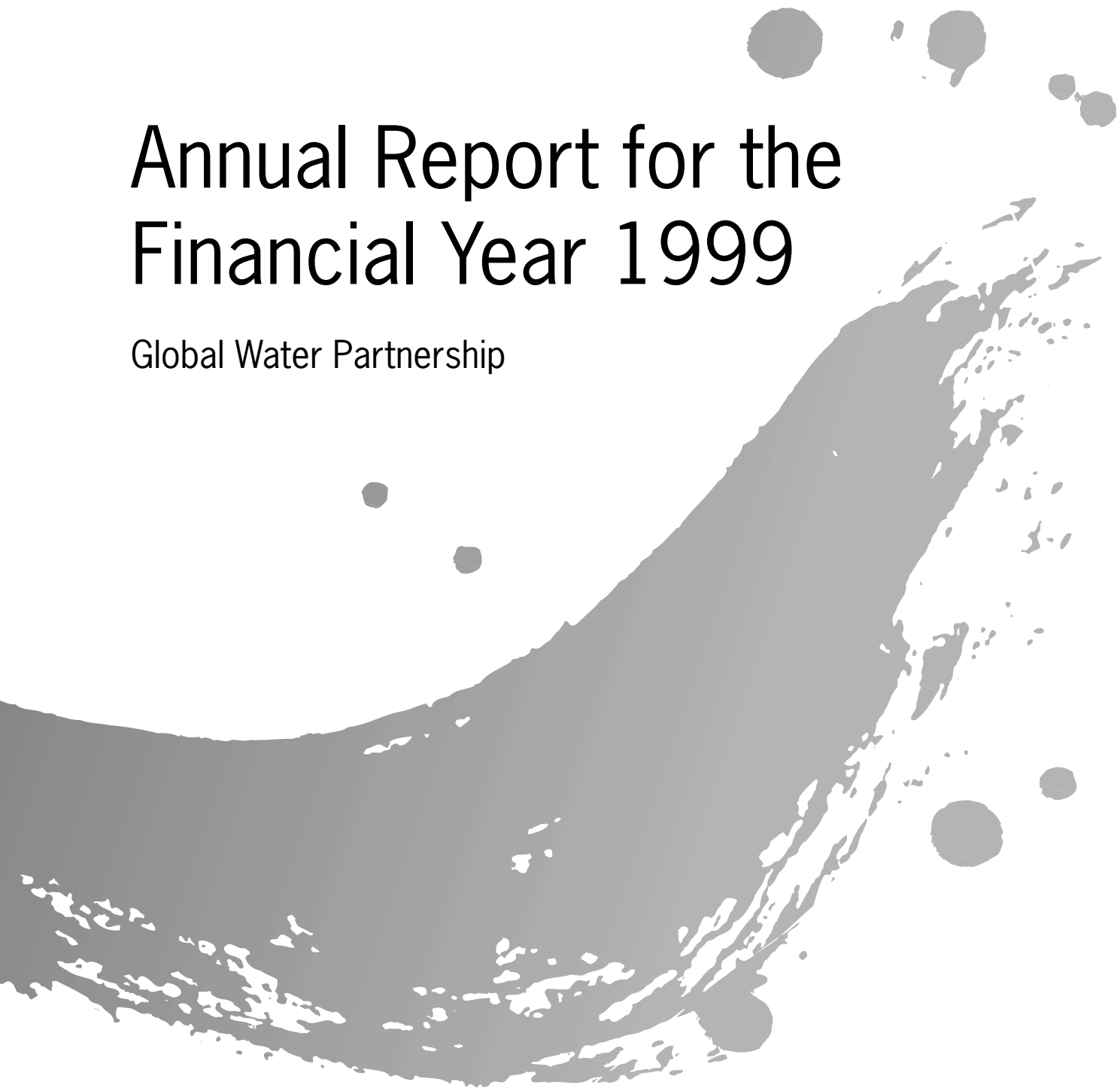


Annual Report for the Financial Year 1999

Global Water Partnership



Global Water Partnership

Annual Report for the Financial Year 1999

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

1. Summary

GWP was initiated in 1996 to provide a global forum for action-oriented decision-making, with a focus on translating the international agreements into practice and supporting developing countries in the sustainable management of their water resources. The envisaged added value of the partnership was twofold (1) regional partners could harmonise their policies and activities by means of the facilitated information exchange provided through the Partnership, and (2) donors would be able to co-ordinate their action.

GWP has developed quickly, both in terms of programmes and regional coverage. During 1999 GWP became operative in 7 regions through Regional Technical Advisory Committees (RTACs).

As compared with 1998, the output of GWP more than doubled in financial terms as a result of the establishment and activities of RTACs and the participation of GWP in the Vision to Action project.

As projected in the GWP Strategic Plan, GWP 1999 continued to develop as a global network for knowledge management on integrated water resources management (IWRM), emphasising quality and outreach in the provision of strategic assistance to stakeholders. Reaching out to regional and country stakeholders is probably the single most important challenge for introducing IWRM principles in practice, and making a real difference in the lives of people on the ground.

The Vision to Action process, which was the single most important activity of GWP during 1999, emphasised the importance of IWRM principles and will hopefully lead to workable implementation strategies. After the 2nd World Water Forum in The Hague in March 2000, GWP will pursue and amplify its role as a platform for new initiatives and will facilitate the implementation of the Framework for Action (FFA), leading to a desirable "water future".

2. Platforms for Cross-sectoral, multi-stakeholder dialogue

2.1 Regional activities

A decentralised, self-reliant character of the Partnership has taken shape through the active and constructive role of the regional committees. It is through active involvement at regional and country levels that the Partnership is able to mobilise stakeholders and foster the implementation of IWRM.

The Steering Committee (SC) expressed concern during the year regarding the speed of geographical growth. SC emphasised the need for focus on

quality promotion rather than expansion and that GWP should satisfy the expectations by the Regional Technical Advisory Committees operating in Southeast Asia (SEATAC), South Asia (SASTAC), Southern Africa (SATAC), West Africa (WATAC), South America (SAMTAC), Central/Eastern Europe (CEETAC), Mediterranean (MEDTAC) inclusive of the active regions in Central America and in China.

The present RTACs have developed in different ways depending on the circumstances and the choices that stakeholders have made in these regions. Of the above mentioned RTACs, WATAC, MEDTAC, and CEETAC became fully operational 1999. A GWP delegation made a visit to China in April, where Chinese professionals showed great interest and enthusiasm for GWP. A core group for Central America was established in a regional meeting in Managua in June.

The status of existing RTACs was the following in the end of 1999:

Four RTACs established 1998:

- *Southern Africa*: SATAC, an agreement is signed with IUCN ROSA as the host organisation in Harare, Zimbabwe.
- *South America*: SAMTAC, an agreement is signed with ECLAC (Economic Commission for Latin America and the Caribbean) as the host organisation in Santiago, Chile. 1 December 1999 the chairperson of SAMTAC resigned when he became a member of the new Argentinean Government.
- *Southeast Asia*: SEATAC, an agreement is signed with ADB (Asian Development Bank), as the host organisation in Manila, the Philippines.
- *South Asia*: SASTAC, an agreement is signed with Walmi (Water & Land Management Institute), as the host organisation in Aurangabad, India.

Three RTACs established 1999:

- *The Mediterranean* – MEDTAC, an agreement is signed with IME (Institut Méditerranéen de l'eau), as the host institution in Marseilles, France.
- *West Africa* – WATAC, an agreement is signed with CREPA (Centre Régional pour l'Eau Potable et l'Assainissement), as the host organisation in Ougadhougo, Chad.
- *Central and Eastern Europe* – an interim CEETAC was established in Budapest in June 1999. VITUKI (Water Resources Research Centre), in Budapest has agreed to become the host organisation for CEETAC. A host agreement is under preparation.

During 1999 GWP actively promoted the establishment of RTACs in two active regions:

- *Central America* – a core group for this region was established in June 1999. A second meeting was held in November

- China – initial meetings took place in January and April. GWP is waiting for the formal approval by the competent Chinese authorities before proceeding further.

The RTACs are not end products at the regional level but are intended to play the role of “start-up engines” for promoting the development of Regional Water Partnerships (RWPs) with strong and diverse institutional base. The roles and functions of the RTACs are to be further defined in developing the regional partnerships. In this process the regional differences and variations must be fully recognised. Different approaches may therefore be applied.

2.2 GWP Secretariat

Khalid Mohtadullah took up position as Executive Secretary in the Secretariat as of 15th April. An Associate Expert seconded by the Dutch government, joined the Secretariat on 1st May as a Network Officer. A new Head of the Communications joined the Secretariat on 1st July. One network officer ended his contract 31 August and the recruitment of successor was initiated through Sida. The average number of employees 1999 was 9,75 persons, including staff seconded to the Secretariat. The fact that two posts, the Executive Secretary and the Head of Communications, are employed on UN conditions increased considerably the salary costs of the Secretariat.

Two issues of Newsflow and one issue of the TAC background papers series have been published during 1999. Presentation material has been updated. The GWP website Water Forum has been maintained by the Stockholm Environment Institute with finances from UNDP.

2.3 Steering Committee

The Steering Committee met four times during 1999. In Paris in January, Budapest in June, Stockholm in August and in The Hague in December. The meeting in Paris was almost entirely devoted to discuss the Management Review Report and the Framework for Action project proposal. In June SC discussed logframe and business plans for TAC and the Secretariat, regional consolidation, Secretariat – Sida relations and the draft GWP statutes. In the August meeting SC constituted a new membership. In December SC discussed follow up of the Framework for Action project and the inputs to the 2nd World Water Forum in the Hague in March 2000, Associated Programmes Portfolio, regional governance structures and the consolidated budget and workplan 2000–2002.

2.4 Consultative Group (CG)

CG met 12–13 August in Stockholm. About 240 participants attended the various meetings including three main sessions. The FFA process was presented and created some intensive discussions in the CG on roles, actors and the realism of the vision. It was clearly stated that the FFA to be presented in The Hague would not be a final product but seen as a starting point for defining actions at global, sector and regional levels. A proposal for new GWP Statutes was endorsed with a few changes. A new SC was

elected according to the new statutes. The new Draft Statutes should be put into preliminary use for one year.

3. Provision of Strategic Assistance in IWRM

3.1 Technical Advisory Committee (TAC)

TAC met in Cairo (March), Budapest (June), Stockholm (August) and in Gaborone (November). TAC members went on two exploratory GWP missions to Japan and China. TAC has been represented in most regional GWP meetings, Vision events, as well as a variety of other meetings.

The TAC chair was appointed a second term by the SC at the January meeting. One third of the TAC members (i.e. 4 members) was replaced in August 1999 as required by the statutes.

TAC has pursued its three main agendas; the “conceptual” addressing key issues in integrated water resources management (IWRM), the “regional” addressing sub-regional problems and establishing and supporting regional RTACs and finally the “global” aimed at providing strategic services to GWP members and other stakeholders in water resources development through development of Associated Programmes. However, the main activity for TAC during 1999 was to participate in the Vision to Action process leading to the World Water Forum in The Hague in March 2000.

TAC produced a technical paper on IWRM offering a synthesis of GWP conceptual work to-date and a statement of GWP’s understanding and definition of IWRM and its implementation in practice.

3.2 The Financial Support Group (FSG)

FSG, open to donors in the water sector and a key mechanism for the Programming Cycle, held two meetings 1999.

In the meeting in Cairo in March, nine bilateral and three multilateral donors participated. At this meeting the Management Review Report was presented like the revised Programming Cycle, presentation was made of Associated Programmes (APs) and the need for further support to the Vision/mapping/Framework for Action project in the regions.

In the FSG meeting in Stockholm, in August, 16 donors attended the meeting. FSG discussed possible ways for long-term strengthening of GWP by bringing in more donors and obtaining their continued long-term support. In the meeting donors stressed the need for focus on regional consolidation rather than on expansion. The FSG requested development of a framework for the RTACs to become financially self-reliant. In this meeting donors eliminated the remaining financial shortfall of the FFA project.

3.3 Strategic Assistance: Associated Programmes (AP) portfolio

The GWP Programming Cycle was revised during 1999.

The global and regional mapping and development of APs were to some extent hampered by the intensive work undertaken at all GWP levels on the Vision to Action process. However, the work to produce regional Frameworks for Action has resulted in identification of needs for strategic assistance through APs.

Extensive mapping was undertaken by all RTACs as part of the Framework for Action process. The first result of this work was presented in the GWP annual meeting in August.

A standard format for concept proposals of APs to be presented to the FSG has been developed by TAC.

Below is a summary of APs in operation, APs initiated in 1999 and APs under development in the end of 1999.

The AP portfolio

IWRM CAPACITY BUILDING

- CAPNET – International Network for Capacity Building in IWRM
- Waternet – a regional network for education, training, and research on IWRM in Southern Africa

IWRM INFORMATION SYSTEMS

- SAWINET – Southern African Water Information Network

IWRM INSTITUTIONS AND MANAGEMENT INSTRUMENTS

- Developing and Strengthening River Basin Organisations
- Developing Appropriate Models of River Basin Organisations for the different areas in South Asia
- A Regional Network for River Basin Organisations in Central and Eastern Europe
- Regimes For Integrated Water Resources Management – A comparative analysis of Latin American Experience
- The Mediterranean Hydrological Cycle Observing System: MED-HYCOS
- The Southern Africa Hydrological Cycle Observing System: SADC-HYCOS

GENDER

- Women Professionals in Water Management: Fellowship Proposal
- SADC Program on Means to Empower Women in Water Issues

FLOODS MANAGEMENT

- Joint Activities to reduce flood vulnerability in South Asia (phase I)

WATER MANAGEMENT AND ECOSYSTEMS

- How to Bring Ecological Services into IWRM (inception phase)

URBAN ENVIRONMENTAL SANITATION

- UESNET – Urban Environmental Sanitation Network

UTILITY PERFORMANCE AND BENCHMARKING

- Water Utilities Partnership for Capacity Building in Africa, including
 - Institutional options in WS&S services
 - Water Supply and sanitation service provider performance indicators and benchmarking network
 - Capacity building in Education
- Water Utilities Partnership for Capacity Building in South Asia

WATER AND SANITATION

- Water and Sanitation Programme – including global team and regional programmes in Andean Region East and Southern Africa, West and Central Africa, East Asia and Pacific, and South Asia.
- WaterHouse: A Network for WSS in CEE and the newly Independent States

WATER CONSERVATION IN AGRICULTURE

- Best Practices Adopted in Water Conservation and Improving Water Productivity in Irrigation Systems
- A Network for Green Water Harvesting in East and South Africa and South Asia
- Policy Roundtables for Water Conservation in Agriculture
- International Programme for Technology and Research in Irrigation and Drainage (IPTRID)
- MED-TAPI: Technology transfer and adoption in conditions of participatory irrigation management in the Mediterranean Region
- INFONET: Information Service on Water Conservation and Use in Agriculture

4. The Vision to Action process

In 1997, at the first World Water Forum, it was agreed that a mass mobilisation and awareness campaign was needed to alert people and politicians to the fragile status of the world's water resources. This led to the development of a long-term vision for Water, Life and Environment which was guided by the World Commission on water for the 21st Century.

The World Water Vision and the actions needed to achieve it should be the focus of the 2nd World Water Forum in The Hague in March 2000. In preparation for The Hague, GWP was asked by the Commission to organise inputs from all over the world to prepare an outline of the actions which would contribute to achieving the Vision. The result of this undertaking was called the Framework for Action (FFA).

Through RTACs, GWP facilitated a participatory development process of the FFA in the regions from which conclusions could be drawn at the global level.

A large number of stakeholders have been involved in the country, regional, sectoral, and network consultative processes that took place all over the world.

The global FFA process was implemented by GWP through an arrangement where a special unit, the Framework for Action Unit (FAU), was established in London. FAU also assisted RTACs in their development of regional FFA activities.

The FFA work has been closely monitored by TAC and SC through an appointed Oversight Committee (OC), ensuring quality and consistency with the long term goals of the Partnership. A draft final FFA report was presented to the OC in December 1999.

5. Cost and Finances

This audited annual report covers activities for which GWP is responsible. As a consequence other contributions like direct core support to SATAC from Sweden, direct support to the GWP website Water Forum, from UNDP and direct FFA contributions from donors are not included in this report.

Costs presented in the report related to RTACs and FFA mainly reflect transfers to them during 1999. Audited financial reports from the RTACs were not yet available at the time of closing the books for 1999. Totally USD 0,9 million were paid by the Secretariat to cover RTAC core expenditures and USD 1.4 million were paid to the FFA project during the year.

8 donors contributed a total of USD 5.0 million to the core budget during 1999 as compared to USD 3.0 million in 1998 (including Prepaid contributions of USD 0.2 million utilised in 1999). In addition the Secretariat received USD 1.2 million during 1999 from 5 donors to cover costs for Special Programmes (FFA and FAU). In order to cover unmet financial needs in the FFA project, SC approved reallocation of USD 0.9 million during 1999 from the core budget to FFA. As a result a total of USD 2.2 million were put at the Secretariat disposal to finance Special Programmes (FFA and FAU). Out of this USD 0.3 million were carried over to 2000 to cover costs in the FFA project during the period 1 January–31 March 2000.

On core expenditures, GWP utilised a total of USD 3.8 million during 1999, out of which TAC accounted for USD 1.1, the Secretariat USD 1.4, RTACs USD 0.9 million and USD 0.3 million were utilised on other items.

The financial statements are prepared on an accrual basis except for contributions and expenses related to projects, which are recorded on cash basis. Consequently, such contributions – including contributions reallocated to Special Programmes – and project expenses are recorded when received and paid, respectively. Excess funds not utilised in the projects are recorded as income when repaid to the Partnership. The net result 1999 was USD 0.5 million as given in the Income Statement. Out of this, totally USD 0.3 million relate to expenditures and balanced contributions carried over from 1998. Excluding items carried over from 1998 the result is USD 0.2 million.

Unless otherwise stated, all amounts are in USD. Information in brackets refers to the prior year.

Income Statement (USD)

	Note	1999	1998
<i>Contributions</i>			
Core	1	4 263 450	2 840 759
Special Programmes	2	1 809 360	0
Other		2 945	0
		6 075 755	2 840 759
<i>Expenses</i>			
Secretariat	3	1 421 344	983 388
Consultive Group (CG)		208 450	205 121
Steering Committee (SC)		79 310	23 305
Financial Support Group (FSG)		13 211	0
Technical Advisory Committee (TAC)	4	1 125 656	1 337 221
Regional Technical Advisory Committees (RTACs)	5	927 592	53 769
Special Programmes	6	1 811 575	0
Total Expenses		5 587 138	2 602 804
<i>Financial items</i>			
Interest Income and similar items		47 469	31 059
Interest expense and similar items		-218	-289
Financial Items, net		47 251	30 770
Result for the year		535 868 =====	268 725 =====

Balance Sheet (USD)

	Note	1999-12-31	1998-12-31
<i>Assets</i>			
Current Assets			
Current Receivables			
Accrued income	7	73 921	660 095
		73 921	660 095
Cash and Bank Balances		2 244 123	157 933
Total Current Assets		2 318 044	818 028
Total Assets		2 318 044	818 028
		=====	=====
<i>Equity and Liabilities</i>			
Equity			
Accumulated Results brought forward	8	129 208	-108 352
Result for the year		535 868	268 725
Total Equity		665 076	160 373
Current Liabilities			
Other Liabilities	9	431 716	280 630
Deferred Income and Accrued Expenses	10	1 221 252	377 025
Total Current Liabilities		1 652 968	657 655
Total Equity and Liabilities		2 318 044	818 028
		=====	=====

Notes

The financial statements are prepared on an accrual basis except for contributions and expenses related to projects, which are recorded on cash basis. Consequently, such contributions – including contributions reallocated to special programmes – and project expenses are recorded when received and paid, respectively. Excess funds not utilised 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 Contributions Core

World Bank	1 425 000
United Kingdom	1 615 802
Denmark	125 000
France	78 741
Norway	63 771
Switzerland	200 000
The Netherlands	315 544
Sweden	1 149 133
Prepaid Contributions 1998	193 538
Total Core	5 166 529
Reallocated to FFA	-903 079
Total Core after reallocation	4 263 450

Note 2 Special Programmes

Framework for Action

Denmark	50 000
United Kingdom	488 108
Switzerland	80 000
Finland	101 412
The Netherlands	100 000
Total Framework for Action	819 520
Reallocation from Core	903 079
Prepaid Contributions	-338 690
Total Framework for Action after reallocation	1 383 909

Framework for Action Unit

United Kingdom	125 451
The Netherlands	300 000
Total Framework for Action Unit	425 451

Total Special Programmes 1.809 360

Note 3 Secretariat

Salaries and Payroll overhead	758 941
Rent and Office expenses	243 510
Travel expenses	185 895
Consultants expenses	89 360
Information expenses	143 638
Total	1 421 344

Note 4 Technical Advisory Committee (TAC)

Members	475 944
Chairman and support	358 564
Meetings	140 552
Consultants	150 596
Total	1 125 656

Note 5 Regional Technical Advisory Committees (RTACs)

CEETAC	76 034
MEDTAC	72 577
SAMTAC	325 612
SASTAC	200 796
SEATAC	208 891
WATAC	43 682
Total	927 592

Note 6 Special Programmes

Framework for Action

CEETAC	148 137
MEDTAC	163 842
SAMTAC	151 822
SASTAC	406 367
SATAC	148 934
SEATAC	149 448
WATAC	204 697
Mapping and vision prep costs	9 362
Total	1 382 609

Framework for Action Unit

Framework for Action Unit	428 966
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Total Special Programmes 1 811 575

Note 7 Accrued Income

	<u>1999-12-31</u>	<u>1998-12-31</u>
Bank interest	46 033	0
Accrued income Sida, Sweden	27 888	0
The Netherlands	0	323 659
France	0	53 468
United Kingdom	0	161 574
Denmark	0	121 394
Total	73 921	660 095

Note 8 Equity

	Accumulated Deficit	Translation differences	Result for the year	Total
Opening Balance	-107 019	-1 333	268 725	160 373
Translation differences		-31 165		-31 165
Appropriation of prior years resultat	268 725		-268 725	0
Result for the year			535 868	535 868
Closing Balance	161 706	-32 498	535 868	665 076

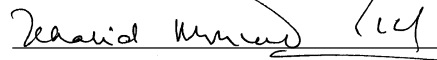
Note 9 Other Liabilities

	<u>1999-12-31</u>	<u>1998-12-31</u>
Sida, Sweden	431 716	280 630
Total	431 716	280 630

Note 10 Deferred Income and Accrued expenses

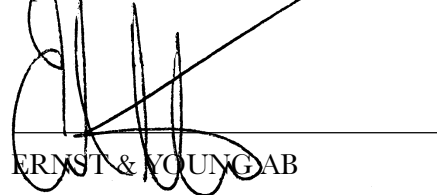
	<u>1999-12-31</u>	<u>1998-12-31</u>
World Bank	786 621	0
Norway	22 985	0
Secretariat	26 393	48 598
Steering Committee (SC)	5 279	0
Technical Advisory Committee (TAC)	42 228	0
Regional Technical Advisory Committees (RTACs)	9 301	0
Special Programmes (FFA)	328 445	0
Executive Secretary	0	198 437
TAC chairman	0	129 990
Total	1 221 252	377 025

Stockholm April 20, 2000



Khalid Mohtadullah
Executive Secretary

Our audit report concerning these financial statements was issued on April 20, 2000.


ERNST & YOUNG AB

Erik Åström
Authorised Public Accountant

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REPORT OF INDEPENDENT AUDITORS

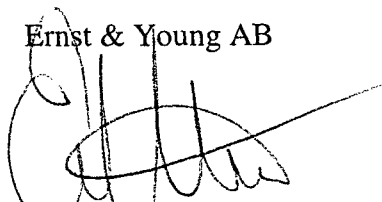
We have audited the balance sheet of Gobal Water Partnership as of December 31, 1999 and the related income statement for the year ended December 31, 1999. These financial statements are the responsibility of the Executive Secretary. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

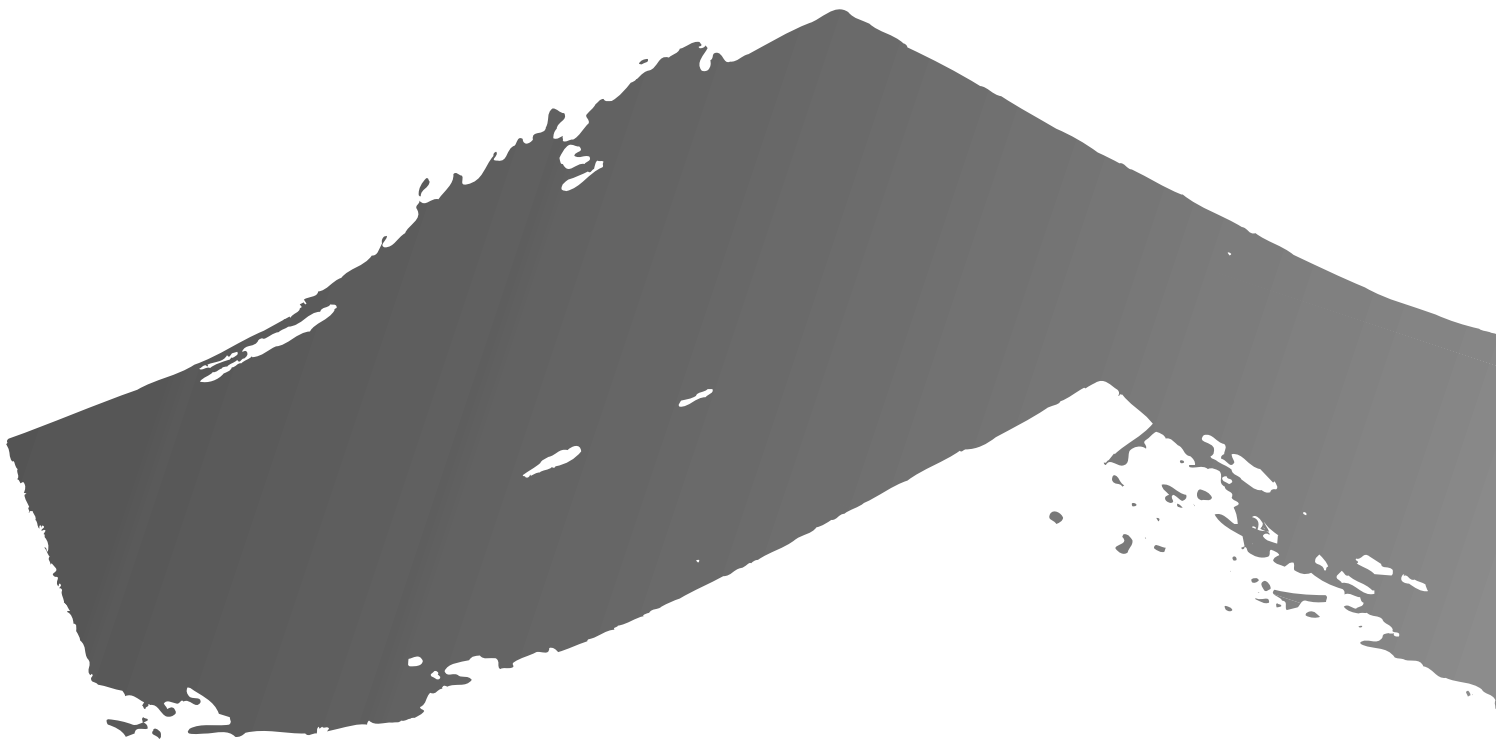
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Water Partnership as of December 31, 1999 and the results of its operations for the year ended December 31, 1999, in conformity with generally accepted accounting principles in Sweden.

Stockholm, Sweden
April 20, 2000

Ernst & Young AB



Erik Åström
Authorised Public Accountant



Global Water Partnership

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