

# **Global Water Partnership**

## **Annual Report for the Financial Year 2000**

The Executive Secretary of Global Water Partnership hereby presents the following Annual Report.

### *Report from Executive Secretary:*

The Global Water Partnership facilitates the exchange of knowledge and experience, and the practice of integrated water resources management. Through a worldwide network of partners, the GWP identifies critical knowledge needs at global, regional and national levels, helps design programmes for meeting these needs, and serves as a mechanism for alliance building and information sharing with particular emphasis on the developing countries and development institutions.

At the Consultative Group meeting held in Stockholm in August 2000 Margaret Catley-Carlson was elected as GWP's new chairperson. She succeeded Ismail Serageldin who had served as Chair since the inception of the Partnership in 1996.

### ***Regional expansion***

Since the creation of GWP four and half years ago, GWP has built up a network of regional technical committees in South America, Central America, Southern Africa, West Africa, the Mediterranean, Central and Eastern Europe, South Asia, and Southeast Asia. In early 2001 China was included and, at the time of writing, GWP was in the process of establishing another regional committee in Central Asia.

It is largely through these regional groups that the Partnership promotes the application of integrated water resources management as a critical approach to managing the world's water resources. The regional groups achieve this by bringing the various interest groups together to promote cross sectoral dialogue on common water problems and to develop action plans, based on integrated water resources management, to resolve these problems. This process will be facilitated over the forthcoming year with the establishment of regional and country water partnerships.

### ***The Second World Water Forum***

The Vision to Action process was designed to be as broad based as possible and the building blocks for the development of the Vision to Action were constructed through consultations with the principal stakeholders in the major regions of the world. Through the regional meetings and workshops this consultation process brought many stakeholders together — government agencies, key water practitioners, UN organisations, donors, the private sector, and others — to establish a shared view of appropriate strategies, mechanisms for implementation, and priorities for immediate action and investment. GWP presented the Framework for Action and each GWP region presented its report at the Forum, and the products were displayed at the GWP pavilion in the Water Fair. This proved to be a high profile event for the Partnership and

provided the stimulus for GWP to become even more inclusive and participatory in its work.

Following the success of GWP at the Forum, GWP reassessed its role and activities including the structure and function of the regional and country partnerships. The new initiatives and lessons gleaned from the Forum were brought together and built into a common work plan that was reviewed by the GWP Steering Committee meeting in December. This work plan was formally launched in early 2001.

### ***GWP's work programme***

The outcome of the Second World Water Forum in March 2000 had several significant impacts that influenced the GWP strategy and work programme for the way forward over the next few years. The Vision set out a direction and the Framework for Action (FFA) gave an overarching structure for action. Although this event raised awareness and the will to act, it was clear that effective change will only take place through partnerships of committed people on the ground. Promoting and reinforcing these partnerships remains therefore, one of GWP's major tasks.

The activities of the whole Partnership were developed into a comprehensive work plan for 2001 to 2003. Four overarching objectives were defined:

1. *Establishing partnerships and mobilising political will*
2. *Building strategic alliances for action*
3. *Promoting good practice in IWRM*
4. *Developing and implementing regional actions.*

Promoting partnerships is the cornerstone of the Partnership's work programme. It is here that the different sectors and interest groups are brought together to discuss water problems and potential solutions based on integrated water resources management. As part of this drive the GWP establishing alliances with several of the key sectoral organisations in 2000 such as with the Water and Sanitation Collaborative Council (WSSCC) and the World Conservation Union (IUCN).

### ***IWRM and the toolbox***

Advocating the value of integrated water resources management as an approach to better water management remains an underlying principle for the Global Water Partnership. A considerable amount of work has been done on the conceptual aspects of IWRM and this was published in early 2000 in the TAC Background Paper Number 4, Integrated Water Resources Management. The Partnership is now focusing on how to put these principles into practice. This requires working with its network of partners to identify experience in IWRM in the countries and regions. Work has begun to document both the good and the bad lessons learned from implementation and this information is being built into an "IWRM Toolbox". Over the next several years this toolbox will become a key mechanism for the access to know-how on good practices in IWRM.

### ***Raising political will***

A vital aspect of the work of the regional and country water partnerships is to raise awareness on water issues to help mobilise political will. Senior decision makers in government and elsewhere are being encouraged to give water security a higher priority in their development strategies than is currently the case. At the global level the

Partnership does not have the capacity to manage a world wide water movement but instead, is positively contributing towards awareness activities driven by others. As part of these endeavours the Partnership is working to provide inputs to future milestone events such as the Bonn International Conference on Freshwater in December 2001, the World Summit on Sustainable Development (Rio+10) meeting in Johannesburg in 2002, and the Third World Water Forum in Japan in 2003.

### *The Associated Programmes*

Strategic assistance to the GWP partners who are implementing IWRM is provided through the Associated Programmes (APs). During 2000 several new and important initiatives were endorsed as Associated Programmes.

The GWP portfolio of Associated Programmes (APs) includes some 25 operational or ready to implement programmes. The full portfolio is described in GWP's "AP Book". It includes a broad variety of programmes ranging from IWRM capacity building with a global focus, CAPNET for example, to water utilities partnerships in specific regions such as WUP-Africa.

The global CAPNET (International Network for Capacity Building in IWRM) node is now operational. GWP South America and GWP South East Asia have strong interests in starting up nodes of CAPNET in their respective regions. Waternet, the regional network for education, training, and research on IWRM in Southern Africa, is planning to incorporate short courses on IWRM for members of the Southern Africa Water Partnership as part of its programme.

A group of different IWRM related information networks – SAWINET, Southern African Water Information Network and WCA-infoNET, Water Conservation in Agriculture Information Service – met in Rome in December 11–13, 2000 to discuss common database search mechanisms and co-operation.

UESNET (Urban Environmental Sanitation Network) has started collaboration with the Sanitation Connection resulting in a broader network bringing together a number of ongoing initiatives in sanitation information management.

Development and Strengthening of River Basin Organisations, a programme spearheaded by the International Network of Basin Organisations (INBO) was endorsed both by the GWP TEC and by the INBO general assembly in Poland in October 2000. Discussions on development initiatives are on-going between INBO and GWP South America and GWP South Asia about the formation of regional programme components in these regions.

The Water Utilities Partnership for Capacity Building in South Asia met several times in 2000 and plans are in hand for implementing activities in 2001, and the Water Utilities Partnership for Capacity Building in Africa (WUP Africa) launched its website. WUP Africa organised a large regional conference on the reform of the water and sanitation sector in Africa which addressed the possibilities of linking the WUP benchmarking work with the World Bank Institute's Global Benchmarking Initiative. The critical issues from an IWRM perspective is to include benchmarks for broader IWRM goals that go beyond provision of effective water supply to include pollution abatement, sanitation, water demand management, equity and the ability to reach the poor.

New Associated Programmes being prepared for review in late 2000 included the World Bank -Netherlands Ground Water Management Advisory Team (GW-MATE)

and the Water Campaign for Local Authorities that is to be implemented by the International Council for Local Environmental Initiatives (ICLEI). It is considered that the ICLEI programme would be an excellent contribution to the implementation of FFA by building awareness and implementation capacity on IWRM at the local government level. At the same time the campaign will benefit greatly from the access to IWRM expertise within GWP and its other Associated Programmes.

A number of initiatives and proposals/concept proposals for an Associated Programme on Flood Management, lead by the World Meteorological Organization, were discussed at both global and regional levels in GWP this year. GWP recognises the [apparently] increasing severity of the problem and the urgent need to develop such an Associated Programme.

Partners in the Gender and Water Alliance, established after the World Water Forum in The Hague, have attended several national, regional and international forums to inform and advocate for gender issues in water management.

### ***Regional structures and institutional adjustment***

As in the growth of any group, the Partnership reached a point during this year where it needed to transform from *establishing* the business to *doing* the business itself. To help make this transformation the GWP enlisted the help of consultants to review the regional structures and to consider institutional adjustments necessary to make the GWP more effective as a network. These reports were presented and discussed in the Steering Committee in December and incorporated into GWP thinking during the programme planning for 2001–2003.

Importantly, GWP's role as a broker, catalyst and facilitator in promoting integrated water resources management was reinforced by the reviews. It was accepted that the transformation of the regional structures into regional and country water partnerships was needed to accelerate this process. It is through the dialogue held within the GWP family of partnerships that will pave the way to the adoption and implementation of IWRM.

At the December Steering Committee it was agreed to accept the recommended name change of the Consultative Group to the *Consultative Partners (CP)* in recognition of the partnership role of the members. The Steering Committee itself — elected from the membership — is clearly the main deliberative and decision making body and the draft Statutes are being amended accordingly. Similarly, the name of the Financial Support Group was changed to the *Financial Partners Group (FPG)* to emphasise the importance of their partnership in GWP affairs.

The Technical Advisory Committee was recognised for doing more than just providing advice. Consequently, to take account of the activity side of the committee's business the name has been changed to the Technical Committee (TEC).

### ***The legal status of the secretariat***

The GWP secretariat based in Stockholm, Sweden is in the process of becoming an international entity within GWP. This move has been prompted by the need for GWP to resolve certain operational difficulties under the present system under Sida. This process will not affect the status of the regional and country partnerships and their secretariats or the Associated Programmes. The proposal under review by the Swedish government sets January 01, 2002 as the date for making GWP independent from Sida. In the

meantime, the Swedish government and GWP's legal advisors are developing a plan that will serve both the GWP secretariat and fit into Swedish law. This plan will be presented at the annual Consultative Partners meeting in August 2001.

### *Meetings*

The Technical Committee (TEC) met four times during 2000 — in Manila in January, Athens in May, Copenhagen in July and Beijing in November. Discussions included review of the Framework for Action and other material to be presented in the World Water Forum in The Hague, the process of construction of the Post Hague Report, Associated Programme development, and the advances being made in the construction of the IWRM toolbox.

The Financial Partners Group (FPG) met twice during the year, once in Amsterdam in February and again in Stockholm in August. Discussions focused primarily on the future directions of the GWP and support to the Associated Programmes.

The Consultative Partners (CP) met as usual in Stockholm in August in conjunction with the Stockholm International Water Institute's symposium on water. Apart from reporting on governance issues, electing the new Chair and several new Steering Committee members, the participants broke out into caucus groups to discuss the Post Hague report and several of the key issues arising from GWP's revised work programme. An 'AP Day' was added to the associated TEC meeting that provided the opportunity for both APs and partners to interact and discuss potential collaboration.

The Steering Committee (SC) met twice in 2000, once in the UK in May and again in early December in New York. The substance of these meetings focused on the revision and development of GWP's work programme following the World Water Forum. In association with these developments the December meeting addressed two consultancy reports, one on regional development and the other on institutional adjustment. The recommendations were incorporated into the GWP's comprehensive work programme 2001–2003.

### ***Financial overview***

This annual report covers activities for which the GWP Secretariat is financially responsible in 2000. Donor contributions made directly to the regional technical advisory committees and the Framework for Action project are not included in this annual report.

The financial statements are prepared on an accrual basis except for expenses related to Regional Technical Advisory Committees and Special Programmes, which are recorded on a cash basis. Therefore, expenses presented in the annual report related to RTACs and Special Programmes mainly reflects cash transfers to them during 2000. Audited financial reports on the utilization of funds from the RTACs and Special Programmes covering the year 2000 were not available at the time of closing the books for 2000.

For the financial year 2000, ten donors contributed a total of USD7.3 million to the GWP Programme and Governance budget. Of this, USD6.4 million was provided directly to the Secretariat while the remaining USD0.9 was disbursed directly to the regional partnerships and special programmes. As a consequence of the internal programme review processes undertaken by GWP after the Second World Water Forum in the second half of the year, fund utilisation was lower than anticipated. This created a balance of USD1.1 million that has been carried over into 2001.

Sweden provided financial support directly to Southern Africa, Germany provided support to Central and Eastern Europe, the Mediterranean, and Southern Africa, and France provided support to the Mediterranean and West Africa. Several donors — Finland, Germany, the Netherlands and the United Kingdom — provided important and generous contributions towards GWP's participation in the Second World Water Forum in The Hague in March 2000.

Unless otherwise stated, all amounts are in USD.

## Income Statement USD

	Note	2000	1999
<i>Contributions</i>			
Core	1	5 150 453	4 263 450
Special Programmes	2	1 149 465	1 809 360
Other		125 815	2 945
<b>Total contributions</b>		<b>6 425 733</b>	<b>6 075 755</b>
<i>Expenses</i>			
Secretariat	3	-1 235 935	-1 421 344
Consultive Group		-172 634	-208 450
Steering Committee		-64 084	-79 310
Financial Support Group (FSG)		-19 189	-13 211
Technical Advisory Committee (TAC)	4	-931 284	-1 125 656
Reg Technical Advisory Committees (RTAC)	5	-1 725 587	-927 592
Special Programmes	6	-1 241 295	-1 811 575
<b>Total expenses</b>		<b>-5 390 008</b>	<b>-5 587 138</b>
<i>Financial items</i>			
Other interest income and similar items		64 372	47 469
Interest expense and similar items		0	-218
<b>Financial items, net</b>		<b>64 372</b>	<b>47 251</b>
<b>Net result for the year</b>		<b><u>1 100 097</u></b>	<b><u>535 868</u></b>

## Balance Sheet USD

	Note	2000-12-31	1999-12-31
<i>Assets</i>			
<b>Current Assets</b>			
<b>Current Receivables</b>			
Accrued Income	7	<u>1 845 392</u>	<u>73 921</u>
		1 845 392	73 921
<b>Cash and bank balances</b>		<u>1 448 235</u>	<u>2 244 123</u>
<b>Total Current Assets</b>		<b>3 293 627</b>	<b>2 318 044</b>
<b>Total Assets</b>		<b><u>3 293 627</u></b>	<b><u>2 318 044</u></b>
 <i>Equity and Liabilities</i>			
<b>Equity</b>			
	8		
Accumulated results brought forward		552 715	129 208
Surplus for the year		1 100 097	535 868
<b>Total Equity</b>		<b>1 652 812</b>	<b>665 076</b>
 <b>Current Liabilities</b>			
Other liabilities	9	325 686	431 716
Deferred income and Accrued expenses	10	1 315 129	1 221 252
<b>Total Current Liabilities</b>		<b>1 640 815</b>	<b>1 652 968</b>
<b>Total Equity and Liabilities</b>		<b><u>3 293 627</u></b>	<b><u>2 318 044</u></b>

## Notes

The financial statements for 2000 are prepared on an accrual basis except for expenses related to RTACs and Special Programmes, which are recorded on cash basis, i.e. such expenses mainly represent cash transfers from GWP's secretariat to bank accounts held by RTACs and Special Programmes. Excess funds not utilized in the projects are recorded as income when repaid to the Partnership.

### *Presentation in US dollars*

The annual report is presented in US dollars, while the accounting records are maintained in Swedish krona. The balance sheet accounts are translated into US dollars using the exchange rate prevailing on the closing date of the balance sheet, while income statement accounts are translated using an average rate for the financial year. The resulting translation difference is charged directly to equity.

### *Receivables*

Receivables are reported at the amounts at which they are anticipated to be paid following individual valuation.

### *Receivables and liabilities in foreign currency*

Receivables and liabilities in foreign currency have been valued at closing day rates.

## Note 1 Contribution Core

	<b>2000</b>	<b>1999</b>
World Bank	731 148	1 425 000
United Kingdom	2 916 898	1 615 802
Denmark	91 993	125 000
Finland	47 002	0
France	111 284	78 741
Norway	78 162	63 771
Switzerland	126 333	200 000
The Netherlands	284 426	315 544
Sweden	763 207	1 149 133
Prepaid Contributions 1998	0	193 538
<b>Total Core</b>	<b>5 150 453</b>	<b>5 166 529</b>
Reallocated to FFA	0	-903 079
<b>Total Core after reallocation</b>	<b>5 150 453</b>	<b>4 263 450</b>

## Note 2 Special Programmes

<i>Framework for action</i>	<b>2000</b>	<b>1999</b>
United Kingdom	356 598	488 108
Switzerland	10 943	80 000
The Netherlands	183 722	100 000
Balanced from 1999	305 283	0
Germany / World Bank	23 942	0
Denmark	0	50 000
Finland	0	101 412
<b>Total Framework for action</b>	<b>880 488</b>	<b>819 520</b>
Reallocation from Core	0	903 079
Prepaid Contributions	0	-338 690
<b>Total Framework for action after reallocation</b>	<b>880 488</b>	<b>1 383 909</b>
 <i>Framework for Action Unit</i>		
United Kingdom	89 473	125 451
The Netherlands	87 920	300 000
<b>Total Framework for action unit</b>	<b>177 393</b>	<b>425 451</b>
 <i>Other programmes</i>		
Sweden	91 584	0
<b>Total Other special programmes</b>	<b>91 584</b>	<b>0</b>
 <b>Total Special Programmes</b>	<b>1 149 465</b>	<b>1 809 360</b>

### Note 3 Secretariat

	<b>2000</b>	<b>1999</b>
Salaries and Payroll overhead	524 652	758 941
Rent and Office expenses	232 586	243 510
Travel expenses	185 609	185 895
Consultants expenses	224 877	89 360
Information expenses	62 067	143 638
Other	6 144	0
<b>Total</b>	<b>1 235 935</b>	<b>1 421 344</b>

### Note 4 Technical Advisory Committee (TAC)

Members	363 338	475 944
Chairman and support	316 329	358 564
Meetings	136 059	140 552
Consultants	115 558	150 596
<b>Total</b>	<b>931 284</b>	<b>1 125 656</b>

### Note 5 Regional Technical Advisory Committees (RTAC)

CEETAC	180 526	76 034
MEDTAC	228 286	72 577
SAMTAC	249 862	325 612
SASTAC	350 100	200 796
SEATAC	313 052	208 891
WATAC	256 557	43 682
CATAC	129 951	0
Initiation new regions	4 231	0
Other support	13 022	0
<b>Total</b>	<b>1 725 587</b>	<b>927 592</b>

### Note 6 Special Programmes

<i>Framework for Action</i>		
CEETAC	36 009	148 137
MEDTAC	0	163 842
SAMTAC	0	151 822
SASTAC	75 994	406 367
SATAC	218 954	148 934
SEATAC	940	149 448
WATAC	44 081	204 697
SATAC/SADC	178 443	0
Mapping and vision prep costs	0	9 362
<b>Total</b>	<b>554 421</b>	<b>1 382 609</b>
<b>Framework for Action Unit</b>	<b>595 289</b>	<b>428 966</b>
<b>Fellowship Programme</b>	<b>91 585</b>	<b>0</b>
<b>Total Special Programmes</b>	<b>1 241 295</b>	<b>1 811 575</b>

### Note 7 Accrued income

	<b>2000-12-31</b>	<b>1999-12-31</b>
Bank interest	61 920	46 033
Accrued income Sida Sweden	0	27 888
Core Contribution The Netherlands	136 796	0
FAU Contribution The Netherlands	176 724	0
Core Contribution United Kingdom	1 365 233	0
Contribution United Kingdom for Hague travels	104 719	0
<b>Total</b>	<b>1 845 392</b>	<b>73 921</b>

### Note 8 Equity

	<b>Accumulated Deficit</b>	<b>Translation differences</b>	<b>Result for the year</b>	<b>Total</b>
Opening Balance	161 706	-32 498	535 868	665 076
Translation differences		-112 361		-112 361
Appropriation of prior years resultat	535 868		-535 868	0
Result for the year			1 100 097	1 100 097
<b>Closing Balance</b>	<b>697 574</b>	<b>-144 859</b>	<b>1 100 097</b>	<b>1 652 812</b>

### Note 9 Other Liabilities

	<b>2000-12-31</b>	<b>1999-12-31</b>
Sida, Sweden	325 686	431 716
<b>Total</b>	<b>325 686</b>	<b>431 716</b>

## Note 10 Deferred income and Accrued expenses

	<b>2000-12-31</b>	<b>1999-12-31</b>
World Bank (IBRD)	887 742	786 621
Norway	0	22 985
Sweden contribution to Fellowship Programme	352 386	0
Secretariat	16 961	26 393
Steering Committee	0	5 279
Technical Advisory Committees	58 040	42 228
Regional Advisory Technical Committees	0	9 301
Special Programmes (FFA)	0	328 445
<b>Total</b>	<b>1 315 129</b>	<b>1 221 252</b>

Stockholm April 2001

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Khalid Mohtadullah  
Executive Secretary

Our audit report concerning these financial statements was issued on April 2001

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Ernst & Young AB  
Erik Åström  
Authorised Public Accountant