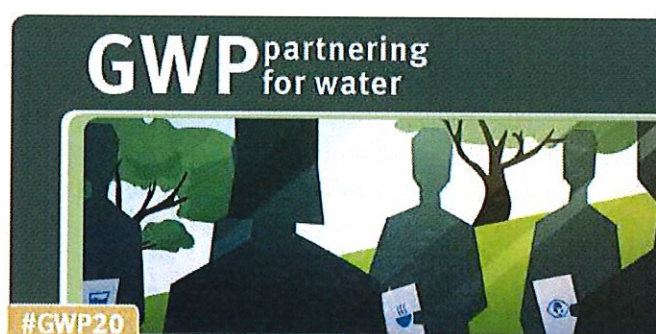


Annual Financial Report 2016



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

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Annual Financial Report 2016

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. 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. It works to facilitate dialogues and to support countries which are implementing processes for the sustainable management of their water resources. GWP is funded by a range of Financing Partners.

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, 86 Country Water Partnerships, and 3,427 Partners located in 183 countries.



Organisation

The GWP Organisation (GWPO) is managed by an Executive Secretary, who reports 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. 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 had an average of 25 staff supported by core funds during 2016, one staff supported by earmarked funds, and one staff seconded by the French Government.

The Programme

GWP at mid-Strategy

2016 marked the mid-point of the *GWP Strategy Towards 2020: A water secure world*. GWP's practice has been to assess progress achieved mid-way through its strategy periods and to take the lessons learned to guide implementation during the second half. Below are selected highlights of achievements during 2014-2016.

Results in policy and practice

Improving water governance: Since 2014, GWP influenced to varying degrees more than 120 key water governance outcomes.

Leveraging investments: In Africa, almost EUR 20 million has been leveraged through GWP support to institutions such as national ministries, local governments, and river basin organisations.

Enhancing climate resilience: Continuous work in climate advocacy coupled with results achieved through the Water, Climate, and Development Programme and Integrated Drought Management Programme projects has resulted in a well-funded and respected climate portfolio. GWP is supporting the development and implementation (through investment planning) of climate change adaptation plans in a number of countries and assisting them in defining their Intended Nationally Determined Contributions (INDCs) in light of the Paris Agreement.

Facilitating transboundary cooperation: GWP continued to facilitate and influence key processes and investments in support of African transboundary river basin authorities. The first three years of the strategy included implementation of the European Commission funded SITWA (Strengthening Institutions for Transboundary Water Management in Africa) and water for growth and poverty reduction in the Mekrou transboundary river basin projects.

Contributing to the 2030 Agenda for Sustainable Development: GWP mobilised support for a Sustainable Development Goal (SDG) dedicated to water and this was adopted in 2015. GWP built on this work by launching the SDG Preparedness Facility, targeted at country level, as well as through collaboration with UN-Water in the monitoring of water and sanitation-related SDG targets.

Results in knowledge and communications

Strengthening knowledge management: Recommendations made following major reviews of GWP's knowledge practice have been adopted, resulting in a new Knowledge Management Approach. A series of *Impact Stories* have been published which link GWP's work to tangible socioeconomic benefits. The GWP IWRM ToolBox has undergone substantial review, providing a comprehensive and up-to-date framework for integrated planning and knowledge exchange.

Collaborating across the network and with global partners: GWP's network-wide 2015 *Water Goal* campaign, organised in support of a dedicated water SDG, demonstrated the benefits of a coordinated effort by GWP regions anchored in a global process and supported by communication training. Collaboration with UN-Water highlighted the advantages of building on complementary strengths.



Results in strengthening partnership

Managing the network: An annual assessment exercise for each Regional Water Partnership is now operational and summarises performance against key criteria. This strengthens network governance in a number of ways, including compliance with donor requirements. **One successful example of this due diligence is the pass in 2016 of the five pillars of the European Commission Pillars Assessment.** Also, GWPO carried out two self-assessments 2016 (one for Sida and the other for the Netherlands) both of which were received positively.

Raising funds locally: Reducing dependency on globally sourced funding has been an objective since before the start of the current Strategy. Large variations remain between regions, in 2015, EUR 4 million was raised locally, up from EUR 2.3 in 2014, and down in 2016 to EUR 1.3 million.

Key water governance outcomes influenced by GWP in 2016

- Endorsement of **more than ten investment plans and strategies** for the implementation of climate adaptation plans (Tunisia and Zimbabwe), water sector reform (Tajikistan), and integrated water resources management at different scales (North Africa and China).
- Establishment of **climate resilient governance frameworks**, and the incorporation of **priority actions from the national adaptation plans** of Cameroon and Burkina Faso into the Nationally Determined Contributions (NDCs) and the National Programme for Social and Economic Development, respectively.
- Adoption of almost **20 IWRM-based agreements and legislative frameworks**, including the legal validation of groundwater regulation in Shaanxi Province, China, and a trilateral agreement on protecting the Upper Prut River in Ukraine.
- **Strengthening of institutions** through formal governance reform policies and adopted institutional frameworks within, for example, the Palestine Water Authority.

Also, around **90 national government institutions** received direct support to governance processes.

20 years of impact

The year 2016 marked 20 years since GWP began its commitment to helping governments take a cross-sectoral approach to water resources management. The 20th anniversary sparked plenty of activity, with the launch of a social media campaign anchored in an animated video. The video amassed more than 40,000 views in the first ten weeks.



New knowledge

More than 80 new knowledge products were produced in 2016, including the following:

- Perspectives Paper entitled *Increasing Block Tariffs: Decoupling water charges from the provision of financial assistance to poor households*
- Background Paper entitled *Increasing Water Security: Key to Implementing SDGs*
- Perspectives Paper entitled *Linking ecosystem services and water security – SDGs offer a new opportunity for integration.*
- Documentation of drought management in Eastern Africa
- Five new tools released from GWP-WMO Associated Programme on Flood Management
- Private sector participation in water sector reform in the State of Palestine
- Socioeconomic analysis of the sectoral impact of the 2014 drought in Central America.



GWP's SDG Preparedness Facility

In 2015, GWP launched the SDG Preparedness Facility to help countries prepare for implementation of the water-related SDGs. The Facility also forms a basis for building alliances with implementing partners. In 2016, the first cohort of 16 Country Water Partnerships spread throughout ten of GWP's 13 regions were selected to submit draft project notes.



Youth engagement: Learning from their peers



Since GWP adopted its youth engagement strategy in 2015, there have been significant advances in GWP's long-term commitment to support young water professionals. For example, with the World Youth Parliament for Water (WYPW), Water Youth Network (WYN), and L'Office franco-québécois pour la jeunesse (OFQJ), and many others, GWP facilitated the drafting of a white paper presenting recommendations by youth on climate change action for the United Nations Framework Convention on Climate Change (UNFCCC) COP21 in Paris

in 2015. As a follow up, in 2016 GWP launched a competition to support youth in leading and organising water management activities that help communities as well as developing capacity and skills. GWP also organised a session during COP22 to take stock of the present situation and devise a roadmap for future activities.

In addition, GWPO's internship programme prepares young people for professional work in water resources management. In 2016, the total number of intern days at GWPO were 930 – the equivalent of nearly 4.5 full-time positions!

Women and water: Education builds empowerment

In recognition of the crucial, yet often unacknowledged, role of gender issues in water resources management, GWP adopted a gender strategy in 2014. In the first two years after the launch, GWP has improved gender mainstreaming in many of its activities and across its network, supporting specific processes and opportunities.

Women tackle water scarcity in Central America

GWP Central America organised rainwater harvesting workshops in El Salvador and Honduras targeted at women from the six countries of Central America. The women had previous experience in water management and were leaders in their communities. The training included a theoretical part and practical sessions, where the women learned to construct a rainwater harvesting system. "Women are the ones who haul the water...making sure there is water for the family," said one participant. "Now we can rest!" Another added: "This inexpensive project could help many families," going on to say that the installation was so easy, everyone should be able to do it.



The catalytic role played by GWP's multi-stakeholder network in improving water governance could not be more relevant given that "water crises" has featured among the top-ranked global risks for the past seven years (according to the World Economic Forum Global Risks Report). We need to be stewards of the planet to ensure the future of our children and grandchildren. At GWP, with two decades of experience in water governance, we are working toward that sustainable future with a multi-stakeholder partnership focused on holistic solutions to deliver water security.

Finance

Globally raised income

The number of financing partners channelling core funds through GWPO during 2016 were 11 (10 during 2015). The donors, Austria, China, Denmark, European Commission, France, Germany, Netherlands, Sweden, Switzerland, UNDP, and United Kingdom contributed a total of €11.1 million (€11 M 2015) in core funding.

Locally raised income

The regions and countries are encouraged to raise their own funds. During 2016, €1.3 million (€4.1M 2015) was raised by the regions/countries. In some cases, locally raised funding might be designated as globally raised because GWPO signed the agreement with the donor, but it was the the region or country which secured the funding. For example, the Drin Project, funded by UNDP, is a project initiated by GWP Mediterranean.

In-Kind contributions

The income reported in the Annual Financial Report does 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 €120,000 during 2016 as well as approximately €1 million from other sources. GWP Regional Water Partnerships reported in-kind contributions €2.6 million during 2016 (€4.2M 2015).

Globally raised designated income

Funds for designated activities were provided by the financial partners, European Commission, UNDP, and UNICEF. The activities at regional, country level, and global level accounted for €1.7 million during 2016 (€1.9M 2015).

Future Development

As a response to the emerging development environment, a changing donor landscape, and a series of recommendations arising from major reviews of GWP, GWP adopted in 2016 a forward-looking, network-wide "Change Agenda." The overall focus is to make GWP fully able to respond to the 2030 Development Agenda. The GWP Change Agenda aims to:

1. Strengthen the country level
2. Improve the sustainability of financing
3. Improve corporate knowledge management
4. Increase institutional performance

These aims are now incorporated into the 2017-2019 Work Programme and the 2017 Annual Plan. The 2030 Agenda will drive GWP actions with a strong focus on implementation. The current GWP Strategy Towards 2020 is fully compatible with the associated goals and targets of Agenda 2030. In particular, the renewed focus on IWRM through SDG target 6.5 combined with the means of implementation set out under SDG 17 and the linkages that water provides to other goals, provides a historic opportunity for GWP to contribute to making the world water secure. This is reflected in the workplan's prominent emphasis on IWRM and holistic water governance as a means of achieving the SDGs and water security.

The Work Plan 2017 reflects confirmed income of €12.7m, with another €1m pending final confirmation.

For more information about GWP's worldwide activities, the *GWP in Action 2016 Annual Report* is available on the web site and 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
France
Germany
Netherlands
Sweden
Switzerland
UNDP
United Kingdom

Globally Raised Designated Income

European Commission
UNDP
UNICEF

Locally raised income

GWP CENTRAL AND EASTERN EUROPE	Budapest Waterworks Coca Cola EuroVienna, GmbH GE Grundfos H2020 Hungarina Water Utility Association ICPDR Local authority town Yaremche Ungarian Energy and Public Utility Regulatory Authority Xylem Yaremche Private business
GWP CENTRAL ASIA AND CAUCASUS	Red Cross UNECE
GWP CHINA	Hebei Provincial Water Resources Bureau Hunan Water Resources and Hydropower Research Institute Ministry of Water Resources of China Water Resources Centre of Fujian Province Water Resources Management Office of Shaanxi Province Yellow River Research Association
GWP EASTERN AFRICA	UNEP-DGI-GEMI
GWP MEDITERRANEAN	BMU - German Ministry Nexus CENTER REC ECOLOGICA/BEWATER Coca Cola Foundation Coca Cola Foundation (water for the City) NIRAS ISDC MENA Niras Natura OECD SIDASE /SIDA/MENA SIDASE/GOV & FINANCE SIWI UNECE UNOPS (IW-learn)
GWP SOUTH ASIA	APAN b/f Bio Diversity Sri Lanka Director Donation Members and Partners of BWP UNDP WAPDA Contribution WMO
GWP SOUTHERN AFRICA	DANIDA ICA NIRAS

Locally raised income

GWP WEST AFRICA

Alliance WASH Néerlandaise
CAPNET
Direction Générale de la Coopération
Embassy of the Kingdom of the Netherlands
FNUD
IRC
MCDI
PNE-BF's members
PPI
PRESIDENT ASSEMBLEE NATIONALRE
Société de Distribution d'Eau de Côte d'Ivoire (SODECI)
Société de Transformation Industrielle de Côte d'Ivoire (SOTICI)
UNDP/GEF
WIN (WATER INTEGRITY NETWORK)

Income Statement

All amounts in Euro

	Note	2016	2015
Income			
Globally raised income	1	11 032 770	10 922 942
Globally raised designated income	2	1 728 040	1 869 203
Locally raised income	3	1 307 383	4 106 617
Other income	4	88 973	93 443
Total Income		14 157 166	16 992 206
Global expenditures			
Secretariat	5	-2 331 540	-2 142 174
Governance	6	-263 180	-213 910
Technical support and Knowledge Management	7	-502 538	-549 499
Total Global expenditures		-3 097 258	-2 905 584
Programme activities			
Network Operation	8	-961 649	-867 411
Regional expenditures	9	-2 899 728	-2 790 311
Water, Climate Development Programme	10	-3 732 201	-4 142 004
Thematic Programmes	11	-265 990	-342 899
Regional expenditures locally raised	3/9/10	-1 307 383	-4 106 617
General regional expenditures	12	-156 354	-65 160
Expenditures designated funds	13	-1 728 040	-1 869 203
Total Programme expenditures		-11 051 345	-14 183 605
Financial items			
Net interest and net exchange rate differences	14	119 161	47 542
Total Financial items		119 161	47 542
Net result for the year		127 724	-49 441

Balance Sheet

All amounts in Euro

Assets	Note	2016-12-31	2015-12-31
Current assets			
Receivables Regional Water Partnerships	15	254 056	423 767
Receivables donors	16	943 724	808 651
Other receivables	17	159 084	150 081
Prepaid expenditures and accrued income	18	154 175	130 500
Total current assets		1 511 040	1 512 999
 Cash and bank balances	19	 5 278 295	 4 260 648
 Total Assets		 6 789 335	 5 773 647
 Equity and Liabilities			
Equity			
Restricted equity	20		
Reserve fund		1 571 000	1 571 000
Currency rate fluctuation reserve		103 674	103 674
		1 674 674	1 674 674
Non-restricted equity	21		
Results brought forward		-16 273	-21 715
Translation difference		-111 663	54 883
Net result for the year		127 724	-49 441
		-212	-16 273
Total Equity		1 674 462	1 658 402
Current liabilities			
Advance payments from donors	22	4 112 871	2 957 200
Accounts payable		190 552	144 251
Liabilities Regional Water Partnerships	23	84 883	348 144
Other liabilities	24	558 368	506 292
Accrued expenditures	25	168 199	159 359
Total current liabilities		5 114 873	4 115 245
Total Equity and Liabilities		6 789 335	5 773 647
 Pledged assets		 None	 None
Contingent liabilities		None	None

Cash flow statement

All amounts in Euro

	2016	2015
Net result before financial items	8 563	-96 983
Adjustment for items not included in cash flow		
Exchange rate differences	119 675	60 011
Translation difference equity	-111 663	54 883
Interest received	276	425
Interest paid	-790	-12 894
Currency rate fluctuation reserve	0	76 078
Net cash flow from operating activities before changes in working capital	16 060	81 521
Decrease/Increase receivables regions/countries	169 711	-38 506
Increase receivables donors	-135 073	-414 922
Increase/Decrease other receivables	-32 678	32 732
Decrease liability credit facility	0	-455 137
Increase/Decrease advance payments from donors	1 155 671	-508 344
Increase/Decrease accounts payable	46 301	-288 180
Decrease/Increase liabilities regions/countries	-263 261	312 076
Increase other liabilities	60 916	6 622
Net cash flow from operating activities	1 017 647	-1 272 139
Net cash flow for the year	1 017 647	-1 272 139
Cash and bank balances at the beginning of the year	4 260 648	5 532 787
Cash and bank balances at the end of the year	5 278 295	4 260 648



Notes

Accounting principles

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

Generally accepted accounting principles in Sweden are used except for fixed assets and the currency rate fluctuation reserve (see below). The accounting principles applied are unchanged compared to 2015.

Currencies

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

Expenditures are converted to EURO using the average quarterly rate, if the main part of the budget-line is accounted for by the GWP Network. If the main part of the budget-line is accounted for by the Secretariat in Stockholm, the conversion is made using the exchange rate prevailing on the 25th of each month.

Income Statement

Income and expenditures are disclosed according to their functions.

Income

Income is accounted for on an accrual basis.

Globally raised income are unrestricted contributions to be used by GWPO within the GWP Strategy and Work Plan.

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

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

Locally raised income are contributions raised by the Regional & Country Water Partnerships (RWP & CWP). The agreements are between the donor and the RWP/CWP and the disbursements from the donor are deposited in the RWP/CWP's bank account. The income is reported up to the level of expenditures. In addition to the reported income of 1,345,869 Euro, disbursements of Euro 4,315,232 have been received by the RWP/CWPs to be utilised during 2017 and onwards. Locally raised income is audited in accordance with the donor requirements or GWP audit requirements.

In-kind contributions

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

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 29,594 is reported as liability for premiums not paid by 31st December 2016.

Pension premiums for taxed staff, calculated as a percentage of gross salary, are paid monthly to the insurance provider.

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.

Fixed assets

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

Office equipment of EUR 30,530 (2015 EUR 21,692) has been recorded as expenditures in 2016. Accumulated purchase value since 1 July 2002 is EUR 459,104, out of which office equipment of EUR 258,612 is still in use.

Receivables

Based on individual assessment, receivables are reported at the amounts which they are anticipated to be received.

Liabilities

Liabilities are reported at their nominal amounts.

Equity

GWPO keeps a Reserve Fund as restricted equity. The Reserve Fund may be used in the event of a sudden and unforeseen closedown of GWPO. The amount is approved by the GWPO Steering Committee in connection with the approval of the coming year's budget. The reserve fund shall be within the available equity.

Currency rate fluctuation reserve

The reserve was introduced 2005 as a facility to overcome distortions caused by fluctuations in the exchange rate SEK versus other currencies kept by GWPO. The reserve cannot show a negative value and can only include gains and losses on bank balances.

Cash flow statement

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

Note 1 Globally raised income	2016	2015
Austria, WACDEP	745 052	1 000 000
China	44 163	35 503
Denmark	1 596 867	1 608 509
Denmark, WACDEP	481 389	710 000
France, Ministère de l'Agriculture, Food Security	27 750	-
Germany	300 000	400 000
Netherlands	1 500 000	1 000 000
Sweden	1 555 208	1 601 593
Sweden cost compensation taxes and rent	847 423	783 583
Switzerland	919 629	952 380
United Kingdom	3 015 290	2 831 374
Sum	11 032 770	10 922 942
Note 2 Globally raised designated income		
Denmark, Global Dialogue Project	-	436 545
European Commission, AfriAlliance — H2020-WATER-2014-2015	13 083	-
European Commission, Trans-boundary Water Management "SITWA"	593 317	753 251
European Commission, Water for growth and poverty reduction "Mekrou"	486 531	447 499
Finland, WWF Cacena	-	15 000
France, Ministère de l'Agriculture, Food Security	-	30 000
Japan Water Forum	-	45 400
Korea Water Resources Corporation	-	79 267
UNDP, Enabling transboundary cooperation and IWRM in the Drin River Basin	535 705	52 275
UNICEF, WASH and Climate Resilient Development	99 405	-
World Bank, IUWM	-	9 966
Sum	1 728 040	1 869 203
Note 3 Locally raised income		
GWP Caribbean	-	14 374
GWP Central America	-	39 632
GWP Central Asia and Caucasus	44 538	41 865
GWP Central and Eastern Europe	81 850	107 597
GWP China	71 216	62 156
GWP Eastern Africa	-	19 982
GWP Mediterranean	931 435	1 094 989
GWP South Asia	49 141	45 326
GWP Southern Africa	-260	136 837
GWP West Africa	257 485	41 334
CWP Benin	-	877 633
Subtotal	1 435 405	2 481 725

Note 3 Locally raised income	2016	2015
GWP Central Africa WACDEP	-187 560	373 009
GWP Eastern Africa WACDEP	16 015	21 044
GWP Southern Africa WACDEP	43 523	1 230 839
Subtotal	-128 022	1 624 892
Sum	1 307 383	4 106 617

Note 4 Other income		
European Commission, "Mekrou", admin fee	34 057	31 324
European Commission "SITWA", admin fee	41 532	52 725
UNDP DRIN Project	10 112	1 045
Other income	3 271	8 349
Sum	88 973	93 443

Note 5 Secretariat costs		
Salaries and allowances	1 244 180	1 162 708
Insurances	44 787	54 344
Pension costs	206 217	220 825
Other staff costs	38 034	24 371
Travel	63 581	45 815
Rent and office expenditures	382 053	388 627
Audit, legal and other consultancies	57 207	35 295
Communication/IT expenditures	295 480	210 190
Sum	2 331 540	2 142 174

Staff costs;		
Secretariat (Note 5)	1 533 218	1 462 248
Technical Committee (Note 7)	32 241	35 677
Knowledge Management & Toolbox (Note 7)	147 045	148 420
Network Operations (Note 8)	822 399	748 335
Global WACDEP (Note 10)	103 447	71 460
Global WACDEP Africa (Note 10)	136 904	236 576
GWP Global WACDEP, WASH UNICEF (Note 10)	44 552	-
WMO Flood and Droughts (Note 11)	79 041	71 793
Global Dialogue Project (Note 13)	-	35 103
Sum	2 898 847	2 809 613

The average number of employees calculated on a full time basis;

Female	13.8	15.1
Male	11.2	10.7
	25.0	25.8

Staff not included in core;

Average number of employees paid in-kind by France	1.0	1.0
Average number of employees paid by designated/earmarked funds	1.3	3.0

Note 6 Governance costs	2016	2015
Steering Committee	221 114	188 132
Consulting Partners meeting	-	2 531
EC Pillar Assessment 2016/Governance Review 2015	21 919	19 335
20th Anniversary	16 112	-
Other governance costs	4 036	3 913
Sum	263 180	213 910
 Note 7 Technical support and Knowledge Management		
GWP Technical Committee	254 495	303 836
Knowledge Management & Toolbox	219 110	188 200
Programme Development Support	28 934	57 463
Sum	502 538	549 499
 Note 8 Network Operations costs		
Salaries and allowances	665 846	613 161
Insurances	26 969	30 584
Pension costs	105 014	96 257
Other staff costs	24 571	8 333
Travel and other costs	139 250	119 076
Sum	961 649	867 411
 Note 9 Regional expenditures		
GWP Caribbean	150 839	204 143
GWP Central Africa	179 850	217 467
GWP Central America	214 739	243 118
GWP Central Asia & Caucasus	294 461	255 903
GWP Central & Eastern Europe	323 092	332 581
GWP China	354 622	326 232
GWP Eastern Africa	256 147	241 937
GWP Mediterranean	1 166 756	1 319 857
GWP South America	216 356	164 750
GWP South Asia	289 516	273 224
GWP South East Asia	251 187	186 441
GWP Southern Africa	166 756	391 993
GWP West Africa	492 495	257 163
CWP Benin	-	877 633
SITWA Senegal Bridging phase 2013	-	-38 552
Exchange rate differences	-21 682	18 145
Sum	4 335 133	5 272 036
Regional expenditures financed by locally raised funds, Note 3	-1 435 405	-2 481 725
Sum	2 899 728	2 790 311

Note 10 Water, Climate Development Programme	2016	2015
GWP Caribbean	63 639	199 737
GWP Central America	136 004	163 868
GWP Central Asia & Caucasus	164 586	198 019
GWP Central & Eastern Europe IDMP	79 374	191 778
GWP China	152 499	186 046
GWP Global WACDEP	123 879	105 663
GWP Global WACDEP, WASH UNICEF	43 994	3 842
GWP Mediterranean	75 000	94 561
GWP South America	177 768	142 964
GWP South Asia	145 102	199 333
GWP South Asia, IDMP	-	25 808
GWP South East Asia	155 860	194 775
GWP Eastern Africa, IDMP	158 263	174 546
GWP West Africa, IDMP	195 404	125 368
Subtotal WACDEP	1 671 372	2 006 307
GWP Central Africa	-14 457	593 103
GWP Eastern Africa	221 901	254 728
Global Africa GWPO	139 303	280 645
GWP Mediterranean	261 219	262 192
GWP Southern Africa	895 607	2 047 531
GWP Southern Africa, funds managed on behalf of GWP Eastern Africa	50 630	-
GWP West Africa	378 604	322 391
Subtotal WACDEP Africa	1 932 807	3 760 589
Sum	3 604 179	5 766 896
Regional expenditures WACDEP Africa, locally raised funds, Note 3	128 022	-1 624 892
Sum	3 732 201	4 142 004

Note 11 Thematic Programmes expenditures

Deltas - Climate Resilience	2 473	-
Food/Nexus	51 231	-
Integrated Urban Water Management	33 325	135 422
Transboundary - GWP South America	45 902	59 107
WMO Flood and Droughts	133 059	109 278
UN_Water Country Briefs	-	39 092
Sum	265 990	342 899

Note 12 General regional expenditures

Annual Regional Meeting	42 386	44 280
Network Institutional Strengthening	39 342	1 196
Regional and Thematic Support	74 626	19 683
Sum	156 354	65 160

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Note 13 Expenditures designated funds	2016	2015
Danida, Global Dialogue Project	-	436 545
European Commission, AfriAlliance — H2020-WATER-2014-2015	13 083	-
European Commission, Mekrou/West Africa	464 598	432 784
European Commission, Mekrou/GWPO	21 933	14 715
European Commission, SITWA/OMVS	451 310	643 066
European Commission, SITWA/GWPO	142 006	110 185
Finland, GWP Central Asia & Caucasus	-	15 000
France, Food Security	-	30 000
Japan Water Forum	-	45 400
Korea Water Resources Corporation	-	79 267
UNDP, Drin Project, GWP Mediterranean	535 705	52 275
UNICEF, WASH and Climate Resilient Development	99 405	-
World Bank, IUWM Workshop Mongolia	-	9 966
Sum	1 728 040	1 869 203

Note 14 Interest and net exchange differences

Interest income	276	425
Interest expense	-790	-12 894
Exchange rate difference	119 675	60 011
Sum	119 161	47 542

Note 15 Receivables Regional Water Partnerships	2016-12-31	2015-12-31
GWP Caribbean	6 338	2 715
GWP Central Africa	-	22 886
GWP Central America	7 004	35 877
GWP Central Asia & Caucasus	2 901	1 471
GWP Central & Eastern Europe	-	7 941
GWP China	20 319	-
GWP Eastern Africa	63 177	-
GWP Mediterranean, DRIN Project	5 543	5 522
GWP South America	-	14 049
GWP South Asia	38 047	9 081
GWP Southern Africa	57 927	93 186
GWP South East Asia	5 881	21 612
GWP West Africa	-	53 846
GWP West Africa Mekrou	43 364	127 717
OMVS SITWA	3 555	27 865
Sum	254 056	423 767

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2016 (2016) amount to Euro 491,774 (514,857)

Note 16 Receivables donors	2016-12-31	2015-12-31
European Commission, Water for growth and poverty reduction "Mekrou"	221 035	321 493
European Commission, Trans-boundary Water Management "SITWA"	156 998	-
Sweden, Ministry for Foreign Affairs, compensation taxes	540 894	487 158
UNICEF, WASH and Climate Resilient Development	24 797	-
Sum	943 724	808 651

Note 17 Other receivables		
VAT claim	51 386	39 285
Accounts receivable	10 935	11 287
Vasakronan - deposit rent	94 330	98 033
Receivables staff	1 420	1 416
Other receivables	1 014	60
Sum	159 084	150 081

Note 18 Prepaid expenditures and accrued income		
Prepaid insurances	44 865	26 625
Prepaid rent quarter 1 2017/2016	75 472	75 053
Prepaid IT expenditures	20 679	19 357
Other prepaid expenditures	13 159	9 465
Sum	154 175	130 500

Note 19 Cash and Bank balances

GWPO has a credit facility issued by Nordea Bank Sweden AB limited to Euro 524,000 but not exceeding 50% of agreed but not disbursed contributions. The credit facility was not used at year end.

Euro 1,650,163 are deposited in a restricted bank account not to be used for operational expenditures; GWPO Reserve Fund.

Euro 307,308 of the bank balance are restricted funds received from the European Commission for the projects Mekrou and Nexus

Note 20 Restricted equity		
Reserve fund	1 571 000	1 571 000
Currency rate fluctuation reserve	103 674	103 674
Sum	1 674 674	1 674 674

Note 21 Non-restricted equity		
Amount at the beginning of year	-16 273	-21 715
Translation difference ingoing balance equity	-62 643	37 802
Translation difference net result	-49 020	17 081
Net result for the year	127 724	-49 441
Sum	-212	-16 273

Note 22 Advance payments from donors	2016-12-31	2015-12-31
Austria, advance WACDEP	350 000	445 052
Denmark, advance WACDEP	-	481 389
Denmark, advance core	671 932	-
European Commission, AfriAlliance — H2020-WATER-2014-2015	6 141	-
European Commission, Fostering Water, Energy and Food Security, SADC	286 242	-
European Commission, SITWA	-	77 851
France, Ministere de l'Agriculture, Food Security	2 250	30 000
Norway, advance core	274 447	-
Sweden Ministry for Foreign Affairs, rent 2016/2015	15 057	17 094
UNDP, Enabling transboundary cooperation and IWRM in the Drin River Basin	5 543	5 522
UNESCO, Supporting Regional Cooperation on Shared Water Resources	38 618	-
United Kingdom, DFID, advance core	2 462 641	1 900 292
Sum	4 112 871	2 957 200

Note 23 Liabilities regions/countries

GWP Central Africa	6 197	-
GWP Central & Eastern Europe	4 600	-
GWP Eastern Africa	-	36 326
GWP Mediterranean	51 614	151 572
GWP South America	13 131	-
GWP Southern Africa	-	42 324
GWP West Africa	300	-
Pontifical Catholic University of Peru (PUCP)	9 041	117 921
Sum	84 883	348 144

Liquid funds and balances on settlement accounts for the GWP regions/countries stated above as at 31 December 2016 (2015) amount to Euro 0 (0)

Note 24 Other liabilities

Employee taxes	540 894	487 158
Social security costs	1 013	2 026
Other liabilities	16 461	17 107
Sum	558 368	506 292


Note 25 Accrued expenditures

Accrued fees consultants	6 600	38 814
Accrued fees consultants SITWA and Mekrou	26 904	-
Accrued staff costs	105 021	60 570
Accrued audit fees	18 754	23 746
Accrued travel costs	3 948	24 133
Other accrued expenditures	6 973	12 097
Sum	168 199	159 359

Stockholm June 1, 2017


Dr. Oyun Sanjaasuren
Chair GWPO Steering Committee


Rudolph Cleveringa
Executive Secretary GWPO


Gunilla Björklund
Chair GWPO Audit and Finance Subcommittee

My audit report concerning these financial statements was issued June 15, 2017


Lena Svensson
Authorised Public Accountant

www.gwp.org

The Global Water Partnership's vision is for a water secure world. Our mission is to advance governance and management of water resources for sustainable and equitable development.

Auditor's Report

To the

Annual Meeting of the Sponsoring Partners of Global Water Partnership Organisation,
id.no 902000-3845

Report on the annual accounts

Opinion

We have audited the annual accounts of Global Water Partnership Organisation for the year 2016.

In our opinion, the annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden with the exception of BFNAR 2012:1 (K3) and the accounting of fixed assets, and present fairly, in all material respects, the financial position of the organisation as of 31 December 2016 and of its financial performance and cash flow for the year then ended. is also in accordance with generally accepted accounting principles in Sweden with the exception of accounting of fixed assets. The statutory administration report is consistent with the other parts of the annual accounts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the organisation in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts

The Steering Committee and the Executive Secretary are responsible for the other information. The other information comprises "GWP in action – 2016 annual report" and "GWP Annual Progress Review for 2016 – Mid strategy".

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and considered whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Steering Committee and the Executive Secretary

The Steering Committee and the Executive Secretary are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with generally accepted accounting principles in Sweden with the exception of BFNAR 2012:1 (K3) and the accounting of fixed assets. The Steering Committee and the Executive Secretary are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Steering Committee and the Executive Secretary are responsible for the assessment of the organisation's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Steering Committee and the Executive Secretary intend to liquidate the organisation, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of the organisation's internal control relevant to our audit 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 internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Steering Committee and the Executive Secretary.

Conclude on the appropriateness of the Steering Committee's and the Executive Secretary's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Steering Committee and the Executive Secretary of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinion

In addition to our audit of the annual accounts, we have also audited the administration of the Steering Committee and the Executive Secretary of Global Water Partnership Organisation for the year 2016.

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

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

Basis for Opinion

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the organisation in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

A handwritten signature in blue ink, located at the bottom right of the page.

Responsibilities of the Steering Committee and the Executive Secretary

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

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Steering Committee or the Executive Secretary has undertaken any action or been guilty of any omission which can give rise to liability to the organization.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the organization.

As part of an audit in accordance with generally accepted auditing standards in Sweden we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgement with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the organisation's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

Stockholm, June 15, 2017

Öhrlings PricewaterhouseCoopers AB

A handwritten signature in blue ink, appearing to read 'Lena Svensson', written in a cursive style.

Lena Svensson
Authorised Public Accountant

