learn alongside our staff about how best to support them as professionals and people, and to ensure that GCC stakeholders are not negatively impacted by this experiment around a new way of working.

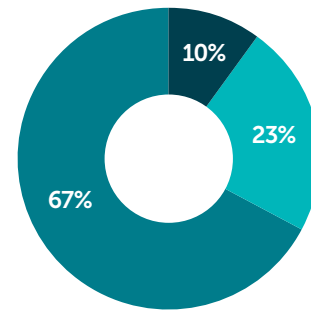
Financial Highlights

This fiscal year's total spending was \$49.5 million, compared to last fiscal year's total spending of \$54.6 million. The decrease in spending of \$5.1 million was due to the COVID-19 pandemic continuing to affect our work and the work of the innovations we fund. One tangible impact has been slower than anticipated spending by the innovators we support. This is having the greatest impact under the Innovation Platform for Maternal, Newborn and Child Health (IP4MNCH) contribution agreement, where we are not able to provide any further time extensions to innovators. We do believe this underspending is reasonable, given the pandemic context.

Despite this situation, Grand Challenges Canada is on track to achieve the strategic goals articulated in its five-year Strategic Plan and accompanying Costed Operations Plan, which cover fiscal year 2020–2021 to fiscal year 2024–2025—the basis of the Institutional Support Grant agreement signed with Global Affairs Canada.

Grand Challenges Canada continues to receive funding from diverse revenue sources. For fiscal year 2021–2022 ending March 31, 2022, non-Global Affairs Canada funding was at 46% of total revenues. We continue to work to maintain a diversity of funding sources, as discussed in the previous section.

Net assets have increased over the past year, primarily as a result of amounts returned to Grand Challenges Canada from impact investments, repayable loans and grants.



● **Organization leverage (\$80,678,658)** represents funds that have been provided to and spent by GCC from funders other than Global Affairs Canada.

● **Programs leverage (\$185,764,712)** represents funds that have been provided by funders other than Grand Challenges Canada or Global Affairs Canada, to support the achievement of our program outcomes; these funds do not flow through Grand Challenges Canada.

● **Project leverage (\$538,334,541)** represents funds that have been provided to innovators to support their innovations, and that do not come from Grand Challenges Canada or Global Affairs Canada; this funding does not flow through Grand Challenges Canada and is often also called “project match funding”.

Leverage

An important element of Grand Challenges Canada's innovation platform is the ability to leverage funding from other investors and partners. Over the past 12 years, up to and including fiscal year 2021–2022, for every \$1.00 of Global Affairs Canada funding deployed, \$2.03 has been leveraged from other investors and partners. We track and report leveraged funds that come in at the program and project levels.

Revenues

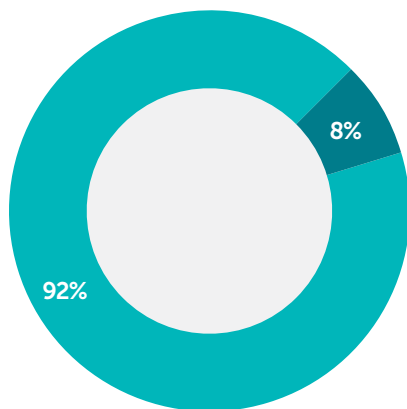
Year	Global Affairs Canada	Other	Amount
2021-2022	54%	46%*	\$51.3 million
2020-2021	45%	55%	\$66.3 million

*Other funders include: United States Agency for International Development's Bureau for Humanitarian Assistance; the UK's Foreign, Commonwealth & Development Office; the Norwegian Agency for Development Cooperation; Australia's Department of Foreign Affairs and Trade; the Bill & Melinda Gates Foundation; the Ministry of Foreign

Affairs of the Netherlands' Department for Stabilisation and Humanitarian Aid; the ELMA Foundation; Women and Gender Equality Canada; the UK's Department of Health and Social Care; the University Health Network, made possible with support from Dr. Peter Singer; and Indigenous Services Canada.

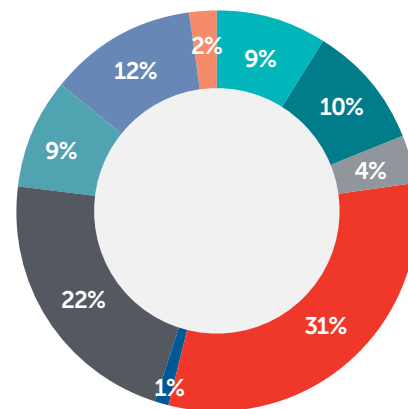
Expenditures

Organizational Expenditures



- Program and Program Support Activities 92%
- Corporate and Administrative 8%

Direct Program Expenditure



- Stars in Global Health 9%
- Saving Brains 10%
- Saving Lives at Birth 4%
- Transition To Scale 31%
- Catalytic Grants 1%
- Humanitarian 22%
- OPTions Initiative 9%
- Global Mental Health 12%
- Indigenous Innovation 2%

Risk Management

At the end of this fiscal year and looking forward to fiscal year 2022–2023, the primary risk facing Grand Challenges Canada continues to be the ongoing disruption posed by the COVID-19 pandemic—in particular, its impact on our team and the innovators we support. Management continues to monitor ongoing developments associated with the pandemic, and to implement guidance and recommendations provided by municipal, provincial and federal governments, along with our employer the University Health Network. Our team has the necessary infrastructure and IT support to continue working from home for as long as is prudent to mitigate the impacts of this pandemic. Due diligence activities have been transitioned either to virtual engagements by the GCC team or to in-person engagements conducted by local service providers.

① For our latest audited financial statement, visit:
<https://www.grandchallenges.ca/wp-content/uploads/2022/08/Financial-Statement-2021-2022.pdf>

2021—
2022

Annual Report

Your Innovation Partner



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