

Annual Financial Report 2012

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

Global Water Partnership Organisation

Intergovernmental Organisation

Registered in Sweden - registration number 902000-3845

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Annual Financial Report 2012

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 2,770 Partners located in 167 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 twenty-one, supported by core funds in December 2012.

The Programme

The Global Water Partnership (GWP) continued to make steady progress in 2012 in implementing the 2009–2013 Strategy. Although the year started with a situation of continued austerity, it ended with a secure financial position for 2013.

Much progress was made in the Water, Climate and Development Programme (WACDEP) for Africa, including the preparation of a strategic framework document, and provided an excellent benchmark for other regions as they prepare their own climate resilience programmes.

GWP was active on a range of strategy-related initiatives. Two global conferences, the 6th World Water Forum and Rio+20, stand out. The 6th World Water Forum provided an opportunity to engage with future leaders from the World Youth Parliament for Water (WYPW) and with representatives from water-use sectors such as energy and food.

What was the most important political decision made on water in 2012? For GWP it was the agreement by all countries at the Rio+20 Conference in June that the integrated water resources management (IWRM) approach was key for sustainability. The Rio+20 Declaration reaffirms the importance of this holistic and structured methodology for achieving water security. While there is a lack of international policy coherence on many issues, from climate change to transboundary water management, the determination shown by countries on the need for an integrated approach to water resources management is highly encouraging.

Furthermore, the survey of 130 countries undertaken by UN-Water and GWP shows that over 80% of these countries have implemented IWRM, with 34% of countries reporting being at an advanced stage of implementation. Even more significantly, over 50% of countries have seen a notable increase in financing of water resources development, while less than 15% have seen a decline.

These figures show that action on water resources development and management is forging ahead with a new dynamism. At the same time, the awareness of water risks is growing, with water assessed as one of the top five global risks in 2012, for the second year running. GWP's support to countries by providing tools for implementing IWRM is needed more than ever.

Since 2010, the GWP Technical Committee has followed a well-planned roadmap that addresses major global challenges linked to seven thematic areas prioritised in the GWP Strategy 2009–2013. In 2012, the committee also inaugurated a new series of publications called Technical Focus Papers for water practitioners and technical experts.

The GWP Technical Committee completed the following publications in 2012:

Integrated urban water management – Background Paper No. 16

Groundwater resources and irrigated agriculture – Perspectives Paper

Water demand management: The Mediterranean experience – Technical Focus Paper

Water in the green economy – Perspectives Paper

The handbook for integrated water resources management in transboundary basins of rivers, lakes, and aquifers – published jointly with the International Network of Basin Organizations

In August 2012, the Sponsoring Partners appointed Dr Ursula Schaefer-Preuss as the next GWP Chair effective January 2013.

GWP is grateful to the Government of Sweden for a new Headquarters Agreement, which passed through the Swedish Parliament in 2012 and secures the Global Secretariat on a firm footing for the future.

Finance

General income

The number of financial partners channeling funds through GWPO during 2012 were 11 (2011; 11 donors) The donors, Austria, China, Denmark, European Commission, EUWI Finance Working Group, France (in-kind), Germany, The Netherlands, Norway, Sweden, and Switzerland, contributed a total of Euro 7.4 million (2011; 5.2 M) in core funding.

Locally raised income

The regions and countries are encouraged to raise their own funds. During 2012, Euro 2.3 million (2011; 3.0M) was raised by the regions/countries.

In-Kind contributions

The income reported in the Annual Financial Report does not include in-kind contributions 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 50,000 during 2012 as well as Euro 140,000 from other sources. GWP Regional Water Partnerships reported in-kind contributions Euro 2.9 million during 2012.

Designated Income

Funds for designated activities were provided by the financial partners CapNet, European Commission, and EUWI Finance Working Group. The activities at regional as well as country level accounted for Euro 0.1 million during 2012.

EU Water Initiative Finance Working Group

The EU Water Initiative Finance Working Group (EUWI FWG) was hosted by GWPO until 31 May and GWPO provided financial and administrative management.

GWPO administered the finances as agreed with DFID in May 2006. The Secretariat for EUWI FWG consisted during 2012 of the part time Chairperson.

For more information about GWP's worldwide activities, the *GWP in Action 2012 Annual Report* is available on request from the GWP Secretariat in Stockholm.

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

Host government of GWPO

Sweden

Globally Raised General Income

Austria
China
Denmark
European Commission
EUWI Finance Working Group
France
Germany
Netherlands
Norway
Sweden
Switzerland

Globally Raised Designated Income

CapNet
European Commission
EUWI Finance Working Group

Locally raised income

GWP CACENA	DHI/COWI EU WECCOP
GWP CAM	UNDP/CAPNET
GWP CEE	ICPDR UNECE Water Research Institute EWA Coca Cola UNDP HOLCIM LIMNOS Ltd.
GWP CENTRAL AFRICA	AES SONEL GIRE KRIBI
GWP CHINA	WWF China Shaanxi Province Hunan Province Hebei Province MWR YR IWHR
GWP EASTERN AFRICA	UNEP
GWP MED	Albania Ministry for Environment Coca Cola Foundation Coca Cola Hellas Hellenic Ministry for Environment IME-WWF Lebanese Ministry of Energy and Water MIO-ECSDE Montenegro Ministry for Environment SAVA Commission SWIM-SM UNEP-GEF Clima UNEP-GEF SPM UNESCO Paris UNOPS IWLEARN UN-UNECE
GWP SOUTH ASIA	APAN
GWP SOUTHERN AFRICA	Farnpan GIZ
GWP WEST AFRICA	AHH/Don DHI/CAP NET FAO WWF
GWP Benin	ASDI Belgium Denmark European Union GIZ Netherlands SNV

Income Statement

All amounts in Euro

	Note	2012	2011
Income			
Globally raised income	1	7 393 487	5 186 943
Globally raised designated income	2	77 691	165 882
Locally raised income	3	2 337 020	2 971 673
Other income	4	16 654	59 318
Total Income		9 824 852	8 383 816
Global expenditures			
Secretariat	5	-1 894 674	-1 602 512
Governance	6	-284 631	-233 073
Technical support and Toolbox	7	-813 998	-620 502
Total Global expenditures		-2 993 303	-2 456 087
Programme activities			
Network Operation	8	-748 364	-683 387
Regional expenditures	9	-2 619 811	-2 456 678
Water, Climate Development Programme	10	-692 917	-132 474
Regional expenditures locally raised	3/9	-2 337 020	-2 971 673
General regional expenditures	11	-147 630	-76 469
Expenditures designated funds	12	-77 691	-165 882
Total Programme expenditures		-6 623 433	-6 486 562
Financial items			
Net interest and net exchange rate differences	13	45 286	17 196
Total Financial items		45 286	17 196
Net result for the year		253 402	-541 637

Balance Sheet

All amounts in Euro

Assets	Note	2012-12-31	2011-12-31
Current assets			
Receivables Regional Water Partnerships	14	101 741	80 889
Receivables donors	15	275 668	265 657
Other receivables	16	270 179	111 764
Prepaid expenditures and accrued income	17	252 323	219 427
Total current assets		899 910	677 738
Cash and bank balances	18	5 289 538	3 865 902
Total Assets		6 189 448	4 543 639
Equity and Liabilities			
Equity			
Restricted equity			
Reserve fund	19	1 140 000	964 000
		1 140 000	964 000
Non-restricted equity			
Results brought forward	20	386 372	1 085 241
Translation difference		44 729	18 768
Net result for the year		253 402	-541 637
		684 503	562 372
Total Equity		1 824 503	1 526 372
Current liabilities			
Advance payments from donors	21	3 711 245	2 475 522
Accounts payable		167 346	94 520
Liabilities Regional Water Partnerships	22	32 172	21 293
Other liabilities	23	316 782	278 820
Accrued expenditures	24	137 401	147 112
Total current liabilities		4 364 945	3 017 267
Total Equity and Liabilities		6 189 448	4 543 639
Pledged assets		None	None
Contingent liabilities		None	None

Cash flow statement

All amounts in Euro

	2012	2011
Net result before financial items	208 116	-558 833
Adjustment for items not included in cash flow		
Exchange rate differences	8 617	-8 434
Translation difference equity	44 729	18 768
Interest received	36 756	27 872
Interest paid	-87	-2 242
Net cash flow from operating activities before changes in working capital	298 131	-522 868
Increase receivables regions/countries	-20 852	-43 417
Increase/Decrease receivables donors	-10 010	398 706
Increase other receivables	-191 311	9 528
Increase advance payments from donors	1 235 724	2 340 986
Increase/Decrease accounts payable	72 825	-9 202
Increase/Decrease liabilities regions/countries	10 879	-54 218
Increase/Decrease other liabilities	28 251	-510 794
Net cash flow from operating activities	1 423 637	1 608 721
Net cash flow for the year	1 423 637	1 608 721
Cash and bank balances at the beginning of the year	3 865 902	2 257 180
Cash and bank balances at the end of the year	5 289 538	3 865 902

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 accounting principles applied are unchanged compared to 2011.

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.

Locally raised income is contributions raised by the Regional & Country Water Partnerships (RWP & CWP). The agreement is between the donor and the RWP/CWP and the disbursements from the donor are deposited in the RWP/CWP bank account. The income is reported up to the level of expenditures. In addition to the reported income of 1,663,656 Euro disbursements of Euro 1,514,975 have been received by the RWP/CWPs to be utilised during 2013. Locally raised income is audited in accordance with the donor requirements or GWP audit requirements.

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 15,608 (2011 EUR 11,279) has been recorded as expenditures in 2012. Accumulated purchase value since 1 July 2002 is EUR 245,460, out of which office equipment of EUR 148,868 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.

Receivables

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

Liabilities

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). A provision of EUR 3,190 is reported as liability for premiums not paid by 31st December 2012.

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 2012.

Cash flow statement

The statement is prepared in accordance with the indirect method. The cash flow only includes transactions which



Note 1 Globally raised income

	2012	2011
Austria	464 905	139 783
China	23 094	-
Denmark	552 693	572 497
Denmark WACDEP	228 012	-
Germany	400 000	400 000
The Netherlands	1 900 000	1 110 673
Norway	524 622	503 300
Sweden	1 727 688	1 687 186
Sweden cost compensation taxes and rent	484 162	425 561
Switzerland	1 088 311	347 942
Sum	7 393 487	5 186 943

Note 2 Globally raised designated income

CapNet	12 000	-
European Commission, Trans-boundary Water Management	55 220	-
EUWI Finance Working Group, Financing Water	10 471	39 157
Switzerland, Climate change adaptation strategies -Southern Africa	-	33 125
UNCSD surveys	-	93 600
Sum	77 691	165 882

Note 3 Locally raised income

GWP Caribbean	-	22
GWP Central Africa	136 154	874 086
GWP Central America	7 856	27 509
GWP Central Asia and Caucasus	52 118	5 436
GWP Central and Eastern Europe	38 116	69 047
GWP China	58 233	98 119
GWP Eastern Africa	123 925	219 256
GWP Mediterranean	1 066 967	1 067 702
GWP South America	-	-
GWP South Asia	16 975	270
GWP South East Asia	-	38
GWP Southern Africa	39 807	207 406
GWP West Africa	81 478	402 782
GWP Benin	715 391	-
Sum	2 337 020	2 971 673

Note 4 Other income

Host fee EUWI Finance Working Group	4 437	10 460
European Commission "Trans-boundary WM", administration fee	3 865	-
Other income	8 352	48 858
Sum	16 654	59 318

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Note 5 Secretariat costs	2012	2011
Salaries and allowances	924 414	802 676
Insurances	59 836	56 588
Pension costs	195 114	178 095
Other staff costs	27 472	19 078
Travel	55 498	32 838
Rent and Office expenditures	306 392	282 339
Audit, legal and other consultancies	56 587	58 970
Communication/information expenditures	269 361	171 927
Sum	1 894 674	1 602 512
Staff costs;		
Technical Committee (Note 7)	31 159	29 279
Toolbox (Note 7)	83 992	66 933
Programme Development Support (Note 7)	123 607	-
Network Operations (Note 8)	609 443	595 549

The average number of employees calculated on a full time basis;		
Female	11.9	12.0
Male	6.2	5.3
	18.1	17.3
Staff not included in core;		
Average number of employees paid in-kind by France	0.5	1.0
Average number of employees paid by designated/earmarked funds	1.3	0.7

Note 6 Governance costs		
Steering Committee	241 314	155 358
Consulting Partners meeting (2011 including Annual Regional Meeting)	38 150	73 192
Other governance costs	5 166	4 523
Sum	284 631	233 073

Note 7 Technical support and Toolbox		
GWP Technical Committee	383 456	338 108
Mid Term Review	-	101 302
Toolbox	138 323	81 934
Programme Development Support	292 219	99 158
Sum	813 998	620 502

Note 8 Network Operations costs		
Salaries and allowances	465 209	456 703
Insurances	39 398	44 136
Pension costs	76 676	79 602
Other staff costs	28 161	15 108
Travel	138 922	87 838
	748 364	683 387

Note 9 Regional expenditures	2012	2011
GWP Caribbean	200 765	140 130
GWP Central Africa	327 484	1 072 200
GWP Central America	207 737	215 918
GWP Central Asia & Caucasus	253 934	199 315
GWP Central & Eastern Europe	240 278	269 234
GWP China	282 996	299 120
GWP Eastern Africa	328 098	428 279
GWP Mediterranean	1 267 810	1 265 520
GWP South America	170 827	146 129
GWP South Asia	235 189	207 358
GWP South East Asia	181 577	179 244
GWP Southern Africa	239 814	418 368
GWP West Africa	304 596	574 817
GWP Benin	715 391	-
Exchange rate differences	335	12 717
Sum	4 956 831	5 428 351
Regional expenditures financed by locally raised funds, Note 3	-2 337 020	-2 971 673
Sum	2 619 811	2 456 678
 Note 10 Water, Climate Development Programme		
GWP Central Africa	81 416	5 117
GWP Eastern Africa	103 236	-
Global GWPO	155 344	73 088
GWP Mediterranean	42 081	-
GWP Southern Africa	226 513	46 068
GWP West Africa	84 327	8 201
Sum	692 917	132 474
 Note 11 General regional expenditures		
Regional and Programmatic Support	108 203	76 469
Annual Regional Meeting	39 426	-
Sum	147 630	76 469
 Note 12 Expenditures designated funds		
GWP Central Africa, EUWI Finance Working Group	2 700	-
GWP Central Africa, CapNet	16 000	-
GWP Eastern Africa, EUWI Finance Working Group	2 771	-
GWP Southern Africa, Switzerland, Climate change adaptation strategies	-	33 125
GWP West Africa, EUWI Finance Working Group	1 000	-
EUWI Finance Working Group, Financing Water	-	39 157
UNCSD surveys	-	93 600
European Commission, Trans-boundary Water Management/OMVS	26 448	-
European Commission, Trans-boundary Water Management/GWPO	28 772	-
Sum	77 691	165 882

Note 13 Interest and net exchange differences	2012	2011
Interest income	36 756	27 872
Interest expense	-87	-2 242
Exchange rate difference	8 617	-8 434
Sum	45 286	17 196

Note 14 Receivables Regional Water Partnerships	2012-12-31	2011-12-31
GWP Central America	5 753	8 098
GWP Central Asia & Caucasus	-	8 506
GWP Central Asia & Caucasus, Global Green Growth Institute	23 022	-
GWP Central & Eastern Europe	1 234	7 827
GWP Mediterranean	262	2 182
GWP Eastern Africa	4 018	6 167
GWP South America	17 008	14 775
GWP South Asia	-	984
GWP Southern Africa	15 531	-
GWP South East Asia	18 431	16 886
GWP West Africa	16 482	15 464
Sum	101 741	80 889

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2012 (2011) amount to Euro 164,688 (164,019)

Note 15 Receivables donors		
EUWI Finance Working Group	-	3 000
Sweden, Mid term Review	-	16 543
Switzerland, Climate change adaptation strategies - Southern Africa	-	272
Sweden, Ministry for Foreign Affairs, compensation taxes	275 668	245 842
Sum	275 668	265 657

Note 16 Other receivables		
Stockholm International Water Institute	8 722	35 205
VAT claim	62 658	45 873
EUWI Finance Working Group	-	17 205
L'Organisation pour la Mise en Valeur du Fleuve Sénégal	173 552	-
Pontifical Catholic University of Peru (PUCP)	23 222	-
Other receivables	2 025	13 481
Sum	270 179	111 764

Note 17 Prepaid expenditures and accrued income		
Prepaid insurances	48 446	52 320
Prepaid rent quarter 1 2013/2012	163 188	143 671
Staff allowances	16 763	-
Accrued interest	4 346	-
Other prepaid expenditures	19 578	23 437
Sum	252 323	219 427



Note 18 Cash and Bank balances

GWPO has a credit facility issued by Nordea Bank Sweden AB limited to Euro 1.2M but not exceeding 50% of agreed but not disbursed contributions. The credit facility was not used at year end.

Euro 1,140,000 are deposited in a restricted bank account not to be used for operational expenditures, GWPO Reserve Fund.

Euro 742,941 are restricted funds received from the European Commission for the project "Trans-boundary Water Management".

Note 19 Restricted equity	2012-12-31	2011-12-31
Reserve fund	964 000	964 000
Transfer to Reserve Fund	176 000	-
Sum	1 140 000	964 000

Note 20 Non-restricted equity

Amount at the beginning of year	562 372	1 085 241
Transfer to Reserve Fund	-176 000	-
Translation difference ingoing balance equity	57 411	18 301
Translation difference net result	-12 682	467
Net result for the year	253 402	-541 637
Sum	684 503	562 372

Note 21 Advance payments from donors

Austria, WACDEP advance 2013/2012	395 313	360 217
Denmark, Mid term Review	-	207
Denmark, advance 2013/2012	1 435 586	538 207
Denmark, refund of 2009-2011 contribution	-	8 473
EUWI Finance Working Group, GWP Eastern Africa	-	2 826
European Commission, Trans-boundary Water Management	742 941	-
Finland, IWRM planning Central Asia and Caucasus	6 234	6 291
Global Green Growth Institute	23 022	-
Netherlands, advance 2013/2012	1 050 000	950 000
Norway, refund of contribution	19 528	7 449
Sweden Ministry for Foreign Affairs, reimbursement rent	2 454	1 045
Sweden, refund of 2009-2011 contribution	-	24 970
Switzerland, advance 2013/2012	36 167	575 837
Sum	3 711 245	2 475 522

Note 22 Liabilities regions/countries

GWP Caribbean	1 742	3 117
GWP Central Africa	22 060	12 566
GWP Central Asia & Caucasus	324	-
GWP China	3 043	1 001
GWP South Asia	5 002	-
GWP Southern Africa	-	4 609
Sum	32 172	21 293


Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2012 (2011) amount to Euro 63,039 (45,168).

Note 23 Other liabilities	2012-12-31	2011-12-31
Employee taxes	275 668	245 842
Social security costs	22 831	15 357
Other liabilities	18 283	17 621
Sum	316 782	278 820

Note 24 Accrued expenditures		
Accrued fees Technical Committee	-	18 989
Accrued fees Consultants	19 593	15 146
Accrued expenditures personnel	46 315	37 109
Accrued audit fees	42 177	37 556
Other accrued expenditures	29 316	38 312
Sum	137 401	147 112

Stockholm May 2013

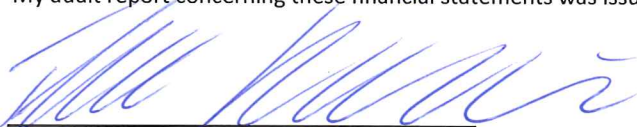

 Dr. Ania Grobicki
 Executive Secretary


 Dr. Ursula Schaefer-Preuss
 Chair


 Dorothy Manuel
 Chair Audit & Finance Subcommittee

My audit report concerning these financial statements was issued

June 13 2013


 Thomas Lönström
 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 2012

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 Annual Accounts Act, 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 Annual Accounts Act and present fairly, in all material respects, the financial position of the organization as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report 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 2012.

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 members of the Steering Committee and the Executive Secretary have not acted in violation of the organization's statutes.

We recommend the Annual Meeting that the members of the Steering Committee and the Executive Secretary be discharged from liability for the financial year.

Stockholm June 13, 2013

Ernst & Young AB



Thomas Lönnström

Authorized Public Accountant

