

ANNUAL REPORT

2001

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Message from the Chair

In my new role as Chair of FOCAL's Board of Directors, it gives me great pleasure to continue serving an organization with which I have been involved for the past several years in different capacities. I also wish to take this opportunity to recognize the dedication and selfless contributions made by my predecessor, Meriel Bradford, during her tenure at the helm of the Board.

The year 2001 celebrated the most active engagement of Canada in the Americas as a whole since our emergence as an independent country. Canada took on the political, organizational and security challenges of hosting the III Summit of the Americas in Quebec City. FOCAL with Meriel Bradford as Chair and Nobina Robinson as Executive Director played important roles in an advisory capacity and as participants in the new and significant dimensions of the Summit of the Americas process – the consultations with civil society. FOCAL has been equally active in Summit follow-up, the effectiveness of which is the real test of the Summit process. FOCAL was one of the most active participants in the consultations on the Inter-American Democratic Charter initiated by the Quebec Summit. The FOCAL representative was invited onto the official Canadian delegation at the Special General Assembly of the Charter that proclaimed the Charter on September 11, in Lima, Peru. Summit follow-up on key themes continues to be the strong thread in FOCAL's programming.

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Editor: José Hernández, Publications & Webmaster

FOCAL receives funding from the Department of Foreign Affairs and International Trade (DFAIT), the Canadian International Development Agency (CIDA), and other public and private sector organizations. Project funding is also received from the Canadian Centre for Foreign Policy Development, International Development Research Centre (IDRC), Ford Foundation and the Organization of American States. For the latest information about FOCAL's activities, please visit our web site: www.focal.ca



FOCAL

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The growth in our programs, activities and capabilities is a testimony to the work of our former Executive Director, Nobina Robinson, her successor, Donald R. Mackay, and the dedicated team in Ottawa. I sense the growing relevance of our research papers, recommendations, conferences and networking to our constituency of government, international organizations, foreign governments, the media and academe.

The Board of FOCAL has undergone some renewal with the addition of well-known experts on hemispheric issues such as Dr. Maureen Appel-Molot, Professor/Director of the Norman Paterson School of International Affairs of Carleton University and Ambassador and Canada's Permanent Representative to the Organization of American States, Paul Durand, as an ex-officio member.

Retiring from the Board were Jocelyn Coulon, John Wilson, Joseph Lloyd-Jones and Anthony Cooper. To all members, past and present, I extend my warm appreciation for their contributions.

Keeping FOCAL on a stable financial footing remains a perpetual challenge. With effort and vision I am confident that FOCAL will continue to preserve the high credibility that it has achieved as a point of reference for Canada's hemispheric relations.

On behalf of the Board of Directors, I thank our staff for another year of dedication to our mission of nourishing and stimulating Canadian engagement with the Americas.

John W. Graham

Executive Director's Message

The direction of FOCAL at the Executive Director level for the year was shared almost evenly between Nobina Robinson and myself. I was pleased to take the baton from her hand when she left on maternity leave in June 2001. Ms. Robinson's contributions at the helm of FOCAL were many, among them her recognized contribution to expanding the organization's networks of contacts and enhancing its place as a policy centre. The confidence deposited in me by the Board of Directors has been a challenging and rewarding experience.

The year 2001 was marked by unprecedented activity at FOCAL. Among the most salient events are FOCAL's presence at the Third Summit of the Americas in April, in Quebec City, and at the General Assembly of the Organization of American States in San José, Costa Rica. Both these events helped FOCAL build new partnerships with civil society groups, while providing a venue for discussion and presentation of our hemispheric concerns.

Building upon the success of our first Forum of Hemispheric Experts, launched in 2000, a second meeting took place in June. Once again the event proved to be a great success, both for FOCAL and for our guests. The debates and discussions at the Forum are a valuable contribution to FOCAL's own insight into some of the most pressing themes regarding the Americas.

We continued our work on other key hemispheric issues, organizing and participating in workshops and presentations, and producing 12 Policy Papers, 2 issues of our newsletter FOCAL Point and a background briefing under our Cuba Research Forum on Cuba, all of which are available at our web site, www.focal.ca. Other activities and a wealth of information on Cuba can be accessed at our resource on Cuba www.cubasource.org. Space limitations prevent us from describing all of our activities, but you can find additional information by visiting us at our Internet addresses.

Other hemispheric highlights include events such as the September terrorist attacks in the United States, whose full impact in the entire region has already started to redefine in many ways the political regional landscape. Other events such as peaceful elections in Peru, Nicaragua and Honduras are in their own way no less important as milestones. Argentina has fallen in one of the worst crisis in its history and the OAS reached agreement on a Democracy Charter. And our modest library named after David Pollock will continue to exist as one of the many memories FOCAL will always treasure of he who was a founder, board member, mentor and constant and dear friend of this organization.

In closing I wish to thank the staff and Board (both past and present members) for making my first half-year as Executive Director such a fulfilling experience.

Donald R. Mackay

FOCAL – A Policy Centre Focussing on the Latin American and Caribbean Region

The Canadian Foundation for the Americas (FOCAL) is an independent policy centre based in Ottawa that works to develop greater understanding of important issues in the Americas, and promotes hemispheric cooperation and integration. We engage in debate and dialogue with all participants in the policy community in Canada and throughout the Americas. FOCAL's discussions and in-house expertise result in policy papers and research papers that we bring to the attention of governments, international organizations, the private sector, the non-governmental community and the media.

Our policy analysis is focused on six main program areas that are of concern to decision makers and opinion leaders throughout Canada and the western Hemisphere:

Poverty and Inequality

We are concerned with the rate of poverty and inequity in the Americas. Our research and activities compare the impact and effectiveness of differing responses to the challenges of social development in the region.

Economic Development and Trade Integration

FOCAL examines trade and economic issues including the Free Trade Area of the Americas (FTAA) and other sub-regional arrangements. The program also examines the impact of financial and trade flows, monetary and fiscal policies.

Governance and Democratic Development

FOCAL works to strengthen democratic governance in the Americas by studying state and institutional reforms, the evolving role of civil society, and the links between social and economic inequality and democratic governance.

Inter-American Relations

The major focus of this program is the analysis of Canada's foreign relations in the Inter-American

context. We pay special attention to the initiatives and activities of the Organization of American States (OAS), the Inter-American Development Bank (IDB) and the Summit of the Americas process.

North American Integration

Canada, the United States and Mexico are increasingly integrated across a range of areas beyond those represented by the North American Free Trade Agreement (NAFTA). FOCAL examines possible ways to further integration and their possible implications.

The Research Forum on Cuba

FOCAL fosters informed discussion and analysis on the immediate and long-term challenges facing Cuba and Canadian policy towards the island. FOCAL maintains a specialized web site containing information on the program, electronic versions of our publications, and an annotated list of web links on Cuba at: www.cubasource.org. An electronic mailing list is available where subscribers can automatically receive all materials produced by the Research Forum on Cuba.

The Year in Review

FOCAL at the Third Summit of the Americas

FOCAL was invited to participate in civil society discussions during the third Summit of the Americas in Quebec City on April 20-22, 2001. "Official Guest Status" was given to 60 representatives from hemispheric non-governmental organizations, academic institutions, think tanks, and business associations, selected for their constructive contributions to the Summit process in the months and years leading to Quebec City.

Nobina Robinson and Stacey Wilson-Forsberg represented FOCAL. Overall, the Summit served as an excellent opportunity for FOCAL to gain direct exposure to the dynamics of regional multilateralism and to meet with key hemispheric partners from governments and civil society.

FOCAL at the 31st Regular Session of the General Assembly of the Organization of American States (OAS)

In the capacity of non-governmental observers, John Graham, Chair of FOCAL's Board of Directors, and Stacey Wilson-Forsberg, Policy Analyst, attended the OAS General Assembly that took place in San José Costa Rica, June 3-5, 2001. Observer Status was given to some 60 civil society organizations from the hemisphere working on key OAS issues.

While resolutions on a variety of relevant issues were passed at the General Assembly, discussions amongst the Heads of Delegation focused on three key themes: the elaboration of an Inter-American Democratic Charter, reform of the Inter-American Human Rights System, and the modernization of the OAS in the context of the Summit of the Americas process.

At the General Assembly, FOCAL participated in a meeting between civil society representatives, Canadian Foreign Minister John Manley, Costa Rican Foreign Minister Roberto Rojas, and the Assistant Secretary General of the OAS, Luigi Einaudi. The format of the meeting allowed several human rights organizations to issue statements on the state of human rights in the hemisphere. FOCAL commented on the importance of strengthening the proposed Inter-American Democratic Charter by clearly defining what is meant by an “unconstitutional alteration or interruption of the democratic order”. In its intervention, FOCAL commended the OAS on simplifying the guidelines for the participation of civil society in the activities of the Organization, and encouraged the OAS to carefully prioritize the long list of mandates in the Quebec City Summit Plan of Action.

Forum of Hemispheric Experts

FOCAL's advisory group of leading thinkers on hemispheric issues, known as the *Forum of Hemispheric Experts*, met for the second time on June 8, 2001 in Ottawa. The objective of this year's meeting was to take stock of Canada's foreign and development policies towards the Americas after the Quebec City Summit of the Americas, with the purpose of helping to sustain and promote Canada's engagement with the region. The distinguished group of participants came from Canada, the United States and several Latin American countries, and included academics, representatives of non-governmental organizations, the private sector and international financial institutions, and Canadian government officials, as well as FOCAL's Board of Directors and staff.

The meeting focused on issues considered particularly relevant to Canada's multilateral involvement in the hemisphere as well as its bilateral relations with key partners. Participants also looked at ways in which civil society could contribute to implementing and monitoring key Summit commitments. The first session centred on the proposed OAS Inter-American Democratic Charter and the strengthening of democratic institutions with the second session dedicated to the inter-relation between economic and social policies.

FOCAL was very pleased to have two Canadian ministers with key responsibilities for the Americas address our group. Maria Minna, Minister for International Cooperation, addressed participants during lunch on Canada's development priorities for the Americas; having just returned from the OAS General Assembly in Costa Rica, John Manley, Minister of Foreign Affairs, spoke at the closing reception about Canada's foreign policy objectives in the region.

Meetings and Workshops

FOCAL provided many other opportunities for experts, decision makers and opinion leaders to meet and discuss current issues in Latin America and the Caribbean. Many of these events were undertaken with partners in Canada and abroad, and included the following topics:

- Assessing the Guatemalan Peace Process, with Ambassador Gert Rosenthal (Speaker Series event, February, Ottawa,)
- Presentation at the Special Committee on Inter-American Summit Management (OAS, Washington, D.C., February)
- Canadian Media Coverage of the Americas (Workshop, Carleton University, March, Ottawa)
- Human Rights in Guatemala, with Paul Seils of the Centre for Legal Action and Human Rights – CALDH (Roundtable, March, Ottawa)
- Dialogue on the 2001 Summit of the Americas, (Calgary, March)

- Trade and Prosperity at the Summit of the Americas in Quebec City (Panel, Conference de Montreal, April, Montreal)
- Colombian Minister of Labour, Mr. Angelino Garzón on Labour issues in Colombia (Speaker Series event, October, Ottawa)
- Newsmaker Breakfast with Dr. Compton Bourne, President of the Caribbean Development Bank (National Press Club, October, Ottawa)
- Implementing Trade Agreements: The Canadian Model and its Implications for Central American States (Workshop, October, Ottawa)
- Strategic Issues for Democratic Development: Participation, Democratic Culture and the Post September 11 Context (Conference, November, Ottawa)
- Colombia: The International Drug Trade and Other Challenges, with Colombian Ambassador Fanny Kertzman (Speaker Series event, December, Ottawa)

FOCAL's expertise was also sought by numerous other organizations and individuals. Some of the events in which it was asked to participate included:

- Canadian Association for Latin American and Caribbean Studies Congress (February, Antigua, Guatemala)
- Public Policy Forum Executive Study Tour, Canada-Mexico bilateral Relationship (briefing, May, Ottawa)
- Changing Governance and Public Sector Reform in Latin America (Conference, May, Ottawa)
- Mexican President Vicente Fox meets with Canadian Civil Society representatives (April, Ottawa)
- FOCAL meets with mayors from El Salvador (March, Ottawa)
- WTO, Trade and Development, Department of Foreign Affairs and International Trade Information Exchange and Dialogue (July, Ottawa)
- Information Session on the Inter-American Democratic Charter (July, Ottawa)
- Andean Development Corporation Fifth Annual Conference (September Washington)
- Latin American Studies Association XXIII International Congress (September, Washington D.C.)
- XII Inter-American Conference of Ministers of Labour –IACML (Ottawa, October)



Research Forum on Cuba

FOCAL's Research Forum on Cuba (RFC) is a program that fosters informed discussion on the immediate and long-term issues facing Cuba and Canadian policy towards the island. More information on this program and its activities, as well as annotated links to useful websites on Cuba and its international relations, are found on the Research Forum on Cuba's website (www.cubasource.org). Directed by Cristina Warren, the Forum's activities in 2001 included:

- Round-Table Discussion with Canadian Ambassador to Cuba Michael Small, September, Ottawa
- Cuba Forum Meeting on Comparative Foreign Policies Towards Cuba, July, Ottawa.
- A Background Briefing paper on Cuba titled "Local Government and Economic and Social Change in Cuba" by Haroldo Dilla Alfonso.
- Public Conference on "Best Business Practices in Cuba" [(in partnership with the National Policy Association (NPA) a Washington D.C.-based think-tank], Montreal, June
- The launching of a monthly chronology of top news items (and related web links) on Cuba obtained from a wide selection of sources and posted on the Programs's website: <http://www.cubasource.org>

Public speaker series events designed to share the latest thinking of experts on Cuba, included:

- Damián Fernández, Associate Professor and Chair of the Department of International Relations at Florida International University (FIU) on the effects of emotions on political attitudes and actions throughout Cuba's history, November.
- Mayra Vilasis, Coordinator of the Screenwriting Department of the *Escuela Internacional de Cine y Televisión* on gender and culture in contemporary Cuba, October.

- Alberto Alvarez of the Department of Political Science, *Université de Montréal* and Gerardo González Núñez of the Department of Economics at the *Universidad Interamericana*

in Puerto Rico analyzed the complex and often turbulent relationship between social scientists and the Cuban state since the Revolution, July.

FOCAL is grateful to the Ford Foundation and the International Development Research Centre (IDRC) for supporting this program.

Partnerships

The Canadian Foundation for the Americas is supported to a great extent by the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT). Through ongoing collaboration with these two organizations, FOCAL is able to develop and deliver many activities, including its workshops and policy papers, which enhance Canadian understanding of the issues and concerns facing the Latin American and Caribbean (LAC) region.

In addition to working with DFAIT and CIDA, FOCAL consolidated and expanded its network of partners in 2001, working with a wide range of Canadian, American and LAC institutions, including:

- Rights and Democracy
- Canadian Institute for International Affairs (CIIA)
- Export Development Corporation (EDC)
- Embassy of the Republic of Colombia
- Canadian Centre for Trade Policy and Law (CTPL)
- Embassies of the four Republic of Central America
- CELAG (*Centro Latinoamericano de la Globalidad*)
- International Development Research Centre (IDRC)
- Canadian Council for the Americas
- York University
- *Red Mercosur*, Montevideo, Uruguay
- PROhumana (Chile)
- World Bank
- University of Toronto
- *Institut québécois des hautes études internationales (IQHÉI) Université Laval*
- Leadership Council for Inter-American Summitry
- Carleton University
- University of Calgary
- Canadian Peacebuilding Coordinating Committee (CPCC)
- Canadian Centre for Management Development (CCMD)
- Federation of Canadian Municipalities
- Centre for Legal Action and Human Rights (CALDH - Guatemala)
- Canadian Commercial Corporation (CCC)
- Centre for the Study of International Negotiations, University of São Paulo, Brazil
- Inter-American Dialogue, Washington D.C.
- North South Center, University of Miami
- Organization of American States, Washington, D.C. (OAS)
- Canadian Association for Latin American and Caribbean Studies, Ottawa (CALACS)
- Canadian Centre for Foreign Policy Development, Ottawa (CCFPD)
- *Corporación Participa*, Chile
- *Coordinadora Regional de Investigaciones Económicas y Sociales (CRIES)*, Venezuela
- Economic Commission for Latin America and the Caribbean, Washington, D.C. (ECLAC)
- Esquel Group Foundation, Washington, D.C.
- Florida International University, Miami

Publications

FOCAL's Policy Papers are concise, analytical pieces on issues and developments in the Latin American and Caribbean region and are provided to decision makers and opinion leaders in Canada and throughout the Hemisphere to contribute to policy development. Available free of charge at our web site (www.focal.ca), FOCAL Policy Papers and other publications in 2001 were:

The Lagos Presidency: An Assessment of the Election and its Impact on Canada-Chile Relations

Author: Philip Oxhorn
FPP-01-1 ISBN: 1-896301-56-8

High Expectations for Mexico: Responding to the Priorities of a New Government

Author: Stacey Wilson-Forsberg
FPP-01-2 ISBN: 1-896301-57-6

“Getting Over the Jet-Lag” Canada-Brazil Relations 2001

Author: Florencia Jubany
FPP-01-3 ISBN: 1-896301-58-4

Environmental Security and Governance in the Americas

Author: Eric Dannenmaier
FPP-01-4 ISBN: 1-896301-60-6

Prosperity and Business Ethics – The Case for Corporate Social Responsibility in the Americas

Author: Wesley Cragg
FPP-01-5 ISBN: 1-896301-59-2

The Multilateral Evaluation Mechanism: Is Evaluation of Anti-Drugs Efforts Sufficient?

Author: Eduardo A. Gamarra
FPP-01-6 ISBN: 1-896301-61-4

Local Government and Economic and Social Change in Cuba

Author: Haroldo Dilla Alfonso
RFC-01-1 ISBN: 1-896301-62-2

Central America: The Difficult Road Towards Integration and the Role of Canada

Authors: Luis G. Solis & Patricia Solano
FPP-01-7 ISBN: 1-896301-63-0

Addressing Poverty and Inequality in Latin America and the Caribbean: A Social Primer

Author: Stacey Wilson-Forsberg
FPP-01-8 ISBN: 1-896301-65-7

Haiti After the 2000 Elections: Searching for Solutions to a Political Crisis

Author: José Zaragoza
FPP-01-9 ISBN: 1-896301-66-5

Overcoming Obstacles on the Road to North American Integration: A View from Canada

Author: Stacey Wilson-Forsberg
FPP-01-10 ISBN: 1-896301-55-X

Judicial Reform in the Americas

Author: James Buchanan
FPP-01-11 ISBN: 1-896301-69-X

The Enduring Colombia Conflict: A Canadian Perspective

Author: Judy Meltzer
FPP-01-12 ISBN: 1-896301-70-3

Through its ongoing partnership with the Summit of the Americas Center at Florida International University, FOCAL published three new issues of the “Summit 2001” Newsletter. A total of seven issues of this Newsletter were published between 1999 and the conclusion of the Summit in 2001.

Other publications used by FOCAL to inform decision makers and opinion leaders about the Foundation’s own activities are its regular newsletter, “FOCAL Point”, and its 2000 “Annual Report”. Two issues of “FOCAL Point” were distributed in 2001. These are available on the web site, along with the 2000 Annual Report.

Youth International Internship Program

This was the third year of FOCAL’s Youth International Internship Program, which is financed by the Department of Foreign Affairs and International Trade (DFAIT) through the Youth Employment Strategy (YES) Program.

On September 5 and 6, 2001, FOCAL hosted a two-day briefing session for its Junior Professional Trainees (JPTs) prior to their departure for Washington, D.C. and Montevideo, Uruguay to work for 6 months. This year 12 JPTs were selected and distributed among four Inter-American organizations, namely the Organization of American States (OAS), the Inter-American Development Bank (IDB), the Pan-American Health Organization (PAHO) and the Economic Commission for Latin America and the Caribbean (ECLAC).

Further information about the program can be found on FOCAL’s web site, www.focal.ca



2001 Board of Directors

Founded in 1990, the Canadian Foundation for the Americas (FOCAL) is an independent, not-for-profit charitable organization that is guided by a Board of Directors.

Executive Committee

John W. Graham

Chair

Consultant

Maureen Appel-Molot

Vice-Chair

Director/Professor The Norman Patterson School of International Affairs

Carmelita Boivin-Cole

Secretary

Consultant

Anthony M. P. Tattersfield

Treasurer

Partner, Raymond Chabot Grant Thornton

Nobina Robinson (*ex-officio*)

Executive Director (until April 2001)

Donald R. Mackay (*ex-officio*)

Executive Director (since June 2001)

Directors

Meriel V.M Bradford

Vice-President, Canada Lands Company

Winston Cox

Deputy Secretary-General, Development Cooperation, Commonwealth Secretariat

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RBC Dominion Securities Inc

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Former Diplomat

Monica Gruder Drake

President, MGDrake Consulting

The Hon. Mitchell Sharp, P.C., C.C.

Personal Advisor to the Prime Minister, Office of the Prime Minister

Elizabeth Spehar

Executive Coordinator, Unit for the Promotion of Democracy, Organization of American States

Brian Stevenson

Associate Vice-President (International), University of Alberta

H.E. Paul Durand (*ex-officio member*)

Ambassador & Permanent Representative of Canada to the Organization of American States

Jocelyn Coulon

Lester B. Pearson Canadian International Peacekeeping Centre

2001 Staff

BUCHANAN, James, Policy Analyst (until May 2001)

CADENA, Marcelo, Webmaster (until February 2001)

CHOCHINOV, Laurie, Manager, Finance and Administration (until February 2001)

FAYA, Ana Julia, Researcher, Research Forum on Cuba (since August 2001)

GUARDADO, Miguel, Manager of Financial Administration (since March 2001)

HERNÁNDEZ, José, Publications Coordinator, Webmaster

JEAN, Paula, Accounting Assistant (until March 2001)

JUBANY, Florencia, Senior Analyst (On maternity leave from October 2001 till October 2002)

LARABIE, Diane, Office manager

MACKAY, Donald R., Executive Director (since June 2001)

MELTZER, Judy, Policy Analyst (since January 2001)

O'REGAN, Sharon, Deputy Director (since April 2001)

PAGUAGA, Claudia, Policy Analyst (since March 2001)

ROBINSON, Nobina, Executive Director (until December 2001)

SCHÖNWÄLDER, Gerd, Deputy Director (until June 2001)

VAUGHAN, Dana Emily, Receptionist & Events Coordinator (since November 2001)

VERREAULT, Eric, Internships Coordinator (since October 2001)

WARREN, Cristina, Program Director, Research Forum on Cuba

WILSON-FORSBERG, Stacey, Policy Analyst

ZARAGOZA, José, Policy Analyst

Statement of Financial Position

	As at December 31	
	2001	2000
ASSETS		
Cash	\$ 79,883	\$ 153,555
Term deposits, 4.2% average rate maturing at various dates in 2002 (2001, 4.9%)	378,477	604,615
Accounts receivable	86,183	79,811
Prepaid expenses	29,959	11,212
	<u>\$ 574,502</u>	<u>\$ 849,193</u>
Capital assets	40,640	35,636
	<u>\$615,142</u>	<u>\$884,829</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 56,370	\$ 70,790
Deferred revenue	159,511	317,762
	<u>\$215,881</u>	<u>\$388,552</u>
NET ASSETS		
Invested in capital assets	\$ 40,640	\$ 35,636
Unrestricted	358,621	460,641
	<u>399,261</u>	<u>496,277</u>
	<u>\$615,142</u>	<u>\$884,829</u>

Schedule of Project Revenues

	Year ended December 31	
	2001	2000
Canadian International Development Agency	\$ 449,925	\$ 606,891
Canadian Centre for Foreign Policy Development	24,232	25,769
Department of Foreign Affairs and International Trade	321,438	390,451
Florida International University	16,187	6,630
Ford Foundation	105,530	109,238
International Development Research Centre	34,939	10,598
Organization of American States	530	8,922
Other	4,188	—
Public Diplomacy Fund	50,000	—
Public Sector Governance in the Americas	11,500	—
	<u>\$1,018,469</u>	<u>\$1,158,499</u>

Statement of Revenue and Expense and Changes in Net Assets

	Year Ended December 31	
	2001	2000
REVENUE		
Department of Foreign Affairs and International Trade – Core Funding	\$ 200,000	\$ 200,000
Interest income	21,878	16,968
Other	220	425
Recovery of funds advanced to Calgary office	—	16,607
Projects-Schedule	1,018,469	1,158,499
	<u>\$1,240,567</u>	<u>\$1,392,499</u>
OPERATING EXPENSES		
Amortization	\$ 11,098	\$ 4,867
Board and staff meetings	452	4,199
Communications	17,916	8,547
Insurance	2,767	3,358
Lease and maintenance	111,301	63,521
Office	40,413	28,148
Printing	4,452	3,456
Professional fees and consultants	62,040	49,769
Salaries and benefits	599,259	486,237
Travel	10,952	10,939
	<u>\$ 860,650</u>	<u>\$ 663,041</u>
Less: Allocation to projects	(637,843)	(526,580)
	<u>\$ 222,807</u>	<u>\$ 136,461</u>
PROJECT EXPENSES		
Communication	\$ 8,872	\$ 11,771
Internships and scholarships	160,329	133,208
Meeting and seminar logistics	6,432	4,130
Office	18,549	13,811
Postage and courier	28,936	31,033
Printing	44,134	65,368
Project consulting	88,552	97,350
Travel	178,676	160,897
	<u>\$ 534,480</u>	<u>\$ 517,568</u>
Add: Allocation of operating expenses to projects	487,995	637,843
	<u>\$1,022,445</u>	<u>\$1,155,411</u>
Total Expenses	<u>\$1,337,583</u>	<u>\$1,378,218</u>
Excess of revenues over expenses	<u>-97,016</u>	<u>14,281</u>
Net assets – beginning of the year	<u>496,277</u>	<u>481,996</u>
Net assets – end of year	<u>\$ 399,261</u>	<u>\$ 496,277</u>

These financial statements have been audited by
McIntyre and McLarty LLP, Ottawa, Canada and were approved by
FOCAL's Board of Directors on June 11, 2001.