



## Annual Financial Report 2011

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

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[www.gwp.org](http://www.gwp.org)

**Global Water Partnership Organisation**

Intergovernmental Organisation

Registered in Sweden - registration number 902000-3845

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## Annual Financial Report 2011

### Executive Summary

#### The network

The Global Water Partnership (GWP) is a non-profit global action network with a focus on building water security at country, regional and global levels. It is funded by a range of Financing Partners, and works to facilitate dialogues and to support countries which are 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 and has been growing rapidly.

GWP provides a neutral platform for multi-stakeholder dialogue in 13 regions of the world, namely: 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.

Currently, the Network comprises 13 Regional Water Partnerships and 80 Country Water Partnerships, and 2,623 Partners located in 161 countries.

#### Organisation

The GWP Organisation is managed by an Executive Secretary, who is answerable to the Steering Committee. The Steering Committee is the executive body of the Organisation. It develops, steers and organises the work of the Organisation and guides the co-operation among the Partners within the Network. It provides policy oversight and approves the work programme and budget of the organisation. Steering Committee members serve in their personal capacities. The Steering Committee and its Chair are appointed by the Sponsoring Partners, comprising the ten founding members of the GWPO.

The GWPO was established as an intergovernmental organisation in 2002 and is hosted by the Government of Sweden. The GWP Global Secretariat has a staff of seventeen, supported by core funds in December 2011, and one staff member seconded by the French Government.

#### The Programme

2011 was a year of challenges, reflection, opportunities and celebration. It was marked by financial challenges that impacted upon several areas of our work, in particular in the Secretariat, where activities were constrained. Happily, while dealing with this issue, GWPO was able to maintain the basic seed funding that goes to the Regions, implementation of the Strategy continued, and a new donor agency, Austria, joined to support the implementation of the Water, Climate and Development programme in partnership with AMCOW.

The year saw the halfway mark in the current 5-year Strategy period 2009-2013. The mid-term review which was carried out in 2011 noted that GWP has two key assets – it is a multi-stakeholder Partnership with many Partners and global outreach and it is consistent in its advocacy of the IWRM

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approach in supporting sustainable water management. We are working to integrate relevant key actions from the recommendations into our work – so that GWP continues to deliver strongly on our mission and strategic goals.

2011 was also a year that saw extreme climate events, from the Japanese tsunami, to the floods in Thailand and the drought in the Horn of Africa. Building resilience of communities and countries to such disasters includes managing water better, and more proactively. Hence the water challenge grows more urgent than ever before.

From an organizational perspective, we can assess GWP's progress during 2011 under the four broad strategic goals of the GWP Strategy.

Are governments including water as a key part of national development? GWP supported a UN survey in over 130 countries that found that 80% of countries have adopted integrated water resources management as an approach, and one third are mainstreaming water issues in national planning processes. The report will be published for the Rio+20 conference in June 2012. These results show that GWP's support for the IWRM approach has both directly and indirectly borne fruit in many countries.

Is water increasingly seen as central to development challenges? 2011 was the UN Year of Water and Urbanisation during which GWP supported several activities, including the World Water Day event in Cape Town, South Africa. The UN Framework Convention on Climate Change (UNFCCC) released a major publication on *Freshwater resources and climate change* with input from GWP, and the 17<sup>th</sup> UNFCCC Conference of the Parties (COP 17) agreed to hold a technical workshop focused on issues of water and climate change. 2011 also saw the launch of the new joint programme between GWP and the African Ministerial Council on Water, focusing on *Water, Climate and Development*. GWP also signed a Memorandum of Understanding with FAO in 2011 ensuring closer collaboration on food security and water management issues, and supported the establishment of the Global Soil Partnership to protect soil resources.

Is GWP reinforcing knowledge sharing and communications? 2011 saw many regional and inter-regional knowledge events, including the two ground-breaking workshops initiated by the GWP Technical Committee. Innovative communications tools such as the monthly *Newsflow* and social media such as GWP's Facebook page and Twitter feeds are reaching more people. Colleagues concerned about food security joined GWP's Consulting Partners meeting to explore ways to move that agenda forward given the connection with water security. Fulfilling our mission and achieving our vision requires that we engage with all the development sectors.

Finally, are we building a more effective network? The network has grown rapidly, from 500 organisations in 2004 to over 2,500 today, with current growth at over 10% per year. This is truly a multi-stakeholder partnership, including NGOs, research and education institutions, and the private sector working together with government agencies in over 80 countries.

During 2011, the work of the GWP Technical Committee focused on how we can best address the latent threats and opportunities in the climate change, water security, and food security nexus.

Increasingly, these three issues are interconnected beyond national borders. Their associated shocks and vulnerabilities are global and regional, even if their impacts and the responses to them vary locally. We will not solve these problems by addressing them one by one, country by country or basin by basin. We must improve our understanding of these issues at regional level and develop more coordinated responses. The Technical Committee plays a key role in shaping the international debate through the professional engagement of its members, by being GWP's voice in major regional and international fora, and by contributing to international initiatives.

In 2011, the GWP Technical Committee published five documents:

- *Social equity and IWRM – A Background Paper*
- *Integrated urban water management – A Perspectives Paper*
- *Exploring the role of water security in regional economic development – Keynote by the Technical Committee Chair at the Consulting Partners Meeting 2010*
- *Climate change, water, and food security – Synthesis report of the South Asia regional workshop*
- *Proceedings of the southern and eastern Africa workshop on regional approaches to food and water security in the face of climate change.*

Finally, in 2011 we celebrated 15 years of GWP's existence. We were honoured by the presence of our Patron, HRH the Prince of Orange at the GWP Consulting Partners' meeting in August, helping us celebrate the path we have taken, building on and learning from the past as we continue our mission of supporting the sustainable development and management of water resources at all levels.

As we look ahead to 2012, GWP will consolidate its results, and identify improved and innovative ways to increase ownership of the more than 2550 Partners in the amazing Network and Partnership that is GWP. We will strive harder throughout the Partnership to embrace the development sectors that use water and join with them to help find sustainable solutions to the evolving challenges related to achieving water security.

## **Finance**

### *General income*

The number of financial partners channeling funds through GWPO during 2011 were 11 (2010 10 donors) The donors, Austria, Denmark, EUWI Finance Working Group, France, Germany, IDRC, The Netherlands, Norway, Sweden, Switzerland, and UNDP/DHI contributed a total of Euro 5.2 million (5.8M 2010) in core funding.

### *Locally raised income*

The regions and countries are increasingly encouraged to raise their own funds. During 2011, Euro 3 million was raised by the regions/countries, a significant increase of 300% compared to 2010.

### *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 100,000 during 2011 as well as from other sources. GWP Regional Water Partnerships reported in-kind contributions of approximately Euro 2.6 million during 2011. The majority of these in-kind contributions are from GWP Partner organisations.

#### *Designated Income*

Funds for designated activities were provided by the financial partners EUWI Finance Working Group, Switzerland, and UNDP/DHI. The activities at regional as well as country level accounted for Euro 0.2 million during 2011.

#### *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. GWPO wrote to UNDP in this regard in July 2007 with a reminder in 2008, offering a settlement. UNDP has accepted the settlement offer of SEK 4.082 million in May 2011 and the final payment was made in December 2011.

#### *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. The Secretariat for EUWI FWG consisted during 2011 of the part time Chairperson.

For more information about GWP's worldwide activities, the *GWP in Action 2011 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**

***Globally Raised General Income***

Austria  
Denmark  
EUWI Finance Working Group  
France  
Germany  
IDRC  
Netherlands  
Norway  
Sweden  
Switzerland  
UNDP/DHI

***Globally Raised Designated Income***

EUWI Finance Working Group  
Switzerland  
UNDP/DHI

**Regional donors**

GWP CACENA	DHI/COWI/IFAS
GWP CAM	BCIE FANCA
GWP CEE	ICPDR LIMNOS Ltd SVP UNDP VÚV T.G.M. (Czech Republic)
GWP CENTRAL AFRICA	AES SONEL GIRE KRIBI
GWP CHINA	Shaanxi Province Hunan Province Hebei Province YRCC MWR IWHR Asian Development Bank
GWP EASTERN AFRICA	African Water Facility- AfDB UNEP
GWP MED	BMU-German Ministry for Environment Coca Cola Malta Coca Cola Foundation Cornell University DIKTAS EC-HORIZON2020CB-MEP-NKUA EC-ENPI-LDK Hellenic Ministry for Environment, Energy, and Climate Change Iner Institute for Development Lebanese Ministry for Energy and Water MIO-ECSDE UNOPS IWLEARN UN-UNECE UNEP-GEF Africa UNESCO Venice Office
GWP SOUTHERN AFRICA	CPWF Danida RCCP
GWP WEST AFRICA	SIDA/RAMBOLL WWF UNECA VBA DHI

## Income Statement

All amounts in Euro

	Note	2011	2010
<b>Income</b>			
Globally raised income	1	5 186 943	5 812 172
Globally raised designated income	2	165 882	1 479 338
Locally raised income	3	2 971 673	996 140
Other income	4	59 318	20 931
<b>Total Income</b>		<b>8 383 816</b>	<b>8 308 581</b>
<b>Global expenditures</b>			
Secretariat	5	-1 602 512	-1 792 093
Governance	6	-233 073	-224 409
Technical support and Toolbox	7	-620 502	-454 704
Designated funds	8	-	-276 866
<b>Total Global expenditures</b>		<b>-2 456 087</b>	<b>-2 748 072</b>
<b>Programme activities</b>			
Network Operation	9	-683 387	-604 092
Regional expenditures	10	-2 456 678	-2 720 872
Water, Climate Development Programme	11	-132 474	-
Regional expenditures locally raised	10	-2 971 673	-996 140
General regional expenditures	12	-76 469	-65 167
Regional expenditures designated funds	13	-165 882	-1 202 473
<b>Total Programme expenditures</b>		<b>-6 486 562</b>	<b>-5 588 743</b>
<b>Financial items</b>			
Net interest and net exchange rate differences	14	17 196	-38 880
<b>Total Financial items</b>		<b>17 196</b>	<b>-38 880</b>
<b>Net result for the year</b>		<b>-541 637</b>	<b>-67 112</b>

## Balance Sheet

All amounts in Euro

<b>Assets</b>	Note	2011-12-31	2010-12-31
<b>Current assets</b>			
Receivables Regional Water Partnerships	15	80 889	37 472
Receivables donors	16	265 657	664 364
Other receivables	17	111 764	150 411
Prepaid expenditures and accrued income	18	219 427	190 309
<b>Total current assets</b>		<b>677 738</b>	<b>1 042 555</b>
<b>Cash and bank balances</b>	19	3 865 902	2 257 180
<b>Total Assets</b>		<b>4 543 639</b>	<b>3 299 734</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Reserve fund	20	964 000	964 000
		<b>964 000</b>	<b>964 000</b>
<b>Non-restricted equity</b>			
Results brought forward	21	1 085 241	846 529
Translation difference		18 768	305 824
Net result for the year		-541 637	-67 112
		<b>562 372</b>	<b>1 085 241</b>
<b>Total Equity</b>		<b>1 526 372</b>	<b>2 049 241</b>
<b>Current liabilities</b>			
Advance payments from donors	22	2 475 522	134 535
Accounts payable		94 520	103 722
Liabilities Regional Water Partnerships	23	21 293	75 511
Other liabilities	24	278 820	771 420
Accrued expenditures	25	147 112	165 305
<b>Total current liabilities</b>		<b>3 017 267</b>	<b>1 250 493</b>
<b>Total Equity and Liabilities</b>		<b>4 543 639</b>	<b>3 299 734</b>
<b>Pledged assets</b>		<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>		<b>0</b>	<b>471 304</b>



## Cash flow statement

All amounts in Euro

	<b>2011</b>	<b>2010</b>
Net result before financial items	-558 833	-28 232
<b>Adjustment for items not included in cash flow</b>		
Exchange rate differences	-8 434	-45 282
Translation difference equity	18 768	305 824
Interest received	27 872	6 880
Interest paid	-2 242	-478
<b>Net cash flow from operating activities before changes in working capital</b>	<b>-522 869</b>	<b>238 713</b>
Increase/decrease receivables regions/countries	-43 417	459 084
Decrease receivables donors	398 706	237 796
Decrease/increase other receivables	9 528	-71 834
Increase/decrease advance payments from donors	2 340 986	-890 268
Decrease accounts payable	-9 202	-172 369
Decrease liabilities regions/countries	-54 218	-14 931
Decrease other liabilities	-510 794	-27 799
<b>Net cash flow from operating activities</b>	<b>1 608 721</b>	<b>-241 608</b>
<b>Net cash flow for the year</b>	<b>1 608 721</b>	<b>-241 608</b>
Cash and bank balances at the beginning of the year	2 257 180	2 498 789
Cash and bank balances at the end of the year	3 865 902	2 257 180

## 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. The accounting principles applied are unchanged compared to 2010.

### Incomes

Income is accounted for on an accrual basis.

**Globally raised income** is unrestricted contributions to be used for any of GWPO's purposes within the GWP Strategy and Work Plan.

**Globally raised designated income** is contributions where specific requirements, programmatic and /or geographical, are issued by the donor.

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

### In-kind contributions

In-kind contributions are, according to Swedish accounting principles, not to be reported in the Income Statement. An estimate of received in-kind contributions is given in the Executive Summary.

### Fixed assets

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

Office equipment of EUR 11,279 (2010 EUR 20,585) has been recorded as expenditures in 2011. Accumulated purchase value since 1 July 2002 is EUR 229,852, out of which office equipment of EUR 148,458 is still in use.

### 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.

Designated income, expenditures related to designated income, and regional expenditures are converted quarterly based on the average quarterly rate. All other income and 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.

### Liabilities

Liabilities are reported at their nominal amounts.

### 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). There is no unpaid balance by the end of 2011.

Pension premiums for Swedish staff, calculated as a percentage of gross salary, are paid monthly to SEB Trygg Liv (Sweden). There is no unpaid balance remain by the end of 2011.

### 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 Globally raised income</b>	<b>2011</b>	<b>2010</b>
Austria	139 783	-
Denmark	572 497	530 438
European Commission, Appui à la sécurité en eau WAF, admin. fee	-	45 116
Germany	400 000	399 999
Netherlands, National IWRM and Water Efficiency Plans	-	64 182
The Netherlands	1 110 673	793 578
Norway	503 300	501 834
Spain	-	20 089
Sweden	1 687 186	1 560 821
Sweden cost compensation taxes and rent	425 561	445 475
Switzerland	347 942	293 102
United Kingdom	-	1 157 539
<b>Sum</b>	<b>5 186 943</b>	<b>5 812 172</b>

<b>Note 2 Globally raised designated income</b>		
European Commission, Appui à la sécurité en eau West Africa	-	644 508
EUWI Finance Working Group, Financing Water	39 157	69 392
European Commission/DFID, ACP Water Facility actions ACP countries	-	63 376
Netherlands, National IWRM and Water Efficiency Plans	-	668 782
Switzerland, Climate change adaptation strategies -Southern Africa/ Mali	33 125	33 281
UNCSD surveys	93 600	-
<b>Sum</b>	<b>165 882</b>	<b>1 479 338</b>

<b>Note 3 Locally raised income</b>		
GWP Caribbean	22	44
GWP Central Africa	874 086	10 684
GWP Central America	27 509	16 579
GWP Central Asia and Caucasus	5 436	-
GWP Central and Eastern Europe	69 047	106 685
GWP China	98 119	1 480
GWP Eastern Africa	219 256	-
GWP Mediterranean	1 067 702	666 127
GWP South America	-	20
GWP South Asia	270	7 445
GWP South East Asia	38	45
GWP Southern Africa	207 406	187 031
GWP West Africa	402 782	-
<b>Sum</b>	<b>2 971 673</b>	<b>996 140</b>

Additional locally raised contributions of Euro 891,523 were received by the RWP/CWP during 2011. The amount will be used during 2012.

<b>Note 4 Other income</b>		
Host fee EUWI Finance Working Group	10 460	11 973
Administration fee Water Facility EUWI FWG	-	1 052
Other income	48 858	7 906
<b>Sum</b>	<b>59 318</b>	<b>20 931</b>

<b>Note 5 Secretariat costs</b>	<b>2011</b>	<b>2010</b>
Salaries and allowances	802 676	845 752
Insurances	56 588	64 810
Pension costs	178 095	175 964
Other staff costs	19 078	29 578
Travel	32 838	46 840
Rent and Office expenditures	282 339	291 576
Audit, legal and other consultancies	58 970	49 558
Communication/information expenditures	171 927	288 015
<b>Sum</b>	<b>1 602 512</b>	<b>1 792 093</b>
<b>Staff costs Technical Committee and Toolbox</b>	<b>96 212</b>	<b>84 018</b>
<b>The average number of employees calculated on a full time basis;</b>		
Female	12.0	11.8
Male	5.3	5.2
	<b>17.3</b>	<b>17.0</b>
<b>Staff not included in core;</b>		
Average number of employees paid in-kind by France	<b>1.0</b>	<b>1.0</b>
Average number of employees paid by designated/earmarked funds	<b>0.7</b>	<b>1.5</b>
<b>Note 6 Governance costs</b>		
Steering Committee	155 358	148 151
Consulting Partners meeting	73 192	71 980
Other governance costs	4 523	4 278
<b>Sum</b>	<b>233 073</b>	<b>224 409</b>
<b>Note 7 Technical support and Toolbox</b>		
GWP Technical Committee	338 108	314 538
Mid Term Review	101 302	-
Toolbox	81 934	85 512
Senior Advisors and consultants	99 158	54 654
<b>Sum</b>	<b>620 502</b>	<b>454 705</b>
<b>Note 8 Global expenditures programmes</b>		
European Commission, Appui à la sécurité en eau West Africa	-	25 506
European Commission, ACP Water Facility actions in ACP countries	-	63 376
Netherlands, National IWRM and Water Efficiency Plans	-	187 984
<b>Sum</b>	<b>0</b>	<b>276 866</b>
<b>Note 9 Network Operations costs</b>		
Salaries and allowances	456 703	383 283
Insurances	44 136	35 660
Pension costs	79 602	63 603
Other staff costs	15 108	4 378
Travel	87 838	117 168
	<b>683 387</b>	<b>604 092</b>

<b>Note 10 Regional expenditures</b>	<b>2011</b>	<b>2010</b>
GWP Caribbean	140 130	130 934
GWP Central Africa	1 072 200	223 975
GWP Central America	215 918	224 650
GWP Central Asia & Caucasus	199 315	205 344
GWP Central & Eastern Europe	269 234	318 823
GWP China	299 120	208 017
GWP Eastern Africa	428 279	187 467
GWP Mediterranean	1 265 520	868 020
GWP South America	146 129	184 754
GWP South Asia	207 358	237 448
GWP South East Asia	179 244	211 203
GWP Southern Africa	418 368	396 903
GWP West Africa	574 817	42 032
GWP West Africa counterpart funds EC, Appui à la sécurité en eau	-	214 835
Exchange rate differences	12 717	62 607
<b>Sum</b>	<b>5 428 351</b>	<b>3 717 012</b>
<b>Regional expenditures financed by locally raised funds, Note 3</b>	<b>-2 971 673</b>	<b>-996 140</b>
<b>Sum</b>	<b>2 456 678</b>	<b>2 720 872</b>
 <b>Note 11 Water, Climate Development Programme</b>		
Southern Africa	46 068	-
West Africa	8 201	-
Central Africa	5 117	-
Global	73 088	-
<b>Sum</b>	<b>132 474</b>	<b>0</b>
 <b>Note 12 General regional expenditures core</b>		
Audit fees restricted programmes	-	27 896
Monitor and Evaluation Support	-	7 647
Regional and Programmatic Support	76 469	29 624
<b>Sum</b>	<b>76 469</b>	<b>65 167</b>
 <b>Note 13 Regional Expenditures designated funds</b>		
GWP Central Africa, Dutch Programme	-	81 166
GWP Central Africa, EUWI Finance Working Group	-	30 027
GWP Central America, EUWI Finance Working Group	-	1 365
GWP China, Switzerland	-	33 281
GWP Eastern Africa, Dutch Programme	-	135 852
GWP Mediterranean, EUWI Finance Working Group	-	30 000
GWP Southern Africa, Dutch Programme	-	176 170
GWP Southern Africa, EUWI Finance Working Group	-	8 000
GWP Southern Africa, Switzerland, Climate change adaptation strategies	33 125	-
GWP West Africa, Appui à la sécurité en eau West Africa	-	619 002
GWP West Africa, Dutch Programme	-	87 610
EUWI Finance Working Group, Financing Water	39 157	-
UNCSD surveys	93 600	-
<b>Sum</b>	<b>165 882</b>	<b>1 202 473</b>

<b>Note 14 Interest and net exchange differences</b>	<b>2011</b>	<b>2010</b>
Interest income	27 872	6 880
Interest expense	-2 242	-478
Exchange rate difference	-8 434	-45 282
<b>Sum</b>	<b>17 196</b>	<b>-38 880</b>

<b>Note 15 Receivables Regional Water Partnerships</b>	<b>2011-12-31</b>	<b>2010-12-31</b>
GWP Caribbean	-	1 238
GWP Central America	8 098	-
GWP Central Asia & Caucasus	8 506	4 511
GWP Central Asia & Caucasus, Finland	-	4 348
GWP Central & Eastern Europe	7 827	1 029
GWP Mediterranean	2 182	-
GWP Eastern Africa	6 167	-
GWP South America	14 775	3 632
GWP South Asia	984	11 273
GWP South East Asia	16 886	3 732
GWP West Africa	15 464	-
GWP West Africa, Appui à la sécurité en eau West Africa	-	7 709
<b>Sum</b>	<b>80 889</b>	<b>37 472</b>

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2011 (2010) amount to Euro 164,019 (95,062)

<b>Note 16 Receivables donors</b>		
European Commission, Appui à la sécurité en eau West Africa	-	190 286
EUWI Finance Working Group	3 000	18 000
Netherlands, National IWRM and Water Efficiency Plans	-	144 234
Sweden, Mid term Review	16 543	-
Switzerland, Climate change adaptation strategies - Southern Africa	272	-
U.S Department of State	-	22 372
Sweden, Ministry for Foreign Affairs, compensation taxes	245 842	287 652
Sweden, Ministry for Foreign Affairs, reimbursement rent	-	1 819
<b>Sum</b>	<b>265 657</b>	<b>664 364</b>

<b>Note 17 Other receivables</b>		
SIWI	35 205	33 020
VAT claim	45 873	91 767
EUWI Finance Working Group	17 205	8 634
Other receivables	13 481	16 990
<b>Sum</b>	<b>111 764</b>	<b>150 411</b>

<b>Note 18 Prepaid expenditures and accrued income</b>		
Prepaid insurances	52 320	33 632
Prepaid rent quarter 1 2012/2011	143 671	131 071
Other prepaid expenditures	23 437	22 992
Accrued interest Nordea	-	2 613
<b>Sum</b>	<b>219 427</b>	<b>190 309</b>

**Note 19 Cash and Bank balances**

GWPO has a credit facility issued by Nordea Bank Sweden AB limited to Euro 1.1M but not exceeding 50% of agreed but not disbursed contributions. The credit facility was not used at year end.  
Euro 1.0M are deposited in a restricted bank account not to be used for operational expenditures, GWPO Reserve Fund.

<b>Note 20 Restricted equity</b>	<b>2011-12-31</b>	<b>2010-12-31</b>
Reserve fund	964 000	953 000
Transfer to/from Reserve Fund	-	11 000
<b>Sum</b>	<b>964 000</b>	<b>964 000</b>

**Note 21 Non-restricted equity**

Amount at the beginning of year	1 085 241	857 529
Transfer to Reserve Fund	-	-11 000
Translation difference ingoing balance equity	18 301	266 479
Translation difference net result	467	39 345
Net result for the year	-541 637	-67 112
<b>Sum</b>	<b>562 372</b>	<b>1 085 241</b>

**Note 22 Advance payments from donors**

Austria, WACDEP advance 2012	360 217	-
Denmark, Mid term Reviw	207	-
Denmark, advance 2012	538 207	-
Denmark, refund of 2009-2011 contribution	8 473	-
EUWI Finance Working Group, GWP Eastern Africa	2 826	-
European Commission, ACP Water Facility actions in ACP countries	-	9 930
Finland, IWRM planning Central Asia and Caucasus	6 291	6 235
Netherlands, refund of contribution 2009-2010	-	104 428
Netherlands, advance 2012	950 000	-
Norway, refund of 2009-2011 contribution	7 449	-
Sweden Ministry for Foreign Affairs, reimbursement rent	1 045	-
Sweden, refund of 2009-2011 contribution	24 970	-
Switzerland, advance 2012	575 837	-
United Kingdom, ACP Water Facility actions in ACP countries	-	10 553
United Kingdom, Water Utility Network Meeting Islamabad	-	3 389
<b>Sum</b>	<b>2 475 522</b>	<b>134 535</b>

**Note 23 Liabilities regions/countries**

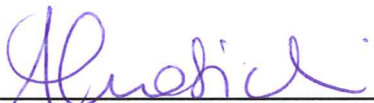
GWP Caribbean	3 117	-
GWP Central Africa	12 566	10 772
GWP Central America	-	2 131
GWP China	1 001	559
GWP Eastern Africa	-	17 181
GWP Mediterranean	-	10 000
GWP Southern Africa	4 609	183
GWP West Africa	-	34 685
<b>Sum</b>	<b>21 293</b>	<b>75 511</b>

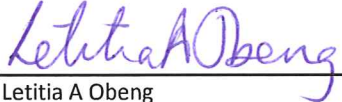
Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2011 (2010) amount to Euro 45,168 (-106,329).


<b>Note 24 Other liabilities</b>	<b>2011-12-31</b>	<b>2010-12-31</b>
Employee taxes	245 842	287 652
Social security costs	15 357	17 820
UNDP	-	453 884
Liability employee taxes EUWI Finance Working Group	-	12 064
Other liabilities	17 621	-
<b>Sum</b>	<b>278 820</b>	<b>771 420</b>

<b>Note 25 Accrued expenditures</b>		
Accrued fees Technical Committee	18 989	22 597
Accrued fees Consultants	15 146	35 622
Accrued expenditures personnel	37 109	43 133
Accrued audit fees	37 556	25 409
Other accrued expenditures	38 312	38 543
<b>Sum</b>	<b>147 112</b>	<b>165 305</b>


May 2012

  
 \_\_\_\_\_  
 Ania Grobicki  
 Executive Secretary

  
 \_\_\_\_\_  
 Letitia A Obeng  
 Chair

  
 \_\_\_\_\_  
 Dorothy Manuel  
 Chair Audit & Finance Subcommittee

My audit report concerning these financial statements was issued *May 23 2012*

  
 \_\_\_\_\_  
 Thomas Lönnström  
 Authorised Public Accountant



## Auditor's report

To the Annual Meeting of Global Water Partnership Organisation, Org. id. no. 902000-3845

### Report on the Annual Financial Report

We have audited the Annual Financial Report of Global Water Partnership Organisation for the year 2011

#### *Responsibilities of the Steering Committee and the Executive Secretary for the annual accounts*

The Steering Committee and the Executive Secretary are responsible for the preparation and fair presentation of these annual accounts in accordance with the stated policies and for such internal control as the Steering Committee and the Executive Secretary determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Steering Committee and the Executive Secretary, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the annual accounts have been prepared in accordance with the stated policies and present fairly, in all material respects, the financial position of the organization as of 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with the stated policies. The executive summary is consistent with the other parts of the annual accounts.

### Report on other legal and regulatory requirements and statutes

In addition to our audit of the annual accounts, we have examined the administration of the Steering Committee and the Executive Secretary of the Global Water Partnership Organisation for the year 2011.

#### *Responsibilities of the Steering Committee and the Executive Secretary*

The Steering Committee and the Executive Secretary is responsible for the administration.

#### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the administration based on our audit. We conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the organization in order to determine whether any member of the Steering Committee and the Executive Secretary is liable to the organization.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

The Steering Committee and the Executive Secretary have not acted in violation of the organization's statutes. We recommend to the annual meeting that the members of the Steering Committee and the Executive Secretary be discharged from liability for the financial year.

Stockholm May 23, 2012

Ernst & Young AB



Thomas Lönnström

Authorized Public Accountant

