

President's Message

In a world devastated by inequities, violence, war and fear, along with the disastrous effects of climate change, DEVELOPMENT AND PEACE continues to bring hope. We affirm our mission to walk in solidarity with our sisters and brothers who are suffering, and to build awareness among our fellow Canadians of systems supporting such injustice.

We concluded a very successful year working with KAIROS, proclaiming water as a sacred gift to be kept as a public trust. We sent a delegation to the Alternative World Water Forum in Mexico City. Thousands participated in World Water Day activities and 189 municipalities signed our water declaration. We participated in the World Peace Forum in Vancouver and the Ecumenical Pre-Conference of the XVI International AIDS Conference in Toronto.

We sent a delegation to the Democratic Republic of the Congo to witness the first democratic elections in 40 years. Since 2001, DEVELOPMENT AND PEACE has helped train more than 50,000 volunteers who trained their fellow citizens in the basics of democratic electoral processes. Community radio funded by DEVELOPMENT AND PEACE played a key communications role in the October 2006 election.

We responded to crises in Lebanon, the Philippines, El Salvador, Kenya, Zambia and Tanzania. We continued our reconstruction work in Indonesia, Sri Lanka, India, and Pakistan as well as peace building in Iraq, and protection and shelter in Darfur.

International work with our established partners is at the heart of who we are. The bulk of our funds support projects run by local groups: village organizations, women's groups, co-operatives, unions, federations of fishermen and artisans, popular education and human-rights networks. Examples our work with our partners are included in this report.

The Canadian International Development Agency (CIDA) continues to support our efforts. This past year, we signed our first five-year funding agreement with the agency, receiving grant funding of \$42 million until 2011 to support our projects in 28 countries of the Global South. DEVELOPMENT AND PEACE's long term objectives remain clear: to foster the emergence of global, sustainable human development based on grassroots participation in decision making, gender equity, preservation of cultural diversity, and respect for the environment.

On the home front, the National Council authorized an organizational reflection and restructuring, which continues to ensure that our work and our approach remains relevant to the world in which we live. Our National Secretariat relocated to new quarters in downtown Montreal.

I take this opportunity to express my heartfelt thanks to our committed donors, members, staff, and partners who believe with us that 'another world is possible'.

Margie Noonan



National Council

The National Council is composed of volunteer members from every province in Canada. There are also two representatives from the Canadian Conference of Catholic Bishops. The Council is the highest decision-making body at DEVELOPMENT AND PEACE.

MEMBERS DURING 2005-2006

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PRINCE-EDWARD ISLAND
BERNADETTE SCHMEISSER

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NEW BRUNSWICK
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BRITISH COLUMBIA/YUKON
MARGIE NOONAN

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CANADIAN CATHOLIC ORGANIZATION FOR
**Development
and Peace**

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Annual Report 2005-2006

Over the course of 2005-2006, we continued to help the world's poorest people to live a better, more equitable and dignified life. Highlights of this year's many accomplishments (see our report on our Web site) include:

CREATION OF AUTONOMOUS NGOS IN VIETNAM AND CAMBODIA. Since the end of the Vietnam War, we have worked to create local organizations capable of strengthening civil society in Vietnam, Cambodia and Laos, enabling thousands of citizens to take charge of their own destiny and build a better future, for themselves and for their children. In November 2005, we concluded thirty years of capacity-building by celebrating the autonomy and sustainability of these fledgling NGOs during ceremonies in Phnom Penh and Hanoi. Work continues with similar organizations in Laos, as their capacities strengthen toward autonomy and independence.

TRAINING OF TENS OF THOUSANDS OF VOTERS IN THE DEMOCRATIC REPUBLIC OF THE CONGO. Millions of Congolese went to the polls to elect their President at the end of July 2006. As this was the first ballot that the majority of Congolese had cast in their lives, most knew little of how it all works. Along with a specialized commission of the Congo's Catholic Episcopal Conference, DEVELOPMENT AND PEACE mobilized its substantial Catholic Church network in order to train thousands of voters and election monitors. The result was a major step towards peace and democracy in this country.

LAND ACCESS FOR 33,000 POOR PEASANT FAMILIES IN 20 STATES IN BRAZIL. This very successful initiative was the product of our long standing partnership with Brazil's Landless Peasants Movement, a group dedicated to resolving the dilemma of the concentration of land in the hands of a small number of large landowners. At last, these families own a patch of land on which to

raise animals and produce their own food, and can look forward to a future that is not mired in fear and uncertainty.

DEVELOPMENT OF A PEACE NETWORK IN MEXICO'S CHIAPAS STATE. Made up of 16 organizations, including four DEVELOPMENT AND PEACE partners, this network is the result of targeted training and support by CORECO (the Commission for the Promotion of Peace and Community Reconciliation). This network represents a major step forward in building a sustainable peace in a region of long simmering conflicts.

Emergency Relief and Reconstruction

CONSTRUCTION OF 3,500 HOUSES IN 23 VILLAGES IN ACEH PROVINCE, INDONESIA. This province was totally devastated by the December 26, 2004 tsunami. Hundreds of thousands of people lost everything including their homes. After an initial emergency phase, DEVELOPMENT AND PEACE partnered with a local Indonesian NGO, UPLINK, in a major program to help the villagers re-build their homes and communities. We are currently implementing a similar project in India, with another to begin shortly in Sri Lanka. These locally-managed programs enabled thousands of tsunami victims to once again have a solid roof over their heads, one which they also now own.

EMERGENCY ASSISTANCE TO EARTHQUAKE VICTIMS IN PAKISTAN. We helped to distribute 3,000 tents, 12,500 blankets, 5,000 ground mats, and hundreds of kitchen and hygiene kits to the more than 5,000 families in Pakistan who lost everything in the October 2005 earthquake. These front line emergency goods met the most urgent and immediate needs of victims in the most isolated and devastated areas of Pakistan, providing them with shelter and protection from the harsh climate.

Development Programs

	Number	\$
AFRICA		
Benin	5	\$ 299 000
Burundi	6	350 000
Dem. Rep. of Congo	1	30 000
Guinea	5	341 200
Madagascar	4	240 000
Nigeria	6	384 000
Rwanda	5	340 000
Senegal	3	170 000
Sierra Leone	8	508 000
South Africa	9	395 000
Togo	6	365 000
Zambia	6	358 000
Multi-Country	7	467 000
TOTAL	71	\$ 4 247 200
LATIN AMERICA		
Bolivia	13	\$361 000
Brazil	36	1 338 000
Colombia	15	426 000
El Salvador	6	277 100
Ecuador	9	268 400
Guatemala	12	358 000
Haiti	13	388 000
Honduras	3	125 000
Mexico	23	566 000
Nicaragua	4	185 000
Paraguay	8	219 400
Peru	16	499 400
Multi-Country	15	374 000
TOTAL	173	\$ 5 385 300
ASIA		
Cambodia	5	\$ 332 000
Indonesia	8	365 000
Laos	1	40 000
Philippines	11	389 871
East Timor	6	187 000
Multi-Country	7	652 700
TOTAL	38	\$ 1 966 571
INTERNATIONAL		
Micro-Credit Projects	4	\$ 100 430
Multi-Country	8	285 000
TOTAL	12	\$ 385 430
GRAND TOTAL	294	\$ 11 984 501

Emergency Relief and Reconstruction Programs

	Number	\$
AFRICA		
Chad	1	\$ 150 000
Dem. Rep. of Congo	1	50 000
Kenya	2	120 000
Sudan	2	250 000
Tanzania	1	80 000
Zambia	1	100 000
TOTAL	8	\$ 750 000
LATIN AMERICA		
El Salvador	4	\$ 160 000
Guatemala	2	100 000
Haiti	18	1 379 249
TOTAL	24	\$ 1 639 249
ASIA		
India	1	\$ 200 000
Indonesia	1	100 000
Pakistan	4	1 400 000
Philippines	1	165 000
TOTAL	7	\$ 1 865 000
TSUNAMI PROJECTS		
India	2	\$ 5 070 350
Indonesia	7	11 400 000
Sri Lanka	1	5 000 000
Multi-Country	1	20 000
TOTAL	11	\$ 21 490 350
MIDDLE-EAST		
Iraq	4	\$ 1 928 597
Israel	1	80 000
Lebanon	2	100 000
TOTAL	7	\$ 2 108 597
OTHER		
USA (Hurricane Katrina)	1	\$ 555 100
TOTAL	1	\$ 555 100
GRAND TOTAL	58	\$ 28 408 296
TOTAL COMMITMENTS	352	\$ 40 392 797

Water: Life Before Profit! The 2003-2006 education campaigns

Working under a central theme of promoting a just and sustainable economy, we concluded our three-year education campaign focused on the issues of access to safe drinking water. Over the course of the program, DEVELOPMENT AND PEACE found itself part of a growing international movement fighting for equal access to this vital resource.

In 2003-2004, we invited Canadians to endorse our Water Declaration that affirmed water as a sacred gift and part of humanity's common heritage. In this context, water access must be seen as a fundamental human right that takes precedence over its commercial value. Endorsed by more than 236,000 Canadians, we presented the Water Declaration to the Canadian Government on March 22, 2006. The Declaration also served as the basis for resolutions that were formally adopted by 189 Canadian municipalities.

In 2005-2006, the third year in our *Water - Life Before Profit!* campaign, we combined our efforts with those of KAIROS to mount a campaign in Canada's major Christian churches. Stressing the need for the democratic management of water resources, our campaign focused on the issues surrounding the privatization of water systems. As part of the process, we asked the Canadian Government to guarantee access to safe drinking water for all, both nationally and internationally, for today and for future generations. In 2006, more than 285,000 postcards supporting our demand were submitted to the Prime Minister's office.

Another very popular aspect of that campaign was its focus on the question of bottled water. Our *Get off the bottle!* campaign raised many ethical, economic and environmental issues associated with bottled water, and encouraged people to use tap water rather than bottled water.

March 22nd, 2006 - International Water Day - represented the ideal moment to bring closure to our three-year campaign. To mark the occasion, DEVELOPMENT AND PEACE members participated in water demonstrations, film exhibitions, seminars, and hundreds of press conferences in collaboration with KAIROS, the Council of Canadians, the Canadian Union of Public Employees (CUPE), and assorted community groups.

A DEVELOPMENT AND PEACE delegation traveled to the Alternative World Water Forum in Mexico and presented the results of our campaign during a special meeting with the Canadian Government delegation to the official Water Forum. We will return to the crucial issue of universal access to safe drinking water in 2010, the final year of our new five-year education campaign on resource extraction and access to resources.

Statement of Revenue and Expenses

September 1, 2005 to August 31, 2006

	Actual 2005-06	Actual 2004-2005
REVENUE		
Autonomous revenue (eg. Share lent)	\$ 10 363 748	\$ 9 756 678
Governmental contributions (eg. CIDA, other)	8 592 890	6 356 193
Other fundraising activities	4 014 641	3 070 664
Special Programs - Bilateral	4 513 752	1 294 071
Special Programs - Québec sans frontières	233 955	140 660
Caritas Canada Emergency Relief Fund ⁽¹⁾	7 229 327	3 458 386
TOTAL - REVENUE	\$ 34 948 313	\$ 24 076 652
EXPENSES		
Development program	\$ 27 316 274	\$ 15 035 692
Social justice in Canada	411 609	447 680
Education program - English sector	1 521 962	1 558 281
Education program - French sector	1 447 903	1 410 256
Québec sans frontières program	169 316	149 892
Communication and Research	652 533	631 995
Governance and General Operations	2 629 276	2 561 366
Fundraising	1 110 228	1 309 794
Amortization of capital assets	411 575	421 613
Loss/Gain on disposal of capital assets	52 013	(2 670)
Re-structuring costs	1 077 263	0
TOTAL - EXPENSES	\$ 36 799 952	\$ 23 523 899
EXCESS OF REVENUE OVER EXPENSES	\$(1 851 639)⁽²⁾	\$ 552 753

From audited Financial Statements by Samson, Bélair, Deloitte & Touche, November 7, 2006.
 (1) In 2004-2005, Development and Peace changed its accounting method to one based on deferred revenues. This change involves reporting revenues expended in a given fiscal period as part of our financial statement and carrying unexpended revenues forward to future years.
 (2) The organization carried out a major review of its operations in 2005-2006, which led to a restructuring of all of its departments as of September 1, 2006. Over the course of the review, we continued to operate under the same organizational structure as during the previous financial period, which resulted in a planned deficit of \$1,851,639.

Balance Sheet

August 31, 2006

	2005-2006	2004-2005
ASSETS		
Current assets	\$ 24 830 399	\$ 32 005 611
Long-term assets	1 810 334	1 938 912
	\$ 26 640 733	\$ 33 944 523
LIABILITIES		
Current liabilities	\$ 20 091 698	\$ 25 758 413
Long-term liabilities	678 549	511 067
	\$ 20 770 247	\$ 26 269 480
FUND BALANCES		
Invested in capital assets	\$ 265 334	\$ 427 303
Internally imposed restrictions	3 511 565	6 909 457
Restricted for endowment purposes	724 204	677 122
Operations fund (Unrestricted)	1 369 383	(338 839)
	\$ 5 870 486	\$ 7 675 043
TOTAL - LIABILITIES AND FUND BALANCES	\$ 26 640 733	\$ 33 944 523



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