

Executive Summary 2004

Background

The Global Water partnership (GWP), established in 1996, is an international network open to all organisations involved in water resources management.

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

The GWP promotes IWRM by facilitating dialogue at global, regional, national, and local levels to support stakeholders in implementing integrated water resources management.

The GWP network works in 13 regions: Caribbean, Central Africa, Central America, Central Asia and the Caucasus, Central and Eastern Europe, China, Eastern Africa, Mediterranean, Southern Africa, South America, South Asia, Southeast Asia and West Africa. Australia Water Partnership is part of the GWP network but is independently funded.

By 2004, most of the GWP regions had consolidated their regional networks and established country water partnerships. Two regional gaps were filled in 2004 with the enrolment of Central Africa and Caribbean.

During the year more than eighteen governments asked the GWP country water partnerships for support with their efforts to develop their water resources management strategies. The donor community has entrusted the GWP network to facilitate these processes by providing funding to support these programmes. In the Income statement referred to as Special Programmes.

Organisation

The GWP world wide activities are initiated and monitored by the 13 Regional offices. In order to support the Regional offices, GWPO has a staff force of 19, of which three staff are funded through Special Programmes, based in its Secretariat in Stockholm. GWP is managed by an Executive Secretary who is answerable to the Steering Committee. The Steering Committee engages in the policy oversight and approves the organisation's work programme and budget. Steering committee members serve in their personal capacity. The Steering Committee is chaired by Ms Margaret Catley-Carlson. The Steering Committee and its Chairperson is appointed by the Sponsoring Partners, comprising the 10 founders of GWPO.

Achievements 2004

GWP immediate objective is to ensure that IWRM is applied in a growing number of countries and regions as a means to foster equitable and efficient management and sustainable use of water. This objective, as reflected in GWP Strategy 2004–2008, will be achieved by means of five consolidated outputs:

1. IWRM water policy and strategy development facilitated at relevant levels;
2. IWRM programmes and tools developed in response to regional and country needs;
3. Linkages between the GWP and other frameworks, sectors and issues ensured;
4. GWP partnerships established and consolidated at relevant levels; and
5. GWP network effectively developed and managed.

For a consolidated view of the monetary resources dedicated to each output, see Annex 1.

Activities and Achievements, 2004

Water is a vital resource need for poor people. Water for livelihoods. Water to grow domestic food. Clean water to prevent disease transmission and reduce the number of days that illness pulls women away from productive labour as well as the heartbreak it brings. Available water to reduce the hours walked by women, and water to maintain and restore ecosystems where degradation hurts the poor most. Countries need then, to be able to ensure reliable and readily accessible supplies of clean water to improve health conditions, reduce childhood mortality, and advance the status of women.

The Millennium Development Goals (MDGs) intertwine with the need for better managed water on all levels. In the year under review, GWP's focus shifted into vigorous promotion of improved, more strategic and investment focused national water resource management, and promoting the broad participatory processes required to build support for this type of change.

National strategies for IWRM

The recent reports of the Millennium Project endorse the critical importance of water and the need for countries to adopt more strategic approaches to water planning and management. The World Summit on Sustainable Development (WSSD) in 2002 set the target for countries to establish national integrated water resources management and water efficiency strategies and plans by 2005. During 2004, over eighteen governments asked the GWP country water partnerships for support with their efforts to develop their water resource management strategies and plans.

Based on funding provided by the Canadian International Development Agency (CIDA), GWP embarked on an ambitious three-year project to support five African countries with the development of their integrated water resource management (IWRM) and water efficiency strategies. Strong country water partnerships are a key factor in supporting governments with the formulation of their national IWRM strategies as the process demands broad stakeholder acceptance and support.

This work, which got under way in 2003, is being conducted in Kenya, Malawi, and Zambia in Eastern and Southern Africa, and Mali and Senegal in West Africa. This coordinated initiative is called the Partnership for African Water Development (PAWD).

PAWD aims to assist countries in their efforts to achieve the water-related Millennium Development Goals and to meet the WSSD water target. In each of the five participating countries, planning activities under the GWP programme are meant to complement, not replace, ongoing or planned changes in water management such as institutional and legal reforms. In 2004, the first full year of operation, the proportion of programme resources earmarked for preparation of IWRM strategies and plans varied markedly from country to country depending on stated national priorities, the extent of water-sector reforms to date, and the level of maturity of country-level water partnerships.

Five countries stretching from West to Southern Africa covering a distance of 6480 km as the crow flies – each working on the same process, but with different systems and priorities – presents a challenge for knowledge management and information exchange among those participating in the programme. The need for working together and exchanging ideas, experiences and tips and tricks cannot be undervalued if coherency in developing IWRM and water efficiency strategies is to be achieved among the nations.

To help, two workshops were held during the year bringing people together to explain to each other what they are doing, what went well, what was more difficult and what challenges

they are facing. The first workshop, held in Lusaka, Zambia in August 21–28, took a strategic view of the development of the programme. In addition to reviewing IWRM progress at the global, regional and country levels, the participants examined the proposed outputs for their strategic planning work under PAWD and consolidated them into a nine-point plan of action.

The second workshop was held in Dakar in Senegal on November 26–27. Attended by stakeholders and representatives from the government of the five countries in the programme, the respective GWP country and regional water partnerships, and the GWP Secretariat together with several resource persons including representatives from CIDA, it focused much more on what had been achieved, the lessons learned and the priorities in taking the next steps during 2005.

One striking feature arising in the Dakar workshop was the use of a “peer review” of the regional and country water partnership programmes. This approach, where each water partnership examined the work programme and results of another, was recognized as a most valuable means for exchanging experience between countries and regions and proved to be a significant support to strengthening and aligning all the programmes.

Catalyzing Change

A global movement needs guidelines. The GWP handbook, *Catalyzing Change: A handbook for developing integrated water resources management (IWRM) and water efficiency strategies* was launched at the international conference on water hosted by the Japan Water Forum in Tokyo in December 2004. The handbook shows how national water strategies can contribute both to meeting the larger social and economic goals and to resolving recurrent water-related problems. It offers ways to deal with potential stumbling blocks, such as lack of support, capacity or financial resources.

The resulting 50-page handbook – produced under the direction of GWP’s Technical Committee – covers all the major ingredients of a national strategic planning exercise. Among these are public awareness building, mobilizing political and financial support, assembling a knowledge base, securing stakeholder participation, conflict resolution, capacity building, and monitoring and evaluation. The handbook supports discussion of these tasks and phases with definitions of key concepts (such as the notions of water efficiency and integrated management), water-specific country examples, checklists and resource references, including web site links, technical documents, and specific tools in the IWRM ToolBox.

The main strength of the handbook lies in the ‘macro’ messages about the ultimate purpose of the strategy development process and the need to ‘get on with the job’ – even when the environment for change is not ideal (it never is!). In the words of the handbook’s authors, “Strategies should catalyze action, not retard it. Each country must decide the scope and time line for change based on its goals and its resources. The important thing is to take the first steps.”

The handbook notes that IWRM is fundamentally about change in water governance, that is, in “the range of political, social, economic and administrative systems that are in place to develop and manage water resources and deliver water services, at different levels of society.” Reforming these systems implies overcoming institutional inertia. The handbook therefore, underlines the importance of identifying a suitable entry point, or points, from which the promoters of IWRM can overcome institutional inertia – to get the ball rolling so to speak.

The key message about entry points – a highly optimistic message – is that sweeping

changes in the water sector aren't necessarily needed at the outset to ignite a longer-term process of positive change toward IWRM. Rather, a bite-sized success story may be all that is initially needed to whet stakeholders' appetite for more reform and to secure their commitment.

Briefing the Policy Makers

The GWP Technical Committee also produced a companion policy briefing paper on IWRM strategy formulation. Intended for senior policy makers, this 6-page document outlines the case for taking a more integrated approach to developing and managing water resources, not just for better water management, controlling floods and mitigating the effects of droughts, but for addressing other goals such as reducing poverty, increasing food security, foster economic growth and protecting ecosystems.

To help understanding, the brief provides a short list of bullet points on what this integrated approach entails. It also highlights the need for governments to find a balance between a fully integrated approach that risks getting bogged down in complexity and the more standard approach where each sector blindly pursues its own narrowly defined systems without looking at the impacts in the larger picture.

The brief also describes how an integrated approach can get the most value from scarce natural and financial resources, and provides guidance on thirteen priority areas for change. Suggestions are also provided on how roles and responsibilities can be assigned in formulating an IWRM strategy.

Recommendations are given for policy makers on seven key things they need to do when initiating the process and the paper concludes by stating that starting the IWRM strategy development process, “. . . does not mean throwing everything away and starting over. More often it means adapting and building on existing institutions and planning procedures to achieve a more integrated approach.”

The ToolBox

As countries begin planning for more integrated approaches to water resources development, management and use new tools to support the processes become increasingly important. The repertoire of tools and techniques for planning and executing these tasks however, is not nearly so well developed or comprehensive as those used by the more traditional practitioners in the water sector. This constitutes a major resource gap – one which GWP has been helping to fill since it launched its IWRM ToolBox three years ago. As the GWP's rationale for the ToolBox states: “IWRM places novel demands on the policymaker, operator and water user, but offers more comprehensive, efficient and powerful approaches than those tried hitherto.”

For the purposes of enhancing the ToolBox, promoting it, building national capacity and obtaining country-level feedback, GWP clusters the various regional Partnerships around the world into four large geographic groupings. Each has its own ToolBox hub or 'focal point'. Through these points, located in Slovakia, Malaysia, Costa Rica and South Africa, users in each super-region can share information about the ToolBox, participate in training events, and seek guidance on the preparation of case studies.

Over the past three years, the ToolBox focal point in Slovakia, serving GWP Central and Eastern Europe and Central Asia and Caucasus with support of the GWP Mediterranean, has been especially active. In GWP Central Europe, the ToolBox has been used mainly in academic and advanced post-graduate training. Seminars were organized to enhance knowledge of IWRM, the main objective being to help new members of the European Union

to implement the EU Water Framework Directive. Participants were given the opportunity to explore the extent of congruence between IWRM principles and the new national water plans and water policies in Central and Eastern European countries.

In 2004, the GWP Central Europe focal point teamed up with GWP Central Asia to begin extending use of the ToolBox to the latter region. A training workshop was staged in August in the Kyrgyz Republic for about twenty water stakeholders. Its aim was to promote the application of IWRM practices covered by ToolBox and share the experience and lessons from Central Europe. Topics included public participation, negotiation of conflicts and water project development. The training event also opened the door for the Central Asian countries to begin contributing to the expanding international collection of ToolBox case studies.

Costa Rica is one of several countries whose national water-sector planners are now beginning to put the ToolBox to good use. “The country really needs a water plan,” says ToolBox user and management consultant Carlos Espinoza, who is assisting the government with institutional and investment aspects of the planning exercise, with support from the Inter-American Development Bank (IADB). The overall planning project is coordinated by the environment and energy ministries. “Having an integrated management plan will make it possible to analyze the financial resources we will need and set priorities, phase by phase. At the moment, each institution goes to the financial authorities to request funds for its particular project. But the government doesn’t have a procedure to harmonize, approve or reject projects according to need and priority, to relate resources to requirements. Too many issues are being treated in isolation.”

There was no formal decision taken to use the GWP ToolBox for planning purposes, explains Espinoza. Rather, it was a matter of having a GWP representative on the planning team who introduced fellow members to a variety of information sources including the ToolBox. “I have found them to be attractive resources, very good tools to work with. Although I’m Costa Rican, I used to be a manager in the petroleum industry in Venezuela. I came to this water strategy project to study the institutional framework and see what improvements we might be able to make within it. But I am not a water specialist and the first thing I needed to do was to organize my thinking about water issues. I ended up dividing my document into that same three-part structure – an enabling environment, institutional framework, and management instruments. So the ToolBox provided a practical template for analyzing what is needed for good water management.”

Capacity building

Throughout the world, awareness is growing that current approaches to water management are unsustainable, and many countries are introducing major water sector reforms. But what policy changes should be made? How are new policies to be translated into laws and regulations? What are the best institutional arrangements? Often, the knowledge needed to answer such questions is just not there. Clearly, there is an urgent need to train professionals to help understand what needs to be done and how to actually implement the range of processes involved in the integrated approach to water resource management – thus capacity building goes hand in hand with reform.

Experience gained over the past two decades shows that networking and partnerships are the key to effective, wide-reaching capacity building. We now realize that knowledge has to be disassembled, modified and recombined to fit local needs. Networks offer an alternative to the old model of one-way North–South information flows. According to the United Nations Development Programme (UNDP), the new motto is: “scan globally, reinvent locally”. This philosophy can turn networks into powerful tools for coordinating the design and delivery of capacity building resources and services to local people and institutions.

The International Network for Capacity Building in IWRM (Cap-Net), a United Nations Development Programme (UNDP) initiative, is an associated programme of GWP. This programme leads GWP's capacity building initiatives. It is committed to responding to demand; promoting local ownership and control, and working through partnerships where the achievement of common goals demands synergy and cooperation.

The main strength of Cap-Net is its global network, which links capacity building institutions across the world. "The South–South exchanges are a particularly significant achievement as they share experiences related to reform of developing water sectors," says Paul Taylor, Cap-Net Director.

There are now twenty country and regional networks committed to capacity building in the water sector and linked through Cap-Net for the sharing of expertise, experience and information. The network develops, adapts and shares training materials and carries out training and education activities in fields related to improved water management processes.

In 2004, the extensive Cap-Net network of capacity building institutions focused its activities on supporting capacity building support for the creation and implementation of water resource and water efficiency strategies. The programme encompasses training of trainers, awareness raising and strengthening of partnerships. It is decentralized and operates through regional and country networks of capacity building institutions and, in parallel, collaborates closely with other GWP initiatives.

As part of this focus, Cap-Net provided support for African countries embarking on the IWRM strategic planning process in a start-up workshop organized by the GWP's Partnership for Africa Water Development (PAWD) programme in March 2004. The workshop was attended by GWP regional staff and participants from the five countries in the PAWD programme – Kenya, Malawi, Mali, Senegal and Zambia. Participants identified their countries' capacity building needs, shared materials and tools available for strategic planning, and developed a capacity building plan. Three networks active in the region – the Nile Basin network, southern Africa's WaterNet and the West Africa network, WA-Net – were also represented at the workshop and will be able to provide ongoing support to the five countries.

During 2004, Cap-Net published an "IWRM Tutorial" that provides a basic introduction to IWRM that can be tailored and adapted for use all around the world. The IWRM Tutorial is a brief but colourful presentation that can be viewed on-screen or projected for group meetings. It explains IWRM concepts and gives an overview of the interactions between water uses in the environment, agriculture and the water supply and sanitation sector. It is aimed at policy makers, water managers, trainers and educators who want a basic understanding of IWRM principles.

Water Partnerships

In the shift towards improving the management of water resources, some national interests and tasks are best pursued through regional cooperation. Good stewardship and equitable sharing of water from transboundary rivers, lakes, and reservoirs are perhaps the most obvious functions amenable to regional, or in some cases bilateral, dialogue and action.

But the benefits of collaboration don't end there. Clusters of countries tied together by geography and climate – and in some cases by language, culture, or history – have much to learn from each other about the technical, social, financial and governance-related aspects of water, whether or not they share a transboundary water resource. Common problems and opportunities can be transformed into shared experience of lessons learned on good

practice, as well as helping to avoid pitfalls and blind alleys. Although water management processes are embedded in countries as water functions are tied to national policies and institutions, there are economies of scale to be enjoyed through the pooling of expertise, knowledge, data and tools through regional mechanisms.

Since its formation in 1996, GWP has attempted to maximize these benefits among countries in a region by actively fostering the creation of regional water partnerships. As of 2004, 13 such groupings were in place and operating. In addition, Australia has established an autonomous country partnership that is, for the moment, independent of any broader regional grouping. GWP has established links with the Northern Water Network, a grouping of country water partnerships in industrialized countries.

The two newest regional water partnerships are GWP Caribbean and GWP Central Africa, inaugurated in June and April 2004, respectively. GWP Caribbean was launched June 9, 2004 at a ceremony on the island of Tobago. Senior representatives of regional and national organisations with a water-related mandate or interest attended the inauguration. The keynote speaker was the Prime Minister of Grenada, the Honourable Dr. Keith Mitchell. In his address, he emphasized that water is everyone's business, requiring full involvement at all stages and levels of water protection, conservation and development. The new Partnership aims to provide the regional platform needed for such widely shared responsibility.

April 1, 2004 will be remembered as an institutional milestone for GWP. It marks not just the creation of GWP Central Africa, but also the first day on which all of continental Africa, through such regional partnerships, was brought into the GWP family.

The ten members of the new grouping are Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo (DRC), Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe. The Partnership comprises a diverse mix of water-rich and water-poor countries, the pattern of which is to a large extent set by proximity to the equator. The partnership is also concerned by two major basins: Congo Basin and Chad Lake Basin, on which the development of the IWRM approach is a key element for sustainable economic development in the region.

In the coming months and years, GWP Central Africa's efforts to promote better water management will be guided by specific social and economic objectives that are linked, directly or indirectly, to water use and management. These are: to expand potable water supplies and sanitation; to conserve ecosystems; to enhance food production and security; and to develop hydroelectric power and more environmentally sound industries.

In practice, the Partnership's role in promoting these aims will be to help member countries design national water policies, legal frameworks and institutions, all grounded in IWRM approaches. To this end, the Partnership has been working with the subregion's water ministers to create a new subregional body: the Authority for Integrated Water Management in Central Africa (AGIEAC, the French acronym). It is also assisting the Economic Community of Central African States (CEEAC, the French acronym) with the implementation of a water programme launched under the auspices of the New Partnership for Africa's Development (NEPAD).

For more information on GWP, visit the website: www.gwpforum.org

Principal Events 2004 with GWP involvement

Global level:

- ▶ Financial Partners Group meeting, Washington DC, March 2004
- ▶ Commission on Sustainable Development (CSD) 12, New York, April 2004
- ▶ Annual Network (Consulting Partners) Meeting, Kuala Lumpur in Malaysia, June 2004
- ▶ Steering Committee Meetings, Berlin in May, Tokyo in December 2004.
- ▶ Technical Committee Meetings, Kuala Lumpur, Malaysia in June and Chennai, India in November 2004.
- ▶ Sponsoring Partners, Stockholm in August 2004

Regional level:

- ▶ *January – April*
The Guangzhou meeting, China; Hemispheric workshop on water quality, Brazil; SADC regional water strategy/Framework for Action workshop, South Africa; GWP CACENA RTAC meeting, Armenia; Central American conference on sanitation and poverty, Guatemala; International workshop on Integrated Basin Management, agriculture and sustainable development, Germany; National assembly on public-private cooperation, Paraguay; South American regional conference., Paraguay; Inter-American congress on environment and health, Brazil; National water strategy workshop, Mozambique; Regional seminar with IADB, Argentina; Pakistan Water Partnership's 2nd annual general meeting, Pakistan; National seminar on water, human rights and development, Pakistan;
- ▶ *May*
3rd dialogue on "Water, Agriculture and Food Security", Costa Rica; Expo Water, Cuba; Water partnership conference, Cairns, Australia; IWRM seminar, Costa Rica; Kurdistan and Northern Iraq gateway conference, UK; 3rd conference of the Interstate Coordination Water Commission of Central Asia (ICWC), Kazakhstan; Launch of Mozambique Water Partnership; The international water demand management conference, Jordan.
- ▶ *June*
GWP CACENA mini-RTAC meeting, Georgia; Follow-up meeting of Americas on the World Water Forum; 4th European conference on sustainable cities, Denmark; Seminar on water and sewage systems, Panama; Legislators meeting, El Salvador; Danube Day, Bulgaria; Lower Indus river basin organisation launch, Pakistan; Forum for politicians and water professionals, Australia; USEPA Pacific Islands environmental conference, North Pacific.
- ▶ *July*
Int. seminar on the Chilean experience on water services, Chile; Southern Africa Consulting Partners and Steering Committee meeting, Swaziland; 3rd South Asia Water Forum, Bangladesh; CATAC ordinary meeting, Costa Rica; Framework for Action (FFA) and GWP promotional meetings, Angola; Pakistan WP board of directors meeting, Pakistan.
- ▶ *August*
Regional forum experiences on water resources, El Salvador; Inter-American congress on sanitary and environmental engineering, Puerto Rico; Southern Africa Youth Water Action team: IWRM training, South Africa; 7th International River Symposium 2004, Australia; Photo competition awards at River Symposium, Australia; South Asia area water partnerships network meeting, Pakistan.
- ▶ *September*
International Organisation of River Basins liaison committee meeting, Costa Rica; Regional seminar on public policies on water resources, Peru; Water resources sanitation and hygiene – Africa Fair, Zimbabwe; ToolBox training workshop for Southern Africa, Zimbabwe; 33rd SOPAC (South Pacific Applied Geoscience Commission) annual session, Fiji.

- ▶ *October*
Ministerial meeting on progress of Pan-European conference 2003, Almaty; Hydraulic Latin American Congress, Brazil; CATAC ordinary meeting, Nicaragua; Reg. consultative meeting on CEE water issues, Bratislava.
- ▶ *November*
WARFSA/WATERNET Symposium and GWP Southern Africa SC meeting, Namibia; GWP CACENA stakeholder conference, Kyrgyzstan; Pakistan Water Partnership board of directors meeting, Pakistan.
- ▶ *December*
3rd workshop of legislators, El Salvador.

Principal Publications 2004 at global level

- ▶ GWP Strategy 2004–2008.
- ▶ Catalyzing Change: A handbook for developing integrated water resources management (IWRM) and water efficiency strategies. (Versions 1 and 2).
- ▶ Policy Brief: Unlocking the door to social development and economic growth: how a more integrated approach to water can help.
- ▶ Informal Stakeholder Baseline Survey: Current Status of National Efforts to Move Towards Sustainable Water Management Using an IWRM Approach. (Versions 1 and 2).
- ▶ GWP in Action 2003.

Financing

The Annual Report covers all activities and expenditures of GWP during 2004 and includes contributions paid directly by donors to the GWP regions. (See note 2).

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

The number of donors increased from 11 to 12 during 2004. The donors, Canada, Denmark, France, Germany, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom contributed a total of US\$ 8.8 million in core funding. The core funding during the years 2003–2004 remains at a stable level of close to US\$ 9 million. The core contributions for 2005 are likely to end at the same level.

The regions are encouraged to raise their own funds. During 2004, US\$ 1.1 million were raised by the regions, a decrease of US\$ 0.4 million compared to 2003.

In kind contributions are not recorded in the Income Statement but a substantial amount has been received by the GWP Mediterranean and by the Secretariat. (See Note 3).

Special Programmes activities have increased during 2004. The donors Canada, Japan, Norway, and US government funded activities at regional as well as country level for US\$ 1.1 million during 2004.

In 2005 additional programmes funded by European Commission, Finland, France, and The Netherlands have been initiated. Special Programmes activities in 2005 are estimated to receive funds up to US\$ 8 million – seven times the amount in 2004.

Global expenditures including the Secretariat ended slightly below budget. Regional expenses exceeded budget with US\$ 0.8. This was made possible by the non-budgeted regionally raised funding of US\$ 1.1 million.

Income Statement

All amounts in US Dollars

	2004	2003
Core contributions		
Core contribution through GWP secretariat	8,761,640	8,517,485
Direct contributions to Regional Partnerships	1,069,841	1,465,662
In kind contributions	-	119,811
Other income	73,471	468,692
Total Core contributions	9,904,952	10,571,650
Special Programmes contributions	1,128,596	591,353
Total contributions	11,033,548	11,163,003
Global expenses		
Secretariat	-2,792,368	-2,746,971
ToolBox development	-104,001	-254,525
Consulting Partners	-135,399	-219,627
Steering Committee	-140,289	-118,381
Advisory Centers and Senior advisors	-571,188	-1,080,351
Technical Committee	-654,833	-416,684
Other Global expenses	-27,738	-2,447
Total Global expenses	-4,425,816	-4,838,986
Special Programmes Global expenses	-511,045	-439,841
Regional expenses		
GWP Regions	-4,186,043	-4,686,063
GWP Regions Special Programmes	-814,365	-289,430
Total Regional expenses	-5,000,408	-4,975,493
Revaluation of old claims and contributions	-1,441,401	-
Financial items		
Net interest and net exchange rate differences	-51,491	-423,737
Total Financial items	-51,491	-423,737
Net result for the year	-396,613	484,946

Öhrlings

PRICEWATERHOUSECOOPERS 

Audit report

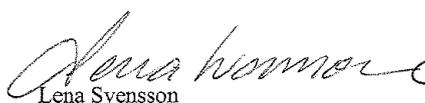
Global Water Partnership Organisation

We have audited the annual accounts and the accounting records of Global Water Partnership Organisation for the year 2004. These accounts 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 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. 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, which in all material aspects are in accordance with the Annual Accounts Act 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.

Stockholm June 3, 2005



Lena Svensson
Authorized Public Accountant
Auditor in Charge

Hans Törnqvist
Authorized Public Accountant

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