



# Annual Financial Report 2009

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

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# Annual Financial Report 2009

## Executive Summary

### The network

The Global Water Partnership (GWP) is a non-profit action network with a focus on country, regional and global water resources management. It is multi-government and donor funded, facilitating and supporting countries which are developing and implementing 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 and multilateral development agencies. The organization provides a mechanism for global coordination.

The GWP provides a platform for multi-stakeholder dialogue at global, national and local levels in 13 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. 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 GWPO Secretariat – established as an intergovernmental agency in Sweden as the Global Water Partnership Organisation (GWPO) – has a staff of seventeen, supported by core funds in December 2009; one staff seconded by the French Government; and the equivalent of three full time staff supported by funds provided through restricted programmes – a total of 20 staff and one secondment.

### 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 network provides knowledge and helps to build capacity to improve water management. The Partnership also helps countries to connect water resources planning and operations among and along different scales – transboundary, regional, basin, national and local – so that actions are coherent, complementary and sustainable. Instead of taking the

traditional development approach in which projects are often not connected, GWP works simultaneously with the various key stakeholders to design strategic approaches to improving water management. The Network engages in social change activities: advocacy, facilitation, capacity building and knowledge sharing. On the Network front there has been strong growth, with 209 new partner organisations joining GWP in 2009, and with the accreditation of our newest Regional Water Partnership, GWP Central Africa.

2009 was the first year of GWP's 2009-2013 strategy period. The strategy can be summed up in the GWP vision: a water secure world. The essence of water security is a concern for human well-being while ensuring that the environment is protected. GWP's message is that the pre-condition for poverty reduction is equitable, efficient and sustainable development and management of the world's water resources.

The global strategy builds on a decade of GWP successes and lessons learned in advocating for an integrated approach to the management and development of land and water resources, and on the regional strategies of the Regional Water Partnerships. In our new global strategy we focus on four goals:

Goal 1: Promote water as a key part of sustainable national development. This means improving water resources management, putting IWRM into practice to help countries to grow and become water secure, encouraging good governance and advocating for appropriate infrastructure and sustainable financing.

Goal 2: Address critical development challenges. This means contributing to solutions for critical challenges to water security, such as climate change, urbanisation, food production, resource related conflict and other challenges.

Goal 3: Reinforce knowledge sharing and communications. This means developing the capacity to share knowledge and promoting a dynamic communications culture, so as to support better water management.

Goal 4: Build a more effective Network. This means enhancing the Network's resilience and effectiveness through stronger partnerships, good governance and measuring performance to help learning and financial sustainability.

Guided by the strategy, the GWP Secretariat and Regional Water Partnerships design annual work plans based on the needs and priorities of the constituencies they serve.

In the first year of the strategy, GWP has focused on consolidating processes within the Network and ensuring a sound basis for delivering on each of our four strategic goals. Also in 2009, GWP entered the climate arena in order to advocate for better adaptation to climate change through building water security and resilience. Bridges have been built and links strengthened among the water, climate and disaster communities.

2009 also saw the appointment of two new key leaders: Dr. Ania Grobicki as Executive Secretary in March, and Dr. Mohamed Ait Kadi as Chair of the GWP Technical Committee in October. Technical leadership in water management is an important aspect of the Network. Our work in 2009 to strengthen our technical activities continued, anchored and connected by exchanges among country, regional and global levels.



The renewal of the Steering Committee was also completed during the year. There are now 12 elected members, six drawn from a regional pool of candidates nominated by the Regional Water Partnerships and six from a global pool of candidates. They include colleagues from water-related sectors whose perspectives will help the Committee broaden engagement in these areas.

Currently, the Network comprises 13 Regional Water Partnerships and 74 Country Water Partnerships, and includes 2,164 Partners located in 150 countries. A high level of achievement is evident in the 13 regions. More details are available in the *GWP in Action 2009 Annual Report* which is published separately.

## **FINANCE**

### *Core contributions*

The number of donors channeling funds through GWPO during 2009 were 12 (2008 14 donors) The donors, Denmark, European Commission, Finland, France, Germany, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, and U.S.A contributed a total of Euro 6.4 million (6.6M 2008) in core funding. The core funding through the GWPO Secretariat during the years 2004–2009 remains at a stable level of Euro 6-7 million. The core contributions for 2010 are estimated to remain at the same level.

### *Locally raised funds*

The regions are encouraged to raise their own funds. During 2009, Euro 1.8 million was raised by the regions/countries, an increase of Euro 0.2 million compared to 2008.

### *In-Kind contributions*

The contributions reported in the Annual Financial Report do not include funds provided in-kind from governments, organisations or individuals. Nevertheless, in-kind contributions are gratefully recognised as a substantial source of funding. GWPO received in-kind contributions from France at an estimated value of Euro 250,000 during 2009. GWP Regional Water Partnerships reported in-kind contributions of approximately Euro 650,000 during 2009.

### *Programme funding*

Funds for Programme (restricted funds) activities were provided by the donors, European Commission, Finland, Netherlands, Switzerland, United Kingdom, and U.S.A. The activities at regional as well as country level accounted for Euro 2.1 million during 2009.

The 2010 Programmes activities are estimated to Euro 1.4 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 Euro 395,651 and Euro 460,308 is noted as contingent liability.

GWPO is making every effort to resolve this matter in consultation with all parties involved. By March 2010 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 committed an amount of not exceeding GBP 500,000 for the operations of EUWI FWG 2006 to 2009 work programme. In June, 2009 this grant was renewed for another three year period and another GBP 450,00 provided in support of EUWI FWG.

The Secretariat for EUWI FWG consisted during 2009 of two staff members, one part time Project Coordinator and a part time Chairperson.

In 2007, the European Commission granted support to the Finance Working Group of the EU Water Initiative for actions in ACP countries. The project started January 1, 2008 and is co-financed with funds from DFID, Euro 190,000, and has for a 27 months period a budget of Euro 413,000. Income and expenditures for the project, Euro , are reported in the GWPO Annual Financial Report.

For more information about GWP's worldwide activities, the *GWP in Action 2009 Annual Report* is available on request from the GWP Secretariat in Stockholm.



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

*Host government of GWPO*  
Sweden

*Core donors*

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

*Programme donors*

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

*Regional donors*

GWP CAM      Alianza por el Agua  
                    CCADA-AECID

GWP CAR      CapNet

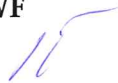
GWP CEE      Coalition Clean Baltic  
                    Coca Cola Hungary  
                    Ministry of Environment and Water Hungary  
                    Ecologic, Germany  
                    ALDA Strasburg  
                    North Hungarian Environment and Water Directorate  
                    Limnos –Slovenia  
                    UNDP/GEF

GWP China    Fujian Provincial  
                    IWHR  
                    Shaanxi Provincial  
                    Hunan Province  
                    Hebei Provincial  
                    WWF  
                    YRCC

**GWP MED**  
Dar Alhansdasah Nazim  
Gicome Sarl Antoine  
Mounir Khatib  
Greek Ministry of Foreign Affairs  
UNDP  
UNECE  
Greek Ministry of Environment  
Agence Francaise de Development  
Coca Cola Hellas  
MEDA Water Programme  
UNEP  
CECOFORMA  
UNESCO  
Drainage Advisory Panel  
MIO-ECSDE

**GWP EAF**  
AfDB  
UNOPS

**GWP SAF**  
Danida  
AfDB  
Sida  
DWF



## Income Statement

All amounts in Euro

	Note	2009	2008
<b>Core contributions</b>			
Core contributions through GWP Secretariat	1	6,449,436	6,636,382
Contributions locally raised	2	1,765,058	1,605,233
Other income	3	16,241	12,759
<b>Total Core contributions</b>		<b>8,230,735</b>	<b>8,254,374</b>
<b>Programme contributions</b>	4	<b>2,079,339</b>	<b>2,136,870</b>
<b>Total contributions</b>		<b>10,310,074</b>	<b>10,391,245</b>
<b>Global expenditures core</b>			
Secretariat	5,6	-2,410,187	-2,431,497
Governance	7	-195,294	-357,827
External cooperation	8	-91,572	-176,264
Technical Committee		-411,799	-461,844
<b>Total Global expenditures</b>		<b>-3,108,851</b>	<b>-3,427,432</b>
<b>Global expenditures programmes</b>	9	<b>-395,720</b>	<b>-519,150</b>
<b>Regional expenditures</b>			
Regional expenditures core	10	-2,578,557	-3,048,895
Expenditures locally raised contributions	10	-1,765,058	-1,605,233
General regional expenditures core	11	-148,479	-138,054
Regional expenditures programmes	12	-1,683,619	-1,617,660
<b>Total Regional expenditures</b>		<b>-6,175,713</b>	<b>-6,409,841</b>
<b>Financial items</b>			
Net interest and net exchange rate differences	13	15,604	65,508
<b>Total Financial items</b>		<b>15,604</b>	<b>65,508</b>
<b>Net result for the year</b>		<b>645,395</b>	<b>100,330</b>



## Balance Sheet

All amounts in Euro

<b>Assets</b>	Note	12/31/2009	12/31/2008
<b>Current assets</b>			
Receivables regions	14	496,556	253,538
Receivables donors	15	902,159	615,417
Other receivables	16	219,550	41,652
Prepaid expenditures and accrued income	17	49,335	69,183
		<b>1,667,600</b>	<b>979,790</b>
<b>Cash and bank balances</b>	18	2,498,789	2,668,948
<b>Total Assets</b>		<b>4,166,389</b>	<b>3,648,738</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Reserve fund	19	953,000	1,035,870
		<b>953,000</b>	<b>1,035,870</b>
<b>Non-restricted equity</b>			
Results brought forward	20	131,181	187,431
Translation difference		80,953	-239,450
Net result for the year		645,395	100,330
		<b>857,529</b>	<b>48,311</b>
<b>Total Equity</b>		<b>1,810,529</b>	<b>1,084,181</b>
<b>Current liabilities</b>			
Advance payments from donors	21	1,024,803	1,371,261
Accounts payable		276,091	170,987
Liabilities regions/countries	22	90,442	101,923
Other liabilities	23	827,086	682,490
Accrued expenditures	24	137,439	237,897
<b>Total current liabilities</b>		<b>2,355,860</b>	<b>2,564,557</b>
<b>Total Equity and Liabilities</b>		<b>4,166,389</b>	<b>3,648,738</b>
<b>Pledged assets</b>		<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>	23	<b>460,308</b>	<b>498,627</b>

## Cash flow statement

All amounts in Euro

	2009	2008
Net result before financial items	629,790	34,822
Adjustment for items not included in cash flow	96,190	-223,917
Interest received	5,394	53,449
Interest paid	-5,026	-3,473
<b>Net cash flow from operating activities before changes in working capital</b>	<b>726,348</b>	<b>-139,120</b>
Increase/decrease receivables regions/countries	-243,018	239,765
Increase receivables donors	-286,742	-141,240
Increase/decrease other receivables	-158,050	44,892
Decrease advance payments from donors	-346,458	-1,497,658
Increase accounts payable	105,104	115,075
Decrease liabilities regions/countries	-11,481	-66,169
Increase/decrease other liabilities	44,137	-270,488
<b>Net cash flow from operating activities</b>	<b>-170,159</b>	<b>-1,714,943</b>
<b>Net cash flow for the year</b>	<b>-170,159</b>	<b>-1,714,943</b>
Cash and bank balances at the beginning of the year	2,668,948	4,383,891
Cash and bank balances at the end of the year	2,498,789	2,668,948

## Notes

### Accounting principles

The Annual Financial Report has been prepared based on the principles of going concern and accrued accounting.

Generally accepted accounting principles in Sweden are used with the exception of 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 contributions where specific requirements, programmatic and /or geographical, are issued by the donor.

All contributions for Programme activities above the level of expenditures for the financial year are reported as advance payments.

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 Euro 150,000 during 2009.

### Fixed assets

GWPO record purchase of office equipment as expenditures during the purchase year.

Office equipment of EUR 1,646 (2008 EUR 11,747) purchased in 2009 has been recorded as expenditures. Accumulated purchase of office equipment since 1 July 2002 is Euro 197,988.

### Currencies

The GWPO accounting currency is Swedish Kronor (SEK). EURO is used for reporting purposes. The rate of exchange SEK/EUR ruling at the balance date is used for all assets and liabilities.

Restricted programme activities and regional core expenditures are converted quarterly based on the average quarterly rate. Core contributions and all other expenditures are converted based on the exchange rate prevailing on the 25th of each month.

### 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).

No unpaid balance remain by the end of 2009.

Pension premiums for Swedish staff, calculated as a percentage of gross salary, are paid monthly to SEB Trygg Liv (Sweden). No unpaid balance remain by the end of 2009.

### 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.

<b>Note 1 Core contributions through GWP Secretariat</b>	<b>2009</b>	<b>2008</b>
Canada, Partnership for Africa's Water Development, admin. fee	-	31,576
Denmark	540,128	547,721
European Commission, Appui à la sécurité en eau WAF, admin. fee	41,741	30,566
Finland IWRM planning Central Asia and Caucasus, admin. fee	14,944	8,438
France	30,943	169,608
Germany	400,000	433,529
Netherlands, National IWRM and Water Efficiency Plans, facilitation and guidance	108,964	101,863
Netherlands	1,000,000	880,395
Norway	468,803	485,135
OIEAU Twinbasin	-	10,154
Spain	20,000	105,976
Sweden	1,399,695	1,243,406
Sweden cost compensation taxes and rent	488,599	461,875
Switzerland	270,270	215,868
United Kingdom	1,663,067	1,904,328
U.S Department of State, indirect costs	2,280	5,943
<b>Sum</b>	<b>6,449,436</b>	<b>6,636,382</b>

<b>Note 2 Contributions locally raised by RWP/CWP</b>	<b>2009</b>	<b>2008</b>
GWP Cacena	-	1,094
GWP Caribbean	17,268	21,012
GWP Central America	9,642	14,947
GWP Central and Eastern Europe	16,837	45,579
GWP China	120,354	214,988
GWP Eastern Africa	100,892	166,762
GWP Mediterranean	882,179	973,844
GWP South America	-	2,386
GWP South Asia	96,156	29,560
GWP South East Asia	62	-177
GWP Southern Africa	521,304	135,240
GWP West Africa	365	-
<b>Sum</b>	<b>1,765,058</b>	<b>1,605,233</b>

Additional locally raised contributions of Euro 155,562 were received by the RWP/CWP during 2009. The amount will be used during 2010.





<b>Note 3 Other income</b>	<b>2009</b>	<b>2008</b>
Host fee EUWI Finance Working Group	7,607	4,407
Administration fee Water Facility EUWI FWG	3,319	8,352
Other income	5,314	-
<b>Sum</b>	<b>16,241</b>	<b>12,759</b>

<b>Note 4 Programme (restricted) contributions</b>	<b>2009</b>	<b>2008</b>
Canada, Partnership for Africa's Water Development	-	315,760
European Commission, Appui à la sécurité en eau West Africa	596,306	436,534
EUWI Finance Working Group, Financing Water	28,719	44,255
European Commission/DFID, ACP Water Facility actions ACP countries	161,803	150,633
EU, New approaches to Adaptive Water Management	-	40,222
Finland, IWRM planning Central Asia and Caucasus	185,163	77,724
Netherlands, National IWRM and Water Efficiency Plans	1,053,322	1,017,679
Switzerland, Climate change adaptation strategies - Mali	33,500	-
U.S Department of State	20,526	54,064
<b>Sum</b>	<b>2,079,339</b>	<b>2,136,870</b>

<b>Note 5 Secretariat costs</b>	<b>2009</b>	<b>2008</b>
Salary and Payroll overhead	1,649,080	1,644,891
Travel	208,398	223,322
Rent and Office expenditures	248,752	370,814
Audit, legal and other consultancies	62,545	75,777
Communication/information expenditures	241,412	116,693
<b>Sum</b>	<b>2,410,187</b>	<b>2,431,497</b>

<b>Note 6 Salary and payroll overhead</b>	<b>2009</b>	<b>2008</b>
Salaries - Secretariat core	1,252,208	1,227,487
Insurances - Secretariat core	92,307	92,541
Pension costs - Secretariat core	282,060	269,442
Other staff costs - Secretariat core	22,505	55,420
	<b>1,649,080</b>	<b>1,644,891</b>

The average number of employees calculated on a full time basis for	<b>2009</b>	<b>2008</b>
Secretariat core;		
Female	12.3	10.8
Male	4.8	5.6
	<b>17.1</b>	<b>16.4</b>

Staff not included in the Secretariat core;		
Average number of employees paid in-kind by France	<b>1.5</b>	<b>2.0</b>
Average number of employees paid by restricted contributions	<b>2.5</b>	<b>4.1</b>

<b>Note 7 Governance costs</b>	<b>2009</b>	<b>2008</b>
Steering Committee	148,273	202,855
Strategy Development	-	114,264
Consulting Partners meeting	42,625	35,896
Other governance costs	4,396	4,812
<b>Sum</b>	<b>195,294</b>	<b>357,827</b>

<b>Note 8 External cooperation costs</b>	<b>2009</b>	<b>2008</b>
Toolbox	27,998	76,018
Senior Advisors and consultants	63,574	100,245
<b>Sum</b>	<b>91,572</b>	<b>176,264</b>
<b>Note 9 Global expenditures programmes</b>	<b>2009</b>	<b>2008</b>
Canada, Partnership for Africa's Water Development	-	105,930
EU, New approaches to Adaptive Water Management	-	40,222
European Commission, Appui à la sécurité en eau West Africa	24,705	30,137
European Commission, ACP Water Facility actions in ACP countries	161,803	150,633
Netherlands, National IWRM and Water Efficiency Plans	209,212	192,229
<b>Sum</b>	<b>395,720</b>	<b>519,150</b>
<b>Note 10 Regional expenditures core</b>	<b>2009</b>	<b>2008</b>
GWP Caribbean	145,319	160,728
GWP Central Africa	195,035	145,251
GWP Central America	206,573	232,891
GWP Central Asia & Caucasus	155,195	220,645
GWP Central & Eastern Europe	219,242	286,880
GWP China	328,016	538,577
GWP Eastern Africa	359,821	426,181
GWP Mediterranean	1,085,545	1,218,834
GWP South America	159,978	186,224
GWP South Asia	309,707	303,700
GWP South East Asia	185,811	317,326
GWP Southern Africa	756,851	389,190
GWP West Africa	28,355	67,764
GWP West Africa counterpart funds EC, Appui à la sécurité en eau	198,769	141,846
GWP Eastern Africa, Southern Africa, and West Africa audit adjustments		
CIDA funded programme	-	40,992
Exchange rate differences	9,399	-22,902
<b>Sum</b>	<b>4,343,615</b>	<b>4,654,128</b>
<b>Regional expenditures financed by locally raised funds, Note 2</b>	<b>-1,765,058</b>	<b>-1,605,233</b>
<b>Sum</b>	<b>2,578,557</b>	<b>3,048,895</b>
<b>Note 11 General regional expenditures core</b>	<b>2009</b>	<b>2008</b>
Interregional meetings	18,203	10,592
Activities for INBO Handbook financed by France	31,032	69,418
Audit fees restricted programmes	50,577	8,085
Monitor and Evaluation Support	10,876	46,550
Other regional expenditures paid through the Secretariat	37,791	3,409
<b>Sum</b>	<b>148,479</b>	<b>138,054</b>

<b>Note 12 Regional Expenditures programmes</b>	<b>2009</b>	<b>2008</b>
GWP Central Africa, CIDA Programme	-	14,453
GWP Central Africa, Dutch Programme	174,151	152,222
GWP Central America, EUWI Finance Working Group	8,794	-
GWP Central Asia & Caucasus, Finnish Programme	185,163	77,724
GWP Central Asia & Caucasus, EUWI Finance Working Group	-	31,146
GWP Eastern Africa, CIDA Programme	-	71,057
GWP Eastern Africa, US Programme	20,526	54,064
GWP Eastern Africa, Dutch Programme	206,656	158,955
GWP Eastern Africa, EUWI Finance Working Group	-	7,103
GWP South America, EUWI Finance Working Group	19,925	-
GWP Southern Africa, CIDA Programme	-	78,282
GWP Southern Africa, Dutch Programme	295,764	280,345
GWP West Africa, Appui à la sécurité en eau West Africa	571,601	406,397
GWP West Africa, CIDA Programme	-	46,037
GWP West Africa, Dutch Programme	167,539	233,869
GWP West Africa, EUWI Finance Working Group	-	6,005
GWP West Africa, Switzerland	33,500	-
<b>Sum</b>	<b>1,683,619</b>	<b>1,617,660</b>

<b>Note 13 Interest and net exchange difference</b>	<b>2009</b>	<b>2008</b>
Interest income	5,394	53,449
Interest expense	-5,026	-3,473
Exchange rate difference	15,237	15,532
<b>Sum</b>	<b>15,604</b>	<b>65,508</b>

<b>Note 14 Receivables regions/countries</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
GWP Caribbean	14,076	16,775
GWP Central Africa	9,715	-
GWP Central Africa, Dutch region	15,208	8,296
GWP Central Africa, Dutch Cameroon	2,101	10,851
GWP Central America	42,745	-
GWP Central Asia & Caucasus	-	4,595
GWP Central Asia & Caucasus, Finland	4,348	4,319
GWP Central & Eastern Europe	34,779	-
GWP China	30,032	21
GWP Mediterranean	30,000	-
GWP Eastern Africa	-	5,108
GWP Eastern Africa, US Ethiopia	4,174	15,326
GWP Eastern Africa, Dutch region	2,901	-
GWP Eastern Africa, Dutch Eritrea	12,065	27,192
GWP South America	37,899	8,068
GWP South Asia	27,092	25,895
GWP South East Asia	40,627	7,014
GWP Southern Africa	42,536	11,168
GWP Southern Africa, Dutch region	-	2,705
GWP Southern Africa, Dutch Mozambique	26,097	4,099
GWP West Africa, Dutch region	-	10,305
GWP West Africa, Dutch Benin	335	-
GWP West Africa, Dutch Cape Verde	20,053	40,045
GWP West Africa, Appui à la sécurité en eau West Africa	99,772	51,756
<b>Sum</b>	<b>496,556</b>	<b>253,538</b>

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2009 (2008) amount to Euro 397,430 (427,264)



<b>Note 15 Receivables donors</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
CIDA, Partnership for Africa's Water Development	314,264	261,177
European Commission, Appui à la sécurité en eau West Africa	35,339	-
Finland, IWRM planning Central Asia and Caucasus	150,000	-
Switzerland, Climate change adaptation strategies - Mali	6,705	-
U.S Department of State	20,743	42,057
Receivables Ministry of Foreign Affairs compensation taxes 2009/2008	365,354	279,359
Receivables Ministry of Foreign Affairs compensation rent 2009	9,754	-
EU, New approaches to Adaptive Water Management	-	32,824
<b>Sum</b>	<b>902,159</b>	<b>615,417</b>

<b>Note 16 Other receivables</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Accounts receivable	-	2,457
VAT claim	19,310	11,268
EUWI Finance Working Group	185,395	16,795
Other receivables	14,844	11,133
<b>Sum</b>	<b>219,550</b>	<b>41,652</b>

<b>Note 17 Prepaid expenditures and accrued income</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Prepaid insurances	38,828	55,602
Other prepaid expenditures	9,490	13,581
Accrued interest Nordea	1,018	-
<b>Sum</b>	<b>49,335</b>	<b>69,183</b>

#### **Note 18 Cash and Bank balances**

GWPO has a credit facility issued by Nordea Bank Sweden AB limited to Euro 1,550,000 but not exceeding 50% of agreed but not disbursed contributions. The credit facility was not used at year end.

Euro 320,980 of the reported bank balance are advance payments by the Netherlands for the PAWDII Programme

Euro 953,000 are deposited in a restricted bank account not to be used for operational expenditures, GWPO Reserve Fund.

Euro 83,859 of the bank balance are advance payments by the European Commission and United Kingdom for the programme ACP Water Facility actions in ACP countries.

<b>Note 19 Restricted equity</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Reserve fund	953,000	1,035,870
<b>Sum</b>	<b>953,000</b>	<b>1,035,870</b>

<b>Note 20 Non-restricted equity</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Amount at the beginning of year	48,311	187,431
Transfer from Reserve Fund	82,870	-
Translation difference ingoing balance equity	79,862	-214,714
Translation difference net result 2009/2008	1,091	-24,735
Net result for the year	645,395	100,330
<b>Sum</b>	<b>857,529</b>	<b>48,311</b>



<b>Note 21 Advance payments from donors</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Finland, IWRM planning Central Asia and Caucasus	40,934	41,082
United Kingdom, Water Utility Network Meeting Islamabad	3,606	3,399
United Kingdom, core funds £500,000	554,588	-
Netherlands, National IWRM and Water Efficiency Plans	320,980	803,172
European Commission, Appui à la sécurité en eau West Africa	-	68,203
EUWI Finance Working Group	2,706	6,326
European Commission, ACP Water Facility actions in ACP countries	46,065	133,227
United Kingdom, ACP Water Facility actions in ACP countries	37,794	268,042
France, restricted contribution INBO Handbook	-	30,627
Advance payment Foreign Ministry rent 2008	-	1,157
Interest earned at regional/country level restricted funding	18,130	16,026
<b>Sum</b>	<b>1,024,803</b>	<b>1,371,261</b>

<b>Note 22 Liabilities regions/countries</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
GWP Central Africa	-	5,345
GWP Central America	-	5,484
GWP Central Asia & Caucasus	3,736	-
GWP Eastern Africa	12,721	-
GWP Eastern Africa, Dutch region	-	22,669
GWP South East Asia 2007	-	14,556
GWP Southern Africa, Dutch region	38,819	-
GWP Southern Africa, Dutch Swaziland	299	2,129
GWP Southern Africa, CIDA Zambia	-	9,850
GWP Southern Africa, CIDA region	-	11,846
GWP West Africa	28,689	15,598
GWP West Africa, Dutch region	6,178	-
GWP West Africa, Dutch Benin	-	14,446
<b>Sum</b>	<b>90,442</b>	<b>101,923</b>

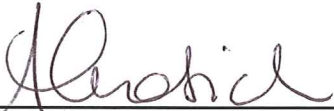
Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2009 (2008) amount to Euro - 11,083 (44,849)

<b>Note 23 Other liabilities</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Employee taxes	365,354	279,359
Social security costs	14,002	7,389
UNDP has 3 February 2006 directed a claim of USD 1,228,335 to GWPO.	395,651	372,877
Liability employee taxes EUWI Finance Working Group	51,915	17,161
Other liabilities	164	5,704
<b>Sum</b>	<b>827,086</b>	<b>682,490</b>

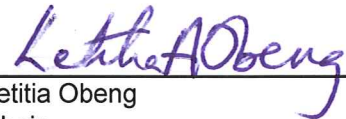
UNDP has 3 February 2006 directed a claim of USD 1,228,335 to GWPO. The claim is according to UNDP derived from expenditures paid by UNDP in 2001. GWPO has not acknowledged the claim.

<b>Note 24 Accrued expenditures</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Accrued fees Technical Committee	2,423	40,572
Accrued fees Advisory Centres/Senior Advisors	17,954	32,648
Accrued expenditures personnel	40,995	68,756
Accrued audit fees	31,745	31,973
Other accrued expenditures	44,322	63,948
<b>Sum</b>	<b>137,439</b>	<b>237,897</b>

May 2010



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Ania Grobicki  
Executive Secretary



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Letitia Obeng  
Chair



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Dorothy Manuel  
Chair Audit & Finance Subcommittee

My audit report concerning these financial statements was issued

*may 24, 2010*



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Thomas Lönnström  
Authorised Public Accountant

## Audit Report

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### Global Water Partnership Organisation

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We have audited the Annual Financial Report, the accounting records and the administration of the Steering Committee's and the Executive Secretary of Global Water Partnership Organisation for the year 2009. These accounts and the administration and the application of the stated accounting policies, when preparing the Annual Financial Report, are the responsibility of the Steering Committee and the Executive Secretary. Our responsibility is to express an opinion on the Annual Financial Report 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 Financial Report is 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 Financial Report as well as evaluating the overall presentation of information in the Annual Financial Report. As a basis for our opinion concerning the administration we have examined significant decisions, actions taken and circumstances of the organization in order to determine whether any member of the Steering Committee or the Executive Secretary has acted in contravention of the Statutes. We believe that our audit provides a reasonable basis for our opinion set out below.

The Annual Financial Report have been prepared in accordance with the stated policies and, thereby, give a true and fair view of the organization'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 Financial Report.

The Steering Committee and the Executive Secretary have in our opinion acted according to the Statutes.

*Without qualifying our opinion above we want to draw the attention to the executive summary and note 23 of the Annual Financial Report which include information that there is a dispute with UNDP.*

Stockholm May 24, 2010

Ernst & Young AB



Thomas Lönnström  
Authorized Public Accountant