



FOCAL

ANNUAL REPORT

2004

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Message from the Chair

FOCAL continues to move forward. The year was crowded with projects and negotiations for sustained and increased funding. Overall the result has been increasing credibility for the Foundation as the major centre in Canada for policy analysis on Latin America and the Caribbean - a view shared by stakeholders and a growing hemispheric constituency.

The mandate of FOCAL is to "educate, foster informed debate and dialogue on issues of importance to decision makers and opinion leaders in Canada throughout the Western Hemisphere". A key part of this mandate is exerting a constructive impact on government policy, particularly Canadian government policy. Increasingly FOCAL is making an impact. The Executive Director, Don Mackay, has brought to the attention of Deputy Ministers the erosion of Canadian credibility in Central America caused by the lack of follow up on pledges to negotiate a Free Trade Agreement. FOCAL has been tracking this in addition to commitments on Free Trade with Caricom and the Dominican Republic. FOCAL has highlighted the potentially paralytic weakness of the financial structure of the OAS and has been urging upon government the case for Canadian niche diplomacy in the region. Olga Abizaid's policy paper on Mexico was incorporated in government briefs for the visit of President Fox in October.

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



FOCAL

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Fundación Canadiense para las Américas
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In August four members of FOCAL (including two board members) participated in the OAS observer mission for the Venezuelan referendum.

The Montreal conference with the Haitian Diaspora in December, organized by Carlo Dade, deserves special mention. The conference brought together 400 participants, mostly from the Quebec Haitian Diaspora. It was presided over by Prime Ministers Martin and Latortue and included ministers from both countries, the mayor of Montreal and media.

FOCALPOINT, our monthly publication, saw a seamless transition in the editorship from Paul Haslam to Laurie Cole. Board members made contributions to the op ed and letter pages of the Globe and Mail and Wall street Journal as well as CBC Newsworld.

FOCAL enjoys continuing positive collaboration with the Carter Center in Atlanta, which invited FOCAL, along with others, to develop strategies and mechanisms to increase the relevance and strengthen the application of the Inter-American Democratic Charter. One staff member and four board members have been involved in these discussions. Cooperation was strong with other partners such as the Inter-American Dialogue (Washington), Participa (Santiago), and the Inter-American Foundation (Washington). Outreach to academe with FOCAL participation in conferences and seminars has been active.

The Cuba program, funded by the Ford Foundation and IDRC has been restructured, receiving positive reviews. New IDRC funding came on stream.

In short, it has been a full and productive year. A happy combination of enormous effort and imagination created rewarding results. I would like to express appreciation to the staff of FOCAL and members of the Board.

John W. Graham

Executive Director's Message

The year 2004 presented numerous challenges to FOCAL. As an institution filled with extremely dedicated and imaginative staff, every challenge was met with energy, drive and a burning desire to promote Canada's relations with the countries of Latin America and the Caribbean.

During the year FOCAL produced twelve policy papers exploring key issues such as the new role of the military in Latin America; the ongoing struggle for peace in Colombia; Canada-Mexico relations; and, the increasing impact of globalization in its various manifestations in the region. Seven of these papers were produced in the Spanish language, supporting our efforts to have a greater impact in the region. In terms of issues, FOCAL began to tackle the critically important issue of migration and the social, labour, and economic forces raised by increasing transnational flows of people. Two papers tackled the issue of broad public policy directions in Latin America in the era of what is becoming known as the Post Washington Consensus. Those papers made important contributions to the evolving debate and provoked much interest among the members of our audience.

Our ability to reach out and capture the attention of critical policymakers and influential writers and thinkers was greatly enhanced by the launching of a completely redesigned website for both FOCAL and Cubasource (FOCAL's online resource on Cuba). Downloads and Internet "hits" for both sites continued to rise throughout the year, thus reaffirming that FOCAL continued to fill a critical role vis-à-vis Canada's overall relationship with the Americas.

The year 2004 also gave signs of Canada's slow retreat from the region. In foreign policy circles much of the year was given over to discussion about the likely directions that would emerge from the government's international policy review. That review preceded in fits and starts and was certainly not aided by the unnecessary distraction imposed by the decision of the government to break up the Department of Foreign Affairs and International Trade into two separate departments. Canada's diminishing interest in regional developments was underscored by numerous indicators. Among these are: falling levels of Official Development Assistance; stalled trade policy initiatives involving regional partners (especially the FTA negotiations with Central America); and, the increasing perception among our regional partners that Canada has lost interest not only in the region but in most of things or regions that are not central to the Canada-United States relationship. After more than a decade of concentrated effort by Canada to more fully insert itself into inter-American affairs the conscious turning away from the region is disappointing. We may continue to be present but we certainly are not contributing ideas, resources or energy the way we used to.

The year 2004 would also mark the last calendar year of my own formal association with FOCAL. Early in 2005, I would turn over direction of the institution to my successor Eduardo del Buey. The time between 2001 and 2004 has been fascinating, challenging and filled with many great memories. Above all the opportunity to work with such a great staff and such a supportive Board of Directors has been more than I could have expected, or probably deserved. I know that under the leadership of Eduardo FOCAL will continue to promote Canada's role in the region.

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, the media and individuals at large.

Our policy analysis is focused on six main program areas:

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 website 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

Following are highlights of some of the major events in which FOCAL participated or organized in 2004. You may access a full report on these and other events at http://www.focal.ca/publications/reports/2004_e.asp

Inter-American Meeting on Conflict Prevention

This conference was hosted by the Canadian Foundation for the Americas, in collaboration with the Canadian Peacebuilding Coordinating Committee and the *Coordinadora Regional de Investigaciones Económicas y Sociales*, as part of the Global Partnership on the Prevention of Armed Conflict and funded by the International Development Research Centre.

Conference de Montreal on Haiti

A two-day meeting convened by Foreign Affairs Canada and the Canadian International Development Agency and organized by FOCAL to examine the role of the Haitian Diaspora in supporting the Interim Cooperation Framework for Haiti. Prime Minister Paul Martin of Canada and Prime Minister Gérard Latortue of Haiti addressed the event.

FOCAL's Fifth Forum of Hemispheric Experts

The objective of FOCAL's Forum of Experts was to explore Canadian strategic priorities in the Americas. The overarching question of the Forum was how Canada can most effectively pursue its national interests while continuing to play a relevant and constructive role in the Western Hemisphere. The federal government's comprehensive international policy review (IPR) examining the four key dimensions of diplomacy, defence, development and trade—provided an opportune moment to evaluate Canada's role in the Western Hemisphere. The Forum also provided an excellent opportunity to examine some of the crosscutting challenges facing the region and points of entry for further Canadian involvement.

2004 WTO Public Symposium

The WTO convened its fourth annual Public Symposium in Geneva eight months after the impasse of the Cancun Ministerial. The Symposium, entitled "Multilateralism at a Crossroads", provided a good opportunity to assess the issues and the direction of the "Doha round" of trade talks. NGOs from around the globe take part in this yearly. Over 50 representatives of governmental and non-governmental organizations attended from Canada. A joint Report on the event prepared by the Canadian Chamber of Commerce CCC and FOCAL can be accessed on FOCAL's website.

FOCAL-FLACSO Andean Forum 2004 Broadening Citizenship: Political Parties and New Trends in Participation

The 2004 FOCAL-FLACSO (*Facultad Latinoamericana de Ciencias Sociales*) Andean Forum took place in February in Quito, Ecuador. Key issues addressed at the event included political citizenship and participation, the emergence of new political actors, social citizenship and security. Discussions centred on a key factor underlying political instability in the Andean region, namely the wide-spread disenchantment with political democracy and its failure to translate into tangible improvements in civil rights and social and economic aspects of citizenship for a majority of the populations. The event also recognized how the broad set of social, economic and civil rights associated with citizenship under democracy have yet to be realized in most countries in the region.

Hemispheric Integration and Transnationalism in the Americas, Guatemala City

This workshop gathered together academics, government officials and representatives of non-governmental and multilateral organizations from Canada, Mexico, Central America and the Caribbean. Focusing exclusively on the regional perspectives of migration in the Americas, the role of foreign cooperation and micro-financing initiatives, the role of the state in reaching out to diasporas and the future of transnationalism in the Americas, the workshop highlighted the importance of continuing need to research migration and to engage governments and the private sector first hand in these issues.

Meetings and Conferences

FOCAL provided many other opportunities for experts, decision makers and opinion leaders to meet and discuss current issues in Latin America and the Caribbean. FOCAL's expertise was also sought by numerous other organizations and individuals. Following are some of the events in which FOCAL participated either as host or guest. You may visit our website (www.focal.ca) for more information on these and other events:

Event	Host	Date & Place
NAFTA & After: Looking Forward and Back from a Decade of Free Trade	The Americas Policy Group	January, Ottawa
The Future of the Americas Conference and Roundtable	The University of Monterrey	January, Monterrey, Mexico
Perspectives on Judicial Reform in Latin America	McGill University	January, Montreal, Canada
Conference on Regionalism, Regional Security and Civil Society of the Greater Caribbean in the New Global Environment	Regional Coordination for Economic and Social Research	February, Havana, Cuba
FOCAL at the Standing Senate Committee on Foreign Affairs	Foreign Affairs Canada	February, Ottawa, Canada
FOCAL-FLACSO Andean Forum on Broadening Citizenship: Political Parties and New Trends in Participation	FOCAL and FLACSO	February, Quito, Ecuador
Multy-Party delegation of Uruguayan Parliamentarians visit	FOCAL	March, Ottawa
Speaker Series event with USAID Assistant Administrator for Latin America and the Caribbean	FOCAL	March, Ottawa
The Challenge of Debt and Development in Latin America	FOCAL and PLACS	March, Ottawa
Workshop on The Caribbean Diaspora as a Development Agent	Inter-American Dialogue and the World Bank	April, Washington D.C., USA
North American Integration: Migration, Trade and Security	Institute for Research on Public Policy on North American Integration	April, Ottawa
Presentation at the Standing Committee on Foreign Affairs and International Trade	Standing Committee on Foreign Affairs and International Trade	April, Ottawa, Canada
The World Trade Organization's Public Symposium "Multilateralism at a Crossroads"	World Trade Organization	May, Geneva, Switzerland
Regional Forum: Rethinking Central American Integration	Fundación para la Paz y la Democracia	May, San Salvador, El Salvador
IV Think Link Meeting	FOCAL along with 23 other organizations	May, Ottawa, Canada
Roundtable on US Foreign Policy Towards Latin America	FOCAL	June, Ottawa, Canada
FOCAL Roundtable on Peacebuilding and the Private Sector in Colombia	University of Bogotá	June, Bogotá, Colombia
IDRC Panel on Bringing the Best of the Private Sector to Development	Conference de Montreal	June, Montreal, Canada
Conference on Remittances	Summit Implementation Office of	July, Washington D.C.,

	the OAS	USA
Roundtable on Social Capital and Violence In Colombia	FOCAL	August, Ottawa, Canada
Roundtable with Ambassador Vicente Espeche Gil, Director of the North America Division at Argentina's Ministry of External Relations	FOCAL	September, Ottawa, Canada
Conference on Canada's Role in International Assistance to Democratic Development	Institute for Research on Public Policy	September, Ottawa, Canada
Conference on the Rights of Migrants and their Health	Canada, Mexico, and Guatemala	October, Guatemala City, Guatemala
Economic and Social Impacts of Migrations Flows from Central America, the Caribbean and Mexico to Canada	University of Zacatecas and FOCAL	October, Zacatecas, Mexico
Conference on International Community Justice	Red de Justicia Comunitaria, Universidad Nacional, FOCAL	October, Bogotá, Colombia
Conference "Crescer Juntos- Encontro Regional Mercosul 2004"	Federal University of Rio de Janeiro, FUNCEX, IPEA, BNDES	November, Rio de Janeiro, Brazil
Advancing the Global Partnership for the Prevention of Armed Conflict Process	Canadian Conflict Prevention Initiative	December, Ottawa, Canada

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 and documents on Cuba and its international relations, are found on the Research Forum on Cuba's website (www.cubasource.org).

Some of the Forum's activities in 2004 included the publication of 9 articles in FOCAL's monthly newsletter *FOCALPOINT: Spotlight on the Americas* as well as 4 news briefs. The program also released twelve monthly issues of its *Chronicle on Cuba*, which is a monthly chronology of top news items (and related web links) on Cuba produced by FOCAL. News items are grouped by key themes, including: Cuban domestic affairs, the economy, the exile community, foreign relations, security, terrorism and US-Cuba relations. An annual summary of these news items was created at year-end and is available on our website.

In October, FOCAL launched a redesigned website of its Cuba program. This is part of FOCAL's efforts to enhance its online presence by improving the presentation, look and overall accessibility and navigation of both cubasource.org and focal.ca (to complete in January 2006). The new sites are now more focused on FOCAL's areas of expertise and consistent with our corporate image. Also, in the case of focal.ca, a Spanish section has been introduced as we strive to make increase our content in Spanish. We are encouraged for all the feedback and praises received from a number of visitors.

Visit cubasource.org for current updates on the program and a wealth of Cuba-related information.

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

Publications

FOCAL's publications include policy papers, background briefings, the Summit of the Americas Follow-up Series, reports, articles and the monthly newsletter FOCALPOINT: Spotlight on the Americas. These 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 publications in 2004 included:

<p>The Role of the Military in Latin America Author: Jennifer N. Ross FPP-04-11 ISBN: 1-894992-19-9</p>	<p>New Directions for Latin America? A Survey of Post-Washington Consensus Thinking Author: Florencia Jubany & Judy Meltzer</p>
<p>Justice and Peace-Building in Colombia: Considerations on the role of justice in the context of the dialogue between the government and paramilitary groups Author: César Torres Cárdenas FPP-04-10 ISBN: 1-894992-17-2</p>	<p>The Achilles' Heel of Latin America: The State of the Debate on Inequality Author: Florencia Jubany & Judy Meltzer FPP-04-5 ISBN: 1-894992-05-9</p>
<p>Globalization, Immigrants' Transnational Agency and Economic Development in their Homelands Author: Rudi Robinson FPP-04-9 ISBN: 1-894992-12-1</p>	<p>Guatemala: Can Berger Break the Cycle? Author: John W. Graham FPP-04-4 ISBN: 1-894992-03-2</p>
<p>The Canada-Mexico Relationship: The Unfinished Highway Authors: Olga Abizaid Bucio FPP-04-8 ISBN: 1-894992-13-X</p>	<p>Transitional Justice and Reconciliation in Post-Conflict Colombia: Some Considerations for Future Canadian Engagement Author: Judy Meltzer FPP-04-3 ISBN: 1-894992-02-4</p>
<p>Think Local, Act Global: Labour migration and emerging challenges of policymaking in a transnational world Author: Katharine E. Andrade-Eekhoff FPP-04-7 ISBN: 1-894992-10-5</p>	<p>The New Latin American Debt Crisis and Its Implications for Managing Financial and Social Risk Authors: Susanne Soederberg and Marcus Taylor FPP-04-2 ISBN: 1-896301-01-6</p>
<p>Diaspora, Migration and Development in the Caribbean Author: Keith Nurse FPP-04-6 ISBN: 1-894992-05-9</p>	<p>The Corporate Social Responsibility System in Latin America and the Caribbean Author: Paul Alexander Haslam FPP-04-1 ISBN: 1-896301-99-1</p>

"FOCAL POINT: Spotlight on the Americas" - ISSN 1703-7964

In August 2004, the Canadian Foundation for the Americas celebrated the second anniversary of its free monthly electronic newsletter (in PDF format) that combines news and analysis about Latin America and the Caribbean: *FOCALPOINT: Spotlight on the Americas*.

FOCALPOINT represents diverse perspectives from government, academia, business and the non-profit sector. Using FOCAL's expanding electronic distribution list we deliver our newsletter to over 4000 decision makers, academics, journalists, professionals, students and the interested public at large in Canada, Latin America and other parts of the world.

In 2004, we produced 15 issues of FOCAL POINT, including 3 special editions on Migration and Remittances; Haiti; and Brazil-Canada Relations.

We invite contributions (300-700 words) on contemporary events and issues that affect Latin America and the Caribbean. For a free subscription, comments or to inquire about writing an article, contact FOCAL at focal@focal.ca. All issues published to date can be accessed under publications at www.focal.ca.

Youth International Internship Program

The Canadian Foundation for the Americas (FOCAL), in cooperation with the Young Professionals International program of Foreign Affairs Canada (FAC) and International Trade Canada (ITCan) and Youth Action at the Canadian International Development Agency (CIDA) offers placements at different Inter-American organizations in Washington, D.C. and in Non Governmental Organizations throughout the Hemisphere. These placements are normally six months long beginning in June, July or August and ending by March of the following year.

The Internship Program provides an opportunity for college and university graduates to receive international work experience necessary for careers in international relations, development, or policy.

FOCAL Young Professionals International Program (YPIP) for the period included: Sandra Weins, placed at the Centre for the Judicial Studies of the Americas (CEJA) in Santiago, Chile; Guillermina Rodriguez, placed in the Department of Economic Development in the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), in Santiago, Chile; Ana Maria Alvarado, "*Fundación para la Paz y la Democracia*" (Foundation for Peace and Democracy-FUNPADEM) in San José, Costa Rica; Charles Goulet, placed at the Inter-American Institute of Human Rights in San José, Costa Rica; Mirieke Knights, placement with the Human Rights Commission of Belize (HRCB) and completed it working at San Martin Community Health (CHC), Belize; Carolina Guzman, placed at *Red Interamericana para la Democracia*-RID (Inter-American Democracy Network), in Buenos Aires, Argentina; Barbara MacLaren, placed at the Indigenous Peoples and Community Development Unit, in the Inter-American Development Bank in Washington, DC, United States; Kimberly Segura, placed in the Summits of the Americas Secretariat at the Organization of American States (OAS) in Washington, DC, USA.

Further information about the program can be found on FOCAL's web site at <http://www.focal.ca>

2004 Board of Directors

Executive Committee

John W. Graham
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Consultant

Maureen Appel-Molot
Vice-Chair
Director/Professor The Norman Patterson School of
International Affairs

Michael Bell
Secretary
Consultant, Justice Solutions Inc.

Anthony M. P. Tattersfield
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Partner, Raymond Chabot Grant Thornton

Donald R. Mackay (ex-officio)
Executive Director

Directors

Monica Gruder Drake
President, MGDrake Consulting
(until January 2004)

Winston Cox
Deputy Secretary-General, Development
Cooperation, Commonwealth Secretariat

Jean Daudelin
Assistant Professor
NPSIA
Carleton University

Directors (cont'd)

H.E. Paul Durand (ex-officio member)
Ambassador & Permanent Representative of
Canada to the Organization of American States

Kenneth N. Frankel
Partner
Torys

Beatrice E. Rangel
Senior Advisor to the Chairman
Cisneros Television Group
Cisneros Group of Companies

The Hon. Mitchell Sharp, P.C., C.C.
Personal Advisor to the Prime Minister, Office of the
Prime Minister
(until March 2004)

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

Brian Stevenson
Associate Vice-President (International), University
of Alberta

Alan J. Stoga
President
Zemi Communications

2004 Staff

ABIZAID, Olga, Analyst
(as of June 2004)

BUSMANN, Nadine, Senior Analyst
(as of October 2004)

COLE, Laurie, Analyst

DADE, Carlo, Senior Advisor
(as of September 2004)

FAYA, Ana Julia, Researcher
Research Forum on Cuba

GUARDADO, Miguel A., Manager of Financial
Administration

HASLAM, Paul, Senior Analyst
(until August 2004)

HERNÁNDEZ, José, Publications Coordinator,
Webmaster

JUBANY, Florencia, Senior Analyst

LARABIE, Diane, Office manager

MACKAY, Donald R., Executive Director

MELTZER, Judy, Analyst
(on leave)

O'REGAN, Sharon, Deputy Director

PAGUAGA, Claudia, Analyst
(until May 2004)

PINCIAROLLI-GORDON, Patricia Internships
Coordinator
(until September 2004)

WARREN, Cristina, Program Director, Research
Forum on Cuba

Statement of Financial Position

	As at December 31	
	2004	2003
ASSETS		
Cash	\$249,795	\$337,361
Term deposits, 0.9% average rate maturing at various dates in 2004		27,335
Amounts receivable	193,323	125,541
Prepaid expenses	8,341	11,691
	<u>477,592</u>	<u>\$501,928</u>
Capital assets	1,313	25,515
	<u>\$478,905</u>	<u>\$527,443</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$124,690	\$36,398
Deferred revenue	214,434	214,294
	<u>339,124</u>	<u>\$250,692</u>
NET ASSETS		
Invested in capital assets	1,313	25,515
Unrestricted	138,468	251,236
	<u>139,781</u>	<u>276,751</u>
	<u>\$478,905</u>	<u>\$527,443</u>

Schedule of Project Revenues

	Year Ended December 31	
	2004	2003
Canadian International Development Agency	\$728,652	\$733,603
Centre for Trade Policy and Law	--	6,045
Department of Foreign Affairs and International Trade	364,673	290,371
Ford Foundation	142,285	26,682
Inter American Foundation	57,983	--
International Development Research Centre	73,129	61,882
International Institute for Sustainable Development	4,572	5,663
Carter Center	15,157	--
Participa	20,099	8,386
	<u>\$1,406,550</u>	<u>\$1,132,632</u>

Statement of Revenue and Expense

	Year Ended December 31	
	2004	2003
REVENUES		
EHT Recovery	--	5,158
Other	8,310	--
Interest income	498	2,144
Contribution in kind	45,032	102,016
Projects--Schedule	1,406,550	1,132,632
	<u>\$1,460,390</u>	<u>\$1,241,950</u>
OPERATING EXPENSES		
Amortization	\$25,519	\$24,493
Board and staff meetings	23,000	30,634
Communications	10,913	8,767
Insurance	4,372	3,675
Lease and maintenance	81,824	79,305
Office	15,096	16,848
Printing	780	1,439
Professional fees and consultants	27,559	28,835
Salaries and benefits	717,168	682,355
Travel	2,192	1,783
	<u>908,423</u>	<u>878,134</u>
Less: Allocation to projects	(-869,678)	(-715,065)
	<u>\$38,745</u>	<u>\$163,069</u>
PROJECT EXPENSES		
Communication	\$42,814	\$22,122
Internships	128,944	231,517
Meeting and seminar logistics	97,671	18,418
Office	8,882	12,534
Partnerships	--	2,000
Postage and courier	5,188	7,572
Printing	24,632	11,106
Project consulting	157,220	67,038
Travel	223,586	114,851
	<u>\$688,937</u>	<u>\$487,158</u>
Add: Allocation of operating expenses to projects	869,678	715,065
	<u>1,558,615</u>	<u>\$1,202,223</u>
Total Expenses	1,558,615	\$1,202,223
Excess (deficiency) of revenues over expenses	(-136,970)	(-123,342)

These financial statements have been audited by van Berkomp & Ritz, Chartered Accountants, and were approved by FOCAL's Board of Directors on June 2005.