

ANNUAL REPORT



From words to action



Rights & Democracy

International Centre for Human Rights
and Democratic Development

Rights & Democracy

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PRESENTATION OF THE ANNUAL REPORT

In 2008, Rights & Democracy celebrated its twentieth anniversary. Two decades of promoting democratic development, and of advancing the rights of women and girls, indigenous peoples, populations deprived of their right to food, communities and individuals whose human rights are not respected. Over the course of twenty years we have implemented projects in some thirty developing countries in Asia, the Middle East, Africa, Latin America and the Caribbean. We have supported civil society and influenced governments to respect their own laws and their international commitments to human rights – to move *from words to action*.

The concept and crafting of the 2008–2009 annual report has changed, mirroring the renewal the organization has undergone over the past year. We have chosen to depart from the traditional narrative style and to help readers better understand the nature of our work.

The tools we use daily to promote human rights and democracy throughout the world are very specialized. They consist of international conventions and legal instruments, such as the *International Bill of Human Rights*, which have their own vocabulary.

This year, we are presenting our work through a lexicon of human rights and democratic development. Each definition includes concrete examples selected from Rights & Democracy's major accomplishments over the past year.

Each key word in the lexicon is a call to action. The key words fall under three categories: practices or goals that we want to **promote**, practices and inequalities that we want to **eliminate**, and **means of action**. These are some of the key issues Rights & Democracy works on:

TO PROMOTE

- > Democratic Development
- > Economic and Social Rights
- > Freedom of Expression
- > Rule of Law

TO ELIMINATE

- > Double Discrimination
- > Impunity
- > Sexual Violence in Conflict Situations

MEANS OF ACTION

- > Advocacy
- > Capacity Building
- > Civil Society
- > Special Rapporteur
- > Universal Periodic Review

This Annual Report, presented in the form of a lexicon, provides an overview of our work. For a more complete view of all of our programming and its many facets, please visit our website at www.dd-rd.ca.

Enjoy!

LIST OF OUR 2008-2009 PROJECTS

Country	Projects
Afghanistan	Promoting and defending women's rights.
Bolivia	Strengthening the political participation of women and indigenous rights at the municipal level.
Burma	Supporting the pro-democracy movement and independent media.
China	Strengthening the capacity of human rights defenders, promoting workers' rights, and facilitating dialogue with influential policy makers.
Colombia	Strengthening municipal-level constituent assemblies, increasing the public participation of indigenous youth and women in the province of Antioquia, and protecting indigenous peoples at risk of extinction.
Democratic Republic of the Congo	Building the capacity of human rights trainers, and supporting the struggle against impunity for crimes of sexual violence and access to justice.
Haiti	Strengthening democratic governance and the promotion of human rights.
Indonesia	Providing support to civil society to advocate security sector reform.
Ivory Coast	Building the capacity of civil society organizations.
Jordan	Promoting youth civic engagement.
Morocco	Contributing to the development of a culture of human rights among youth in marginalized regions.
Mauritania	Building capacity at the National Human Rights Commission.
Palestinian Territories	Organizing workshops on human rights and social justice for youth.
South Sudan	Building the capacity of the Human Rights Commission.
Zimbabwe	Collecting data on human rights violations and supporting partners in their search for justice.

Thematic areas (in addition to country specific programmes)

Democratic Development	Organizing policy seminars on political parties, religion and human rights, and implementing the work of the inter-American human rights system.
Rights of Indigenous Peoples	Supporting UN mechanisms for the protection of the rights of indigenous peoples, developing case law on double discrimination against indigenous women in Latin America, and strengthening the networking capacity of indigenous women.
Economic and Social Rights	Promoting the right to food, strengthening the link between bilateral investment treaties and human rights, and developing a community-based tool on human rights impact assessment.
Women's Human Rights	Coordinating the activities of the Coalition for Women's Human Rights in Conflict Situations.

Student Engagement

Rights & Democracy Network	Supporting student initiatives on international human rights and democratic development issues throughout Canada and overseas.
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MESSAGE FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Photo: Alain Rhéaume

I am delighted to contribute, for the first time, to the presentation of Rights & Democracy's Annual Report. Canadians who care about the promotion and respect of human rights and democracy throughout the world have every reason to be encouraged that an organization such as Rights & Democracy can help with these goals in a truly meaningful way.

More than ever, we must remain vigilant during this troubled period in which all eyes seem focused on the economic crisis. In such difficult times, some governments may be tempted to limit the rights of their most vulnerable citizens under the pretext that democracy is a luxury that they can no longer afford. In such circumstances, our partners and front-line human rights defenders may be the first to suffer new forms of intimidation and denial of rights, something that is all too common in many parts of the world.

When I began as Chairperson in March 2009, I discovered an organization with enormous potential. By working together effectively, by mobilizing the expertise of both Board members and staff, and by fostering interaction, we can create the kind of synergy with which we can build on our achievements and make an even greater and more significant contribution to the fulfillment of Rights & Democracy's mandate and to the realization of the ideals of the *International Bill of Human Rights*.

I also wish to extend a warm welcome to the new members of the Board of Directors: Soyata Maïga from Mali; and Donica Pottie, Bradley Farquhar and Marco Navarro-Génie, all three from Canada. It is my pleasure to work with the Board and the staff. I am confident that in the coming year, our combined efforts will prove to be both fruitful and stimulating.



Aurel Braun

Aurel Braun

MEMBERS OF THE BOARD OF DIRECTORS



Photo: Alain Rhéaume

Chairperson: **Aurel Braun**

Deputy Chair: **Jacques P. Gauthier**

President of Rights & Democracy: **Rémy M. Beauregard**

International members: **Guido Riveros Franck, Soyata Maïga, Sima Samar**

Canadian members: **Payam Akhavan, Bradley Farquhar, Jean L. Guilbeault, Marco Navarro-Génie, Donica Pottie, Elliot L. Tepper**



INTERVIEW WITH THE PRESIDENT OF RIGHTS & DEMOCRACY, RÉMY M. BEAUREGARD



Photo: Alain Rhéaume

You were appointed last June. What do you consider the defining moment of 2008–2009?

With respect to democracy and human rights around the world, it was a momentous year. We were all shocked by the Chinese government's censorship of the Internet on the eve of the Olympic Games in Beijing. We were sceptical about the end of Robert Mugabe's dictatorship in Zimbabwe and filled with hope with the adoption of a new Bolivian constitution that is fairer towards women and indigenous peoples.

But what impressed me the most, both professionally and personally, was my trip to Kabul, Afghanistan, where I presided over the conference that we organized on women's rights, at the same time, to the day, that the controversy over the Shia Personal Status Law broke out. Rights & Democracy found itself the focus of national and international media attention as never before.

For a public organization that is accountable to the Canadian public and Parliament, isn't that what you hope for?

Yes. We have made significant efforts throughout the past year to better explain our work. We have had many opportunities to talk to the media about current events. China, Zimbabwe, Bolivia, Burma, Haiti, Afghanistan, Mauritania, South Sudan and the Democratic Republic of Congo are places where we have run projects for many years. Our staff is deeply familiar with the situation on the ground and is able to provide Canadians with an informed point of view. When things go wrong politically or economically, there are automatically repercussions on the most defenceless, whose rights are denied: women and girls, indigenous peoples, and other groups that Rights & Democracy prioritizes in its work.

After one year in the presidency, do you feel that your organization can make a difference?

Yes, I am convinced of it. Let's go back to the controversy raised by the adoption of the Shia Personal Status Law in Afghanistan. I was very encouraged to see the extent of mobilization within Afghan society itself. Three hundred women and men demonstrated in the streets, under a hail of stones thrown by opponents, which would have been unthinkable only a few years ago. President Karzai announced that the law would be revised. What had first seemed like a serious setback proved to be an interesting opportunity.

Rights & Democracy celebrated its 20th anniversary in 2008. How did you mark it?

First, with the employees, past and present, who constitute the heart and soul, and hands, of Rights & Democracy. They are people imbued with an extraordinary determination to find concrete ways to put an end to injustice. I often say jokingly that my role as president consists of being at their service, to accompany them in the difficult and risky jobs that they have chosen. I wish to thank them all for their trust.

We also highlighted our 20th anniversary in a very special way at the ceremony bestowing the 2008 John Humphrey Freedom Award on the organization Zimbabwe Lawyers for Human Rights. These are extraordinary people whose courage moved us deeply. They may not have realized it, but their two representatives, Andrew Makoni and Irene Petras, were a source of great inspiration and have given us all the desire to step up our efforts for another 20 years at least.

You have received the results of the five-year review that evaluates your organization's performance. Are you going to change how you do things?

We were pleased with the report from the Office of the Inspector General of the Department of Foreign Affairs and International Trade Canada. The assessment is very positive and we have already begun to follow up on the principal recommendations. In fact, over the past year we began preparing our next strategic plan for 2010-2015 with the entire staff and Board of Directors. We are ensuring that the necessary adjustments become an integral part of our new strategic plan.

Rights & Democracy is an independent and non-partisan Canadian public organization. How have you dealt with the relationship with the Canadian government?

We have excellent relationships with all the parties represented in Parliament. Our expertise is recognized and sought out. In March 2009, I made a presentation on the Universal Periodic Review before the Senate's Standing Committee on Human Rights. Rights & Democracy organized a number of events on major issues in Ottawa, including the right to food, security sector reform in Indonesia, media censorship in Burma and multiparty democracy. I intend to intensify this presence.

How do you envisage the coming year?

With serenity. This will be a year of continuity for many of our projects, and at the same time, a new period of preparation for implementation of the new 2010-2015 five-year plan. We must find a balance between the desire to tackle new forms of injustice, which are many, and our concern to achieve genuine change through sustained engagement with our partners. I am convinced that, more than ever, Rights & Democracy is well-placed to make a significant contribution to the development of human rights and democracy.

MONTRÉAL HEAD OFFICE**Management Team****Rémy M. Beaugard**, President**Nicholas Galletti**, Executive Assistant to the President**Marie-France Cloutier**, Director, Administration and Resources**Razmik Panossian**, Director of Policy, Programmes and Planning**Charles Vallerand**, Director, Communications**France-Isabelle Langlois**, Deputy Director, Policy, Programmes and Planning**Michael Wodzicki**, Deputy Director, Policy, Programmes and Planning,**Anne-Marie Lavoie**, Deputy Director, Human Resources**Dominic Tremblay**, Deputy Director, Financial and Material Resources**Senior Advisors, Programmes****Sylvain Beauchamp**, Senior Advisor, Institutional Partnerships**Anick Druelle**, Senior Advisor, Women's Rights**Isabelle Johnson**, Senior Advisor, Monitoring and Evaluation**Marie Léger**, Senior Advisor, Indigenous Peoples' Rights**Carole Samdup**, Senior Advisor, Economic and Social Rights**Programme Officers****Lara Arjan**, Regional Officer, Middle East and North Africa**Caroline Brodeur**, Programme Officer, Economic and Social Rights**Gisèle Eva Côté**, Programme Officer, Women's Rights**Alexandra Gilbert**, Project Coordinator, Women's Rights in Afghanistan**Karim-André Laz**, Regional Officer, Africa**Jean-François Lesage**, Regional Officer, Asia**Geneviève Lessard**, Programme Officer, Democratic Development**Micheline (Mika) Lévesque**, Regional Officer, Asia**Maxime Longangué**, Regional Officer, Africa**Lauren Ravon**, Regional Officer, Americas**Sophie Rondeau**, Coordinator, Rights & Democracy Network**Isabelle Solon Helal**, Programme Officer, Women's Rights**Marie St-Louis**, Programme Officer, Indigenous Peoples' Rights**Elana Wright**, Liaison Officer, Rights & Democracy Network**Communications Officers****Leila Kayali**, Webmaster**Louise Lavallée**, Coordinator, Documentation Centre**Marie Malo**, Coordinator, Publications**Louis Moubarak**, Coordinator, Communication Events**Steve Smith**, Officer, External Relations**Kingslyne Toussaint**, Assistant, Documentation Centre**Administration and Resources****Elaine Brooks**, Administrative Assistant**Louise Chicoine**, Administrative Assistant**Patricia Daigle**, Coordinator, Administrative Support**Danielle Laferté**, Administrative Assistant**Carmen Melfi**, Receptionist**Diane Migneault**, Administrative Assistant**Viviane Poirier**, Administrative Assistant to the President**Nancy Rochefort**, Accounting Clerk**Patrick St-Louis**, Assistant, Archives and Databases**Josée Trottier**, Accountant**Isabelle Vallée**, Administrative Assistant**EUROPEAN OFFICE, GENEVA
(RIGHTS & DEMOCRACY, SWITZERLAND)****Cynthia Gervais**, Director, European Office**HAITI OFFICE, PORT-AU-PRINCE****Danièle Magloire**, Director, Haiti Office**Claudy Dumas-Cauvin**, Administrator**François Démésier**, Trainer/Monitoring Officer**Marie Guerda Edmond**, Trainer/Monitoring Officer**Jean-Raymond Jean**, Driver**Josette Montmaitre**, Maintenance**Yves Saint-Louis**, Administrative Assistant**AFGHANISTAN OFFICE, KABUL****Eighteen employees**, whose names cannot be disclosed for security reasons.

STAFF OF RIGHTS & DEMOCRACY



Photo: Alain Rhéaume



An organized effort by citizens to resolve a problem concerning a right or an issue that affects people or communities. Advocacy draws attention to a fundamental problem and calls on decision-makers to seek a solution. Advocacy is carried out by developing arguments that concern the community and convincing authorities to make decisions in the interest of all.

- > In the scope of its Haiti programme, Rights & Democracy developed a method to teach advocacy techniques. A training manual and an advocacy guide were published in both French and Creole in order to ensure wide diffusion. Every year, almost 200 members of Haitian civil society organizations from every region in the country receive training. As a result of the training sessions, and with the support of Rights & Democracy, Haitian organizations have launched advocacy campaigns on the right to identity, the right to food, the rights of women and the rights of the detained.
- > In an effort to mobilize international public opinion and to pressure Burma's political regime following the bloody repression of the Saffron Revolution, an organization of Burmese women, Lanna Action for Burma, launched the Panties for Peace campaign. It plays on the superstitions of the Burmese generals, who believe that any contact with women's underpants could cause them to lose their power. The campaign launched in Canada in May 2008, through a coalition coordinated by the Fédération des femmes du Québec and the Rights & Democracy student Network, was a resounding success, both in the media and with the public. It centres around sending women's underwear to the Embassy of Burma.
- > In Colombia, we work with the National Indigenous Organization of Colombia, in a process of advocacy to bring to the attention of the public the issue of peoples at risk of extinction. We assist in the emergence of a movement to support these peoples.
- > Rights & Democracy's student Network, active in some 20 Canadian universities, helps to mobilize Canadian youth around advocacy activities led or supported by Rights & Democracy. In February 2009, a representative of one of our indigenous partners in Colombia, from the Embera ethnic group, spoke of the experience of youth and children in conflict situations in her country during a conference



The staff of Rights & Democracy's Haiti programme.

organized by the delegation of Mount Allison University in New Brunswick. Members of Rights & Democracy's staff participated in similar meetings in Ontario and British Columbia to raise the interest of students in the Panties for Peace in Burma campaign in addition to projects to combat impunity in Zimbabwe and on foreign investments respectful of human rights. Many Network students consulted the Olympic Journal website created by Rights & Democracy just before the Beijing Olympic Games to provide a space for discussion on human rights in China.

Watch this

Extracts of the video of Rights & Democracy in Haiti, *Advocacy: A Tool for Democracy* (in French with English subtitles), is available on our website at www.dd-rd.ca/haiti_documentary. The topics addressed include Youth Engagement and Access to Education, Women's Rights, Right to Identity, Judiciary Reform, and Rights of Persons with Disabilities.

Did you know?

In 2008, through joint funding from Rights & Democracy and Canadian International Development Agency (CIDA), Rights & Democracy renewed its commitment in Haiti with a new four-year programme, *Strengthening Democratic Governance and Promoting Human Rights in Haiti*, to further dialogue between the state and civil society.



CAPACITY BUILDING

A process by which individuals, organizations, governments and society acquire, develop and maintain the skills they need to carry out their own development objectives. Capacity building is an essential step towards sustainable progress in democratic development and human rights.

Most of Rights & Democracy's programmes include a component to build the capacity of our civil society partners or state bodies in the form of training, knowledge transfer or assistance with resources. For example, the staff of our Documentation Centre helped start up human rights documentation centres in South Sudan, the Democratic Republic of Congo and in Benin. Here are a few other examples:

- > In South Sudan, Rights & Democracy supported the ongoing process to establish a democratic state through technical and financial assistance in the creation of the Southern Sudan Human Rights Commission. Thanks to the continued support of Rights & Democracy, the Southern Sudan Human Rights Commission is functional today. The project was made possible through a contribution from the Department of Foreign Affairs and International Trade Canada.
- > In Haiti, we helped to strengthen the Office du protecteur du citoyen, by advocating for the adoption by the Haitian parliament of a constitutional law that would enable this national institution to be a guarantor of Haiti's commitment to human rights.



In the middle, Kingslyne Toussaint, Assistant at Rights & Democracy's documentation centre, accompanied by Mathias Donas and Alex Tukube, to whom she provided training in documentation at the Carter Center's Human Rights House in Kinshasa, Democratic Republic of Congo, in December 2008.

- > In Ivory Coast, we supported the Regroupement des acteurs ivoiriens des droits humains, a coalition of non-governmental organizations dedicated to defending and promoting democracy. Formed in January 2005, the coalition provides civil society actors with a voice to promote human rights and to denounce violations of these rights.
- > In Colombia, we worked with the Antioquia Indigenous Organization in implementing training and coordination activities aimed at fostering better representation of indigenous youth and women at the local and regional levels and thus enlarging the space for political participation.
- > In Morocco, we helped set up and strengthen the capacity of the Association régionale de développement du Gharb based in Sidi Yahia du Gharb to train youth in the region in democratic values and human rights and to assist them in developing a project and defending it before municipal and regional authorities.
- > In the Americas, Rights & Democracy supported the efforts of indigenous women by providing them with backing in the consolidation process of the Continental Network of Indigenous Women and by concentrating on building their capacity to defend and promote their rights.

Further reading

The Fight for Human Rights in Africa: Perspectives on the African Commission on Human and Peoples' Rights.

Available at www.dd-rd.ca/publications/hrafrica

Civil society is made up of organizations or groups that are active in public life and defend the interests and values of their members. In the language of human rights, civil society refers to non-governmental organizations, churches, independent unions, neighbourhood associations, social movements, professional associations, etc. In its most general meaning, civil society includes everything that is outside of the state framework, including the field of business, such as merchants associations or chambers of commerce.

Rights & Democracy has a civil society component in most of its programming. To provide just one example, in Indonesia, civil society played a crucial role in the democratic reforms that began at the end of the dictatorial regime of President Suharto some ten years ago. The reform of the security sector (the army, police, and intelligence services) is one of the important steps in the process of consolidating democracy. The rule of law cannot be realized if security forces are not unconditionally subject to the laws that they have the responsibility to apply and protect. Citizens must be able to regain complete confidence in their institutions, and civil society plays a crucial role in this. Rights & Democracy supports the efforts of Indonesian civil society to normalize the political situation and to place the security forces under civil authority.

The year 2008 was marked by two important events:

- > A member of the military and former top official of the intelligence agency was found guilty of the 2004 murder of prominent human rights activist, Munir Thalib. This unprecedented action by Indonesian authorities is the result of a long civil society led awareness raising campaign for international public opinion spearheaded by Munir's widow and supported by Rights & Democracy.
- > In December 2008, Rights & Democracy and The North-South Institute hosted an international seminar on security sector reform attended by representatives of Indonesian civil society, the Geneva Centre for the Democratic Control of Armed Forces, the Institute for Defense Security and Peace Studies and the Canadian Advocacy Group for Indonesia.



Peaceful demonstration in Indonesia to call for an end to impunity.

Further reading

Civil Society and Security Sector Reform in Indonesia, 1998–2006.
Available at www.dd-rd.ca/publications/indonesia

Democratic development is reinforced through the promotion of a democratic culture, growing citizen participation in debates on public policies and decision-making, and the strengthening of democratic practices and institutions. A democratic system includes the right to freedom of association and expression, a multiparty political system, an independent legal system, the rule of law, and the existence of a vibrant and independent civil society. Democratic development leads to the implementation of political systems that respect, protect and fulfil the rights of all human beings.

Rights & Democracy is one of the few international organizations to make an explicit connection between the exercise of democracy and the respect of human rights. Genuine democratic development enables all citizens to freely exercise their right to participate in decisions affecting their lives and their future, and cannot exist without the promotion and respect of the rights of all.

- > In response to the evolving political situation in Bolivia, and the country's desire for reform, Rights & Democracy supports the implementation of new provisions to the Constitution that call for the full participation of women and indigenous peoples in the democratic life of the country.
- > In Morocco, Rights & Democracy pays special attention to youth in shantytowns by coaching them in advocacy techniques using modern communication methods. This enables them to engage in constructive dialogue with local authorities.
- > In Haiti, Rights & Democracy runs a programme to strengthen the capacity of civil society organizations so that, in an organized and constructive manner, they can make their voices heard on human rights issues by the Haitian government.



Young Moroccans from marginalized areas learning about multimedia approaches to political action.

- > In the province of Antioquia, Colombia, our projects support citizen participation in Constituent Assemblies. These municipal-level meetings of citizens to discuss issues affecting community life are an intrinsic part of direct democracy.

Further reading

The Inexorable Link: Human Rights and Democratic Development, a presentation by Rémy M. Beauregard at a workshop held before the Institute of Public Administration of Canada's conference on the theme "Canada and the World: Making a Difference."

Available at www.dd-rd.ca/hrdd

Some individuals or groups of individuals face discrimination on more than one factor of exclusion; for example women belonging to an ethnic or religious minority. Such cumulative discrimination has a unique and specific impact on individuals and merits particular consideration and remedy.

Indigenous women in the Americas, approximately 20 million people, are subject to double discrimination because of their indigenous origin and gender. Violence, early pregnancy and poverty are only a few of the consequences of double discrimination. The issue of the justifiability of double discrimination, in other words, the ability to have this form of injustice recognized by the courts, is an important means in minimizing such discrimination. It creates a legal framework through which indigenous women can have their rights respected.

- > Rights & Democracy is leading an important project to raise indigenous women's awareness of their rights and to accompany them on the documentation of cases of discrimination resulting from the combined effect of their ethnic origin and their gender.
- > Another aim of the project is to present these cases before the Inter-American Commission of Human Rights and to build a body of case law dealing specifically with indigenous women.
- > In conjunction with our partners, our efforts are concentrated on the right of indigenous women to education in Argentina, to health in Mexico, and their rights in the context of armed conflict in Colombia.
- > This innovative long-term approach strengthens the legal protection of indigenous women while supporting the consolidation of their organizations.



Credit: Indymedia Bolivia

- > The strategy adopted is taking place in several stages:
 - o Providing human rights training to activists within indigenous organizations so that they can determine cases of discrimination and document them;
 - o Gathering facts and testimony from victims and witnesses to build a solid first case to be presented before a national court;
 - o Obtaining a first favourable decision that will establish a precedent;
 - o Preparing to bring a case before the Inter-American Commission of Human Rights, the decisions of which have an impact throughout the region.
- > To successfully complete this project, Rights & Democracy has established a partnership with the International Development Research Centre, the International Clinic for the Defence of Human Rights of the Université du Québec à Montréal, the Council of Indigenous Organizations of Jujuy in Argentina, the National Indigenous Peoples' Organization in Colombia, Quebec Native Women and Ocosingo of Mexico.

Further reading

The Indigenous Peoples of Jujuy, Argentina: Lessons Learned and Challenges in Achieving the Implementation of Their Right to Education, available at www.dd-rd.ca/publications/jujuy

Being able to eat, having access to clean water, shelter, and being paid for one's work are all integral to the fulfilment of human rights. The International Covenant on Economic, Social and Cultural Rights calls on states to recognize, to the maximum of their available resources, the following rights: the right to work and to just and favourable conditions of work, the right to social security, the right to an adequate standard of living, the right to health, the right to education, and the right to take part in cultural life.

Rights & Democracy completed two important facets of its programming on economic and social rights in 2008–2009:

- 1 The publication of the report on the third international fact-finding mission on the right to food in Haiti, following those carried out in Malawi (2006) and Nepal (2007). Comparisons were established among countries with similar levels of poverty in order to underscore the link between human rights and food insecurity. The results were discussed at a policy seminar held in Ottawa, on November 7, 2008, attended by local partners from the three countries and Olivier de Schutter, the United Nations Special Rapporteur on the right to food.
- 2 The publication of *Getting it Right: A step by step guide to assess the impact of foreign investments on human rights*, and *Human Rights and Bilateral Investment Treaties: Mapping the role of human rights within investor-state arbitration*, is the culmination of a project begun five years ago. These two books represent our organization's major contribution to efforts by the international human rights community to ensure that corporate responsibility regarding investment be based on a legal framework of human rights instead of on voluntary guidelines.

GETTING IT RIGHT

- *Getting it Right* is a practical tool to evaluate the impact of investment projects on human rights. The communities affected by investment projects can use it to guard against the negative impacts of these projects. It enables communities to assert their rights and have them respected.
- Presented to numerous organizations during meetings and fora abroad, especially in Latin America and Africa, the methodology has raised a great deal of interest. Two highly reputed non-governmental organizations, the International Federation of Human Rights and Oxfam America, intend to use it with their partners in their projects.

HUMAN RIGHTS AND BILATERAL INVESTMENT TREATIES

- The study describes the system of protection of foreign investment as a confusing patchwork of more than 2600 bilateral investment treaties and free trade agreements designed to protect investors and their assets. While these agreements impose tight legal restrictions on actions that host governments can undertake, they impose no limits and no responsibilities on investors, even with respect to human rights.



CD cover of *Getting It Right*, a step-by-step tool to evaluate the impact of foreign investment on human rights.

Further reading

Concilier investissements étrangers et droits humains, a presentation by Rémy M. Beauregard's on human rights and foreign investment at the Club canadien in Toronto, which brings together the French-speaking business community of that city.

Available in French only at www.dd-rd.ca/clubcanadien09



FREEDOM OF EXPRESSION

TO PROMOTE

A fundamental freedom by which individuals may freely express their ideas and receive or impart opinions or information by any means that they deem appropriate. Freedom of expression includes freedom of the press and the guarantee that people are not to be harassed for their opinions. Freedom of expression is recognized in article 19 of the Universal Declaration of Human Rights.

- > Burma ranks second in the world, after North Korea, for restrictions on media freedom. Less than 1% of the population has access to the Internet, and the junta exercises strict control over the media within the country. Independent journalists are seen as enemies of the regime. Some of them have been imprisoned for over 10 years. It is imperative that the citizens of Burma be provided with swift access to reliable information from independent sources.
- > With its ability to act quickly and its well-established relationships with exiled democratic actors from Burma, especially in Canada, Rights & Democracy equipped the underground journalists of Democratic Voice of Burma, an important partner, with cameras. This made it possible for the images of the brutality of the military regime to be viewed in homes in Burma and in other parts of the world. They were picked up by international press agencies such as the BBC, Reuters and CNN, helping to increase international pressure on the dictatorial regime. The project received the backing of Department of Foreign Affairs and International Trade Canada.



The underground journalists of Democratic Voice of Burma capture previously unseen images of the Saffron Revolution in Burma.

- > Rights & Democracy is closely following the fate of citizens in Burma who dared to openly express their political opinions by taking part in peaceful demonstrations in September 2007, often referred to as the “Saffron Revolution” after the colour of the robes worn by Burmese monks. The winners of the John Humphrey Freedom Award, Min Ko Naing (1999) and Su Su Nway (2006), were sentenced respectively to 65 years and 12 years of incarceration following secret trials.



Listen to this

The primacy of freedom of expression in relation to freedom of religion is the subject of lively debate. In Geneva, in March 2009, Rights & Democracy organized a roundtable on the subject in which the United Nations Special Rapporteur on the freedom of religion or belief, Ms. Asma Jahangir, took part. You can listen to the audio of this conference at www.dd-rd.ca/religionhr



Impunity arises most often during periods of conflict and war and within failed states. It is the absence of punishment of the author of a wrongdoing or a crime. It opens the door to the most odious and gross violations of human rights and fosters a culture of humiliation and of absolute contempt for the victims. The struggle against impunity includes sanctions, restoration of collective memory, recognition of victims and reparation.

- > Combating impunity is an important aspect of Rights & Democracy's work in the Democratic Republic of Congo and in Indonesia (see Sexual Violence on page 14 and Civil Society on page 7). In Latin America, Rights & Democracy verifies whether states are compliant with decisions of the Inter-American Court of Human Rights, particularly in Colombia.
- > In Haiti, Rights & Democracy works with long-term partner, Fanm Yo La, in the struggle against impunity in cases of violence against women. We support the implementation of an effective system within the judicial framework to process and follow up the cases of women who have been victims of assault.
- > The struggle against impunity lies at the heart of Rights & Democracy's projects in Zimbabwe, where there were 54 deaths, 200 people disappeared, over 30,000 displaced and 3000 wounded during the presidential elections in March and June 2008.
 - o Evidence of these crimes, gathered by our partner, Zimbabwe Exiles Forum, an organization of Zimbabwean lawyers in exile in South Africa, is now being used for submissions on the human rights situation in Zimbabwe so that international legal proceedings can finally move forward against those responsible for the crimes.



Irene Petras and Andrew Makoni of Zimbabwe Lawyers for Human Rights, winners of Rights & Democracy's 2008 John Humphrey Freedom Award.

- o Rights & Democracy also supports the efforts of the Zimbabwe Exiles Forum to encourage the countries of southern Africa that receive Zimbabwean exiles (over 4.5 million people since 1998) to more vigorously pressure the Zimbabwean government to respect human rights.
- o In December 2008, Rights & Democracy bestowed its prestigious John Humphrey Freedom Award on Zimbabwe Lawyers for Human Rights, an organization that has played a leading role in the promotion and defence of human rights in Zimbabwe by ensuring the legal representation of victims of state-sponsored abuse and persecution. The Canadian tour by two of the organization's representatives, Irene Petras and Andrew Makoni, aroused a great deal of attention in the media and with the Canadian government in the context of the serious political and humanitarian crisis in Zimbabwe.

Did you know?

On October 28, 2008, the Ambassador and Deputy Representative of Canada to the United Nations, Henri-Paul Normandin, in his speech before the Third Commission of the United Nations General Assembly, paid tribute to the winner of the 2008 John Humphrey Freedom Award in the following words: "With its fearless commitment to human dignity and the rule of law, Zimbabwe Lawyers for Human Rights brings recourse and hope of justice to victims of human rights abuses in Zimbabwe."

RULE OF LAW

A fundamental legal principle that is at the core of democratic societies, according to which no one is above the law. Ensuing from this principle is the need for states to have reliable and independent institutions, including independent, impartial and universally accessible courts, election commissions, auditors, ombudsmen, and national human rights commissions. All state processes must take place in conformity with the law and only within the legal framework.

TO PROMOTE

> Afghanistan is a country in transition where traditional customary laws, which may differ regionally, ethnically and religiously, rule people's lives. However, the country is in the process of implementing the rule of law to conform to its Constitution and to its international human rights commitments. Rights & Democracy works to ensure the complete participation of women in this transformation of Afghan society with its project *A Measure of Equality for Afghan Women: Rights in Practice*, implemented by its Afghan team in the Afghanistan office. The project is financed by the Canadian International Development Agency.

> Rights & Democracy supports a drafting committee, directed by Afghans, which is studying the reform of family law. It is also supporting the advocacy efforts of civil society to influence the government. Our work also deals with use of a new, equitable national marriage contract that conforms the Afghan Constitution, which should eventually replace customary practices that often discriminate against women.

> In order to encourage the implementation of human rights, Rights & Democracy's Afghanistan office launched a popular education campaign:



Illustration by Alexia Laferté-Coutu, 19 years old, whose mother, Danielle Laferté, is Administrative Assistant for Rights & Democracy's Women's Rights project in Afghanistan.

- o 180 Afghans, men and women, from six provinces where the project is being deployed, were prepared to become trainers. They organized over 1000 awareness meetings on women's rights, family law and the use of the new national marriage contract. At least 27,000 Afghans, 50% of whom were women, took part in these community meetings.
- o 34 local NGOs received funding from Rights & Democracy for women's rights. Thanks to the support, more than 9000 Afghan women and men received training in women's rights.

Listen to this

The Afghanistan office team produced 14 popular radio broadcasts on family law and women's rights: Available in Dari and Pashto only at www.dd-rd.af

Violence inflicted principally on women during armed conflict which “includes many different types of acts, such as the following: rape, indecent assault (i.e. touching a woman’s breast), sexual slavery, forced marriage, forced impregnation and forced maternity, sexual mutilation. All acts of sexual violence constitute crimes of violence against women, aggression and domination. Sex is used as the means of exercising power over the victim. The goal of the offender is to control, degrade and humiliate the victim(s).”* Sexual violence in conflict situations is a violation of international humanitarian law for which justice and reparation must be demanded.

- > Rights & Democracy, in partnership with the Coalition for Women’s Human Rights in Conflict Situations, was at the forefront of international efforts to end impunity for crimes of sexual violence committed in conflict situations.
- > On June 19, 2008, the United Nations Security Council unanimously adopted Resolution 1820, in which sexual violence is recognized as a tactic of war and a threat to international security. Our long-term partner in the Democratic Republic of Congo, Ms. Julienne Lusenge, president of Solidarité féminine pour la paix et le développement intégral (SOFEPADI), advocated for the adoption of the resolution before the Security Council.
- > Given the anxiety caused by the resumption of combat and sexual violence in November 2008 in the Democratic Republic of Congo, Rights & Democracy supported the relaunching of the Congolese women’s campaign against sexual violence in the Democratic Republic of Congo, a coalition of 50 local women’s organizations, in order to end these crimes and to bring those responsible to justice.



Extract of the video presentation of the “Woman with 1000 Hands” Metaphor by Bernadette Ntumba, coordinator of AMCAV (Association of Christian Mothers for the Assistance of the Vulnerable) situated in the Uvira territory, South Kivu, Democratic Republic of Congo.

- > With the goal of ending the impunity enjoyed by the authors of these crimes, hundreds of Congolese women took our training sessions in human rights monitoring, in addition to learning the skills necessary to institute legal proceedings in national and international courts.
- > Rights & Democracy participated in an important research project to create an inventory of sexual violence in the Democratic Republic of Congo in partnership with MONUC (United Nations Organization Mission in the Democratic Republic of Congo), the United Nations High Commissioner for Human Rights and the UNDP (United Nations Development Programme).
- > Rights & Democracy continues its advocacy efforts to ensure that the principles of the Nairobi Declaration on Women’s and Girls’ Right to a Remedy and Reparation are applied nationally and internationally. We supported measures and legal education efforts used to publicize and apply the principles of the Nairobi Declaration in Sierra Leone and Peru. The Declaration was published in six languages, including Kiswahili and Congolese Swahili, used in the African Great Lakes region where sexual violence in conflict situations is a common occurrence.

Did you know?

Lawyer Soyata Maïga, Special Rapporteur on women’s rights for the African Commission on Human and Peoples’ Rights, was appointed to the Board of Directors of Rights & Democracy on October 23, 2009.

Watch this

The video presentation of the “Woman with 1000 Hands” metaphor by Bernadette Ntumba, coordinator of AMCAV (Association of Christian Mothers for the Assistance of the Vulnerable) situated in the Uvira territory, South Kivu, Democratic Republic of Congo. Available in French at www.womensrightscoalition.org

Further reading

Nairobi Declaration on Women’s and Girls’ Right to a Remedy and Reparation, available in English, French, Spanish, Arabic, Kiswahili, and Congolese Swahili.

The English version is available at www.dd-rd.ca/nairobi

*Definition taken from the Rights & Democracy/Amnesty International joint publication *Documenting Human Rights Violations by State Agents* (p.7).

Available at www.dd-rd.ca/publications/stateagents

The title given to individuals mandated by the United Nations to examine, monitor and report publicly on the human rights situation over a given territory (country mandates) or the situation of certain rights worldwide (thematic mandates). Their work, at the forefront of international activities to monitor the application of universal human rights standards, is used by the United Nations' Human Rights Council to deal with very serious violations that occur in the most critical situations. They seek to engage in constructive dialogue with governments and to obtain their cooperation in the search for solutions.

Special rapporteurs, independent experts, special representatives and working groups collectively form what is referred to as the "special procedures" of the United Nations' Human Rights Council, whose origin goes back to the creation of the United Nations.

- > Rights & Democracy supports the work of special rapporteurs or thematic independent experts on the right to food, the rights of indigenous peoples, freedom of religion or belief, human rights and extreme poverty, and violence against women, its causes and consequences. We also work with special rapporteurs and independent experts on Burma, Haiti and Sudan.
- > Two activities stand out in the collaboration between Rights & Democracy and the United Nations' Special Rapporteur on the right to food in 2008:
 - In May 2008, a representative from the office of Special Rapporteur Olivier de Schutter participated in the fact-finding mission on the right to food in Haiti organized jointly by Rights & Democracy and the Groupe de recherche et d'appui au milieu rural, a Haitian partner. This third case study (Malawi in 2006, Nepal in 2007) had two objectives: firstly, to better understand the challenges related to applying a human rights framework as a tool to combat hunger, and secondly, to encourage the various parties interested in meeting these challenges in Haiti.
 - Mr. de Schutter then participated in an international seminar organized in Ottawa in November 2008 by Rights & Democracy on the recognition of the right to food as a means to end food insecurity. Our organization played a leading role in international efforts carried out by the FAO (United Nations Food and Agricultural Organization), university researchers, practitioners in the field of development, and human rights defenders to promote the right to food.
- > Rights & Democracy supported the participation of the Special Rapporteur on violence against women, its causes and consequences, Professor Yakin Ertürk, and that of the Special Rapporteur on the situation of human rights defenders, Margaret Sekaggya, at a regional conference on women's rights in Africa held in Nairobi, Kenya, in December 2008 convened by Urgent Action Fund-Africa.
- > Rights & Democracy supported the work of seven special rapporteurs who received an urgent mandate in November 2008 to examine the human rights situation in the eastern Democratic Republic of Congo and to report to the Human Rights Council. With our support, member organizations of the *Campagne des femmes congolaises de lutte contre les violences sexuelles* (Congolese women's campaign against sexual violence) have reported on the situation on violence against women and have developed recommendations to the special rapporteurs in the scope of that mandate.
- > Asma Jahangir, United Nations Special Rapporteur on freedom of religion or belief, was the keynote guest at a public event entitled "Religion and Human Rights: An Interactive Dialogue" held in Geneva in March 2009, held parallel to the session of the Human Rights Council at which Ms. Jahangir submitted her report. The event also provided the opportunity to make public Rights & Democracy's report entitled *Religion and Human Rights*, available in English, French and Arabic.

Did you know?

Sima Samar, a member of Rights & Democracy's Board of Directors, is the United Nations' Special Rapporteur on the situation of human rights in Darfur, Sudan.

Further reading

On October 16, 2008, Rights & Democracy marked World Food Day by releasing its report *The Human Right to Food in Haiti*. The report denounces the continual violations to the right to food in Haiti. Its publication coincided with an aggravation of food insecurity in the country caused by the 50% rise in the price of staple foods compared to the previous year.

Available at www.dd-rd.ca/publications/hrf_haiti

A new international mechanism of the Human Rights Council launched in April 2008. Over a four-year cycle, each of the 192 member states of the United Nations undergoes a review of the human rights situation within its territory. The country reports are based on submissions by the state under review, the United Nations, as well as by the country's human rights institution and its civil society. The final report, which includes recommendations to the state undergoing review, is adopted at a plenary session of the Human Rights Council.

Rights & Democracy has developed highly-valued expertise on the Universal Periodic Review. It plays an essential role in helping the human rights community to better understand and familiarize itself with the process. Through its European office in Geneva, Switzerland, Rights & Democracy is able to help the civil society partners of its priority countries prepare for the periodic review of their country.

- > In 2008–2009, Rights & Democracy ran international and national workshops on the periodic review process in Geneva, Switzerland; Nairobi, Kenya; Kuala Lumpur, Malaysia; and Kinshasa, Democratic Republic of Congo.
- > Colombia underwent its periodic review in December 2008. The report presented by our partners on the situation of indigenous peoples helped place this issue front and centre in the debate. Specific recommendations on the rights of indigenous peoples were made to the Colombian government. Our partners' visibility was heightened in the media and they were involved in a side event organized by the Colombian Association of Jurists.

Further reading

On March 30, 2009, Rémy M. Beauregard addressed the Senate Standing Committee on Human Rights about the Universal Periodic Review and Rights & Democracy's expertise.

Available at www.dd-rd.ca/upr

No Way Out: Worker Activism in China's State-Owned Enterprise Reforms, a joint publication of the China Labour Bulletin and Rights & Democracy, available in English, French and Chinese. English version available at www.dd-rd.ca/publications/nowayout

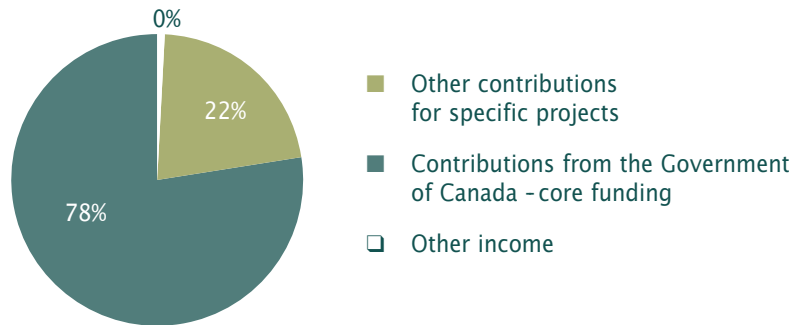


Logo for the 60th anniversary of the Universal Declaration of Human Rights.

- > Rights & Democracy supported the presence of some of its partners in Geneva during the long-awaited periodic review of China, in February 2009. Representatives of the China Labour Bulletin drew attention to numerous cases of injustice documented in the book *No Way Out: Worker Activism in China's State-Owned Enterprise Reforms*, launched in September 2008, after five years of research.
- > During the Universal Periodic Review of Afghanistan, in May 2009, Rights & Democracy submitted information for the first time. Its thematic report on the issue of women's rights in Afghanistan was the only one of its kind in the review of the country. Rights & Democracy took advantage of the occasion to organize a side event about the Shia Personal Status Law, only a few weeks after the controversy raised by its initial signing into law by the President of Afghanistan.



1 SOURCES OF INCOME

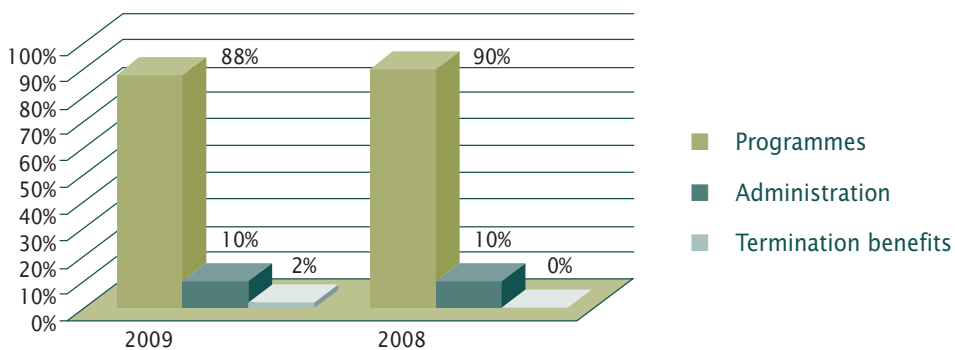


Much like last year, income received by Rights & Democracy can be divided into three main categories. The percentage of contribution from the Government of Canada for general operations remained virtually the same as last year.

This year, Rights & Democracy signed a contribution agreement with CIDA to develop the project *Strengthening Democratic Governance and Promoting Human Rights in Haiti*. This agreement is worth \$4.285M, spread over more than four years, to December 31, 2012. In 2007-2008, a substantial contribution agreement was also signed with CIDA to develop a project focusing on women's rights in Afghanistan entitled *A Measure of Equality for Afghan Women: Rights in Practice*. Contributions arising from these two projects are, respectively, \$0.265M and \$1.273M in 2008-2009. In addition, Foreign Affairs and International Trade Canada contributed \$0.190M and \$0.186M to carry out activities in Sudan and Burma.

Finally, other types of income, such as donations, sales of publications and interest, make up less than 1% of the share of total income.

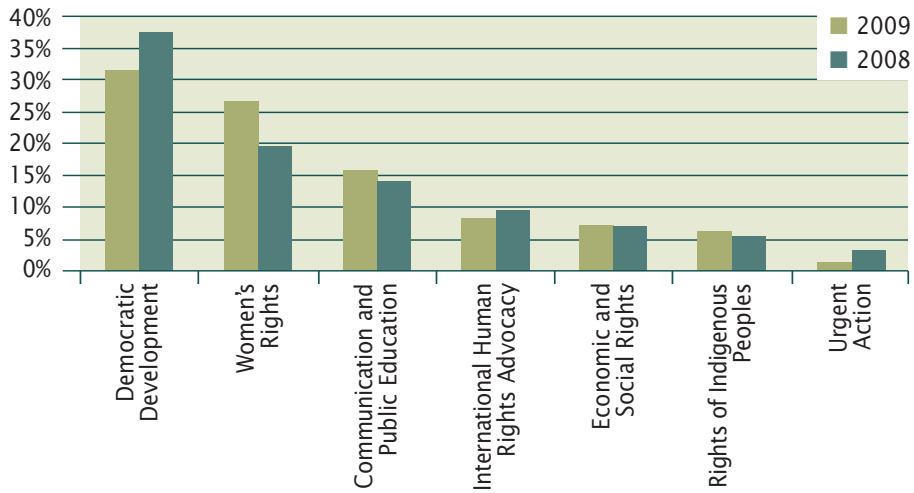
2 BREAKDOWN OF SPENDING BETWEEN PROGRAMMES AND ADMINISTRATION



The proportion of administrative expenses is identical to last year. Programme expenditures decreased by 2% in order to pay termination benefits.

This low percentage of administrative costs is the direct result of the concern of Rights & Democracy's management to keep them at a minimum.

3 BREAKDOWN OF EXPENDITURES BY FIELD



It is important to specify that the breakdown of expenditures by thematic takes into account overhead costs, such as rent, which were distributed according to the number of employees concerned and/or the surface area occupied, depending on the type of expense. Remaining overhead costs were absorbed by the administration.

The expenditure breakdown between thematic is directly related to the quality of the proposals presented during the budget development process, core funding, external funding received for specific projects and the number of employees working in each thematic. The most significant variations are related to democratic development, which decreased by 6%, reaching the same level as two years ago, and women's rights, which now represents 27%, compared to 20% the previous year.

The other thematic maintained percentages similar to those in 2008.



4 ANALYSIS OF EXPENDITURES BY CATEGORY

	Statement 2009	Statement 2008	Gap (\$)	Gap (%)
Projects	\$ 7,480,085	\$ 7,457,148	\$ 22,937	0%
Salaries and Benefits	\$ 2,861,683	\$ 2,855,997	\$ 5,686	0%
Rent and Office Expenses	\$ 708,644	\$ 645,890	\$ 62,754	10%
Travel Expenses	\$ 93,231	\$ 99,055	\$ (5,824)	-6%
Information	\$ 91,462	\$ 101,740	\$ (10,278)	-10%
Board of Directors	\$114,455	\$ 145,553	\$ (31,098)	-21%
	\$ 11,349,560	\$ 11,305,383	\$ 44,177	0%

In order to facilitate the reading, some expenses were grouped in a different way than in the financial statements' presentation. The analysis of the table of expenditures by category reveals the fact that total expenditures, with the exception of termination benefits which were not taken into account in this analysis, remained at virtually the same level as the previous year. In fact, since income maintained the same proportions as in 2007-2008, it is logical that total expenditures are also comparable.

The Salaries and Benefits line shows the salaries not associated with any particular project. The variation compared to the previous year is negligible.

In addition to Rent and Office Expenses, this item includes expenditures for amortization of property and equipment, mail and telephony and other expenses. The 10% increase compared to the previous year is primarily attributed to the costs of relocating the new president and an increase in amortization expenses.

The Travel Expenses line includes only those expenses that cannot be directly linked to active projects. Consequently, they primarily involve travel expenses related to the President's and Programme Director's offices. Members of management are regularly required to travel to ensure the institution's visibility, meet potential partners or explore the possibilities for future projects. Their travel expenses decreased slightly compared to 2007-2008.

The Information line includes the costs related to the documentation centre and producing the *Libertas* newsletter as well as the annual report. The publication of the annual report required more staff in 2007-2008, which increased the cost of salaries for this project.

Since the Board of Directors of Rights & Democracy met three times in 2008-2009, compared to four times the previous year, expenses related to remuneration, the traveling expenses of members and simultaneous interpretation decreased by \$0.031M.

The consolidated financial statements of the International Centre for Human Rights and Democratic Development (Rights & Democracy) are the responsibility of management and have been approved by the Board of Directors of Rights & Democracy. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, where appropriate, include estimates based on the experience and judgement of management. Management is also responsible for all other information in the Annual Report and for ensuring that this information is consistent with the consolidated financial statements.

Management maintains books of account, financial and management control, and information systems, together with management practices designed to provide reasonable assurance that reliable and relevant information is available on a timely basis, that assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of Rights & Democracy's objectives, and that operations are carried out effectively. These systems and practices are also designed to provide reasonable assurance that transactions are in accordance with the *International Centre for Human Rights and Democratic Development Act* and the by-laws and policies of Rights & Democracy.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for the financial reporting as stated above. The Board exercises its responsibilities through the Finance and Audit Committee, which consists of directors who are not officers of Rights & Democracy. The Committee reviews the annual consolidated financial statements and related reports; it meets with the external auditors annually, and may make recommendations to the Board of Directors with respect to these and/or related matters.

The external auditor, the Auditor General of Canada, conducts an independent audit of the consolidated financial statements, and reports to Rights & Democracy and to the Minister of Foreign Affairs and International Trade Canada.



Rémy M. Beauregard

President



Marie-France Cloutier

*Director of Administration
and Resources*

Montreal, Canada

June 9, 2009



To the International Centre for Human Rights and Democratic Development and the Minister of Foreign Affairs and International Trade Canada

I have audited the consolidated balance sheet of the International Centre for Human Rights and Democratic Development as at March 31, 2009 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sylvain Ricard, CA auditor

*Assistant Auditor General
for the Auditor General of Canada*

Montreal, Canada
June 9, 2009



FINANCIAL STATEMENTS

INTERNATIONAL CENTRE FOR HUMAN RIGHTS AND DEMOCRATIC DEVELOPMENT

Consolidated Balance Sheet as at March 31

2009

2008

ASSETS

Current

Cash	\$ 152,148	\$ -
Term deposits (Note 4)	2,120,000	2,580,869
Accrued interest	13,299	28,871
Accounts receivable	120,911	120,278
Contributions receivable	274,082	125,473
Prepaid expenses	<u>119,634</u>	<u>60,317</u>
	2,800,074	2,915,808

Long Term

Property and equipment (Note 5)	761,796	788,166
	\$ 3,561,870	\$ 3,073,974

LIABILITIES

Current

Bank overdraft	\$ -	\$ 321,614
Accounts payable	280,151	178,323
Accrued salaries and vacations	651,693	558,603
Grants payable	593,620	522,838
Obligations under capital leases (Note 6)	33,785	40,790
Deferred contributions from the Government of Canada and other related entities (Note 7)	<u>199,076</u>	<u>438,307</u>
	1,758,325	2,060,475

Long Term

Deferred lease inducements	114,609	146,610
Obligations under capital leases (Note 6)	157,981	70,540
Other liabilities	<u>37,500</u>	<u>37,500</u>
	310,090	254,650
Deferred capital funding (Note 9)	<u>469,675</u>	<u>491,024</u>
	2,538,090	2,806,149

EQUITY

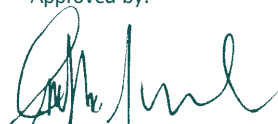
Retained Earnings	1,003,173	829,399
Accumulated Other Comprehensive Income	<u>20,607</u>	<u>68,426</u>
	1,023,780	897,825
	\$ 3,561,870	\$ 3,703,974

Commitments (Note 13)

Contingencies (Note 16)

The accompanying notes form an integral part of the consolidated financial statements.

Approved by:



Remy M. Beauregard

President of Rights & Democracy



Aurel Braun

Chair of the Board

Consolidated Statement of Operations for the year ended March 31	2009	2008
Expenses (Note 10)		
Democratic Development		
Democratic Development	\$ 3,259,154	\$ 3,833,228
Women's Rights	2,730,273	1,997,068
Communication and Public Education	1,663,899	1,468,569
International Human Rights Advocacy	882,158	1,004,357
Economic & Social Rights	787,067	789,312
Rights of Indigenous Peoples	705,207	693,568
Urgent Action and Important Opportunities	<u>162,292</u>	<u>377,066</u>
	10,190,050	10,163,168
General administration	<u>1,159,510</u>	<u>1,142,216</u>
Cost of operations before termination benefits	11,349,560	11,305,384
Termination benefits	<u>263,198</u>	<u>-</u>
Cost of operations after termination benefits	<u>11,612,758</u>	<u>11,305,384</u>
Revenues		
Contributions from the Government of Canada and other related entities for specific projects (Note 11)	1,991,820	1,673,730
Contributions from unrelated entities (Note 12)	627,588	789,860
Interest	<u>47,775</u>	<u>75,908</u>
	<u>2,667,183</u>	<u>2,539,498</u>
Results of operations before funding from the Government of Canada	<u>8,945,575</u>	<u>8,765,886</u>
Funding from the Government of Canada		
Parliamentary appropriation - Core funding	8,939,791	9,032,799
Amortization of deferred capital funding (Note 9)	<u>179,558</u>	<u>142,105</u>
	<u>9,119,349</u>	<u>9,174,904</u>
Results of operations for the year	\$ <u>173,774</u>	\$ <u>409,018</u>

Consolidated Statement of Comprehensive Income for the year ended March 31	2009	2008
Results of operations for the year	\$ 173,774	\$ 409,018
Other comprehensive income		
Deferred contributions from unrelated entities recognized as revenue in the year (Note 8)	(49,619)	(23,143)
New deferred contributions from unrelated entities for the year (Note 8)	<u>1,800</u>	<u>54,744</u>
Total other comprehensive income (loss)	(47,819)	31,601
Comprehensive income (loss)	\$ <u>125,955</u>	\$ <u>440,619</u>

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended March 31	2009	2008
Retained earnings, beginning of year	\$ 829,399	\$ 420,381
Results of operations for the year	<u>173,774</u>	<u>409,018</u>
Retained earnings, end of year	1,003,173	829,399
Accumulated other comprehensive income, beginning of the year	68,426	36,825
Other comprehensive income (loss)	<u>(47,819)</u>	<u>31,601</u>
Accumulated other comprehensive income, end of the year (Note 8)	20,607	68,426
Total retained earnings and accumulated other comprehensive income	\$ <u>1,023,780</u>	\$ <u>897,825</u>

Consolidated Statement of Cash Flows for the year ended March 31	2009	2008
Cash provided by (used in) operating activities		
Results of operations for the year	\$ 173,774	\$ 409,018
Items not affecting cash		
Decrease in deferred lease inducements	(32,001)	(32,001)
Amortization of property and equipment	280,282	227,233
Amortization of deferred capital funding	(179,558)	(142,105)
Increase in the fair value of term deposits	<u>10,869</u>	<u>(11,398)</u>
	253,366	450,747
Decrease in accrued interest	15,572	3,380
Increase in accounts receivable	(633)	(22,555)
Increase in contributions receivable	(148,609)	(99,921)
Increase in prepaid expenses	(59,317)	(17,961)
Increase (decrease) in accounts payable	101,828	(18,192)
Increase in accrued salaries and vacations	93,090	133,776
Increase in grants payable	70,782	235,635
Increase (decrease) in other liabilities		(12,500)
Increase (decrease) in deferred contributions from the Government of Canada and other related entities	(239,231)	171,517
Increase (decrease) in deferred contributions from unrelated entities	<u>(47,819)</u>	<u>31,601</u>
	39,029	855,527
Cash provided by (used in) financing activities		
Parliamentary appropriation – capital funding	158,209	34,391
Obligation under capital leases	161,074	-
Reduction of obligation under capital leases	(48,159)	-
Payments on obligations under capital leases	<u>(32,479)</u>	<u>(36,957)</u>
	238,645	(2,566)
Cash provided by (used in) investing activities		
Acquisition of term deposits	(8,700,000)	(7,151,329)
Redemption of term deposits	9,150,000	6,652,734
Acquisition of property and equipment	(130,130)	(128,181)
Acquisition of assets under capital leases	(161,074)	-
Redemption of assets under capital leases	<u>37,292</u>	<u>-</u>
	196,088	(626,776)
Net change in bank overdraft	473,762	226,185
Bank overdraft, beginning of the year	<u>(321,614)</u>	<u>(547,799)</u>
Cash at the end of the year	\$ <u>152,148</u>	\$ <u>(321,614)</u>

Cash provided by (used in) financing activities

Parliamentary appropriation – capital funding	158,209	34,391
Obligation under capital leases	161,074	-
Reduction of obligation under capital leases	(48,159)	-
Payments on obligations under capital leases	<u>(32,479)</u>	<u>(36,957)</u>
	238,645	(2,566)

Cash provided by (used in) investing activities

Acquisition of term deposits	(8,700,000)	(7,151,329)
Redemption of term deposits	9,150,000	6,652,734
Acquisition of property and equipment	(130,130)	(128,181)
Acquisition of assets under capital leases	(161,074)	-
Redemption of assets under capital leases	<u>37,292</u>	<u>-</u>
	196,088	(626,776)

Net change in bank overdraft

Bank overdraft, beginning of the year	<u>(321,614)</u>	<u>(547,799)</u>
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Cash at the end of the year

	\$ <u>152,148</u>	\$ <u>(321,614)</u>
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The accompanying notes form an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements March 31, 2009

1. Authority and operations

The International Centre for Human Rights and Democratic Development was established by the Parliament of Canada in 1988 by the *International Centre for Human Rights and Democratic Development Act*. The Centre is operating as Rights & Democracy.

The mission of Rights & Democracy is to initiate, encourage and support cooperation between Canada and other countries in the promotion, development and strengthening of democratic and human rights institutions and programmes that give effect to the rights and freedoms enshrined in the *International Bill of Human Rights*. In carrying out its mission, Rights & Democracy shall:

- a) support developmental programmes and activities for the benefit of developing countries;
- b) support programmes and activities for the benefit of countries other than developing countries; and
- c) foster and support research and education, discourse, the exchange of information and collaboration among people and institutions in Canada and other countries.

Rights & Democracy is exempt from any income taxes; it is registered as a charitable organization for the purpose of the *Income Tax Act*.

Financial Provisions

For the purpose of supporting programmes and activities for the benefit of developing countries in accordance with the Act, Rights & Democracy is to be paid such amount as may be appropriated by Parliament. Rights & Democracy may also receive monies from sources other than the Government of Canada.

For the purpose of supporting programmes and activities for the benefit of countries other than developing countries, Rights & Democracy may, in addition to such monies as may be appropriated by Parliament for that purpose, receive and use monies provided to it from sources other than the Government of Canada.

2. New accounting standards

Capital Disclosures

On April 1, 2008, in accordance with the applicable transitional provisions, Rights & Democracy adopted the new recommendations included in the CICA Handbook Section 1535, "*Capital Disclosures*". The new section establishes standards for disclosing information about the entity's capital and how it is managed. This additional disclosure includes quantitative and qualitative information regarding objectives, policies and processes for managing capital, as well as the entity's compliance with externally imposed capital requirements. This new accounting standard only addresses disclosures that are presented in Note 3 j) and has no impact on Rights & Democracy's financial results.

Financial Instruments

On April 1, 2008, in accordance with the applicable transitional provisions, Rights & Democracy adopted the new recommendations included in the CICA Handbook Sections 3862, "*Financial Instruments – Disclosures*" and 3863, "*Financial Instruments – Presentation*."

Section 3862, "*Financial Instruments – Disclosures*" describes the required disclosure to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863, "*Financial Instruments – Presentation*" establishes standards for presentation of financial instruments and non-financial derivatives.

This new accounting standard only addresses disclosures that are presented in Note 15 and have no impact on Rights & Democracy's financial results.

Future Accounting Standards

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") announced that, as at January 1, 2011, publicly-accountable enterprises are expected to adopt International Financial Reporting Standards ("IFRS"). Accordingly, Rights & Democracy expects to adopt these new standards during its fiscal year beginning on April 1, 2011. The AcSB also stated that, during the transition period, enterprises will be required to provide comparative IFRS information for the previous fiscal year. The IFRS issued by the International Accounting Standards Board ("IASB") require additional financial statement disclosures and, while the conceptual framework is similar to Canadian GAAP, enterprises will have to take account of differences in accounting principles. Rights & Democracy is currently assessing the impact of these new standards on its consolidated financial statements; however, at this time, it is not possible to reasonably determine the impact of this anticipated accounting change on its consolidated financial results and position.

In December 2008, the Accounting Standards Board (AcSB) and the Public Sector Accounting Board (PSAB) jointly issued an Invitation to Comment, *Financial Reporting by Not-For-Profit Organizations*. The exposure draft sets out options for the direction of accounting standards for both private and public sector not-for-profit organizations. In the case of other governmental organizations that are not part of the public sector, which is the case of Rights & Democracy, the AcSB has tentatively determined that the alternatives are either IFRSs, or the private enterprise standards currently under development supplemented by the 4400 series. Comments are requested by June 30, 2009.

3. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies follow.

a) Consolidation

Rights & Democracy controls the non-profit organization Rights & Democracy (Switzerland). The latter's mission is to initiate, encourage and support cooperation between Canada and other countries in the promotion, development and strengthening of democratic and human rights institutions and programmes that give effect to the rights and freedoms enshrined in the *International Bill of Human Rights*.

The financial statements of Rights & Democracy (Switzerland) have been consolidated with the financial statements of Rights & Democracy. All inter-companies operations and balances have been eliminated.

b) Parliamentary appropriation

Rights & Democracy is mainly funded by the Department of Foreign Affairs and International Trade Canada and the Canadian International Development Agency through grant agreements. The portion of the parliamentary appropriation used to finance the acquisition of property and equipment is recorded as deferred capital funding and amortized on the same basis and over the same period as the related property and equipment. The other portion of the appropriation is recorded in the statement of operations in the year for which it is approved.

c) Contributions

Rights & Democracy follows the deferral method of accounting for contributions. Contributions from unrelated entities that are externally restricted are recorded in other comprehensive income and recognized as revenue in the year in which the related expenses are incurred. Contributions from the Government of Canada and other related entities that are externally restricted are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Grant expenses

Grants are charged to operations in the year in which the criteria for awarding the grants are met.

e) Term deposits

Term deposits are recorded at fair value with changes in fair value recognized in earned interest.

f) Property and equipment

Furniture and equipment, data processing equipment, automotive equipment and website design and improvements are recorded at cost and amortized on the straight-line basis at an annual rate of 20%. Leasehold improvements are recorded at cost and are amortized over the lease. Assets acquired by capital leases are recorded at the present value of the minimum lease payments and are amortized over the term of the lease.

g) Employee future benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. Rights & Democracy's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. Rights & Democracy's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of Rights & Democracy. Rights & Democracy is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan. These benefits represent the only obligation of Rights & Democracy that entails settlement by future payment.

h) Deferred lease inducements

Costs incurred by the lessor on behalf of Rights & Democracy are recorded on the balance sheet as deferred lease inducements. These deferred lease inducements are amortized on a straight line basis as a reduction to the expense over the term of the lease.

i) Financial instruments: Classification, recognition and measurement

As of April 1, 2007, financial instruments are classified as held for trading, available for sale, held to maturity, receivables or other financial liabilities. Financial assets and financial liabilities classified as held for trading are measured at fair value with changes recognized through income. Available-for-sale financial assets are measured at fair value, or at cost in the case of financial assets that do not have a quoted market price in an active market, and changes in fair value are recorded through comprehensive income. Financial assets classified as held to maturity, receivables and other financial liabilities are measured at amortized cost using the effective interest method. Rights & Democracy classified its term deposits and bank overdraft as held for trading. Accounts receivable and contributions receivables were classified as receivables. All of Rights & Democracy's financial liabilities were classified as other liabilities.

j) Capital management

Rights & Democracy's capital is only composed of retained earnings generated by accumulated surplus. Since Rights & Democracy does not hold any loan, it is not subject to certain covenants with respect to its credit facilities.

Rights & Democracy manages its equity prudently in managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that its objectives are achieved efficiently and in conformity with the act that governs it.

k) Comprehensive income

Components of comprehensive income include net earnings and deferred contributions from unrelated entities.

l) Measurement uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the period. Estimated useful lives of capital assets, fair value of financial instruments and contingent liabilities are the most significant items where estimates are used. Actual results could differ from those estimated.

4. Term deposits

As at March 31, 2009 the term deposits have an average interest rate of 2.7 % (3.62% in 2008) and an average term to maturity of 365 days (365 days in 2008). In 2008, an unrealized gain of \$11,398 due to changes in fair value of term deposits was recorded in interest income.

5. Property and equipment

	Cost	2009 Accumulated Amortization	Net	2008 Net
Furniture and equipment	\$ 887,945	\$ 637,597	\$ 250,348	\$ 232,834
Data processing equipment	359,041	238,976	120,065	131,610
Website	63,384	31,922	31,462	41,674
Leasehold improvements	553,707	243,935	309,772	315,194
Automotive equipment	<u>83,525</u>	<u>33,376</u>	<u>50,149</u>	<u>66,854</u>
	\$ <u>1,947,602</u>	\$ <u>1,185,806</u>	\$ <u>761,796</u>	\$ <u>788,166</u>

The above-mentioned assets include equipment under capital leases for a total cost of \$250,750 (\$213,625 in 2008), less accumulated amortization of \$80,620 (\$122,680 in 2008). The automotive equipment is being used by the Port-au-Prince and the Kabul personnel within the activities of the projects financed by CIDA in Haiti and Afghanistan.

Part of the 2009 amortization (\$26,196) (\$11,954 in 2008) is attributed to specific projects and is recognized in programmes and activities expenses and the balance (\$254,086) (\$215,279 in 2008) is split between programmes and activities expenses and general administration expenses (Note 10).

6. Obligations under capital leases

Rights & Democracy has entered into agreements to rent office equipment under capital leases. The obligations under these capital leases have been discounted at a rate of interest varying from 9.49 to 9.85% per annum. The related obligations are paid over a 5-6 year lease term. Minimum lease payments totalling \$49,669 (\$50,003 in 2008) for the year ended March 31, 2009, including interest of \$17,190 (\$13,276 in 2008), were charged to results.

At March 31, 2009, the future minimum lease payments are:

2010	\$ 51,191
2011	51,191
2012	51,191
2013	51,191
2014	<u>36,566</u>
Total future minimum lease payments	241,330
Less: imputed interest	<u>(49,564)</u>
	191,766
Short term portion	<u>(33,785)</u>
	\$ <u>157,981</u>

7. Deferred contributions from the Government of Canada and other related entities

The amounts below represent unspent resources externally restricted from the Government of Canada and other related entities for implementing specific projects, received or receivable in the current period that are related to subsequent periods. Changes in the deferred contributions balance are as follows:

	2009	2008
Deferred contributions, beginning of year	\$ 438,307	\$ 266,790
Amount recognized as revenue in the year (Note 11)	(438,307)	(266,790)
Canadian International Development Agency		
Strengthening of Haitian Civil Society Project	199,076	-
Canada Corps: Strengthening of Governance in Africa	-	5,331
A Measure of Equality for Afghan Women: Rights in Practice	-	401,031
Department of Foreign Affairs and International Trade Canada		
Building a Stable Rule of Law Institution in South Sudan	<u>-</u>	<u>31,945</u>
Deferred contributions, end of year	\$ 199,076	\$ 438,307

The composition of deferred contributions as at March 31 is as follows:

Canadian International Development Agency		
Strengthening of Haitian Civil Society Project	\$ 199,076	\$ -
Canada Corps: Strengthening of Governance in Africa	-	5,331
A Measure of Equality for Afghan Women: Rights in Practice	-	401,031
Department of Foreign Affairs and International Trade Canada		
Building a Stable Rule of Law Institution in South Sudan	<u>-</u>	<u>31,945</u>
	\$ 199,076	\$ 438,307

8. Deferred contributions from unrelated entities

The amounts below represent unspent resources externally restricted from unrelated entities for implementing specific projects, received or receivable in the current period that are related to subsequent periods. Changes in the deferred contributions balance are as follows:

	2009	2008
Deferred contributions, beginning of year	\$ 68,426	\$ 36,825
Amount recognized as revenue in the year (Note 12)	(49,619)	(23,143)
Contributions to the International Civil Liberties Monitoring Group	-	8,670
International Civil Liberties Monitoring Group – Research Project	-	16,534
Canton de Genève	-	10,026
Other contributions	1,600	17,274
Donations	<u>200</u>	<u>2,240</u>
Deferred contributions, end of year	\$ 20,607	\$ 68,426

The composition of deferred contributions as at March 31 is as follows:

Open Society Initiative for Southern Africa		
DRC – Justice for Sexual Violence Victims Project	\$ -	\$ 4,946
Contributions to the International Civil Liberties Monitoring Group	-	15,387
International Civil Liberties Monitoring Group – Research Project	-	16,534
Canton de Genève	10,026	10,026
Other contributions	10,381	17,794
Donations	<u>200</u>	<u>3,739</u>
	\$ 20,607	\$ 68,426

9. Deferred capital funding

	2009	2008
Balance, beginning of year	\$ 491,024	\$ 598,738
Parliamentary appropriation – capital funding	158,209	34,391
Amortization of deferred capital funding	<u>(179,558)</u>	<u>(142,105)</u>
Balance, end of year	\$ 469,675	\$ 491,024

10. Expenses

	2009			2008
	Programmes and Activities	General Administration	Total	Total
Projects	\$ 7,317,817	\$ -	\$ 7,317,817	\$ 7,327,846
Salaries and employee benefits	1,852,506	697,293	2,549,799	2,438,199
Rent	262,671	84,951	347,622	296,841
Professional fees	150,221	161,663	311,884	417,798
Amortization of property and equipment	191,708	62,378	254,086	215,279
Cost of awards	162,268	-	162,268	129,302
Board fees and expenses	-	114,455	114,455	145,553
Travel	78,138	15,093	93,231	99,055
Information	87,033	4,429	91,462	101,740
Mail and telephony	36,443	8,000	44,443	58,124
Office expenses	35,713	7,839	43,552	44,559
Miscellaneous	15,532	3,409	18,941	31,088
	10,190,050	1,159,510	11,349,560	11,305,384
Termination benefits	213,496	49,702	263,198	-
	\$ 10,403,546	\$ 1,209,212	\$ 11,612,758	\$ 11,305,384

11. Contributions from the Government of Canada and other related entities

Contributions from the Government of Canada and other related entities reported in the consolidated statement of operations come from the following sources:

	2009	2008
Contributions from the Government of Canada and other related entities for specific projects	\$ 1,553,513	\$ 1,406,940
Amount of deferred contributions recognized as revenue in the year (Note 7)		
Department of Foreign Affairs and International Trade Canada		
Building a Stable Rule of Law Institution in South Sudan	31,945	-
International Internships for Young Professionals	-	23,680
Haiti: Youth Engagement in Democratic Development Project	-	10,000
ICC Victims Manual and Workshop in DRC Project	-	5,605
Canadian International Development Agency		
A Measure of Equality for Afghan Women: Rights in Practice	401,031	-
Strengthening of Haitian Civil Society Project	-	169,309
Canada Corps: Strengthening of Governance in Africa	5,331	53,196
International Development Research Centre	-	5,000
	\$ 438,307	\$ 266,790
	\$ 1,991,820	\$ 1,673,730

12. Contributions from unrelated entities

Contributions from unrelated entities reported in the consolidated statement of operations come from the following sources:

	2009	2008
Contributions from unrelated entities for specific projects	\$ 576,886	\$ 764,076
General contributions from unrelated entities	<u>1,083</u>	<u>2,641</u>
	577,969	766,717
Amount of deferred contributions recognized as revenue in the year (Note 8)		
Development & Peace		
Advocacy project in Indonesia	-	1,301
Open Society Initiative for Southern Africa		
DRC – Justice for Sexual Violence Victims Project	4,946	15,749
International Civil Liberties Monitoring Group	15 387	-
International Civil Liberties Monitoring Group – Research project	16,534	-
Immigration et Communautés Culturelles du Québec		
Network of Student Delegations	-	1,000
Other contributions	11,567	-
Donations	<u>1,185</u>	<u>5,093</u>
	49,619	23,143
	\$ 627,588	\$ 789,860

13. Commitments

a) Leases

Rights & Democracy has entered into a lease for the rental of office space until 2016. The balance of the commitment under the lease is \$1,892,996. Minimum payments payable over subsequent years are as follows:

2010	\$ 267,368
2011	289,405
2012	295,887
2013	295,887
2014 and subsequent	<u>744,449</u>
	\$ 1,892,996

b) Grants

As of March 31, 2009, Rights & Democracy has approved grants totaling \$398,700 in the coming years, under certain conditions. Agreements were signed with the following beneficiaries:

	2010	2011
Women's League of Burma	15,000	-
Consejo de organizaciones indígenas de Jujuy	15,000	-
Anne Saris	7,000	-
Asociación de Concejalas de Bolivia – ACOBOL	152,300	127,400
Network of Chinese Human Rights Defenders – CHRDR	50,000	-
DoCip	25,000	-
Solidarité féminine pour la paix et le développement intégral – SOFEPADI	<u>7,000</u>	-
	\$ 271,300	\$ 127,400

14. Employee future benefits

Rights & Democracy and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. Rights & Democracy's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2009	2008
Rights & Democracy	\$ 392,889	\$ 363,649
Employees	\$ 168,457	\$ 158,081

15. Financial instruments

Fair value

The transactions related to cash (bank overdraft), accrued interest, accounts receivable, contributions receivable, accounts payable, accrued salaries and vacations and grants payable are incurred in the normal course of business. The carrying amounts of each of these accounts approximate their fair values because of their short-term maturity.

The fair value of capital leases is \$250,750 as at March 31, 2009 (\$213,625 as at March 31, 2008). It was determined based on discounted value cash flows, using implicit interest rates of capital leases.

Credit risk

The credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. There is no significant risk with accounts receivable as they are mainly composed of contributions receivable from the Government of Canada and other related entities, contribution receivable from solvent and recognized unrelated entities, advances receivable, interest receivable and GST and QST receivable. Rights & Democracy has no significant concentration of credit risk.

As at March 31, 2009, no account receivable was delinquent.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fluctuations in interest rates can also impact the fair value of the investments portfolio. However, Rights & Democracy holds only short-term investments, therefore the impact of fluctuations in interest rates is insignificant.

Liquidity risk

Liquidity risk is the risk that Rights & Democracy will not be able to meet its financial obligations as they fall due. Since Rights & Democracy does not have access to any credit facility or borrowing, its liquidity depends entirely on monies as may be appropriated by Parliament, monies provided to it from sources other than the Government of Canada, and accumulated surplus. Rights & Democracy manages liquidity risk by continuously monitoring actual and projected cash flows.

As at March 31, 2009, Rights & Democracy's financial liabilities are limited to short term accounts payable, accrued salaries and vacations and grants payable.

Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Rights & Democracy operates internationally and is exposed to risk from fluctuations in foreign currency rates. The currencies mainly used by the entity are the US dollar and the Swiss franc; however, Rights & Democracy's financial statements are presented in Canadian dollars.

Rights & Democracy does not use derivative instruments to reduce the exposure to foreign currency risk and does not anticipate using any hedging strategies in a material way in the immediate future.

The impact of changes in foreign exchange rates on Rights & Democracy's financial statement is insignificant.

16. Contingencies

In the normal course of business, various claims have been brought against Rights & Democracy. These matters are subject to many uncertainties and the outcome is difficult to predict. In Management's opinion, these actions will not likely result in any material liabilities. No provision has been taken in this regard.

