



5th General Assembly

Marseille, France, 14-16 October 2009

ASSOCIATION WORLD WATER COUNCIL
Headquarters : Espace Gaymard
2-4 Place d'Arvieux
13002 Marseille, France

MANAGEMENT REPORT

On operations for the financial year closing 31 December 2008
(Unofficial translation)

Ladies and Gentlemen,

We are honoured to present to you, in accordance with the legal and statutory regulations, our report on the Council's financial operations for the period ending 31 December 2008, as well as all the accounts and the balance sheet of the aforementioned financial year, which is submitted for your approval. For your information, all legally necessary documents are included herewith, including:

- the profit and loss statement;
- the balance sheet.

1. KEY FIGURES FOR THE ASSOCIATION DURING THE FINANCIAL YEAR

To evaluate the activity of our association, during the past financial year, we firstly underline that operating profits show a benefit of 109, 537euros in 2008 against 121,755 euros in 2007, that is to say a decrease of 10.04 % compared to 2007.

Our profit and loss statement presents the following characteristics:

- Net financial turnover amount to 2,342,599 euros in 2008 compared to 1,640,734 euros in 2007, which is an increase of 42, 78% en 2008.
- We particularly note a small decrease in income of 6,14 % related to membership for an amount of 152, 686 euros in 2008 compared to 162, 672 euros in 2007,
- We note a strong increase of 49% in grants this year: 2,109,141 euros in 2008 against 1,415, 517 euros in 2007.
- The total operating revenues for the financial year amount to 2,233,062 euros, as compared to 1,518, 979 euros for the previous financial year, representing a noticeable decrease of 47%, justified by the very strong decrease in the association's overhead costs, justified by the appointment of an associate Director and associated consultants dedicated to the preparation of the 5th Forum.
- Expenses related to the staff, including the value of donated services, amount to 925, 348 euros in 2008 compared to 663, 266 euros in 2007, that is to say an increase of 40 % as compared to the previous financial year.
- Depreciation provisions and charge to provisions amount to 44,131 euros in 2008 compared to 36, 553 euros in 2007 that is to say an increase of 20, 73%.
- The total operating costs before loss and profit amount to 75,211 euros compared to 88 473 euros in 2007, that is to say a decrease of 15 %.
- We also note an increase in the net financial profits of 20, 4 %, that is to say 17,128 euros in 2008 compared to 14, 257 euros in 2007.

The Association's financial self sufficiency amounts to 153, 668 euros compared to 158, 308 euros in 2007.

The very clear improvement in the Association's short-term solvency can also be noted (Attainable and available values – short-term debts):

Previous fiscal year 2007: 1, 387, 333 – 1, 016, 444 = 370, 889
 Current fiscal year 2008: 1, 201, 676 – 751, 091 = 450, 585

This represents an increase of 79, 696 euros.

FINANCIAL STATEMENTS	2007	2008
Operating profits (1)	74 215	58 083
Financial profits (2)	14 257	17 128
Profits before taxes and extraordinary items (1+2)	88 473	75 212
Extraordinary profits (3)	33 282	34 325
Net income (1+2+3)	121 755	109 537

2. PRESENTATION OF THE ACCOUNTS

The profit and loss statement and the balance sheet will be presented in greater detail and submitted for your approval.

3. SITUATION ON THE MEMBERSHIP FEES

The Membership allocation from 2006 to 2008 was as follows:

	2006	2007	2008
Net income for membership fees	153 585 euros	162 672 euros	152 686 euros
Advance income received for following years	44 200 euros	37 281 euros	40 540 euros
Membership fees received for previous years	16 716 euros	11 380 euros	8 410 euros

4. PRESENTATION OF THE COUNCILS' ACTIVITIES DURING THE FINANCIAL YEAR

Many activities and initiations of programmes were undertaken and are briefly summarized below.

4.1. Mobilising the stakeholders

During the last General Assembly, it was decided to organise meetings during water events to strengthen the Council's networks, involve stakeholders at a greater extent, implement activities and mobilise resources.

In this view the Council organised on 20 August 2008 in Stockholm, Sweden a meeting with donors and partners during the Water Week, an event where the Council has been a regular actor for several years.

4.2 Becoming the voice of the water community

In 2008 the Council developed web tools and worked on the development of its image, notably within the frame of the 5th World Water Forum preparation and the continuation of the IT platform.

4.2.1 Web Tools

The World Water Council updates 5 web sites (WWC, Water Monitoring Alliance, Financing Water for All, Strengthening local authorities and World Water Forum) references in matter of information and communication on water, ensuring a development always more important of Council's activities.

4.2.2 Strengthening of 5th Forum Communication

The Headquarters actively developed Communications activities in the spirit of the 5th Forum preparation and among other activities, contributed to:

- Preparing a communications strategy for the 5th World Water Forum focused around journalist so they would be supported in writing articles on thematic issues of the 5 panels through the "on-line media centre" and a press centre.
- Using the Forum preparation as a promoting tool at a global level
- Regularly updating the website and developing new pages.

4.2.3 IT Platform

An adapted communication with members and participants of the Forum has enabled the Council to strengthen its networks and maintain the involvement of its members. In this aim, and as announced in the previous report, the Council worked on an IT platform which was functioning at the 1st semester in order to optimize exchanges and communication between the Headquarters, the members and the partners as well as between Forum participants.

The Headquarters publishes and regularly updates information for its members to underline Council's activities and progress realised on issues as important as the World water Forum, the preparation of the general Assembly or the board of Governors resolutions. In particular the platform has been used in connection with the 5th Forum Secretariat located in Istanbul to organise the Forum.

4.3 Acting for water

In line with 4th GA priorities and work plan adopted by Board of Governors, the efforts of the Secretariat have concentrated on the implementation of existing commitments and development of new engagements to help resolve selected key water issues that require multi-stakeholder participation for their resolution.

During 2008 the Council programmes were initiated with the help of the following partnerships:

- *Strengthening Local Authorities:* financed by the French Ministry of Ecology and Sustainable Development (MEDDAD) for an annual amount of 60 000€. This one year contract is part of a multi-year agreement. This programme aims at strengthening the means of local authorities to improve water supplies, sanitation and water management. The main achievements realised include an inventory of initiatives made in this field, the preparation of guidelines and the implementation of pilot dialogues in Benin and Togo throughout an investigation on the role of local authorities in water management in a decentralization process context. The programme also aims at supporting the Istanbul water consensus inviting mayors and leaders of local authorities to adopt unified measures on water and sanitation.
- *Water Monitoring Alliance:* financed by the French Ministry of Ecology and Sustainable Development (MEDDAD) for an annual amount of 60 000€. The main achievements are the initiation of partnerships for the Alliance, the development of the information system and underlying database, the publication of profiles for the Mediterranean and African Region, the increase of country profiles, and validated ongoing water monitoring activities available online. A second phase of collaboration is being examined with the French Ministry of Ecology and Sustainable Development.
- *Adaptation to Global and Climate Changes:* The Dutch Ministry of Public Works, Water Management and Transport allocated 400 000€ as a part of a larger programme aiming at providing substance to the topic "adaptation to climate change" of the Forum implemented in partnership with UNESCO-IHE and the Netherland Foundation on water and Climate. With a wide range of partners, the preparation of a series of background reports was initiated. These will be presented at the 5th World Water Forum. A high level panel was convened of Ministers and senior officials to raise further awareness about the water and climate adaptation issue.

- *Africa Programme:* The French Ministry of Foreign Affairs allocated a first installment of 350 000€ to the Council to implement a programme involving the African members, addresses the questions how water could be used as a tool in development looking at water availability and use for different sectors, the need for infrastructure and how access to water can contribute to the prevention of crisis with a focus on change (population dynamics, economic development, climate) and its impact on water. This programme studies the conditions to use water as a tool for development and create scenarios of a future vision of water in Africa (vision 2050). A meeting to identify and convene concerned partners was organised in Tunis in March 2008 during the first Water African Week. A report has been prepared to underline the elements of a new analysis of links between water, growth and development Africa.

4.4 Organising the 5th Forum

In the past, the Board of Governors decided that the Council should be more involved in the preparation of the content of the Forum. The 5th Forum therefore was organised on the basis of a quality preparation with a strong involvement of the host country and the host city, the international community and with the implementation of committees dedicated to different aspects of the Forum. 2007 was dedicated to the establishment of these committees. Subsequently, the work in 2008 has focused on establishing the details of the various aspects of the Forum and engaging a wide range of actors in the preparations. The most important innovation established through the World Water Forum in 2008 included the creation of a more integrated approach between the thematic programme and the political processes. Furthermore, a major effort was made to enhance the local authorities and parliamentarian's engagement in the Forum. A series of Ministerial meetings contributed also to the Forum preparations. Regarding the Thematic Programme over 300 organisations actively participated in the preparations facilitated by the Council secretariat in co-operation with the Forum secretariat and assisted by an internet-based platform. In addition, successful efforts were made to further establish regional processes to provide input into the Forum deliberations.

4.4.1 5th Forum committees

The organisation of the Forum was guided by the work of 3 working committees composed of representatives of the World Water Council and the Host Country. The committees include:

- Committee on thematic programmes
- Committee on political process
- Committee on communications

A number of meetings were organised by these committees to define the directions of the Forum organization and its content.

4.4.2 High level panels

This initiative responds to the 4th World Water Forum conclusions with the creation of a high level panel on « water and disasters » chaired by the South Korean Prime Minister. The Council has further developed a number of other high level panels, including:

- Water and Finance
- Water and adaptation to climate change, focusing a great effort realised towards our partners to establish the framework of a water management in matter of climate change with reports to be producing during the 5th Forum in liaison with the collaborative Programme « water and climate », IUCN and IWA
- Water and sanitation, creating a new roadmap to get concrete results in the field of sanitation and urban wasted water in reflecting on the implementation of a right to sanitation.
- Water, food and energy

A professional conference organizer was recruited to work with the 5th Secretariat on the organisation of the Forum. The 5th Forum Secretariat also submitted a working proposal on the major groups to integrate these groups and key actors in the 5th Forum processes. Within the 5th Secretariat a dedicated staff person was made available for this issue.

4.5 6th World Water Forum - 2012

The Board of Governors established a transparent procedure for the selection of the 6th World Water Forum's host country / city. During the Board meeting of January, a 6th World Water Forum-Working Group was created, including A. Askew, K. Reid, H. Oda and M. Bzioui, chaired by the Vice President, B. Braga. In April, a call for expressions of interest to host the 6th World Water Forum was widely

communicated to the international community. A deadline of June 1st was established for receiving an official letter of expression of interest from potential host countries for further consideration.

At the 31st Board of Governors meeting in June, Governors examined 7 letters that had been received, 3 of which (South Africa, France and Canada) were retained as pre-candidates. All parties were duly informed of this decision.

During the period July-September 2008, the Secretariat and the 6th World Water Forum–Working Group prepared the bid document guidelines. On the 8th of October 2008, the three pre-candidates Host Countries: Canada, South Africa and France, received the bid-document requirements for the 6th World Water Forum. The deadline for receiving their formal candidatures was the 17th of November. Bids were received from South Africa and France, but Canada did not submit a bid. Technical visits to the countries of the two candidates were arranged in January 2009 with K. Reid, M. Bzioui, G. Bergkamp and an external consultant.

4.6 Organisation and strengthening of the headquarters

4.6.1 Organisation of the Headquarters

In 2008, the Council's Secretariat was organised in a Director General's Office and 4 departments:

Administration and Finance

Policy and Programme

External Relations and Communications

5th World Water Forum

Each department is headed by a Director as follows:

Director General's Office	
Ger Bergkamp	Director General
Vacant	Institutional support officer
Sophie Nooij	Secretary
Administration and Finance	
Valérie Bistagne	Director - Administration and Finance
Karim Adgharouamane	Financial Officer
Carine Sirou	Logistics Officer
External Relations and Communications	
Bill Hinchberger	Director – External Relations and Communications
Sabrina André	Membership Officer
Mélanie Giard	Communication Officer
Daniella Bostrom	Media Officer
Vacant	IT Officer
Policy and Programme	
Recruited	Director – Policy and Programme
Vacant	Consultant– Africa Programme
Céline Dubreuil	Programme Officer – Local Authorities
Stéphane Simonet	Programme Officer – Climate Change & Monitoring
Milagros Ojeda Couchoud	Project Officer – Latin America
5th World Water Forum	
Daniel Zimmer	Associate Director
Danielle Gaillard-Picher	Forum Coordinator
Joshua Newton	Co-ordination Political Process
Laila Morsli	Forum Officer – Parliamentary Process
Colin Herron	Forum Officer – Virtual Forum and Prizes

4.6.2 Global evolution of missions and staff

The requested work for the preparation of the 5th Forum was more important than expected and mobilised a great part of the staff energy and time. As a consequence less time was spent on programmes and other activities. With the increase of the Council's activities and the selection of its priorities, particularly for the preparation of the 5th Forum, the expertise and the professionalism of the Headquarters team had to be developed with new recruitment.

The permanent team welcomed a Director General as of the 1st of June 2008. The executive director was appointed as associate director dedicated to the 5th World water Forum .[One member of the communication team became media officer in July.

The Director –Administration and Ainance, two project officers, a Forum Coordinator, the financial assistant, a Communication Officer, a Membership Officer and a Logistics Officer went on participating actively to the life of the Council. The Director- Policy and Programme resigned in June and a secretary joined the permanent team in fall. A consultant was recruited dedicated to the Africa

programme, while a consultant dedicated to the 5th Forum political process was also recruited. To strengthen temporarily the team, a secretary, a communication assistant and a database assistant were hired.

The Council welcomed a few interns.

4.7 Board of Governors

Three Boards of Governors took place this year.

4.7.1 30th Board of Governors

Held in Seoul, South Korea, 25-26 January. It was mainly proceeded to:

- The approval of a change of one and two alternates
- The approval of the 2008 provisional budget
- The approval to hire Ger Bergkamp, Director General
- The request made to A. Askew and the secretariat to use their experience on the election procedures during the last GA to make proposals to amend the constitution and the Bylaws through March-April
- The approval of the date of the next Board meeting in Marseilles in order to be able to conciliate it with the Saragossa Expo
- The approval of the progress report in the Istanbul Forum preparation
- The request of information on water events to fill out the Council's agenda to be monthly sent to governors

4.7.2 31st Board of Governors

Held in Marseilles, 11-12 June. It was mainly proceeded to:

- The request made to the Bureau to examine the points on the creation of two new prizes on water and to report at a next board meeting.
- To mandate to the 6th World Water Forum - working group to examine the studies and proposals linked to the selection of criteria to adopt to host the 6th Forum and report to the Board of governors before September.
- The decision to continue the process of selection of the 6th World Water Forum host country with Canada, South Africa and France - the 6th Forum - Working group was requested to receive and examine the applications and to report to the 32nd Board of Governors
- The nomination of V. Dukhovny, B. Charrier and A. Turton, as members of the membership fees Working Group led by K. Reid, in order to develop a "membership strategy" to be presented during the 32nd Board of Governors
- The approval of the closing of the 2007 accounts and the reading of the 2007 auditor report to be approved at the 5th GA.
- The approval of the decision to hold the 5th General Assembly in Marseilles in requesting the Director General to communicate the precise date before the end of August
- The approval to send to A. Askew any proposal of change in the constitution or in the Bylaws.
- The nomination of Arthur Askew and Hideaki Oda as members of the Bureau until the next General Assembly.

4.7.3 32nd Board of Governors

Held in Iguazu Falls, Brazil, 27-28 November. It was mainly proceeded to:

- Request the International Steering Committee to improve the communication on the 5th Forum
- The approval of the 2009 membership fees at the same rate as in 2008
- The approval of the work plan objectives on the membership fees development and to give mandate to the Director General to implement the work plan in liaison with K. Reid.
- The approval of the proposed distinction between the "World Water Council Prizes" and "World Water Forum "Prizes.
- The approval of the French and South African applications to host the 6th Forum in 2012 and the consideration of the non presentation by Canada of its application within the 17 November 2008 deadline.
- The approval of the proposed process and of the agenda on the 6th Forum evaluations and the request addressed to the Working Group- 6th Forum to send a follow up report of its activities to the Bureau before 31 January
- Remind the necessity to maintain transparency and neutrality regarding the Board's final decision on the choice of the 6th Forum host country
- The confirmation that the General Assembly will be held in Marseilles

- Request the Director General to start a consultative process to define the World Water Council's strategy for 2009-2012.
- The approval of the 2009 provisional budget

5. PARTNERSHIPS

5.1 Strategic partnerships

Implemented programmes permitted to strengthen Council's partnerships with many organisations including:

- *The French Government:* The relationships with the French Ministries of Foreign Affairs and Ecology have been strengthened thanks to the "monitoring" programme, the programme on strengthening of local authorities and the preparation of the Forum African process, initiatives actively supported by the French.
- *The Turkish Government:* The World Water Council is in charge of the organisation of a World Water Forum every three years. Within the frame of the 5th Forum organisation, negotiations were carried out, resulting in a « Framework Agreement » signed, 24 June 2006, in Marseilles, and a second Letter of Agreement entitled "General Agreement on Forum Components", signed on 18 January 2007 in Ankara. The Letter of Agreement further defines the overarching Theme of the Forum: "Bridging Divides for Water", political commitment and financial issues with the establishment of an initial budget, for which Turkey contributes for 1,000,000€ from governmental bodies and 500 000€ from others sources, payable in six instalments. The convention also provides with the establishment of a 5th Forum Secretariat and a website. It is within this framework that the Council received 525, 000€ in 2008.
- *The Dutch Government:* the Council continued its excellent relationship with the Dutch Government – Minister of Public Works, Water Management and Transports, in particular on the subject of climate change adaptation.
- *Council's Members:* many WWC members have actively participated to implemented programmes and communication activities.

5.2 Partnership with the City of Marseilles

The convention dedicated to the rental of the Headquarters signed in June 2005 ended in June 2008 and was renewed for the duration of five years. The agreement signed with the City of Marseilles during the 23rd Board of Governors ended at the end 2008. It was renewed for the years 2009-2010-2011. Following this agreement, a 440,000€ annual grant is allocated to the Headquarters. Furthermore Marseilles continued to make available the headquarters' offices, computer equipments, a financial and administrative Director and an accountant for an annual amount of 829,024 €.

6. PRESENTATION OF FUTURE PERSPECTIVES

2009 will be the year of 5th World water Forum to be held in Istanbul, 16-23 March 2009. To support this international event, partnerships will be engaged with a great number of members and partners for the organisation of the Forum and parliamentary, political, regional and thematic sessions to feed the content of the Forum.

The programme « Strengthening local authorities » initiated towards the Istanbul water Consensus could be renewed with the French ministry of ecology and sustainable development after the 5th World Water Forum.

For the period 2010 -2011- 2012, the Council will develop a Strategic Plan to define its strategic intent and priorities together with the mechanism it wishes to employ to deliver on the objectives set. To do so will require a collaborative effort of the Board of Governors and the membership during the period May -October 2009. During the General Assembly, in October 2009, the members of the Council will have the opportunity to endorse the World Water Council – Strategic Plan 2010 – 2012.

May – June	Bureau discussion on Strategic Plan 2010 -2012
June	BoG34 – discussion with Board members on process and scope of Strategic plan

End July	Establishment of BoG Working Group – Strategic Plan 2010-2012
August	Working Group draft document to BoG for electronic comments
Aug - Oct	First draft of the Strategic Plan for Consultation with members
September	Development of Members & Partners owned initiatives within Strategic Plan
October	Finalisation of World Water Council - Strategic Plan 2010 -2012
	Endorsement of Strategic Plan 2010 -2012 during General Assembly
	Member's discussion on Initiatives to deliver Strategic Plan

The main goal for the Council is to become one of the water international voices which informs on water priorities world-wide. To do so, the Council will seek to mobilize political will to deliver innovative solutions to water problems with support of local and national stakeholders, focus on deepening the dialogue around water issues to bring innovative solutions forward for wide implementation, give priority to broadening its engagement in water beyond conventional boundaries to catalyse change in behaviour and decision making in the fields of sanitation, right to water and adaptation to climate change, among other issues.

7. ALLOCATION OF THE PROFIT

We are proposing to allocate all the profits from the financial year in the amount of 109, 537 euros once more to the following year:

At the end of the operation, the Association's equity account will be as follows:

- Sum brought forward 508, 264 euros
- Investment Grant 43, 154 euros

This being a net worth of 551,418 Euros

8. ADDITIONAL INFORMATION

The accounts have been established according to the same forms and methods as those employed for the previous financial year, which conform to the regulations in effect. However we mention a change in accounting methods in 2006, consisting by incorporating the furniture and computer equipment made available by the City of Marseilles, in the assets of the WWC, in compensation by incorporating investment grants in unrestricted funds. This change in accounting methods has no impact on net income or loss, the portion of investment grants relating to the period transferred to income, at the same amount and rate of amortization of corresponding assets. Then, as in the past, no equity investments were carried out in any association with its Headquarters in the territory of the French Republic.

9. CONCLUSIONS

We have attempted to give you an overall view of the Association's activity during the financial year, and hope that you will approve the proposed resolutions concerning the accounts, as well as those concerning the management.

Mr. Loïc FAUCHON
President