



Annual report for the Financial Year 2005

The Steering Committee and the Executive Secretary of Global Water Partnership Organisation present the following annual report

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Executive Summary 2005

The Global Water Partnership (GWP), established in 1996, is an international network open to all organizations involved in water resources management – government institutions, agencies of the United Nations, bilateral and multilateral development banks, professional associations, research institutions, non-governmental organizations, community groups and the private sector. The GWP mission is to support countries in the sustainable management of their water resources.


Through its network, the GWP fosters integrated water resources management (IWRM). IWRM aims to ensure the coordinated development and management of water, land, and related resources in order to maximize economic and social welfare – without compromising the sustainability of vital environmental systems.

The GWP provides a platform for multistakeholder dialogue at global, regional, national and local levels to promote integrated approaches towards more sustainable water resources development, management and use. The GWP network works in fourteen regions: Southern Africa, Eastern Africa, Central Africa, West Africa, the Mediterranean, Central and Eastern Europe, Caribbean, Central America, South America, Central Asia and the Caucasus, South Asia, Southeast Asia, China and Australia. The GWP Secretariat is located in Stockholm, Sweden.

Organisation

The GWP world wide activities are initiated and monitored by fourteen regional partnerships. To support these regional partnerships the Secretariat – established as an intergovernmental agency in Sweden as the Global Water Partnership Organisation (GWPO) – has a staff force nineteen, of which four are supported by funds provided through restricted funds. GWP is managed by an Executive Secretary who is answerable to the Steering Committee. The Steering Committee engages in the policy oversight and approves the organisation's work programme and budget. Steering Committee members serve in their personal capacity. The Steering Committee is chaired by Ms Margaret Catley-Carlson. The Steering Committee and its Chair is appointed by the Sponsoring Partners, comprising the ten founding members of the GWPO.

Partnership

Supporting dialogue and knowledge exchange for better water management among people working in different sectors remains at the very heart of the Global Water Partnership. 

The regional water partnerships are a unique feature of the GWP. They provide effective broad based cross sectoral and multistakeholder groups of local organisations, governed by elected representatives.

The establishment of country and area water partnerships continues to expand. There are over fifty country water partnerships working closely with government on local water issues. Area water partnerships emerged as an attempt to take integrated approaches to water resources management to a more practical level – to the grassroots. In South Asia, these partnerships provide a ‘platform’ for interaction among various groups who have an interest in the particular water resource in question. The country and area water partnerships are a unique institutional form that brings together user groups and government authorities, including regulators. Such stakeholders include government, non-government and community-based organizations, civil society, private sector (factories, large farms), various professionals including media and lawyers, human rights and environmental activists, local residents, farmers and so on. By fostering better co-operation and communication among these people it was broadly assumed that some form of integrated action could be achieved. It was hoped that this holistic approach would provide a more rounded view of resource management and highlight ‘real’ issues that plague the people that live along the river which may not have caught the attention of administrators and law makers before.

To facilitate the establishment of regional and country water partnerships and improve their governance systems a new policy document, the *Conditions for Accreditation* was approved by the Steering Committee in November 2005. This sets out the key principles and conditions for becoming a regional or country water partnership as well as giving guidance on their organisation.

IWRM planning

In the three years since the 2002 World Summit for Sustainable Development (WSSD) global commitment to building national IWRM strategies and plans has risen, accompanied by stronger demand – especially from African countries – for the services of the GWP which, through its regional and country water partnerships, is ideally placed to support water planning. Many governments have requested its support and donors have channelled funds through the GWP.

GWP has responded to this demand by establishing a Programme Team with three full-time project administrators and one programme officer. The team works closely with donors, GWP network officers and the country and regional partnerships to oversee the allocation of funds and provide advice on how to set the planning processes in motion. /s

The programmes supporting national efforts to develop IWRM strategies and plans dominate much of the work being done in the regional and country water partnerships, especially those in Africa. Involving fifteen countries in Africa and El Salvador in Central America and Indonesia in Southeast Asia, much has been learnt about the process in the different countries, and six countries in Central Asia and Caucasus. The GWP has a facilitating role in the process and fitting the programme into complex political and national structures requires diplomacy and good networking.


Preparing an IWRM and water efficiency plan can have ripple effects, fostering broader economic and social change at national level. The 2002 Summit water target has prompted the establishment of several new country water partnerships, for example in Cameroon and El Salvador.

As a means of monitoring progress in meeting the WSSD target, the GWP conducted an informal stakeholder baseline survey on the status of water sector reform in November and December 2005. Developed by the GWP Technical Committee and executed through the Secretariat it showed that of the 95 countries surveyed 21% were making good progress and 53% were taking steps, suggesting that over three quarters of the countries surveyed had either completed or had a process in place to prepare their national plans. This report was presented at the 4th World Water Forum in Mexico.

Capacity building

It is now widely accepted that stakeholder involvement in planning and decision-making is essential for effective management of water resources. Formulating an integrated approach into a plan is more complex than conventional government planning exercises. It involves a cyclical rather than linear process, marked by regular evaluation, assessment of progress and re-visiting stakeholders at different stages. The GWP and the Capacity Building Network (Cap-Net) compiled the *IWRM Plans Training Manual and Operational Guide* to meet the need for assistance with this process. It is more than just a training manual, it is also a guide to implementation and users refer to it as they go through the planning steps.

The guide is based on concepts outlined in other GWP publications, for example, *Catalyzing Change* that was published in 2004.

The manual's first real-life test was a training of trainers session in Delft, the Netherlands, in January 2005. The course was convened as part of the planning programmes for Ethiopia, Indonesia and El Salvador, supported by the Department of State of the United States government. The participants made helpful comments to 

improved the manual and they are now better able to contribute to the process in their own countries.

Throughout 2005, the manual was used in the capacity building programmes associated with the IWRM planning processes that are being undertaken in the GWP West, Eastern and Southern Africa regions.

Keeping the spotlight on finance

Following up the report, *Financing Water for All*, presented by the Camdessus Panel at the 3rd World Water Forum in Kyoto in March 2003, the network of partners at country level in Southeast Asia have been engaged in multisector dialogues on water and finance during 2005. With a view to attract more investment and ensure its shrewd use, the dialogues focused on promoting better understanding of integrated approaches for more sustainable water management among financiers and increasing awareness of financial issues – particularly those related to agricultural water use – among water professionals and policy makers. Their findings will feed into the forthcoming GWP Southeast Asia regional workshop on *Water Financing and Economic Pricing* to be held in Manila in May 2006.

Since the Kyoto meeting, the GWP and World Water Council have continued to provide a platform for dialogue, encouraging discussion of the Panel's findings among financiers, water professionals, decision-makers and water users at regional and country level. Water professionals tend to have technical backgrounds and harbour a fear of finance; this needs to be overcome if investment is to be encouraged from a much wider range of sources. Similarly, financiers often have a fear of water, in part because supply and consumption issues are so often immersed in controversy. Indeed, certain types of financial flows for water declined during the 1990s despite the growing need. One of the principal aims of the GWP dialogues is to overcome these fears.

Together with the World Water Council, GWP has sponsored the Gurria Task Force as a follow up to the Camdessus Panel. Several GWP regions are promoting better understanding of integrated approaches for more sustainable water management among financiers and increasing awareness of financial issues among water professionals and policy makers. Investing in water resources for agriculture is vital if developing countries are to reduce rural poverty and attain food security. The GWP and a number of partner organizations staged two meetings to discuss this challenge in October 2005: one in Hyderabad, India and the other in Pretoria, South Africa, and in Alexandria, Egypt. The outcomes fed into the Gurria Panel report presented at the 4th World Water Forum in Mexico.

Some Major events 2005

Global level

Financial Partners Group: March 5, Washington.

CSD-13, New York: April 11–22.

Annual Network (Consulting Partners) meeting: May 24–25, Guatemala.

Steering Committee: May 26–27, Guatemala; November 21–22, Alexandria, Egypt.

Sponsoring Partners: August 24, Stockholm.

Technical Committee: May 20–22, Guatemala; November 2–4, Johannesburg.

Regional level

January

Workshop on Bangladesh national consultation on IWRM plans; Regional stakeholder conference in Central Asia and Caucasus; Central Africa Heads of State on Conservation and Management of Forest Ecosystems in the Congo Basin; World Conference on Disaster Reduction held in Kobe, Japan.

February

National Dialogue on Water Financing in Malaysia and Vietnam. *March*

Special event to mark World Water Day held in China, Central and Eastern Europe, Ethiopia and Indonesia; National dialogue on water financing in Philippines; West Africa Water Partnership general assembly, Niger.

April

Yangtze River Forum, China; Roundtables on water resources planning and IWRM, China; National water sector apex bodies: leadership in governance, Thailand;

May

Seminar on IWRM and extreme climatic events in North Africa.

June/July

Danube Day, June 29, Central and Eastern Europe; Technical Council of Experts of the Economic Community of West African States (ECOWAS).

August

Southeast Asia Water Forum, Stockholm Water Week; Dialogue on water risks, Puerto Rico; Roundtables on IWRM in Central Asia and Caucasus countries;

September

National dialogue on water, Caribbean; ToolBox workshop, Central Asia; SIDA/SADC regional workshop on water demand, Southern Africa; Inter-regional meeting, Athens.

October

Yellow River Forum, China; Workshop on financing water for agriculture, Pretoria, South Africa.

November/December

Regional partners meeting, Central Africa; Dialogues on Effective Water Governance, Eastern and Southern Africa; Workshop on financing water for agriculture, Alexandria, Egypt.

Financing

The Annual Report covers all activities and expenditures of GWPO during 2005 and includes contributions paid directly by donors to the GWP Regional Partnerships. (See note 2).


GWPO acts as host organisation for the International Task Force on Global Public Goods (GPG). GPG submits a separate Annual Report and none of GPG's activities, contributions or expenditures are reflected in the Annual Report for GWPO.


The number of donors increased from 12 to 13 during 2005. The donors, Canada, Denmark, European Commission, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, and U.S.A contributed a total of US\$ 9.0 million in core funding. The core funding through the GWP Secretariat during the years 2003–2005 remains at a stable level of close to US\$ 9 million. The core contributions for 2006 are likely to remain at the same level.

The regions are encouraged to raise their own funds. During 2005, US\$ 1.5 million were raised by the regions/countries, an increase of US\$ 0.4 million compared to 2004. The main donors at regional/country level were GEF-IWLEARN, DFID, Japan Water Forum, Greek Ministry for Environment, SIDA, and the Government of Pakistan. This does not include any funds provided in-kind.

In kind contributions are not recorded in the Income Statement but a substantial amount has been received by the GWP Mediterranean from various donors.

Programmes activities have increased during 2005. The donors Canada, European Commission, Finland, France, The Netherlands, Norway, and U.S.A funded activities at regional as well as country level for US\$ 3.8 million during 2005, an increase of US\$ 2.7 million compared to 2004.

In 2006 an additional programme funded by European Commission, will be initiated. This will take the Programmes activities in 2006 up to an estimated US\$ 6 million. 

Unused contributions through the Secretariat of US\$ 1.2 million were transferred to 2006. The unused contributions derive from core contributions through the Secretariat exceeding budget with US\$ 397,000, less expenditure than budgeted at Secretariat and Global budget lines US\$ 137,000, a positive net interest income of US\$ 162,000, and Regional Partnerships expenditures ending US\$ 597,000 below budget. 

Income Statement

All amounts in US Dollars

	Note	2005	2004
Core contributions			
Core contribution through GWP secretariat	1	8,954,069	8,761,640
Direct contributions to Regional Partnerships	2	1,502,249	1,069,841
Other income	3	92,359	73,471
Total Core contributions		10,548,677	9,904,952
Core contributions through GWP Secretariat transferred to 2006		-1,243,804	-
Programmes contributions	4	3,757,095	1,128,596
Total contributions		13,061,968	11,033,548
Global expenditures core			
Secretariat	5,6	-2,691,247	-2,792,368
GWP contribution to Programmes		-100,662	-
Governance	7	-434,103	-301,955
External cooperation	8	-568,583	-676,661
Technical Committee		-616,822	-654,833
Total Global expenditures		-4,411,417	-4,425,816
Global expenditures programmes		-800,028	-511,045
Regional expenditures			
Regional expenditures core	9	-3,362,064	-3,116,202
Expenditures regionally raised funds		-1,502,249	-1,069,841
General regional expenditures		-151,185	-
Regional expenditures programmes		-2,957,066	-814,365
Total Regional expenditures		-7,972,564	-5,000,408
Revaluation of old claims and contributions	10	-	-1,441,401
Financial items			
Net interest and net exchange rate differences	11	122,041	-51,491
Total Financial items		122,041	-51,491
Net result for the year		0	-396,613

Balance Sheet

All amounts in US Dollars

Assets	Note	12/31/2005	12/31/2004
Current Assets			
Receivables regions	12	872,313	610,358
Receivables donors	13	383,177	813,571
Other receivables	14	226,785	182,478
Prepaid expenditures	15	<u>68,451</u>	<u>55,753</u>
		1,550,725	1,662,161
Cash and bank balances	16	5,748,107	3,277,312
Total Assets		7,298,832	4,939,473
Equity and Liabilities			
Equity			
Restricted equity			
	17		
Reserve fund		1,300,000	1,000,000
Currency rate fluctuation reserve		<u>74,776</u>	<u>0</u>
		1,374,776	1,000,000
Non-restricted equity			
	18		
Results brought forward		460,872	839,726
Translation difference (balance brought forward)		-298,245	317,759
Net result for the year		<u>-</u>	<u>-396,613</u>
		162,627	760,872
Total Equity		1,537,403	1,760,872

Balance Sheet

All amounts in US Dollars

Current liabilities	Note	12/31/2005	12/31/2004
Advance payments from donors	19	3,939,365	1,231,929
Accounts payable		404,053	34,687
Liabilities regions	20	205,598	32,027
Other liabilities	21	807,463	1,163,532
Accrued expenditures	22	<u>404,950</u>	<u>716,426</u>
Total current liabilities		5,761,429	3,178,601
Total Equity and Liabilities		7,298,832	4,939,473
Pledged assets		None	None
Contingent liabilities		None	None 6

Notes

Accounting principles

The Annual Report has been prepared on an accrued basis according to the principles below.

Contributions

Contributions are accounted for on an accrual basis when GWPO becomes entitled to the contribution.

Core contributions are unrestricted contributions to be used for any of GWPO's purposes.

Programme contributions are restricted contributions with specific restrictions imposed by the donors.

All contributions, Core as well as Programme, above the level of expenditures for the financial year are booked as advances from Donors.

For Core contributions this is a change of principle compared to preceding years. USD 1,243,804 of core contributions 2005 are transferred to 2006 as an advance payment from Donors.

All contributions are shown at gross value.

In-kind contributions

In-kind contributions are not reported in the Income Statement. GWPO has received in-kind contributions from France at an estimated value of USD 153,000. GWP Mediterranean has received in-kind contributions from various donors at an estimated value of USD 50,000.

Fixed assets

Office equipment of USD 74,838 (2004 USD 18,894) has been purchased in 2005 and recorded as costs during 2005. Accumulated purchase of office equipment since 1 July 2002 is USD 157,398.

Currencies

The GWPO accounting is undertaken in Swedish Kronor (SEK). For reporting purposes the currency of the United States Dollar (USD) is used. The rate of exchange SEK/USD ruling at the balance sheet date is used for all assets and liabilities. The average exchange rate SEK/USD for the financial year is used for all contributions and expenditures.

Currency rate fluctuation reserve

The Currency rate fluctuation reserve was introduced in 2005 as a facility to overcome distortions caused by fluctuations in the exchange rate SEK and other currencies in which GWPO holds bank accounts. The reserve includes exchange rate gains and losses on bank balances only.

Receivables

On the basis of individual assessment, receivables are reported at the amounts which they are anticipated to be received.

Liabilities

Liabilities are reported at their nominal amounts.

	2005	2004
Note 1 Core contributions through GWP Secretariat		
Canada, Partnership for Africa's Water Development, overhead	206,755	105,671
Denmark	669,483	653,188
European Commission, Effective Water Governance, administration	9,877	-
Finland IWRM planning Central Asia and Caucasus, overhead	27,760	-
France, L'eau et le développement durable, coûts indirects	11,232	124,915
Germany	688,337	216,082
Norway	313,751	264,079
Spain	125,385	122,119
Sweden	1,472,379	1,496,639
Sweden cost compensation taxes 2003	-	255,252
Sweden cost compensation taxes and rent	420,173	464,131
Switzerland	208,007	204,019
The Netherlands	1,109,053	1,111,378
The Netherlands, National IWRM and Water Efficiency Plans, facilitation and guidance	98,037	-
Office International de l'eau, TwinBasin	11,194	-
United Kingdom	2,865,183	3,194,947
United Kingdom restricted contribution to China	690,122	549,221
U.S Department of State, indirect costs	27,341	-
Sum	8,954,069	8,761,640
Unused part of contributions received 2005 transferred to 2006	-1,167,042	-
Exchange differences unused part of contributions	-76,762	-
Sum	7,710,265	8,761,640
Note 2 Direct contributions to Regional Partnerships		
GWP Central America	4,261	41,284
GWP Caribbean	221	-
GWP Central and Eastern Europe	4,817	6,718
GWP Eastern Africa	-	13,907
GWP Mediterranean	891,542	283,498
GWP South America	4,125	2,594
GWP South Asia	40,464	8,171
GWP South East Asia	368	-
GWP Southern Africa	548,449	713,670
GWP West Africa	8,002	-
Sum	1,502,249	1,069,841
Note 3 Other income		
Ramboll Natura AB, fees for training programmes	5,622	-
Host fee Task Force on Global Public Goods	86,737	73,471
Sum	92,359	73,471

	2005	2004
Note 4 Programmes (restricted) contributions		
Canada, Partnership for Africa's Water Development	2,027,204	1,030,961
European Commission, Effective Water Governance	94,301	-
Finland, IWRM planning Central Asia and Caucasus	250,088	-
France, L'eau et le développement durable	96,816	-
Japan Water Forum	-	42,870
Norway, IWRM Programme	118,286	32,067
Sweden cost compensation CSD Meeting 2004	-	10,885
The Netherlands, National IWRM and Water Efficiency Plans	942,325	-
U.S Department of State	228,075	11,814
Sum	3,757,095	1,128,596
Note 5 Secretariat costs	2005	2004
Salary and Payroll overhead	1,485,696	1,527,085
Travel	248,382	287,553
Rent and Office expenditures	665,430	502,594
Audit and legal consultancies	118,651	333,886
Communication/information expenditures	173,088	141,249
Sum	2,691,247	2,792,368
Note 6 Staff costs Secretariat		
Wages and salaries	1,125,330	1,101,664
Social Security costs including insurances	69,826	79,370
Pension costs	215,145	271,010
Other staff costs	42,668	44,075
	1,452,969	1,496,119
Cost of temporary staff	32,727	30,966
	1,485,696	1,527,085
The average number of employees calculated on a full time basis		
Female	9.7	9.1
Male	5.6	5.0
	15.3	14.1
Average number of employees paid by in-kind contributions	1.0	1.0
Average number of employees paid by the Programmes contributions	4.1	1.5
Note 7 Governance costs		
Steering Committee	213,542	140,289
Consulting Partners meeting	194,955	135,399
Other governance costs	25,606	26,267
Sum	434,103	301,955
Note 8 External cooperation costs		
Toolbox	133,319	104,001
Advisory Centers and Senior Advisors	385,843	571,188
Other external cooperation costs	49,421	1,472
Sum	568,583	676,661

Note 9 Expenditures GWP regions

	2005	2004
Expenditures core		
GWP Caribbean	83,211	12,448
GWP Central Africa	131,302	72,887
GWP Central America	322,717	319,311
GWP Central Asia & Caucasus	311,767	261,270
GWP Central & Eastern Europe	363,134	292,214
GWP China	575,590	323,780
GWP Eastern Africa	235,323	122,546
GWP Mediterranean	1,202,417	584,116
GWP South America	273,182	330,899
GWP South Asia	346,785	232,072
GWP South East Asia	283,415	217,654
GWP Southern Africa	614,859	1,282,767
GWP West Africa	244,546	179,539
GWP new regions	4,643	-
Regional access to TEC	22,773	-
Interregional meetings	82,719	
Insurances TAC members	-	2,547
2003/2002 Balance corrections	-	-145,627
Exchange rate differences	-82,886	106,988
Transfer CEE to CACENA	-	-9,368
	5,015,498	4,186,043

Expenditures Programmes

GWP Central Africa, CIDA Programme	87,287	62,841
GWP Central Africa, French Programme	101,191	-
GWP Central Africa, Dutch Programme	145,957	-
GWP Central America, US Programme	110,893	-
GWP Central Asia & Caucasus, Finnish Programme	250,088	
GWP Eastern Africa, EC Programme	68,536	-
GWP Eastern Africa, CIDA Programme	298,236	216,849
GWP Eastern Africa, US Programme	53,231	-
GWP Eastern Africa, Dutch Programme	112,618	-
GWP South East Asia, US Programme	65,698	-
GWP Southern Africa, CIDA Programme	772,621	205,723
GWP Southern Africa, Dutch Programme	133,278	-
GWP West Africa EC Programme	1,229	-
GWP West Africa, CIDA Programme	657,875	282,789
GWP West Africa, Dutch Programme	151,490	-
Country expenditures Japan Water Forum	-	25,680
Exchange rate differences	-53,162	20,483
Sum	2,957,066	814,365

Note 10 Re-evaluation of old claims and contributions

Write off of claim on DFID UK from 2001	-	1,803,621
The Netherlands. Contribution "Dialogues" remaining part of 2002 contribution	-	-362,219
Sum	-	1,441,401

Note 11 Interest and net exchange difference	2005	2004
Interest income	36,761	68,403
Interest expense	-1,332	-128,424
Exchange rate difference	86,612	8,531
Sum	122,041	-51,491

Note 12 Receivables regions/countries	12/31/2005	12/31/2004
GWP Caribbean	-	27
GWP Central Africa	-	14,472
GWP Central Africa, CIDA region	659	-
GWP Central Africa, Dutch Cameroon	51,309	-
GWP Central America	2,281	2,637
GWP Central Asia & Caucasus	-	29,791
GWP Central & Eastern Europe	3,295	231
GWP Eastern Africa	-	174,462
GWP Eastern Africa, EC region	39,287	-
GWP Eastern Africa, CIDA Kenya	8,637	-
GWP Eastern Africa, US Ethiopia	17,406	-
GWP Eastern Africa, Dutch Eritrea	15,541	-
GWP Mediterranean	2,283	-
GWP South America	15,287	3,871
GWP South Asia	19,283	6,167
GWP South East Asia	40,588	64,299
GWP South East Asia, US Indonesia	17,117	-
GWP Southern Africa	111,820	248,560
GWP Southern Africa, CIDA region	19,874	-
GWP Southern Africa, CIDA Malawi	98,438	-
GWP Southern Africa, CIDA Zambia	58,855	-
GWP Southern Africa, Dutch Swaziland	15,643	-
GWP Southern Africa, Dutch Mozambique	23,749	-
GWP West Africa	-	65,841
GWP West Africa, EC region	63,140	-
GWP West Africa, Dutch region	6,734	-
GWP West Africa, Dutch Benin	82,571	-
GWP West Africa, Dutch Cape Verde	20,263	-
GWP West Africa, CIDA region	12,391	-
GWP West Africa, CIDA Senegal	40,733	-
GWP West Africa, CIDA Mali	85,129	-
Sum	872,313	610,358

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2005 amount to USD 859,075

Note 13 Receivables donors

Canada, Partnership for Africa's Water Development	-	403,260
Japan Water Forum	-	20,841
U.S Department of State	120,729	9,071
Receivables Foreign Ministry rent	-	44,578
Receivables Foreign Ministry cost compensation taxes 2005/2004	234,424	335,821
Receivables Norway IWRM Programme	28,024	-
Sum	383,177	813,571

Note 14 Other receivables	12/31/2005	12/31/2004
Accounts receivable	70,724	70,375
VAT claim	77,225	53,240
Cost reimbursement from Stockholm Vatten	-	55,908
Other receivables	78,836	2,955
Sum	226,785	182,478

Note 15 Prepaid expenditures		
Prepaid insurances	53,017	32,691
Prepaid fee Columbia University	15,079	15,221
Other prepaid expenditures	355	7,841
Sum	68,451	55,753

Note 16 Credit facility

GWP Secretariat has a possibility to use a credit issued by Nordea Bank Sweden AB amounting to 50% of all agreed but not yet disbursed contributions. The credit facility was unutilized at year end.

Note 17 Restricted equity		
Reserve fund	1,300,000	1,000,000
Net exchange rate gains on liquid funds 2005	74,776	-
	1,374,776	1,000,000

Note 18 Equity

Amount at beginning of year	760,872	1,839,726
Translation difference ingoing balance	-298,245	361,900
Transfer to Reserve Fund according to SC decision May 2005	-300,000	-1,000,000
Sum	162,627	760,872

Note 19 Advance payments from donors

The Netherlands, prepaid core contribution	532,141	613,896
Norway, IWRM Programme	-	98,048
Finland, IWRM planning Central Asia and Caucasus	31,310	135,250
United Kingdom, restricted contribution to China	47,324	384,735
Canada, Partnership for Africa's Water Development	69,921	-
The Netherlands, National IWRM and Water Efficiency Plans	1,913,791	-
European Commission, Effective Water Governance	131,324	-
France, L'eau et le développement durable	3,639	-
Advance payment Foreign Ministry rent 2006	28,692	-
Interest earned at regional/country level Programmes	14,181	-
Unused part of contributions received 2005 transferred to 2006	1,167,042	-
Sum	3,939,365	1,231,929

Note 20 Liabilities regions/countries	12/31/2005	12/31/2004
GWP Caribbean	2,936	-
GWP Central Africa	60,679	-
GWP Central Africa, France region	24,159	-
GWP Central Africa, Dutch region	23,148	-
GWP Central America, US El Salvador	1,322	-
GWP Central Asia & Caucasus	49,020	-
GWP China	3,416	16,965
GWP Eastern Africa	6,679	-
GWP Eastern Africa, CIDA region	11,824	-

GWP Eastern Africa, Dutch region	10,207	-
GWP Mediterranean	-	15,062
GWP Southern Africa, Dutch region	8,365	-
GWP West Africa	3,843	-
Sum	205,598	32,027

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2005 amount to USD -44,440

Note 21 Other liabilities

Employee taxes	234,423	335,821
Social security costs	7,134	20,546
UNOPS	528,230	722,326
Contribution for WPWM	-	10,796
Task Force on Global Public Goods	-	71,154
Other liabilities	37,676	2,889
Sum	807,463	1,163,532

UNDP has 3 February 2006 directed a claim of USD 1,228,335 to GWPO. The claim is according to UNDP derived from expenditures paid by UNDP in 2001. GWPO has not acknowledged the claim.

Note 22 Accrued expenditures

Accrued TEC and TAC fees	90,798	169,403
Accrued expenditures Advisory Centers/Senior Advisors	129,173	187,400
Accrued expenditures personnel	62,582	96,717
Accrued expenditures Toolbox NWP	9,179	81,853
Accrued expenditures Programmes	56,996	-
Accrued audit fees	29,828	59,140
Other accrued expenditures	26,394	121,913
Sum	404,950	716,426

²⁹
Stockholm April 2006



Emilio Gabbrielli
Executive Secretary GWPO



Margaret Catley-Carlson
Chair GWPO



Magnus Enell
Chair GWPO Audit & Finance Subcommittee

My audit report concerning these financial statements was issued April 21 2006



Lena Svensson
Authorised Public Accountant

Audit report

Global Water Partnership Organisation

We have audited the annual accounts, the accounting records and the administration of the Steering Committee and the Executive Secretary of the Global Water Partnership Organisation for the year 2005. These accounts and the administration, as well as the application of the stated accounting policies when preparing the annual accounts, are the responsibility of the Steering Committee and the Executive Secretary. Our responsibility is to express an opinion on the annual accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain high, but not absolute, degree of assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Steering Committee and the Executive Secretary and significant estimates made by the Steering Committee and the Executive Secretary when preparing the annual accounts, as well as evaluating the overall presentation of information in the annual accounts. As a basis for our opinion concerning the administration, we have examined significant decisions, actions taken and circumstances of the organisation in order to determine whether any member of the Steering Committee or the Executive Secretary has acted in contravention of the Memorandum of Understanding on the establishment of the GWPO or of the Statutes. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the stated policies and give a true and fair view of the organisation's financial position and results of operations. The executive summary is consistent with the other parts of the annual accounts.

It is our opinion that the Steering Committee and the Executive Secretary have acted in accordance with the Memorandum of Understanding on the establishment of the GWPO and with the Statutes.

Stockholm, 21 April 2006

Öhrlings PricewaterhouseCoopers AB



Lena Svensson
Authorised Public Accountant

Output Report

1 January - 31 December

2005

GWP Consolidated Report 2005

	Budget 2005	YTD 2005	% of Budget
GLOBAL EXPENDITURES			
1. IWRM water policy and strategy development facilitated at relevant levels	672,000	318,294	47%
2. IWRM programs and tools developed in response to regional and country needs	1,356,000	1,442,700	106%
3. Linkage between GWP and other frameworks, sectors and issues secures	380,000	316,618	83%
4. GWP partnership established and consolidated at relevant levels	964,000	1,108,163	115%
5. GWP network effectively developed and managed	1,217,000	1,225,642	101%
TOTAL GLOBAL	4,589,000	4,411,417	96%
GLOBAL EXPENDITURES PROGRAMMES-Output 1	424,000	800,028	189%
REGIONAL/COUNTRY EXPENDITURES			
1. IWRM water policy and strategy development facilitated at relevant levels	1,806,900	1,497,678	83%
2. IWRM programs and tools developed in response to regional and country needs	871,300	865,485	99%
3. Linkage between GWP and other frameworks, sectors and issues secured	295,000	296,575	101%
4. GWP partnership established and consolidated at relevant levels	820,000	739,143	90%
5. GWP network effectively developed and managed	2,079,500	1,859,723	89%
General regional expenditures not distributed directly to regions	321,500	110,135	34%
Programme activities (USD 431,670 included in YTD Regions Output 1-5 above)	4,454,000	2,519,360	57%
Exchange rate adjustments		84,465	
Locally raised funds not budgeted	-1,559,200		
Dutch Programme not budgeted	-1,840,000		
TOTAL REGIONAL/COUNTRY EXPENDITURES	7,249,000	7,972,564	110%
TOTAL GWP 2005	12,262,000	13,184,009	108%

All amounts US Dollars

GWP Regional Activities 2005

	Regional Budget 2005	Programmes estimate/ estimate/ Regional funds	Expenditures 2005	% of budget
Central America				
1. IWRM water policy and strategy development facilitated at relevant levels	28,000	-	36,657	131%
2. IWRM programs and tools developed in response to regional and country needs	30,000	-	23,268	78%
3. Linkage between GWP and other frameworks, sectors and issues ensured	20,000	-	25,331	127%
4. GWP partnership established and consolidated at relevant levels	30,000	-	40,036	133%
5. GWP network effectively developed and managed	215,500	-	156,086	72%
Total Central America	323,500	150,000	281,378	87%
Expenditures EI Salvador US programme			106,322	71%
Actual regionally raised funds			4,452	
South America				
1. IWRM water policy and strategy development facilitated at relevant levels	43,000	1,000	47,526	108%
2. IWRM programs and tools developed in response to regional and country needs	3,000	1,000	14,369	359%
3. Linkage between GWP and other frameworks, sectors and issues ensured	5,000	-	15,628	313%
4. GW partnership established and consolidated at relevant levels	100,000	-	87,738	88%
5. GWP network effectively developed and managed	152,000	-	109,405	72%
Total South America	303,000	2,000	274,666	90%
Actual regionally raised funds			4,233	
Southern Africa				
1. IWRM water policy and strategy development facilitated at relevant levels	40,000	371,000	150,000	36%
2. IWRM programs and tools developed in response to regional and country needs	36,000	-	21,000	58%
3. Linkage between GWP and other frameworks, sectors and issues ensured	-	60,000	62,000	103%
4. GWP partnership established and consolidated at relevant levels	-	260,000	133,000	51%
5. GWP network effectively developed and managed	180,000	156,000	222,000	66%
Total Southern Africa	256,000	847,000	588,000	53%
Expenditures PAWD I Canadian funding		1,125,000	765,914	68%
Expenditures PAWD II Dutch funding		585,000	128,973	22%
Actual regionally raised funds			523,049	
West Africa				
1. IWRM water policy and strategy development facilitated at relevant levels	10,000	-	13,517	135%
2. IWRM programs and tools developed in response to regional and country needs	5,000	-	-	n/a
3. Linkage between GWP and other frameworks, sectors and issues ensured	5,000	-	2,447	49%
4. GWP partnership established and consolidated at relevant levels	35,000	-	25,910	74%
5. GWP network effectively developed and managed	196,000	-	205,990	105%
Total West Africa	251,000	-	247,864	99%
Expenditures PAWD I Canadian funding		850,000	649,098	76%
Expenditures PAWD II Dutch funding		585,000	146,188	25%
Expenditures regional activities EU funded		85,000	1,152	1%
Actual regionally raised funds			7,500	

GWP Regional Activities 2005

	Regional Budget 2005	Programmes estimate/ estimate/ Regional funds	Expenditures 2005	% of budget
Eastern Africa				
1. IWRM water policy and strategy development facilitated at relevant levels	45,000	-	43,022	96%
2. IWRM programs and tools developed in response to regional and country needs	33,000	-	23,347	71%
3. Linkage between GWP and other frameworks, sectors and issues ensured	16,000	-	7,374	46%
4. GWP partnership established and consolidated at relevant levels	35,000	-	26,108	75%
5. GWP network effectively developed and managed	104,000	-	134,531	129%
Total Eastern Africa	233,000	-	234,382	101%
Expenditures PAWD I Canadian funding		425,000	293,348	69%
Expenditures PAWD II Dutch funding		335,000	107,456	32%
Expenditures regional activities EU funded		85,000	64,602	76%
Expenditures activities Ethiopia US funded		200,000	53,257	27%
Actual regionally raised funds			-	
Central Africa				
1. IWRM water policy and strategy development facilitated at relevant levels	11,000	85,000	91,375	95%
2. IWRM programs and tools developed in response to regional and country needs	12,000	100,000	79,344	71%
3. Linkage between GWP and other frameworks, sectors and issues ensured	-	-	n/a	n/a
4. GWP partnership established and consolidated at relevant levels	2,000	65,000	27,121	40%
5. GWP network effectively developed and managed	102,000	250,000	114,185	112%
Total Central Africa	127,000	250,000	312,025	83%
Programme funds included in regional funds - French Programme		165,000	95,683	58%
Programme funds included in regional funds - Canadian Programme		85,000	85,000	100%
Expenditures PAWD II Dutch funding		335,000	139,168	42%
Actual regionally raised funds			-	
Mediterranean				
1. IWRM water policy and strategy development facilitated at relevant levels	68,900	610,000	654,300	96%
2. IWRM programs and tools developed in response to regional and country needs	51,100	50,000	175,500	174%
3. Linkage between GWP and other frameworks, sectors and issues ensured	7,000	-	7,000	100%
4. GWP partnership established and consolidated at relevant levels	15,000	-	121,400	809%
5. GWP network effectively developed and managed	165,000	20,000	185,000	100%
Total Mediterranean	307,000	680,000	1,143,200	116%
Actual regionally raised funds			836,118	

GWP Regional Activities 2005

	Regional Budget 2005	Regional funds Programmes estimate	Regional funds estimate/ Expenditures 2005	% of budget
Central & Eastern Europe				
1. IWRM water policy and strategy development facilitated at relevant levels	91,000	-	92,081	101%
2. IWRM programs and tools developed in response to regional and country needs	57,000	5,200	59,377	95%
3. Linkage between GWP and other frameworks, sectors and issues ensured	20,000	-	37,745	189%
4. GWP partnership established and consolidated at relevant levels	40,000	-	26,339	66%
5. GWP network effectively developed and managed	143,000	-	137,363	96%
Total Central & Eastern Europe	351,000	5,200	352,905	99%
Actual regionally raised funds			5,200	
South Asia				
1. IWRM water policy and strategy development facilitated at relevant levels	36,000	-	33,654	93%
2. IWRM programs and tools developed in response to regional and country needs	118,000	19,000	110,756	81%
3. Linkage between GWP and other frameworks, sectors and issues ensured	29,000	-	27,206	94%
4. GWP partnership established and consolidated at relevant levels	44,000	6,000	69,698	139%
5. GWP network effectively developed and managed	89,000	-	94,153	106%
Total South Asia	316,000	25,000	335,467	98%
Actual regionally raised funds			38,599	
South East Asia				
1. IWRM water policy and strategy development facilitated at relevant levels	37,000	-	28,562	77%
2. IWRM programs and tools developed in response to regional and country needs	74,000	-	62,867	85%
3. Linkage between GWP and other frameworks, sectors and issues ensured	37,000	-	33,121	90%
4. GWP partnership established and consolidated at relevant levels	33,000	-	32,780	99%
5. GWP network effectively developed and managed	155,000	-	118,728	77%
Total South East Asia	336,000	200,000	276,058	82%
Expenditures activities Indonesia US funded			63,882	32%
Actual regionally raised funds			346	

GWP Regional Activities 2005

	Regional Budget		Regional funds		% of budget
	2005	Programmes estimate	estimate/ Expenditures 2005		
China					
1. IWRM water policy and strategy development facilitated at relevant levels	120,000	-	116,354	97%	
2. IWRM programs and tools developed in response to regional and country needs	80,000	-	112,087	140%	
3. Linkage between GWP and other frameworks, sectors and issues ensured	37,000	-	30,267	82%	
4. GWP partnership established and consolidated at relevant levels	60,000	-	59,866	100%	
5. GWP network effectively developed and managed	261,000	-	255,925	98%	
Total China	558,000	-	574,499	103%	
Actual regionally raised funds					
Central Asia & Caucasus					
1. IWRM water policy and strategy development facilitated at relevant levels	43,000	135,000	179,361	101%	
2. IWRM programs and tools developed in response to regional and country needs	67,000	98,000	163,570	99%	
3. Linkage between GWP and other frameworks, sectors and issues ensured	31,000	-	28,456	92%	
4. GWP partnership established and consolidated at relevant levels	59,000	30,000	83,147	93%	
5. GWP network effectively developed and managed	102,000	12,000	105,191	92%	
Total Central Asia & Caucasus	302,000	275,000	559,725	97%	
Regional funds of USD 275k is tied contribution from Finland.					
Caribbean					
1. IWRM water policy and strategy development facilitated at relevant levels	32,000	-	11,269	35%	
2. IWRM programs and tools developed in response to regional and country needs	32,000	-	20,000	63%	
3. Linkage between GWP and other frameworks, sectors and issues ensured	28,000	-	20,000	71%	
4. GWP partnership established and consolidated at relevant levels	6,000	-	6,000	100%	
5. GWP network effectively developed and managed	27,000	-	21,166	78%	
Total Caribbean	125,000	-	78,435	63%	
Actual regionally raised funds					
			220		

GWP Regional Activities 2005

	Regional Budget 2005	Regional funds Programmes estimate	Regional funds estimate/ Expenditures 2005	% of budget
TOTAL REGIONAL ACTIVITIES				
1. IWRM water policy and strategy development facilitated at relevant levels	604,900	1,202,000	1,497,678	83%
2. IWRM programs and tools developed in response to regional and country needs	598,100	273,200	865,485	99%
3. Linkage between GWP and other frameworks, sectors and issues ensured	235,000	60,000	296,575	101%
4. GWP partnership established and consolidated at relevant levels	459,000	361,000	739,143	90%
5. GWP network effectively developed and managed	1,891,500	188,000	1,859,723	89%
Total Regional Activities	3,788,500	2,084,200	5,258,604	90%
General regional expenditures not divided by region	321,500		110,135	34%
Expenditures PAWD I Canadian funding (Central Africa to be added USD 85K)				
Expenditures PAWD II Dutch funding	1,944,000	1,944,000	1,708,360	88%
Expenditures regional activities EU funded	1,840,000	1,840,000	521,785	28%
Expenditures activities US funded	170,000	170,000	65,754	39%
	500,000	500,000	223,461	45%
Exchange rate differences during 2005			-51,583	
Exchange rate differences Annual report			136,048	
Total GWP REGIONAL BUDGET 2005 including estimate for regionally raised funds/Programmes	4,110,000	6,538,200	7,972,564	75%
Locally raised funds not budgeted	-	-1,559,200	1,419,717	-91%
Dutch Programme not budgeted		-1,840,000		
Steering Committee approved budget	4,110,000	3,139,000		
ESTIMATE REGIONALLY RAISED FUNDS & PROGRAMMES				
CORE BUDGET	4,110,000	6,538,200	7,972,564	75%
TOTAL GWP REGIONAL EXPENDITURES 2005				