



Annual Financial Report 2008

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

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Intergovernmental organisation
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Annual Financial Report 2008

Executive Summary

The network

The Global Water Partnership (GWP) is a non-profit action network with a focus on water resources management and development. It is a multi-donor funded network focusing on facilitating and supporting countries in social change processes for the sustainable management of their water resources. GWP was established in 1996 as a multi-stakeholder partnership of government agencies, public institutions, private companies, professional organisations, multilateral development agencies and others and provides a mechanism for harmonization across different national actors and internationally across different external support agencies.

The GWP provides a platform for multi-stakeholder dialogue at global, national and local levels in thirteen 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 and China. The GWP Secretariat is located in Stockholm, Sweden.

Organisation

GWPO is managed by an Executive Secretary who is answerable to the Steering Committee (SC). The Steering Committee engages in policy oversight and approves the work programme and budget of the organisation. Steering Committee members serve in their personal capacity. The Steering Committee and its Chair are appointed by the Sponsoring Partners, comprising the ten founding members of the GWPO. The Steering Committee is chaired by Letitia A. Obeng, took up her appointment on January 1, 2008.

The GWPO Secretariat – established as an intergovernmental agency in Sweden as the Global Water Partnership Organisation (GWPO) – had a staff of sixteen supported by core funds in December 2008; two staff seconded by the French Government; and the equivalent of four full time staff supported by funds provided through restricted programmes – a total of 20 staff and two secondments.

THE PROGRAMME

The Global Water Partnership's vision is for a water-secure world. Its mission is to support the sustainable development and management of water resources at all levels.

GWP's action network provides knowledge and builds capacity to improve water management at all levels: global, regional, national and local. The Partnership helps

countries to connect water resources planning and operations at different scales – transboundary, regional, basin, national and local – so that actions are coherent and sustainable. Instead of taking the traditional development approach in which projects are often not connected, GWP works with numerous key stakeholders to design strategic approaches to improving water management. This builds local capacity in the long term. GWP does not operate alone; indeed its networking approach provides a mechanism for coordinated action and adds value to the work of many other key development partners.

2008 was a year of transition for GWP. A major effort was expended in developing a new global strategy for the period 2009 – 2013. It was also a year of action and progress at the global and regional levels and a period of change for the Stockholm Secretariat: in addition to significant personnel changes, there is a new momentum around strengthening the Network Operations and Communications functions to support the Regions more effectively.

During 2008, GWP made many strides in its collaborative efforts to remain at the forefront of global thinking on water management and its implications for development issues. Many of the challenges that will be addressed by the Network's new strategy have been given a solid foundation in 2008. Climate change adaptation, infrastructure and financing, urban and basin water management and further work on national water resource management policies and practices are all continuing whilst there has been a renewed focus on knowledge management, in particular through improvements to the potential of the IWRM ToolBox, the key GWP tool to enable practitioners to learn from practice-based tools.

GWP has also strengthened its operational links with the International Network of Basin Organizations (INBO) both globally and at regional levels. GWP is also building stronger alliances with strategic Partner organisations, such as UN-Water, the European Union Water Initiative, CapNet, the Associated Programme on Flood Management, the World Water Council and others and is building new alliances with Partners such as the Cooperative Programme for Climate and Water and the Water Integrity Network.

At the regional level, GWP through its regional and country water partnerships continue to make progress in advocating and supporting sustainable development and management of water resources. GWP Partners form 13 Regional Water Partnerships (RWPs) and more than 70 Country Water Partnerships (CWPs). These are neutral and inclusive platforms for dialogue and facilitating change processes. The Regional and Country Partnerships manage and govern themselves, and convene stakeholders to address their region- or country-specific problems. They bring about solutions that are both tailored to local conditions, and informed by local experiences and good practices from across the network. A high level of achievement is evident in the 13 regions. More details are available in the Annual Report of "GWP in Action 2008" which is published separately.

FINANCE

Core contributions

The number of donors channeling funds through GWPO during 2008 were 14 (2007 14 donors) The donors, Canada, Denmark, European Commission, Finland, France, Germany,

Netherlands, Norway, OIEAU , Spain, Sweden, Switzerland, United Kingdom, and U.S.A contributed a total of USD 9.7 million (9.5M 2007) in core funding. The core funding through the GWPO Secretariat during the years 2004–2008 remains at a stable level of USD 9-10 million. The core contributions for 2009 are estimated to remain at the same level.

Locally raised funds

The regions are encouraged to raise their own funds. During 2008, USD 2.4 million was raised by the regions/countries, an increase of USD 0.6 million compared to 2007.

In-Kind contributions

The contributions reported in the Annual Financial Report do not include funds provided in-kind from governments, organisations or individuals. The in-kind contributions are not fully captured but should be recognized as a substantial source of funding. France, as one example, has supported GWPO Secretariat with secondment/s since 2002.

Programme funding

Funds for Programme (restricted funds) activities were provided by the donors Canada, European Commission, Finland, Netherlands, United Kingdom, and U.S.A. The activities at regional as well as country level accounted for USD 3.1 million during 2008.

The 2009 Programmes activities are estimated to increase slightly to USD 3.3 million.

Outstanding issue UNDP

GWPO received in February 2006 a claim from UNDP of USD 1,228,335. The claim is according to UNDP for expenditures paid by UNDP in 2001 on behalf of GWPO. GWPO has not acknowledged the claim as the audited Annual Reports 2001–2004 do not include a liability to UNDP of this amount. Recorded as a liability in the Annual Financial Report is an amount of USD 525,549 and USD 702,786 is noted as contingent liability.

GWPO is making every effort to resolve this matter in consultation with all parties involved. By March 2009 no progress has been made to resolve the issue.

EU Water Initiative Finance Working Group

The EU Water Initiative Finance Working Group (EUWI FWG) is hosted by GWPO and GWPO provides financial and administrative management.

GWPO administers the finances as agreed with DFID in May 2006. DFID has committed an amount of not exceeding GBP 500,000 for the operations of EUWI FWG 2006 to 2009 work programme. The Secretariat for EUWI FWG consisted during 2008 of two staff members, one part time Project Coordinator and a part time Chair.

The European Commission granted in 2007 support to the Finance Working Group of the EU Water Initiative for actions in ACP countries. The project started 1 January 2008 and is co-financed with funds from DFID, Euro 340,000, and has for a 36 months period a budget of Euro 740,000. Income and expenditures for the project, Euro 156,431, are reported in the GWPO Annual Financial Report.

EUWI FWG received in addition to the EC project funds contributions in 2008 from DFID and SIDA of Euro 65,589.

For more information about GWP's worldwide activities, the *GWP in Action 2008 Annual Report* is available on request from the GWP Secretariat in Stockholm.

GWPO is grateful for the contributions made by all its Partners and other stakeholders

Host government of GWPO
Sweden

Core donors

Canada
Denmark
European Commission
Finland
France
Germany
Netherlands
Norway
OIEAU
Spain
Sweden
Switzerland
United Kingdom
U.S.A

Programme donors

Canada
European Commission
EUWI Finance Working Group
Finland
France
Netherlands
United Kingdom
U.S.A

Regional donors

GWP Caribbean CapNet
GWP CEE Coalition Clean Baltic
Coca Cola
GWP MED Blue Plan
Coca Cola
Germany
Greece
Lebanon
MENBO
MIO-ECSDE
OECD
RMSU/IME
Switzerland
UNDP/GEF
UNECE
WHO
World Bank

Regional donors

GWP CAM Alianza por el Agua
GWP China Fujian Provincial WRMC
Shaanxi Provincial WR
Hebei Provincial HIDI
YRCC
Ministry of Water China
UNICEF
GWP EAF AfDB
NeWater
GWP SAF Denmark
Sweden

Income Statement

All amounts in US Dollars

	Note	2008	2007
Core contributions			
Core contributions through GWP Secretariat	1	9,713,674	9,477,499
Contributions locally raised	2	2,349,580	1,772,918
Other income	3	<u>18,676</u>	<u>18,553</u>
Total Core contributions		12,081,930	11,268,970
Programmes contributions	4	3,127,738	4,186,213
Total contributions		15,209,667	15,455,183
Global expenditures core			
Secretariat	5,6	-3,558,983	-3,682,873
GWP contribution to Programmes	7	0	-14,785
Governance	8	-523,752	-324,772
External cooperation	9	-257,997	-376,538
Technical Committee		<u>-676,001</u>	<u>-562,592</u>
Total Global expenditures		-5,016,732	-4,961,560
Global expenditures programmes	10	-759,880	-559,339
Regional expenditures			
Regional expenditures core	11	-4,462,668	-5,371,769
Expenditures locally raised contributions	11	-2,349,580	-1,772,918
General regional expenditures core	12	-202,069	-178,242
Regional expenditures programmes	13	<u>-2,367,769</u>	<u>-3,626,972</u>
Total Regional expenditures		-9,382,086	-10,949,901
Financial items			
Net interest and net exchange rate differences	14	<u>95,884</u>	<u>-37,391</u>
Total Financial items		95,884	-37,391
Net result for the year		146,853	-1,053,008

Balance Sheet

All amounts in US Dollars

Assets	Note	12/31/2008	12/31/2007
Current assets			
Receivables regions	15	357,347	695,282
Receivables donors	16	867,396	668,326
Other receivables	17	58,706	133,310
Prepaid expenditures and accrued income	18	<u>97,510</u>	<u>86,179</u>
		1,380,959	1,583,097
Cash and bank balances	19	3,761,731	6,178,845
Total Assets		5,142,689	7,761,942
Equity and Liabilities			
Equity			
Restricted equity			
Reserve fund	20	<u>1,460,000</u>	<u>1,460,000</u>
		1,460,000	1,460,000
Non-restricted equity			
Results brought forward	21	264,173	1,189,489
Translation difference		-342,934	127,692
Net result for the year		<u>146,853</u>	<u>-1,053,008</u>
		68,092	264,173
Total Equity		1,528,092	1,724,173
Current liabilities			
Advance payments from donors	22	1,932,714	4,043,578
Accounts payable		240,996	78,805
Liabilities regions/countries	23	143,654	236,916
Other liabilities	24	961,931	1,153,648
Accrued expenditures	25	<u>335,302</u>	<u>524,822</u>
Total current liabilities		3,614,597	6,037,769
Total Equity and Liabilities		5,142,689	7,761,942
Pledged assets		None	None
Contingent liabilities		702,786	590,903

Cash flow statement

All amounts in US Dollars

	Year ended 31 December	
	2008	2007
Net result before financial items	50,969	-1,015,617
Adjustment for items not included in cash flow	-320,200	45,633
Interest received	78,233	55,995
Interest paid	-5,084	-11,327
Net cash flow from operating activities before changes in working capital	-196,082	-925,316
Decrease/increase receivables regions/countries	337,935	548,702
Decrease/increase receivables donors	-199,070	904,921
Decrease other receivables	63,273	69,201
Increase/decrease advance payments from donors	-2,110,864	610,925
Decrease accounts payable	162,191	-131,156
Increase/decrease liabilities regions/countries	-93,262	88,792
Increase other liabilities	-381,237	109,838
Net cash flow from operating activities	-2,417,115	1,275,907
Net cash flow for the year	-2,417,115	1,275,907
Cash and bank balances at the beginning of the year	6,178,845	4,902,938
Cash and bank balances at the end of the year	3,761,731	6,178,845

Notes

Accounting principles

The Annual Report has been prepared on a going concern basis as well as an accrued basis according to the principles below.

The generally accepted accounting principles in Sweden form the basis for the GWPO accounting policy. The Swedish accounting policy is not followed for fixed assets (see below), the currency rate reserve is not in accordance with the Swedish accounting principles (see below), and the specification of salaries and other staff costs should according to Swedish principles be more detailed.

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 within the GWP Strategy and Work Plan.

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

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

All contributions are shown at gross value.

In-kind contributions

In-kind contributions are, according to Swedish accounting principles, not to be reported in the Income Statement. GWPO has received in-kind contributions from France at an estimated value of USD 300,000 during 2008.

Fixed assets

GWPO's policy is to charge office equipment within the year in which it has been incurred. Office equipment of USD 17,151 (2007 USD 67,118) purchased in 2008 is recorded as expenditures. Accumulated purchase of office equipment since 1 July 2002 is USD 276,733.

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 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.

Leased assets

All lease agreements, regardless of whether they are financial or operating in nature, are accounted for as rental agreements (operating lease agreements).

The leasing fee is expensed over the full period of the lease on a linear basis.

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. The reserve could never show a negative value.

Receivables

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

Pension costs

Pension premiums for international staff, calculated as a percentage of gross salary, are deposited semi annually at AMFIE (Association Mutualiste des Fonctionnaires des Organisations Intergouvernementales, Luxembourg).

Unpaid balance by the end of 2008 is Euro 1,804.

Pension premiums for Swedish staff, calculated as a percentage of gross salary, are paid monthly to SEB Trygg Liv (Sweden). No unpaid balance by the end of 2008.

Liabilities

Liabilities are reported at their nominal amounts.

Cash flow statement

The statement is prepared in accordance with the indirect method. The cash flow only includes transactions which generated ingoing or outgoing payments.

Note 1 Core contributions through GWP Secretariat	2008	2007
Canada, Partnership for Africa's Water Development, admin. fee	46,218	198,119
Denmark	801,699	743,325
European Commission, Effective Water Governance, administration fee	-	3,072
European Commission, Appui à la sécurité en eau WAF, admin. fee	44,740	1,995
Finland IWRM planning Central Asia and Caucasus, admin. fee	12,351	10,288
France	248,255	-
Germany	634,557	677,307
Japan Water Forum	-	25,088
Netherlands, National IWRM and Water Efficiency Plans, facilitation and guidance	149,096	179,338
Netherlands	1,288,635	1,239,562
Norway	710,092	1,032,464
OIEAU Twinbasin	14,863	-
Spain	155,117	139,455
Sweden	1,819,974	1,775,174
Sweden cost compensation taxes and rent	676,047	540,779
Switzerland	315,966	277,596
United Kingdom	2,787,366	2,615,624
U.S Department of State, indirect costs	8,699	18,313
Sum	9,713,674	9,477,499
Note 2 Contributions locally raised by RWP/CWP	2008	2007
GWP Cacena	1,601	-
GWP Caribbean	30,755	15,891
GWP Central America	21,877	60,827
GWP Central and Eastern Europe	66,715	116,365
GWP China	314,678	25,238
GWP Eastern Africa	244,089	71,466
GWP Mediterranean	1,425,416	1,307,392
GWP South America	3,493	1,192
GWP South Asia	43,267	85,802
GWP South East Asia	-260	1,790
GWP Southern Africa	197,950	86,955
Sum	2,349,580	1,772,918

Additional direct contributions of USD 391,255 were received by the RWP/CWP during 2008. The amount will be used during 2009.

Note 3 Other income	2008	2007
Ramboll Natura AB, fees for training programmes	-	621
Host fee Task Force on Global Public Goods	-	3,994
Host fee EUWI Finance Working Group	6,451	13,380
Administration fee Water Facility EUWI FWG	12,225	-
Cost reimbursement EUWI Finance Working Group	-	558
Sum	18,676	18,553

Note 4 Programme (restricted) contributions	2008	2007
Canada, Partnership for Africa's Water Development	462,178	1,978,841
United Kingdom, Water Utility Network Meeting Islamabad	-	46,542
European Commission, Effective Water Governance	-	64,077
European Commission, Appui à la sécurité en eau West Africa	638,955	27,162
EUWI Finance Working Group, Financing Water	64,775	67,730
European Commission/DFID, ACP Water Facility actions ACP countries	220,481	-
Finland, IWRM planning Central Asia and Caucasus	113,765	92,883
Netherlands, National IWRM and Water Efficiency Plans	1,489,577	1,740,933
EU, New approaches to Adaptive Water Management	58,872	2,848
U.S Department of State	79,133	165,197
Sum	3,127,738	4,186,213

Note 5 Secretariat costs	2008	2007
Salary and Payroll overhead	2,407,627	2,263,787
Travel	326,877	466,283
Rent and Office expenditures	542,761	593,565
Audit, legal and other consultancies	110,915	184,990
Communication/information expenditures	170,803	174,248
Sum	3,558,983	3,682,873

Note 6 Salary and payroll overhead	2008	2007
Salaries - Secretariat core	1,790,956	1,633,227
Insurances - Secretariat core	135,452	133,917
Pension costs - Secretariat core	394,383	335,055
Other staff costs - Secretariat core	81,119	121,992
	2,401,910	2,224,191
Cost of temporary staff	5,717	39,596
	2,407,627	2,263,787

The average number of employees calculated on a full time basis for	2008	2007
Secretariat core;		
Female	10.8	13.2
Male	5.6	4.9
	16.4	18.1

Staff not included in the Secretariat core;		
Average number of employees paid in-kind by France	2.0	0.5
Average number of employees paid by restricted contributions	4.1	3.4

Note 7 GWP contribution to Programme activities	2008	2007
European Commission, Effective Water Governance	-	4,679
U.S Department of State	-	10,106
Sum	-	14,785
Note 8 Governance costs	2008	2007
Steering Committee	296,919	297,500
Strategy Development	167,248	-
Consulting Partners meeting	52,542	-2,320
Other governance costs	7,043	29,592
Sum	523,752	324,772
Note 9 External cooperation costs	2008	2007
Toolbox	111,268	125,075
Senior Advisors and consultants	146,729	251,463
Sum	257,997	376,538
Note 10 Global expenditures programmes	2008	2007
Canada, Partnership for Africa's Water Development	155,049	224,868
European Commission, Effective Water Governance	-	-36,541
EU, New approaches to Adaptive Water Management	58,872	2,848
European Commission, Appui à la sécurité en eau West Africa	44,111	-
European Commission, ACP Water Facility actions in ACP countries	220,481	-
United Kingdom, Water Utility Network Meeting Islamabad	-	46,541
Netherlands, National IWRM and Water Efficiency Plans	281,366	321,623
Sum	759,880	559,339
Note 11 Regional expenditures core	2008	2007
GWP Caribbean	235,258	174,866
GWP Central Africa	212,603	153,911
GWP Central America	340,883	418,446
GWP Central Asia & Caucasus	322,958	307,219
GWP Central & Eastern Europe	419,907	523,134
GWP China	788,315	557,795
GWP Eastern Africa	623,802	498,384
GWP Mediterranean	1,784,007	1,611,715
GWP South America	272,577	269,564
GWP South Asia	444,526	617,086
GWP South East Asia	464,471	451,856
GWP Southern Africa	569,657	854,575
GWP West Africa	99,186	553,999
GWP West Africa counterpart funds EC, Appui à la sécurité en eau	207,621	14,756
GWP Eastern Africa, Southern Africa, and West Africa audit adjustments		
CIDA funded programme	60,000	-
Exchange rate differences	-33,521	137,381
Sum	6,812,248	7,144,687
Regional expenditures financed by locally raised funds, Note 2	-2,349,580	-1,772,918
Sum	4,462,668	5,371,769

Note 12 General regional expenditures core	2008	2007
Interregional meetings	15,504	115,128
Activities for INBO Handbook financed by France	101,606	-
Audit fees restricted programmes	11,834	-
Country Dialogues	-	24,931
Monitor and Evaluation Support	68,135	38,183
Other regional expenditures paid through the Secretariat	4,989	-
Sum	202,069	178,242

Note 13 Regional Expenditures programmes	2008	2007
GWP Central Africa, CIDA Programme	21,155	14,790
GWP Central Africa, Dutch Programme	222,807	154,316
GWP Central America, US Programme	-	22,085
GWP Central Asia & Caucasus, Finnish Programme	113,765	92,883
GWP Central Asia & Caucasus, EUWI Finance Working Group	45,588	-
GWP Eastern Africa, EC Programme	-	38,980
GWP Eastern Africa, CIDA Programme	104,006	265,568
GWP Eastern Africa, US Programme	79,133	128,226
GWP Eastern Africa, Dutch Programme	232,662	277,976
GWP Eastern Africa, EUWI Finance Working Group	10,397	33,365
GWP South East Asia, US Programme	-	14,887
GWP Southern Africa, CIDA Programme	114,582	879,034
GWP Southern Africa, Dutch Programme	410,341	472,468
GWP West Africa EC Effective Water Governance	-	61,638
GWP West Africa, CIDA Programme	67,385	594,580
GWP West Africa, Dutch Programme	342,314	514,649
GWP West Africa, Appui à la sécurité en eau West Africa	594,844	27,162
GWP West Africa, EUWI Finance Working Group	8,790	34,365
Sum	2,367,769	3,626,972

Note 14 Interest and net exchange difference	2008	2007
Interest income	78,233	55,995
Interest expense	-5,084	-11,327
Exchange rate difference	22,735	-82,059
Sum	95,884	-37,391

Note 15 Receivables regions/countries	12/31/2008	12/31/2007
GWP Caribbean	23,643	-
GWP Central Africa, CIDA region	-	33,615
GWP Central Africa, Dutch region	11,692	-
GWP Central Africa, Dutch Cameroon	15,294	25,358
GWP Central Asia & Caucasus	6,477	-
GWP Central Asia & Caucasus, Finland	6,087	-
GWP Central & Eastern Europe	1	13,155
GWP China	30	-
GWP Eastern Africa	7,199	15,560
GWP Eastern Africa, CIDA region	-	9,697
GWP Eastern Africa, CIDA Kenya	-	14,377
GWP Eastern Africa, US Ethiopia	21,601	74,887
GWP Eastern Africa, Dutch Eritrea	38,325	21,129
GWP South America	11,372	-
GWP South Asia	36,497	66,605
GWP South East Asia	9,885	142,654
GWP Southern Africa	15,740	-

GWP Southern Africa, CIDA Malawi via region	-	61,999
GWP Southern Africa, Dutch region	3,813	-
GWP Southern Africa, Dutch Swaziland	-	3,999
GWP Southern Africa, Dutch Mozambique	5,778	28,768
GWP West Africa	-	2,188
GWP West Africa, Dutch region	14,525	11,550
GWP West Africa, Dutch Benin	-	29,703
GWP West Africa, Dutch Cape Verde	56,441	20,102
GWP West Africa, CIDA region	-	25,711
GWP West Africa, CIDA Senegal	-	6,705
GWP West Africa, CIDA Senegal via region	-	15,000
GWP West Africa, CIDA Mali	-	28,964
GWP West Africa, Appui à la sécurité en eau West Africa	72,946	43,556
Sum	357,347	695,282

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2008 (2007) amount to USD 602,205 (963,078)

Note 16 Receivables donors	12/31/2008	12/31/2007
CIDA, Partnership for Africa's Water Development	368,114	192,355
U.S Department of State	59,277	14,147
Receivables Foreign Ministry cost compensation taxes 2007/2006	393,741	329,206
Spain core contribution 2007	-	132,618
EU, New approaches to Adaptive Water Management	46,263	-
Sum	867,396	668,326

Note 17 Other receivables	12/31/2008	12/31/2007
Accounts receivable	3,462	6,795
VAT claim	15,881	53,610
EUWI Finance Working Group	23,671	7,296
Other receivables	15,692	65,609
Sum	58,706	133,310

Note 18 Prepaid expenditures and accrued income	12/31/2008	12/31/2007
Prepaid insurances	78,368	86,179
Other prepaid expenditures	19,142	-
Sum	97,510	86,179

Note 19 Cash and Bank balances

GWPO has a credit issued by Nordea Bank Sweden AB amounting to 50% of agreed but not disbursed contributions. The credit facility was not used at year end.

USD 1,061,877 of the reported bank balances relate to advance payments by the Netherlands.

USD 90,006 is an advance payment by the European Commission. The balances are only available for the restricted Programme's activities.

USD 1,460,000 relate to the Reserve Fund, deposited in a restricted bank account not to be used for operational expenditures.

USD 565,566 is advance payments by the European Commission and United Kingdom for the programme ACP Water Facility actions in ACP countries.

Note 20 Restricted equity	12/31/2008	12/31/2007
Reserve fund at the beginning of the year	1,460,000	1,370,000
Transfer to Reserve Fund according to SC decision Nov. 2007	-	90,000
Sum	1,460,000	1,460,000

Note 21 Non-restricted equity	12/31/2008	12/31/2007
Amount at the beginning of year	264,173	1,279,489
Transfer to Reserve Fund according to SC decision November 2007	-	-90,000
Translation difference ingoing balance equity	-302,628	186,317
Translation difference net result 2008/2007	-40,307	-58,625
Net result for the year	146,853	-1,053,008
Sum	68,092	264,173

The net result 146,853 is fully committed for regional activities early 2009. Additional contribution was granted by the UK and Spain late 2008 and the contribution was not fully used during 2008. An additional amount of 3,778 is part of the additional contribution 2008 but will have to come out of the regional core budget 2009.

Note 22 Advance payments from donors	12/31/2008	12/31/2007
Finland, IWRM planning Central Asia and Caucasus	57,902	37,607
United Kingdom, Water Utility Network Meeting Islamabad	4,790	5,810
Netherlands, National IWRM and Water Efficiency Plans	1,132,025	2,768,663
European Commission, Effective Water Governance	-	23,095
European Commission, Appui à la sécurité en eau West Africa	96,129	783,172
EUWI Finance Working Group	8,916	74,748
European Commission, ACP Water Facility actions in ACP countries	187,776	-
United Kingdom, ACP Water Facility actions in ACP countries	377,790	-
France, restricted contribution INBO Handbook	43,167	294,706
Advance payment Foreign Ministry rent 2008/2007	1,630	10,530
Interest earned at regional/country level restricted funding	22,588	45,247
Sum	1,932,714	4,043,578

Note 23 Liabilities regions/countries	12/31/2008	12/31/2007
GWP Central Africa	7,534	34,601
GWP Central Africa, Dutch region	-	7,476
GWP Central America	7,730	4,663
GWP Central Asia & Caucasus	-	35,749
GWP China	-	44,995
GWP Eastern Africa, Dutch region	31,950	28,445
GWP South America	-	6,247
GWP South East Asia 2007	20,516	-
GWP Southern Africa	-	7,061
GWP Southern Africa, CIDA region	-	7,379
GWP Southern Africa, Dutch region	-	23,772
GWP Southern Africa, Dutch Swaziland	3,000	-
GWP Southern Africa, CIDA Malawi	-	17,137
GWP Southern Africa, CIDA Zambia	13,883	16,839
GWP Southern Africa, CIDA region	16,696	-
GWP West Africa	21,984	-
GWP West Africa, EC region counterpart funding	-	2,552
GWP West Africa, Dutch Benin	20,361	-
Sum	143,654	236,916

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2008 (2007) amount to USD 63,212 (445,998)



Note 24 Other liabilities	12/31/2008	12/31/2007
Employee taxes	393,741	329,206
Social security costs	10,415	27,694
UNOPS	525,549	637,432
Liability employee taxes Water Facility EUWI FWG	24,187	-
Other liabilities	8,039	159,316
Sum	961,931	1,153,648


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 25 Accrued expenditures	12/31/2008	12/31/2007
Accrued TEC and TAC fees	57,184	72,345
Accrued expenditures Advisory Centres/Senior Advisors	46,015	47,523
Accrued expenditures personnel	96,907	207,538
Accrued expenditures Toolbox NWP	-	40,771
Accrued audit fees	45,065	65,187
Other accrued expenditures	90,131	91,458
Sum	335,302	524,822

April 2009



Martin Walshe
Deputy Executive Secretary
Acting Executive Secretary, June 2008-March 2009



Letitia Obeng
Chair



Alf Simpson
Chair Audit & Finance Subcommittee

My audit report concerning these financial statements was issued

May 27, 2009



Lena Svensson
Authorised Public Accountant

Öhrlings

PRICEWATERHOUSECOOPERS 

Audit report

Global Water Partnership Organisation

We have audited the annual accounts, the accounting records and the administration of the Steering Committee's and the Executive Secretary of Global Water Partnership Organisation for the year 2008. These accounts and the administration and 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 reasonable 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 the Statutes. We believe that our audit provides a reasonable basis for our opinion set out below.

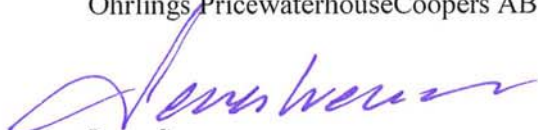
The annual accounts have been prepared in accordance with the stated policies and, thereby, give a true and fair view of the organisation's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The executive summary is consistent with the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

The Steering Committee and the Executive Secretary have in our opinion acted according to the Memorandum of Understanding on the establishment of the GWPO and the Statutes.

Without qualifying my opinion above I want to draw the attention to the executive summary and note 24 of the annual report which include information that there is a dispute with an earlier supplier who has lodged a claim of USD 1,228,335. The background to the claim is not clear to the organisation so the annual report only includes a liability of USD 525,549. The difference of USD 702,786 is, however, neither of any major significance to the organisation's going concern nor for the annual report as a whole.

Stockholm May 27, 2009

Öhrlings PricewaterhouseCoopers AB



Lena Svensson
Authorised Public Accountant