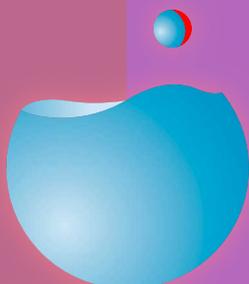


# Triennial Report 2000 - 2003



World Water Council  
3rd World Water Forum

## World Water Council

The World Water Council is the International Water Policy Think Tank dedicated to strengthening the world water movement for an improved management of the world's water resources. The World Water Council was established in Marseilles, France, in 1996 as a non-profit non-governmental umbrella organization.

The missions of the World Water Council are to promote awareness and build political commitment on critical water issues at all levels, including the highest decision-making level, to facilitate the efficient conservation, protection, development, planning, management and use of water in all its dimensions on an environmentally sustainable basis for the benefit of all life on earth.

#### Its Specific Objectives are :

- To identify critical water issues of local, regional and global importance on the basis of ongoing assessments on the state of world water;
- To raise awareness of critical water issues at all levels of decision making;
- To provide the platform for a common strategic vision on Integrated Water Resources Management on a sustainable basis, and to promote the implementation of effective policies and strategies worldwide;
- To provide advice and relevant information to institutions and decision-makers on the development and implementation of comprehensive policies and strategies for sustainable water resources management, with due respect for the environment, and social and gender equity;
- To contribute to the resolution of issues related to trans-boundary waters.

To fulfil its missions and objectives, the World Water Council relies on a diversified and active network of members to which it serves as a platform of exchange and discussion through various tools and activities. Amongst these is the World Water Forum which, accompanied by a Ministerial Conference, is a major water event organized every three years in close collaboration with the authorities of the hosting country.

The World Water Council's other activities include organizing and sponsoring major international and regional conferences and awareness-raising events, jointly publishing reviews and articles, participating in the establishment of dialogues on cross-sector issues, facilitating the creation of commissions and expert panels to bring forward constructive solutions on key issues and influencing water policy change.

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We are approaching the end of the current term of office of the Board of Governors of the Council and with that the term of the current Bureau. In this triennial report I would like to give you an account of affairs dealt with during the present term of my Presidency and an outlook on the future of the Council. It is of course up to the incoming Board of Governors and Bureau to decide on the future strategies and their implementation.

International and regional challenges and their impacts are becoming of major influence on global water issues, a fact that has to be reflected in our work as the International Water Policy Think Tank. After the 2<sup>nd</sup> World Water Forum we have proved that the Council has a clear and influential imprint on many of the on-going activities and events.

The 2<sup>nd</sup> World Water Forum in The Hague in 2000 generated a lot of debate dealing with the state and ownership of water resources, their development potential, management and financing models, and their impact on poverty, social, cultural and economic development and the environment. The key issues discussed by participants at the 2<sup>nd</sup> Forum were privatisation, charging the full cost price for water services, and the rights to access and participation. The Ministerial Declaration identified meeting basic water needs, securing food supply, protecting ecosystems, sharing water resources, managing risks, valuing water and governing water wisely as the seven key challenges for our direct future. Aspects of globalisation and trade could be considered as emerging issues from The Hague.

At the 2<sup>nd</sup> General Assembly in Marseilles, in October 2000, the Council set about refining the foundations provided by the Vision and the Framework for Action, which resulted in the following priority areas: water policy and governance, financing water infrastructure and management global change and water security, balancing the multiple uses of water, managing conflict and reducing poverty through sound water management.

Donors and international institutions embarked on various water programs on and around these themes, increasingly including civic society and user groups. Dialogues were initiated with the council's participation and implemented by many of its members, such as Water Food and Environment, Water and Climate and Water and Politics.

We have seen over the last three years a resurgence of announcing policies and strategies, which have emphasized the importance of the water sector in general. The preparation of the 3<sup>rd</sup> World Water Forum in Kyoto, Shiga and Osaka in 2003 incorporated the debates within the context of the new commitments of meeting the goals set forth at the Millennium Summit of the United Nations in New York (2000), the International Freshwater Conference in Bonn (2001) and the World Summit on Sustainable Development in Johannesburg (2002).

The poor and the vulnerable will remain in this world despite the declaration and targets of the Millennium Development Goals. In this context we need to identify the roles of

respective parts of society in addressing the questions of accessibility, affordability and equity of distribution of water for the poor and the mechanisms to finance the necessary interventions and management requirements. We have to look at the roles of the users and communities, NGOs, the private sector, governments, civil society as individual organizations and in any form of water partnerships as none of these actors will be able to face the challenges lying ahead of us and solve these problems on our own.

Realising that the amount of money required to meet water challenges and the water related Millennium Development Goals would have to increase substantially, the Council in partnership with the Global Water Partnership and the Secretariat of the 3<sup>rd</sup> World Water Forum established a panel under the chairmanship of Mr. Michel Camdessus, former Managing Director of the International Monetary Fund, on Financing Water Infrastructure, the findings of which were presented at the 3<sup>rd</sup> World Water Forum. The Council is putting forward some serious proposals and advance some innovative ideas in this respect based on what we already know worldwide. Strengthening of the public sector is required to ensure adequate regulation and public control over common resources. The involvement of the private sector through public-private partnerships in providing water services and in contributing to the financing of investments is an absolute necessity for the future. This requires predictable and transparent regulatory frameworks that protect the interests of investors and consumers alike.

It is still unclear to what extent the bilateral and multilateral donor organizations are planning to take part in the financial support needed to meet the needs of developing countries for the next two decades. The Council and its partners will be proactive in bringing this debate to the boardrooms of these institutions and stimulate development of attractive and realistic financing models. On the other hand, governments need to realise the impact sound water management can have on the well being of their society. It is the intention of the Council to bring these benefits to the forefront so that decision making on resource allocation for water management may be balanced and well founded.

We recognize the regional difference and national characteristics in the water sector. To some extent, we have completed the tapestry of the global scene. To complete this quilt we need to focus on regional issues especially for those related to Africa and Asia. Policy dialogues in all or in parts of these two continents are greatly needed so that our approaches may be tailored to meet the actual situation on the ground. We continuously need to seek partners and solicit support to get such work underway before it is too late.

The Council and the 3<sup>rd</sup> World Water Forum focused on the actions that are being taken around the world as a means of raising awareness that solutions are available and actions are being taken by many and on commitments to implement such available solutions. The Council contributed by establishing a Water Action Unit at the World Water Council Headquarters in Marseilles. The Forums are attracting a greater number of participants, the contributions of the organising countries have considerably increased in such a way that far exceeded the capabilities of developing countries, making it difficult for any of them to organize such conferences, in spite of the very importance of holding these conventions in a range of countries. The Council has taken international criticism on the Forums very seriously and has reviewed and adjusted the Forum processes where deemed necessary to meet the aspirations and expectations of the international water community.

During the 2<sup>nd</sup> World Water Forum we dreamed of it and after the 3<sup>rd</sup> World Water Forum we can proudly say that indeed a world water movement has been established. However, our work is not yet finished. The challenge is to keep this water movement going and to stimulate action to the benefit of water resources, their management and their users, especially the poor and impoverished. We have to be able to mobilise and use the resources we have at our disposal effectively. The Council is truly indebted to the City of Marseilles for strongly supporting the Council. The Council also thanks its governors and its members for the use of their knowledge and financing networks and of the scientific and professional associations.

Cairo, August 2003

**Dr. Mahmoud Abu-Zeid**

We all know that water is one of the major issues for the future of our planet. Water is becoming a scarce resource for billions of human beings and when available, water resources are often poorly managed. Increased scarcity and reduced quality have in turn severe consequences for many ecosystems and for many species. Finally, it is our life and the survival of the human species that is threatened.

Awareness of the urgency of the situation has increased dramatically in recent years. Water issues ranked high in the World Summit on Sustainable Development in Johannesburg as well as in many recent world meetings. Water is the first priority topic selected by the UN Commission on Sustainable Development for its work in 2004 and 2005. The Millennium Development Goals have become a central reference for many international and national institutions, and water is key to the achievement of many of these goals.

The World Water Council has obviously played a role in this increased awareness of the criticality of water issues and of its planetary dimension. The three World Water Forums, organized successively in Morocco, the Netherlands and Japan, were major global water events where water issues were addressed by the whole water community in a multi-stakeholder and multi-sectoral way.

Most of the Council's activities are in one way or another related to the Forum. The World Water Vision exercise, which was presented, in The Hague during the 2<sup>nd</sup> World Water Forum has become a reference for policy development and for implementation of water reforms. The analysis of what happened in The Hague has resulted in many activities and

projects initiated during the period covered by this report: the preparation of a report on world water actions, the establishment of a high-level panel on financing water for all, the launching of global dialogues on critical issues (Water, Food and Environment; Water and Climate).

This report summarises the action of the Council during the last triennium (2000-2003). In order to achieve the missions defined in its Constitution, the Council has organized its activities around four functions:

1. Raising awareness of the importance of water issues with the public at large;
2. Providing a forum where important issues are debated in a multi-stakeholder, multi-sectoral approach;
3. Building a network where members can share information and resources and collaborate on projects;
4. Advocating to ensure that water issues rise on the agenda of politicians and decision makers.

The first part of this report provides a presentation of the progress and results of activities and projects undertaken by the Council.

The second part details the tools used and the products of these activities. All of these are in one way or another related to communication: issuing reports & journals, organising international conferences, developing press and public relations, establishing international awards.

A lot of time and energy has also been devoted to “institution building”. The Council is progressively gaining maturity and as a result its identity is becoming clearer. To help and accompany this transformation, structural changes have been prepared. New commission and committees have been formed (the Commission on Legal and Financial Affairs, the Committee on Institutions and Governance and the Committee on Science and Technology). The Bureau and our Headquarters have been taking steps to strengthen our capacity and to add value to the work of our members especially related to internal and external communications, press relations and technical activities.

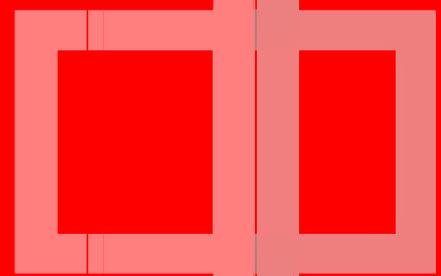
However, this development of the Council’s activities, particularly the technical ones, necessitates additional financial support. We need to raise our core funding and diversify our sources of financing to create a climate of stability and a sustainable work environment for the Council.

It has been noted that many institutions, in particular those in developing countries, find the cost of participating in the Council too high, including its membership fees. On the one hand, we need to increase and broaden our membership base and at the same time we need to have a solid financial base to meet the operation needs of the Council in a sustainable manner. To accommodate the desire of many members and the water community of becoming a more inclusive organization, revisions to our By-Laws and Constitution are underway to improve our administrative and governance processes. These developments are presented in the third part of this report.

Finally, an attempt to define what directions the Council could take in the near future is proposed in the fourth part. The World Water Council is still young –it was established in 1996- and clearly most of the task is ahead of us. Beyond awareness, the real challenge is to increase the financial resources devoted to water and to develop and implement new policies and innovative ways of managing them. These new ways require new methods to deal with the complexity of water issues in a way that integrates its various dimensions and involves all stakeholders. This issue deserves to be the top priority of the Council’s agenda for the years to come.

Marseilles, August 2003

**Daniel Zimmer**



The 2<sup>nd</sup> World Water Forum – From Vision to Action - in The Hague in 2000 generated a lot of debate on the World Water Vision and the associated Framework for Action, dealing with the state and ownership of water resources, their development potential, management and financing models, and their impact on poverty, social cultural and economic development and the environment. The Ministerial Declaration identified meeting basic water needs, securing food supply, protecting ecosystems, sharing water resources, managing risks, valuing water and governing water wisely as the seven key challenges for our direct future.

One of the major concerns of this 2<sup>nd</sup> Forum was to turn thinking into action. The implementation action is obviously not a task of the Council but still many issues were left unresolved and the Council initiated discussions on what priority areas for Council action could be identified. At the 2<sup>nd</sup> General Assembly in Marseilles, in October 2000, the Council set about refining the foundations provided by the World Water Vision and the associated Framework for Action.

This resulted in the following priority areas:

- water policy and governance,
- financing water infrastructure and management
- global change and water security,
- balancing the multiple uses of water,
- managing conflict and
- reducing poverty through sound water management.

Based on these priority areas, programmes were formulated and implemented in partnership with other key players.

The Global Water Partnership (GWP) took up water policy and governance as their Dialogue on Water and Governance. In co-operation with GWP, the Panel on Financing Water Infrastructure was established under the chairmanship of Michel Camdessus – former General Manager of the International Monetary Fund (IMF). Dealing with water security, balancing multiple uses of water and managing conflicts was accommodated in the dialogues on Water Food and Environment (DWFE), Water and Climate (DWC) and Water and Politics as part of DWFE; the Council participated and still participates in their implementation in partnership with many of its members. All these activities have to be seen in the context of the reduction of poverty and improvement of the environment in a sustainable way.

The Council also established the Water Action Unit, whose aim was to analyse to what extent commitments and pledges made at the 2<sup>nd</sup> World Water Forum were being implemented, what actions were being initiated and what were the successful approaches being adopted.

In the next sections, the role of the Council in these various programs, their implementation and impact are described in more detail.

# World Water Actions

Among the commitments made at the 2<sup>nd</sup> World Water Forum in March 2000, was the establishment of a monitoring system of actions initiated by the Forum or the World Water Vision.

This commitment became reality through the setting-up of a Water Action Unit in the World Water Council's Headquarters during the summer 2001. The mission of the Unit was to provide a complete World Water Actions report to the 3<sup>rd</sup> World Water Forum, through a comprehensive tracking, gathering, analysis and synthesis of water-related information and actions during the period March 2000 – March 2003, so as to demonstrate progress and areas where more effort is still needed.

Inventoried activities included the development of water resources management programs, assessment studies, development of indicators, monitoring programs, creation of databases and knowledge-bases, international dialogues and think tank activities on water management techniques, policies, financing, and evaluation of commitments and pledges announced at The Hague. More than 3200 actions were collected in this effort, documenting numerous water success stories and suggesting many elements of the water future.

## Box 1. Recommendations for World Water Actions

Water is everybody's business. And everybody, as individuals, communities, private and public organizations, governments, and international organizations, needs to take on responsibility for realizing a safe water world. In all of these roles, there are vital priorities for everyone:

1. Governments and local authorities to acknowledge the importance of water to development and poverty reduction by mainstreaming water in strategies and master plans for all WEHAB sectors
2. Governments and local authorities to increase investments for water development
3. International financial institutions and bilateral donors to prioritize support to countries that face their responsibilities towards water, as stated above
4. Governments and international financial institutions to adopt measures to attract financing for infrastructure
5. International institutions to deepen understanding and expand public awareness of the benefits of water and improved water management
6. Service providers to improve the quality and efficiency of service provision, operation, and maintenance
7. The United Nations, in preparing the declaration for the Decade of Education for Sustainable Development, to take into account the important role of water in sustainable development.
8. Governments to focus on capacity building for the new institutions created by decentralization and their newly assigned roles and tasks
9. Governments, industry, agriculture, and people in their daily lives to contribute to eradicating existing pollution and ensuring that development does not increase pollution
10. Community organizations, non-governmental organizations, private and public sectors, local administrations, and national governments to work in partnership for the best in water management, because water is everybody's business
11. International institutions to facilitate cooperation in the joint management of trans-boundary water systems
12. Water managers, in collaboration with climate and water scientists, to develop ways to better adapt to climate variability and to reduce the human suffering caused by floods and droughts
13. International institutions to establish a global monitoring system covering the state of water resources, activities in the water sector, and progress towards the Millennium Development Goals

Source: *World Water Actions: Making Water Flow for All*

*World Water Actions: Making Water Flow for All* is the main contribution brought by the World Water Council to the 3<sup>rd</sup> World Water Forum. It builds on the results of the 1<sup>st</sup> and 2<sup>nd</sup> Forums, and presents an overview and analysis of the thousands of on-going actions that are addressing the urgent priorities identified in the World Water Vision. By issuing three draft reports over their two-year mission, widely distributed within the water community, the Water Action Unit aimed to ensure that the report reflected a broad cross-section of opinions and feedback through a participatory process.

The CD-ROM that accompanies the book contains a searchable Actions Database on which the analysis of the report is based, and documents innovative global water programmes and water success stories from projects (planning, preparation or implementation), applied research and studies, awareness-raising campaigns, policy, legal, and institutional reforms.

This report is unique in characterising the on-going water actions in the past three years, in exposing its conclusions to public debate during the 3<sup>rd</sup> World Water Forum, and in analysing the outcomes of the 3<sup>rd</sup> World Water Forum in terms of debate commitments. It gives an accurate picture of all the issues in the water sector, and of the attempts made to address them. It stresses that solutions to the world's water problems are not quick or easy. However, the Water Actions show that for most of the problems someone has devised a solution or is developing one. Achieving the Millennium Development Goals (MDGs) by 2015 necessitates that water actions be further developed and multiplied to ensure that water will truly flow for all.

The Actions Database with its web-based management allowed other interest groups to utilize the system software. The Council is engaged in a partnership with the World Youth Water Forum where they can utilize the database for their action monitoring purpose while their actions will automatically be added to the Actions Database.

The value of the exercise was recognized and strengthening of monitoring efforts has been emphasized by many, especially in the context of the achievement of the MDGs.

#### Box 2. The Water Action Unit

François Guerquin, Coordinator,  
seconded by Water of Marseilles Group

Tetsuya Ikeda, seconded by the Government of Japan.

Vedat Ozbilen, seconded by the GAP Administration,  
Turkey

Tarek Ahmed, seconded by the Ministry of Irrigation and  
Water Resources, Egypt

Mi Hua, seconded by the Public Health Bureau of Guangxi  
Province of China

Marlies Schuttelaar, seconded by the Government of the  
Netherlands



# Financing Infrastructure

At the Rio Conference on Environment and Development in 1992 it was recognized that more financial resources would be needed for sustainable development and poverty reduction. Freshwater was identified as a major issue where significant additional resources were needed.

At the 2<sup>nd</sup> World Water Forum in The Hague in March 2000, the World Water Commission reported to the Ministerial Conference that an estimated investment of US\$ 100 billion a year is needed in the water sector, in addition to the current expenditure of US\$ 80 billion, if we are to meet the needs in water infrastructure for the growing worldwide population over the next 25 years as well as the needs for agriculture and for pollution control.

In response to these calls, the World Water Council, the Secretariat of the 3<sup>rd</sup> World Water Forum and the Global Water Partnership came together in September 2001 to sponsor a panel to consider solutions to the future global financial needs of the water sector. Chaired by Michel Camdessus, the panel consisted of personalities representing the key parties involved in financing investments in water infrastructure and management like financiers, donors, water managers, NGOs and scientists.

The report produced by the Panel *Financing Water for All* was widely noted and discussed on the occasion of the 3<sup>rd</sup> Forum and the Ministerial Conference, and a number of its proposals are already being considered and adopted.

The good news from the Panel is that the financing requirements can be met and funding can be found if all financial institutions, central and decentralised governments, public and private enterprises, civil society co-operate in facing this challenge. This means that sub-sovereign entities and enterprises should have better access to financial markets and that International Financing Institutions (IFIs) and Central governments should enable this. While ensuring public control over resources, the involvement of the private sector in providing water services and financing of investments may also help in the future but this requires predictable and

transparent regulatory frameworks that protect the interests of investors and consumers alike.

The Council and GWP have established a Follow-Up Group (FUG) to motivate institutions to consider the findings and recommendations of the World Panel on Financing Water Infrastructure and to monitor the actions and their effectiveness of central governments, agencies and NGOs, banks and private investors, donors and international Financing agencies, and the UN agencies. Follow up activities comprise:

- Information and deliberation at the G8 Summit in Evian to bring financing problems to the attention of the heads of state
- Development of a specific component on financing in the monitoring programme by establishing a group of people that will act as a "control tower", looking to oversee the development of financing and financing instruments for the water sector
- Sending a letter to the Secretary General of the United Nations with the request to establish a group of 'wise persons'
- Creation and activation of a "Ginger Group" - a group of ministers and wise persons from the financing water sector to place the recommendations of the Panel on International Financing Institutes board's agenda for discussion (as in IBRD and IADB)
- Development of modes for sub-sovereign lending and access to financial markets

The Council is linking various components of financing infrastructure with some of the Council's other programmes, such as the benefits of water and sound water management, the follow-up of World Water Actions and the Water and Politics Dialogue.

The Panel also stressed the fact that water was not so often and not sufficiently among the top priorities of many countries, the reasons for which need to be better understood.

### Box 3. Panel on Financing Water Infrastructure:

#### Conclusions:

1. The flow of funds for water infrastructure has to roughly double, and the increase will have to come from all sources
2. Governments have not in practice been giving enough priority or resources to their water sector. Because the sector tends to be decentralised, policies need to be addressed to the appropriate levels
3. Sector institutions badly need reforming if they are effectively to absorb increased funding. A major effort of capacity building is required, with the support of donors and other parties
4. Sustainable cost recovery is essential, both from the generation of more internal funds, and from governments creating a stable future framework for revenue transfer
5. Responsibilities for water have been delegated to local bodies, a move in the right direction, but without conferring enough powers, human resources and finance to make it work
6. Local community organizations and local businesses are vital to the task of improving services and need better access to resources and powers to do this. Service-oriented NGOs can be a useful support
7. International loans and equity investment in water have been low and falling; banks and private companies are now more aware than ever of the risk-reward trade-off
8. Official aid for the water sector has also been falling, but there are good prospects for a reversal of this, provided the sector is restructured to absorb it efficiently. Aid increases should be well targeted and used to stimulate flows from other sources
9. The sovereign risk on projects, including foreign exchange risk, is a key disincentive that must be addressed if international loans and equity are to be attracted to water projects in emerging markets

#### Proposals:

1. Each country should produce a national water policy and plan, including specific programmes to meet the MDGs and beyond, countries should report annually their achievements towards the water MDGs. Governments should provide predictable public revenue frameworks to their water service providers, and create the conditions for private funding, including regulation
2. Central governments need to work out better financial relationships with sub-sovereign bodies with crucial responsibilities for water, such as local governments and water utilities
3. Both public and private water providers should be able to borrow more of their capital locally, thus reducing the foreign exchange risk
4. Water service providers should aim for revenues sufficient to cover their recurrent costs, and should develop sustainable long-term cost recovery policies, anticipating all future cash flow needs
5. Funding for capacity development in water institutions should be a high priority for the use of ODA
6. Corruption is an issue in both the public and private sectors. Executing agencies should be made attractive for high-calibre leadership, accountable for performance and delivery. Integrity standards should be worked out, agreed and implemented by all interested parties
7. The panel recommends the creation of a Revolving Fund consisting of grant money to finance the public costs of preparation and structuring of complex projects, including PSP and other innovative structures

## Public-Private Partnerships

Public-private partnerships are one of the controversial issues on which the Council has been active over the last three years. The Council recognizes the need for dialogue on this issue, and recognizes in particular that partnerships should in fact be tripartite, also including the local communities. Two main activities have been organized:

1. In collaboration with the French Institut de la Gestion Déléguée (Institute for Delegated Management) a side-event was organized in the shape of a seminar on the theme Public-Private Partnerships in Water Infrastructures during the International Conference on Freshwater in Bonn - December 3-7, 2001. The seminar dealt with institutional, legal and practical aspects of partnerships and made it possible for the participants to identify the fields where public-private partnerships could be desirable and what the key factors for success could be in an environment controlled by public operators.
2. Public-private partnerships remained one of the major controversies in Kyoto. The Council was the coordinator of the theme Public Private Partnerships during the 3<sup>rd</sup> Forum along with the Council of Canadians. The discussion in Kyoto among the pro and contra of private sector participation was a confrontation of ideological nature with the "anti-privatisation" groups, which are very sensitive to globalisation and liberation of trade. These groups also warn about the possible conflict of interest in the management of water utilities and the management of water resources. The discussion focused mainly on the ownership of public resources like water, their management and the guiding principles on pricing policy and the ethical question of making profit on public services.

Real privatisation in the water sector would mean that ownership of water resources and pricing policies are in the hands of the private sector. This is not supported by the World Water Council. The position of the Council is that (i) a wide range of solutions may be possible to successfully manage water utilities and that (ii) local authorities should be able to make their own choices taking into account their capacities and the wishes of their constituency. One of the dangers of a confrontation on the issue of public-private partnerships is that it sidetracks the discussion on the need for capacity building and strengthening of the public sector, which is in charge of 97% of water services worldwide. Dialogue must continue but this issue should not be forgotten.

## Dialogue on Water and Climate

There has been little interchange between water managers with the climate community. Water infrastructure designs have been based on historic records and their management on hydrological observation stations. There thus has not been a perceived need to seek medium and long-term climate forecasts. Meteorologists are getting better at forecasting extreme weather with longer warning times. Growing knowledge of the processes involved in phenomena like El Niño, also means that seasonal climate variability can be anticipated with more confidence in affected regions.

However, because there has been little interchange with the water sector, the climatologists are often not being made aware of the kind of forecasts and modelling tools needed to serve the water managers. Their forecasting and warning systems are designed largely for aiding emergency planning and relief operations.

The Dialogue on Water and Climate (DWC) was launched with the support of the Netherlands Government and a consortium of organizations, amongst which the Council, in September 2001. Its aim was to bring together water managers and climate specialists, raising awareness of climate implications, and transferring knowledge and experiences. The DWC initiated some 18 stakeholder dialogues at national, regional and river basin levels. These individual dialogues have been successful in addressing the implications of climate variation and climate change in their own situations. The dialogue concept was recommended as a useful model for countries to adapt to their own circumstances, thus responding to the challenges of water management in a changing climate. The report of the Dialogue was presented under the Water and Climate theme at the 3<sup>rd</sup> World Water Forum. One of the recommendations in the summary statement under this theme was that Climate Dialogue activities should be continued.

Because of strong demand from the regions, the Netherlands Government agreed to allow the remaining funds under the DWC to be used for establishing a process to continue the dialogue activities. A draft proposal for the establishment of a Co-operative Program on Water and Climate was submitted to a meeting of the DWC International Steering Committee in Stockholm in August and received strong support. The proposal is now being refined and donor support is being sought. It is expected that the Council will continue to be a leading partner in the ongoing activities.

# Dialogue on Water, Food and Environment



The 2<sup>nd</sup> Forum acknowledged the conflict between environmental and human demands for water. At least 1.4 billion people live in basins where current water use is already heavily drawing on the environmental water requirements. As the sum of environment and human needs are greater than the resources available, the need for a multi-stakeholder approach to make necessary choices on water allocation priorities is pressing. Ecosystems are not only water users, but also and equally importantly water service providers. Environmental flows, with consideration to quantity, quality and timing, are an essential component of the catchment management approach.

The Council as one of its initiating partners, participates in the Dialogue on Water, Food and Environment to develop and understand dialogue processes among stakeholders to bridge the gap between especially the food and environment sectors and to develop mechanisms to increase the productivity of water for food and livelihoods in a manner that is environmentally sustainable and socially acceptable. Continuation of these programs is essential to initiate discussions, create dialogues, help sectors understand each other and help make well-founded and acceptable choices on water allocation.

The Council contributes to this dialogue through two programs: Virtual Water Trade and Water and Politics. Moreover, the World Water Actions are available as part of the dialogue's knowledge base.

## ***Virtual Water Trade***

In collaboration with other institutions<sup>1</sup>, the World Water Council is engaged in stimulating and implementing research and debate on the natural, social, environmental, economic and political implications of using virtual water trade as a strategic instrument in water policy, that is of interlinking water, food and trade policies at various levels

At the 3<sup>rd</sup> World Water Forum, the session on Virtual Water-Trade and Geopolitics attracted more than 200 participants from many different groups of society such as government officials, researchers, NGO representatives, environmentalists, anti-globalists and donors.

The objective of the session was to create a better understanding of virtual water and virtual water trade and to share views and ideas on its application and its consequences. The session concluded that virtual water trade between nations could help relieve the pressure on scarce water resources and contribute to the mitigation of water scarcity at both local and global levels. However, including virtual water as a policy option requires a thorough understanding of the impact of virtual water trade on the local, social, environmental, economic and cultural situation. Local, national and regional food security should be enhanced by appropriate agreements in agricultural products trade while respecting the nation's right to food sovereignty.

The session also recommended the development of a water footprint indicator, which similar to the ecological footprint (related to land use) could provide insight into the sustainability of water resources management by countries.

The Council also launched an e-mail conference to continue the discussions started in Kyoto in order to enhance the understanding of different viewpoints on the impacts of virtual water trade. Other activities will include the development and dissemination of common procedures and standards for virtual water accounting, the development of the "water footprint" indicator, of tools for analysing the impact of virtual water on local socio-economic and cultural conditions and analysis of the impact of diet change on water resources.

<sup>1</sup> Partners in Dialogue : FAO, GWP, IFAP, IUCN, ICID, IWMI, UNEP, WHO, WWF, WWC

## Water and Politics

A programme on water and politics has been launched following recommendations made after the 2<sup>nd</sup> General Assembly. A first step in this programme is the setting up of a project with IUCN who accepted to add political analysis components to some of their projects.

The objectives of the programme are to have a better understanding of the political processes related to decision making on water related issues, the reasons why certain reforms are successful and others not and how power structures drive governance structures.

The approach to the programme will be to generate four case studies where through a process of situation analysis and issue identification, relevant stakeholders may be trained in policy network management. By further implication of politicians in water policy dialogue, strategies will be devised to engage key stakeholders for long-term financial and political support. In this context the important political processes and power structures will be identified and lessons will be generated from the activities on local basin and national level. The river basins included in the case studies are Mexico (Costa de Chiapas), Tanzania/Kenya Pangani River Basin, Volta River in Ghana and Burkina Faso and the Mekong River Basin (Thailand, Cambodia, Laos). These case studies will be accompanied by a global analysis.

The Council has received a financial contribution to launch a programme on Water and Politics from the Government of the Netherlands. A workshop will be organized before the end of 2003 to further elaborate the programme.





## The 3<sup>rd</sup> World Water Forum

The World Water Forum is the main event of the World Water Council. Organized every three years, the Forum plays an important role in raising awareness of major critical water issues and placing them higher on the agendas of international and national policy and decisions makers.

The 3<sup>rd</sup> World Water Forum in Kyoto, Shiga and Osaka marked the culmination of three years of intensive preparation, networking and advocacy activities by the World Water Council and the Secretariat of the 3<sup>rd</sup> World Water Forum. The final programme contained 351 sessions under 38 themes. The format that had been initiated at The Hague was used once more. A Ministerial Conference, a business fair and a film festival accompanied to the major conference, creating the ideal platform to address such vital issues as how to reach the Millennium Development Goals.

The Council was present at every stage of the preparatory process of the Forum. The Organizing Committee of the 3<sup>rd</sup> World Water Forum, co-chaired by Dr. Mahmoud Abu-Zeid and Mr. Ryutaro Hashimoto, Chairman of the Japanese National Organizing Committee, was established as early as June 2001 and met on a number of occasions during preparation.

Since the establishment of the Secretariat of the 3<sup>rd</sup> World Water Forum in Kyoto, the Bureau and the Headquarters had been in permanent relation with the Japanese staff, privileging communication and cooperation in a transparent way. The public relations activities were developed in coordination. The Council's communication tools such as the Newsletter and website also served as outlets for the dissemination of the information and the promotion of activities.

As such, the Water Action Unit was able to monitor the discussions of the Virtual Water Forum and utilize the messages sent through the Water Voice project, which were incorporated in their World Water Actions database and report.



The report prepared by the Water Action Unit, *World Water Actions: Making Water Flow for All* was the main contribution by the Council to the Forum. The conclusions drawn from the hundreds of actions collected served as a basis for public debate during the Forum.

Many of the Council members were very active in the preparation and implementation of the Forum sessions. The Council organized and co-organized several sessions and was also the theme coordinator for the following themes:

- Financing Water Infrastructure in partnership with GWP
- Dams and Sustainable Development with UNEP
- Public-Private Partnership with the Council of Canadians
- Regional day of the Middle East and the Mediterranean in partnership with GWP, MEDTAC and the World Bank

The Headquarters of the Council has prepared a critical evaluation of the 3<sup>rd</sup> Forum, which is presented in a separate document.

### **The Ministerial Conference**

The Ministerial Conference was organized by the Ministry of Foreign Affairs of Japan. It brought together approximately 1,300 delegates, including 130 representatives at the ministerial level from 170 countries. The basis of discussion during the Conference were the portfolio of World Water Actions and the Ministerial Declaration. The Council was among the participants at the Ministerial Conference, and as such was invited to prepare its own commitments.

## Other International Events

Participation in international conferences provides both a great visibility for the World Water Council and the many activities in which it is involved. They are unique opportunities for advocacy, awareness raising and linking onto the political and policy dimensions of the national and regional water sectors. This was the case at the following main events:

### ***Annual Stockholm International Water Symposium***

Each year, the World Water Council is an active participant in the annual August Stockholm Water Symposium, presenting a booth with promotional material on its activities, organising or co-sponsoring sessions and taking the opportunity for development or monitoring of joint programs with GWP and other partners.



### ***International Symposium on Urban Water Management Marseilles – June 18-20, 2001***

With the International Hydrological Programme of UNESCO being one of the Council's Constituent Members, the World Water Council, together with the Académie de l'Eau de France, the City of Marseilles and the Marseilles Water Group, provided organizational and logistical support to the preparation of a symposium entitled "Frontiers on Urban Water Management: Deadlock or Hope?". It was attended by over 150 distinguished engineers, scientists and urban planners from 51 countries. A book was also published as a contribution to this Symposium.

### ***International Conference on Freshwater Bonn - December 3-7, 2001***

The Bonn Conference was an important milestone on the road to Johannesburg and to the 3<sup>rd</sup> World Water Forum in Kyoto. It was attended by 2300 delegates from 135 countries including about 50 ministers. Twenty-seven delegates represented the Council.

The World Water Council, in collaboration with the Institut de la Gestion Déléguée (Institute for Delegated Management), organized a side-event in the shape of a seminar on the theme Public-Private Partnership in Water Infrastructures, dealing with the institutional, legal and practical problems for the participation of the private sector.

### ***World Summit for Sustainable Development, Johannesburg WaterDome – August 28- September 3, 2002***

In Johannesburg, thanks to an initiative of the Dutch government, the whole water community was present in a unique place: the WaterDome. The World Water Council was accredited as a major stakeholder and was involved in the PrepCom meetings, which aimed to prepare the Summit.

With the objective of making our voice louder and demonstrating our willingness for cooperation, the GWP, the Secretariat of the 3<sup>rd</sup> Forum and the Council shared a pavilion under a common slogan "One world, One water". This collaboration was fruitful and helped to cement the spirit of cooperation between the two organizations. The pavilion, designed in an attractive fashion with colourful panels and posters, attracted thousands of visitors. Several member organizations took the opportunity to be represented on the World Water Council's booth and sent promotional material for distribution.

The media were greatly represented. The Council was one of the supporting organizations of the Water Media Network, a two-year World Bank Institute training program for journalists from developing countries, on water sector issues leading up to the 3<sup>rd</sup> Forum.

The participation of the Water Action Unit, their outreaching efforts through daily participatory meetings and live demonstrations of the World Water Actions database contributed to a positive interaction with visitors, and resulted in valuable input to preparation of the report.

In partnership with GWP, we held the session Solving Water Problems: Finding the Finance, which inspired good participation on the part of both panellists and attendees. The Panel included H.E. Dr. Mahmoud Abu-Zeid, HRH the Crown Prince of the Netherlands and high-level dignitaries from NGO's and donor agencies.

The high mobilization of the water community helped to increase the awareness amongst the international community of the key role water plays in sustainable development and in the achievement of most of the MDG's. Most notably, the Millennium Development Goal related to reducing the number of people without access to sanitation was adopted in Johannesburg.

### ***G8 Summit in Evian, June 1-3, 2003***

Together with other international organizations, the World Water Council was engaged in making its voice heard during the recent G8 meeting in Evian, France, at which the French Government took the initiative to bring water issues onto the discussion table and to give them a high priority on the G8 agenda. The Council and the Secretariat of the 3<sup>rd</sup> Forum informed the heads of state by a letter of the outcomes of the Forum in Japan and requested political and financial support in implementing the aspirations of the participants of the Forum.

Similarly, a letter jointly signed with GWP was sent to the heads of state of the G8 countries requesting their support in considering which of the Financing Water Infrastructure Panel's recommendations they could take on board.

In collaboration with a number of its member organizations (Green Cross International, IUCN – The World Conservation Union, the International Secretariat for Water) and additional partners (GWP, Programme Solidarité Eau, the International Network of Basin Organizations and WWF), the World Water Council also presented an official letter requesting that priority attention be given to the management of trans-boundary rivers, lakes and aquifers basins.

A water action plan endorsing most of our recommendations was adopted by the Summit.

## **Communications**

In March 2001, a Council communication programme was established for the Headquarters to implement. The communication programme of the Council aims to:

- Reinforce the image of the Council as a credible spokes-organization for the water sector
- Increase public awareness through improved media relations
- Strengthen our members network
- Inform and influence decision-makers on strategic water issues and policies

This strategy was progressively incorporated into the various communication activities and tools.

### ***Media Relations***

The Council, aware of the importance of press relations in raising public awareness on the water crisis, has made significant efforts to clarify its messages and utilise various opportunities in this objective. Press material was prepared such as press releases and press kits. A special section open to the media was opened on the website. Press conferences were organized and co-organized, and many interviews with representatives of the Council were arranged.

The Johannesburg World Summit on Sustainable Development and the 3<sup>rd</sup> World Water Forum provided such opportunities to enhance the visibility and public image of the Council and its members in the media.

Throughout the preparatory process of the 3<sup>rd</sup> Forum, and at the Forum itself, the Council's communication team collaborated with that of the Forum Secretariat in Japan and two specialised public relations agencies: "Hoffman & Hoffman Worldwide" from Washington DC who were responsible for global media relations, and the Paris-based "Michel Aublanc Conseils" who were responsible for relations specifically with French-speaking media from France, Belgium, Switzerland, francophone Africa and Quebec. The media response to the Forum was considered overwhelming with two to four stories filed per day by the main worldwide wire services and 130 radio and TV stories, out of which 43% included interviews with members of the Council.

With the Water Media Network, the Council also participated in the setting up an international contest for journalists, a unique initiative which attracted many participants.

During the G8 meeting in Evian, a public service announcement (PSA) on the Millennium Development Goals (MDGs), developed in partnership with the renowned public relations firm Saatchi & Saatchi, was shown several times free of charge by two French TV channels (TF1 and M6). The message was "1.2 billion people on this earth are still deprived of drinking water – today, reducing this number by 50% is possible - World Water Council".

The Council also signed a partnership with Taxi Brousse, a Paris-based company producing documentary movies. Two journalists filmed during the 3<sup>rd</sup> World Water Forum and interviewed a large number of the Council's Governors and other VIPs present at the Forum. This material will be used for a documentary on water issues for a thematic evening on water issues on the German-French TV channel "Arte".

Such actions contributed to reinforce the presence of the Council in the media of French and French speaking countries in particular. Efforts will now have to be made to develop a strategy aimed at international media campaigns.

### ***New Logo***

With the objective of creating a more modern logo and a more attractive image, and to unify the image of the World Water Council and that of the World Water Forum, the Bureau of the Council came to the decision in January 2001 to have the Council's logo redesigned and so that it could be jointly used with the World Water Forum. With an active contribution from the Secretariat of the 3<sup>rd</sup> World Water Forum, an international contest was organized. More than 2,000 entries from 70 countries were received. The winning work was announced during an official ceremony at the 2001 Stockholm Symposium.

### ***Enhanced Promotional Material***

As a consequence of this new logo, the image of the Council was reviewed, and all communication materials changed accordingly. A new folding booth was created, which has been displayed at major conferences in which the Council has been involved, creating an attractive environment. A number of brochures, including a membership brochure, were reviewed and redesigned in order to more accurately reflect the Council's new priorities, strategy and structure.

### ***Upgraded Website***

In March 2002, the Council launched its newly remodelled website aiming to make it an easy-to-use information source on water. New functions included the development of a service-oriented approach including a members' section. Substantial issues were also given more emphasis with major issues (finance, water crisis, etc.) being progressively documented and developed. A database of actions prepared by the Water Actions Unit along with a search engine were also created for the purpose of the Water Action Unit Library, which later on inventoried 3200 actions.

Between September 2002 and July 2003, the rate of monthly hits on the website was around 12,000 with a peak of 20,000 hits and almost 50,000 pages visited in March 2003, the month of the 3<sup>rd</sup> World Water Forum. More than 100 countries were represented amongst the visitors.

# Publications

The Council produces and co-operates in the publication of various outlets, from reports to conference or workshop proceedings, and periodicals.

## **Water Policy Journal**

Among the publications regularly issued by the Council, the Water Policy Journal, a scientific journal devoted to international water policy issues, provides a forum for dialogue between the various actors involved in the water sector.

Every member of the Council receives a subscription to the Journal as part of the membership benefits. Six issues are produced per year.

Until early 2003, the publisher of the Water Policy Journal was Elsevier Science. After five years of collaboration, Elsevier decided to withdraw from the joint venture for commercial reasons. Consequently, the World Water Council called for proposals and selected IWA Publishing as the new publisher, starting in January 2003.

Recent data show that the Journal is reaching a larger audience and attracting an increasing number of senior authors.

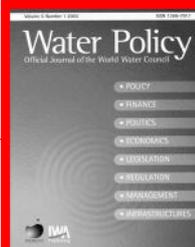
## **World Water Actions: Making Water Flow for All**

The report prepared by the Water Action Unit was the WWC's main contribution to the 3<sup>rd</sup> World Water Forum. It presents an overview and analysis of more than 3,000 actions, which address the priorities identified by the World Water Vision, building on the results of the 2<sup>nd</sup> World Water Forum. It was officially launched at the 3<sup>rd</sup> Forum, and served as a basis of discussion for the Ministerial Conference. Three drafts were prepared, with the final version, which incorporates inputs from the Forum, to be published in time for the 3<sup>rd</sup> General Assembly meeting.

## **Country Reports**

As a follow-up to the formal pledges or statements of intent released at the Ministerial Conference of the 2<sup>nd</sup> World Water Forum, a number of countries took the initiative to prepare their own reports of Water Actions. The reports summarize the main actions and measures implemented by the countries to achieve improved water management and to face future water challenges.

Egypt, France, Turkey, Germany, China, Indonesia, Japan and Mali prepared such reports. They provide a complementary picture of the Water Actions initiated in these countries since the 2<sup>nd</sup> World Water Forum.

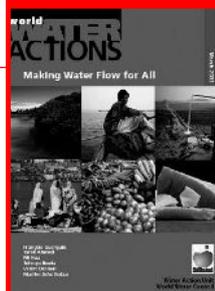


## **Vision of the Arab Countries**

As a part of the World Water Vision project, regional visions were prepared with the aim of involving the stakeholders of each region in the development of their own regional vision. *The Vision of the Arab Countries* was one of them. The printed book was finalized in February 2003 and was widely distributed in Kyoto.

## **Changing Course**

Changing Course was the report of the technical sessions, which were organized on the occasion of the 2<sup>nd</sup> General Assembly of the Council, in Marseilles, on October 18-20, 2000. It sets about to examine what was learnt from combined efforts, what issues may not have been sufficiently dealt with in The Hague and should therefore be the priority issues for all those concerned with these issues in the world in general, and more specifically within the World Water Council.



## Water Awards

The Council established in co-operation with prestigious partners two new awards with the aim of having a political tool at its disposal to stimulate awareness and reflection toward water issues. They are both to be awarded on the occasion of the triennial World Water Forum.

### ***King Hassan II Great World Water Prize***

The award was created by the Council and the Government of the Kingdom of Morocco in March 2000. The theme for the inaugural 2003 edition was "Cooperation and solidarity in the fields of management and development in water resources."

The inaugural award of the Prize was highly publicised. Among the 24 nominations of candidates received, 20 candidates were accepted for submission to the Jury, and two joint prize winners were selected :

- Dr. Jerson Kelman,  
Director of the Agencia Nacional de Agua, Brazil
- H.E. Dr. Mahmoud Abu-Zeid,  
Minister of Water Resources and Irrigation of Egypt.

The Prize was awarded during the 3<sup>rd</sup> World Water Forum at an official ceremony chaired by His Royal Highness the Prince Moulay Rachid.

A sum of US\$ 50,000, a trophy and a certificate were offered to the winners.

### ***Kyoto Water Prize***

The City of Kyoto and "Sorooptimist International of Kyoto" in partnership with the Council, created the Kyoto Grand World Water Prize aiming to promote the solution of global water issues. It was announced during a press conference held on the occasion of the 3<sup>rd</sup> World Water Forum.

The Prize aims to honour a distinguished individual or organization whose long term and continual activities have aimed to benefit all citizens by addressing critical water issues in developing countries. These include water and health issues such as sustaining safe drinking water and preventing water contamination. Countries, local self-governing bodies and commercial corporations are not eligible candidates.

The Prize will be awarded for the first time at the 4<sup>th</sup> World Water Forum in March 2006. The city of Kyoto will award the selected recipient YEN 5,000,000, an additional prize, and a certificate of merit.

## Improving the Organization of the Council

At the 2<sup>nd</sup> General Assembly in October 2000, the Council took the opportunity of the large attendance to organize three workshops, one of which focused on “The way forward for the Council”. A number of recommendations were formulated in order to improve the efficiency of the Council at various levels, with respect to relations with decision and policy makers, with other water related organizations and the role of future Forums.

At the end of 2001, a survey was prepared and sent to all members of the Council, with the aim of receiving feedback on the role and priorities for the Council and its Headquarters. The results highlighted its role as a thinktank, a network and an advocate for water policy change. Gaining a greater voice amongst civil society and obtaining more balanced geographic representation were other priorities identified by the survey.

Based on these conclusions, the Board of Governors, in November 2002, discussed and approved a number of proposals on the re-organization of the Council, aiming to reduce the number of bodies dealing with administrative matters on one hand and increase the role of bodies dealing with substance, for an improved balance between the two bodies. Among those, was the establishment of a Commission on Legal and Financial Affairs, in charge of supervising all administrative activities of the Council and the establishment of two committees related to policy issues and the development of Council positions on such issues.

- The Commission on Legal and Financial Affairs is composed of 10 members of the Board. The Commission incorporated the various committees previously in charge of financial affairs, as well as tackling issues related to Associate

Centres, Membership, the Constitution and the By-Laws. Its missions are mainly to supervise all administrative activities of the Council, advising the Board and the Bureau on these matters, and proposing changes to improve the management of the Headquarters and the governance of the Council.

- The Committee on Institutions and Governance whose mission is to identify important issues related to water, institutions and governance, develop positions for the Council and raise awareness on major cross-sectoral issues such as Financing Water Infrastructure, Water and Politics, Virtual Water Trade, Trans-boundary waters and Networks to lobby for political attention and intervention.
- The Committee on Science and Technology which is more oriented towards issues related to water, science and technology, therefore looking at the dams issue, but also water and climate change, Water Food and Environment, Monitoring, Benefits, etc.

The chairperson invites membership of the Committees based on the defined roles and responsibilities. The Committees defines issues, working programmes and activities within the mandate/mission approved by the Board of Governors. The chairperson, in cooperation with the Council’s Headquarters, identifies funding and other resources necessary for the implementation of the proposed activities and programmes. The committee organizes the working process for specific activities through the establishment of working groups and expert panels, and initiates, facilitates, monitors, supervises and if necessary intervenes in the activities.

# Extending and Balancing the Membership

The World Water Council currently brings together 298 members from more than 50 different countries.

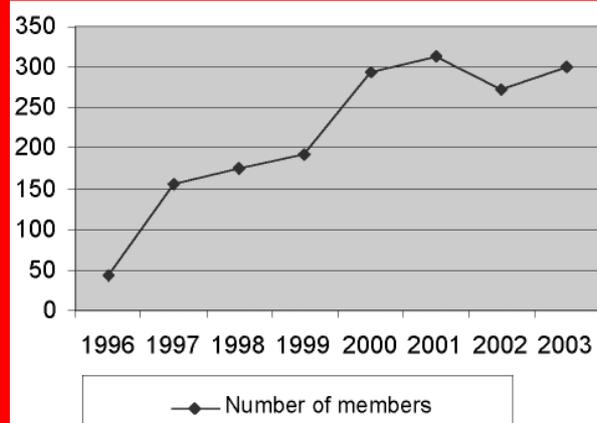
## Evolution of Membership

The number of members greatly increased in 2000, the year of the 2<sup>nd</sup> World Water Forum and the 2<sup>nd</sup> General Assembly. Despite this encouraging trend, the following year was marked by a significant decrease in the payment of the membership fees, which led to the Board of Governors dismissing 49 members for their continued non-payment. The first priority for the Headquarters was therefore to retain existing members and motivate them to regularly pay their membership fees. (See Annex 5)

The effort made by the Headquarters to improve the relationship with the members has been fruitful. Members are now paying their fees earlier in the year, and a good amount of previously non-active members have paid their arrears. Since the beginning of 2003, the Headquarters has also received an increasing number of applications, due to increased Council recognition and the membership drive carried out by the Council Headquarters. A membership brochure has been produced and distributed in all the major water events that the Council has taken part in, and the website section has also been improved to allow in particular on-line applications.

### Box 4. Membership drive in figures

- 200 applications distributed at the Johannesburg WaterDome (Aug.-Sept. 2002)
- 150 distributed in Stockholm (Aug. 2002 and 2003)
- 110 letters sent in a targeted membership drive (Feb. 2003)
- 338 letters sent to contacts established at the 3<sup>rd</sup> Forum (March 2003)
- 2800 other contacts regularly receive the Newsletter (published on a bi-monthly basis), in addition to members
- 1500 membership brochures printed – 1250 copies distributed (2002-2003)



## Origin of the Members

The Council is making a great deal of effort to balancing its membership in terms of regional spread and sectoral representation by:

- The "Grass-Root NGOs Initiative" aiming to recruit and grant one year's free membership to 6 Grass-Root NGOs active on water and gender issues. The Bureau decided to extend the waiving of the fees for one further year.
- Developing a targeted membership drive: The Headquarters has made direct contact either by e-mail, letter or physical contact during conferences with organizations from under-represented regions and which would have undoubtedly a great input in the Council network.
- Preparing a reform of differentiation of the fees. The Commission on Legal and Financial Affairs, assisted by the Headquarters, has drafted a proposal for reform to be submitted to the Extraordinary General Assembly.

# Reinforcing Relations with Members

To accomplish its mission and objectives, the Council relies upon an extensive international network of members representing the great diversity of organizations involved in water issues. Improving the “quality” of this network has been among the main priorities of the Council for the last three years, in order to be able to remain democratic and independent, to strengthen the network and increase added value for the members.

The activities include the following:

- Development of a clear membership policy;
- Consolidation of a network maintaining a significant and balanced representation of professional groups as well as a strong representation in every geographical zone;
- Encouraging greater participation of members in the activities of the Council. At the end of 2001, a questionnaire was sent to all Council members to define the future direction of the World Water Council. The questionnaire was oriented around 3 main themes, the objectives, the governance and the structure and functioning of the Council;
- Development and implementation of a service-oriented approach for members.

Being a membership organization, the Council's Headquarters has a responsibility to provide services to its members according to the mission and functions of the Council, which require that members be kept informed on relevant water issues and be provided with useful tools for communication and knowledge sharing.

Throughout the year 2002, investigations were carried out to identify additional advantages that could be provided to members: i.e. subscription fees to Journals at preferential rates, preferential rates to conferences or Forums, etc. Some of the other actions that have been undertaken in this direction are:

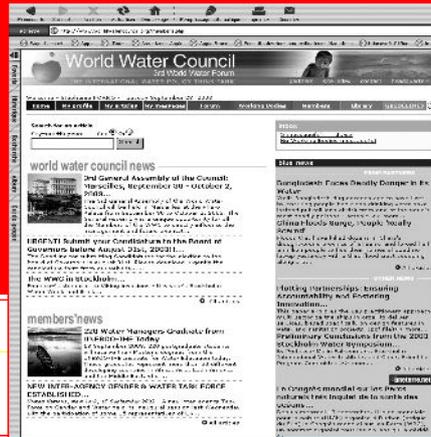
- The regular issuing of the WWC Newsletter and Water Policy, the WWC Journal
- The establishment of an Extranet, a members room accessible through the website of the Council
- Provision of publications and reports
- The invitation to take advantage of the Council's stand for promotional matters at international conferences and meetings
- The WaterList serve in collaboration with the International Institute for Sustainable Development (IISD) and the Secretariat of the 3<sup>rd</sup> World Water Forum

## ***Membership Policy Guidelines***

To clarify the relationship between the Council and its members, a membership policy is being developed. The policy deals with membership rights and obligations and members' categories, conditions for application, a membership fees policy and non-payment policy.

## ***Newsletter***

Within the period between the 2<sup>nd</sup> and 3<sup>rd</sup> General Assemblies, 13 issues of the Council's Newsletter were published. The Newsletter is sent to all members, mainly through the Internet and to 2800 contacts in addition to members. Occasionally, a printed version is produced, mainly for the purpose of distribution at international meetings.



## Extranet

With the aim of stimulating members' input and participation in the life of the Council, and in order to provide the framework to facilitate networking and information exchange between members and within working groups, an Extranet was created with exclusive services for the Council's members. Available through the Council's website, the Extranet features a wide range of functions, accessible from any computer with an Internet connection. This facility provides:

- A constant flow of the latest water related news provided by partner news providers
- A members directory with full contact details, a presentation of the organization, information on latest publications, upcoming events and current activities
- A publishing tool enabling members to autonomously promote their news and activities on the homepage of the Extranet
- An internal message system, which will facilitate the communication within the network without having to search for members' addresses
- A communication platform for each working body, providing useful information related to the membership of the group with the possibility to click on each name to send an internal message directly, and the latest version of working documents shared with all members of the group
- A discussion forum

All of these functions, accessible through the URL of the Council via a password and login, are intended to enable members to carry on the World Water Council's network

anywhere.

The Council's Extranet was launched in May 2003. Since then, constant improvements have been made provided in order to make this tool as user friendly as possible for our members. Additional functions are being developed, such as an easy to make newsletter, which could be sent on a weekly basis. More partnerships are also being explored. The flow of news between members and the sharing of resources are expected to be enhanced.

For the preparation of the 3<sup>rd</sup> General Assembly, the Extranet was used extensively by both the staff of the Headquarters, who kept members updated on the latest developments, and by members who found an easy tool to communicate with their entire network and exchange point of views.

### *Involving Members in the WWC Activities*

The Council is committed to informing its members as well as to seeking their active involvement in Council activities in many different ways, including through e-mails, its website and the Extranet. In particular:

- *World Water Actions:* the Water Action Unit sent each draft version of its report to the WWC members for their comments, suggestions and new actions.
- The WWC committees: the World Water Council expects to enhance the participation of its members and therefore benefit from the huge potential of experience and expertise held by its members.
- The World Water Forum: the Headquarters over the last three years has regularly informed its members on the progress of the Forum, through for example the four announcements of the Forum, which were sent to the Council members. In total, more than 92 sessions were organized or co-organized by WWC members.

# Structuring the Headquarters

## ***Toward the Status of an International Organization***

Gaining official recognition of its status and role would help to persuade the French government of the international status of the Council. With this in mind, the Council applied for official recognition by UNESCO at the end of 2001.

In May 2002, it was officially recognized as having “operational relations” with UNESCO, which entitles the Council to participate in UNESCO’s General Assembly and to have a say in its programme and budget. Within two years, the Council should become an organization with “formal relations” with UNESCO.

The second step, the implementation of which has already commenced is to solicit the co-operation of the French Ministry of Foreign Affairs in order for the Council to obtain the status of an international organization. Such a status would make the Council eligible for direct support from other bilateral and multilateral organizations.

## ***Extended Contract with the City of Marseilles***

The Council’s Headquarters has been generously supported by the City of Marseilles since its inception. The initial contract with the City came to an end in 2001.

Thanks to the active involvement of several members of the Board of Governors, and thanks to the kind agreement of Mayor Gaudin, it was extended for a period of four more years. The annual support provided during this period by the City will be maintained at the rate of the maximum amount granted in 2001 i.e. 571,400 US \$.

## ***Staff***

The permanent staff of the Council is currently composed of the Executive Director, a senior expert for water management, an administrative and financial officer, a communication officer, an executive officer, a membership officer, a project officer and two office assistants.

Additional staff has been assigned on secondment and on a non-permanent basis, over the last three years. Amongst them are the six members of the Water Action Unit and a senior staff member seconded on a part time basis by the French “Ministère de l’équipement, du logement, des transports, du tourisme et de la mer”.

Most of the staff from the Headquarters has been with the Council for a relatively short period of time. The strategy over the last two years has been to increase the expertise and professionalism of this team, the members of which are highly dedicated to the Council’s mission, by clarifying and increasing the delegation of responsibilities and by implementing a training programme. For specific events or projects, consultants and staff on limited period contracts have been assigned.

The social conditions for employees at the Headquarters have been reviewed. The *collective labour agreement* used in engineering organizations, which is also the one used by NGOs with operational or formal relations with UNESCO, was selected and adapted to the situation of the Council’s Headquarters. Using this agreement, a social charter was developed for the staff, including those seconded by various partner institutions. This social charter includes both staff rules and regulations and the salary system of the Headquarters.

## Associate Centres

The Commission on Legal and Financial Affairs has recently reviewed the status of the Regional and Thematic Centres and has decided to simplify the functioning and the link with Council's Headquarters. In this context, they have been brought together under the single name of Associate Centres<sup>2</sup>. Furthermore, an agreement has been prepared indicating the rights and obligations of the parties, on the period of three years, renewable. It is currently under negotiation.

### **Ankara, Turkey**

The World Water Council approved the establishment of its first Thematic Centre in Ankara, Turkey, at its 10th Board of Governors meeting in March 2001 in Istanbul.

Co-sponsored by the Southeastern Anatolia Project Regional Development Administration (GAP-RDA) and State Hydraulic Works (DSI), the Thematic Centre addresses the issue of inter-sectoral integration and stakeholder participation in water based development.

Ever since its establishment, the Centre has been conducting research and knowledge dissemination activities through publications and active participation in national and international events. Amongst these activities are:

- A series of 'search conferences' held to open up its missions and activities to different stakeholders.
- The establishment of an e-group and a website ([www.wwcthematiccenter.org](http://www.wwcthematiccenter.org)) to serve as a forum among the representatives of various stakeholder groups
- The compilation of the proceedings of the first WWC Technical Conference, namely the Sanliurfa Conference, March 2001 published as a book entitled *Water Management: Cross-Cutting Issues*
- The World Water Day celebrations in Sanliurfa in March 2002 with a session held on "Water Management Paradigms"

- Three sessions under the themes of Water and Poverty, Water and Governance and Dams and Sustainable Development at the 3<sup>rd</sup> World Water Forum in Japan. Members of the Centre also contributed to the panel discussions under the themes of Water and Cultural Diversity and the Youth World Water Forum.
- Being a Partner Organization of the Water Voice Project of the Secretariat of the 3<sup>rd</sup> World Water Forum
- The first Water and Health Training Program conducted in the GAP region at a Multi Purpose Community Centre

### **Bari, Italy**

The Mediterranean Agronomic Institute of Bari has conducted a number of activities under the patronage of the World Water Council over the last three years, aiming to improve water resources in the Mediterranean. Amongst those is the preparation of the *Water Vision for the Twenty-first Century in the Arab World*, which was published in February 2003.

<sup>2</sup> Associate Centers is the single name for the former Thematic and Regional Centers

# Strengthening Partnerships

## ***The Global Water Partnership***

The World Water Council and the Global Water Partnership were both created in 1996. Although they both aim to improve water management worldwide, they have distinct roles. On the occasion of many meetings, the need to clarify and improve the relationship has been highlighted. It has also been recognized that co-operation should be enhanced.

One of the complementary areas clearly defining the two organizations is related to their missions: the Council is more on the political and global side whereas GWP is more on the implementation and regional side.

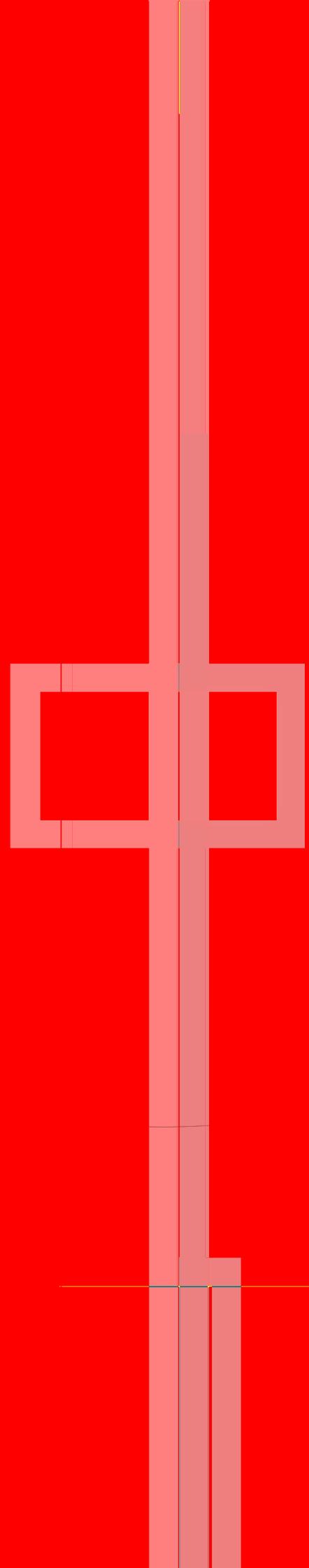
Over the last two years, representatives of both organizations have met several times and identified the following issues as areas of co-operation: Panel on Financing Water Infrastructure, World Water Actions, Water and Governance/Politics, Dialogue on Water, Food and the Environment, Dialogue on Water and Climate, communications. Joint programs have been developed and are under implementation. Further development of follow-up programs is being prepared. A memorandum of understanding is ready to be signed and will be followed soon by the launching of joint concrete projects, amongst which the preparation of the 4<sup>th</sup> World Water Forum in co-operation with the regional networks of GWP.

## ***UNESCO***

In the triennial period preceding the 2<sup>nd</sup> World Water Forum, the Vision Unit had been hosted at UNESCO's Headquarters in Paris. Since March 2000, more areas of cooperation have been developed. In the context of the World Water Actions project, the Netherlands contribution to the Council's activities was channelled through an earmark Dutch Trust Fund in UNESCO. The Council was also involved in the World Water Assessment Project through the active contribution of its Vice-President William Cosgrove. Finally, in May 2002, as previously mentioned in this report, the Council was officially recognized as having "operational relations" with UNESCO. This should be shortly followed by formal relations.

## ***WSSCC***

Like the Council, the Water Supply and Sanitation Collaborative Council (WSSCC) is interested in the follow-up of decisions and commitments made at international events. The WSSCC actively participated in the World Water Actions programme. They have also developed a database of the actions of their own network. Cooperation on the follow up of the World Water Action programme is under preparation.



## Governance of the Council

The Council has started a process that should allow a wider membership base and improve transparency, inclusiveness and accountability. During the last years, major steps have been taken in this direction.

These included proposals for modification of the election process for governors, of the status of members and of their relationship to the representation on the Board of Governors.

These will be subject to deliberations and perhaps approval at the 3<sup>rd</sup> General Assembly. With the already initiated changes related to the Commission and Committees, the stage will be set for greater member involvement and more inclusiveness of all stakeholders in the water community. The development of these Committees and working programs will be a major activity in the coming period.

## Membership

Enhancing inclusiveness also means enhancing the accessibility of the Council. The representation and membership of especially those organizations from the poorer countries, as well as grassroots NGOs provide a valuable addition to the Council's membership spectrum. The adjustment of the membership fees structure is one necessary step to allow them to participate in the Council activities. Proposals in this direction have been prepared and submitted for approval by the Board of Governors.

## Action Programme

The activities of the Council and its Headquarters should be of added value to water resources in general and to the Council's members. To be continuously attentive to this requirement, the Council is preparing a strategy, which focuses on this added value while making optimum use of the Council's members and partners. The strategy is based on the focus areas of the Council: politics, policy development and implementation processes and their interactions as complementary to the activities of Council members. All activities will tentatively be related to these focus areas.

The World Water Council is committed to sustainable development and the management of global water resources through the identification of critical issues, stimulating development of a better understanding of these issues, awareness raising and seeking political support for their resolution. The activities foreseen during the coming period are based on the commitments made in Kyoto during the 3<sup>rd</sup> World Water Forum and the continuation of the ongoing activities. After discussion and approval by the Board of Governors, during the 3<sup>rd</sup> World Water Forum, the Council committed itself to five critical issues:

- Identification and highlighting of the benefits of water and sound water management
- Monitoring actions and linking the global monitoring of water related initiatives
- Virtual water trade and geopolitics – development of conscious choices
- Financing water infrastructure
- International water cooperation facility for trans-boundary water systems

The programme proposal described in this document refers to the topics on Benefits of Water and Sound Water Management, linking global monitoring and virtual water trade and geopolitics.

### ***The Benefits brought by Water and Sound Water Management***

One of the observations of the Panel on Financing Water Infrastructure was the low priority given to investments in water infrastructure and management. The demand for financing such investments is relatively low as the benefits brought by water and water management are not well quantified.

At present, most investments and improvement programmes of water infrastructure are sub-sector oriented. The benefits and the costs taken into account in these programmes are usually limited to the direct benefits and costs. Benefits and costs in other sectors (like health, environment and employment) are often overlooked, or if mentioned, are not quantified and taken into account in the traditional economic analyses often practised in donor and financing agency environments. This consequently results in an underestimate of levels of benefits and of costs making investments less attractive due to their low returns and making it difficult for decision makers to consider the whole range of benefits and costs related to such programmes.

Sound water management is providing reliable water services at an agreed level of service at least cost. Sound water management optimises the benefits not only for the direct beneficiaries but also the indirect benefits for society at large and as such also responds to direct and indirect negative impacts.

Recognition of the wide spectrum of water management benefits will stimulate governments to give water a higher priority on their policy agenda and associated budget allocation. The World Water Council proposes to implement with a consortium of international financial institutions, UN agencies, international professional, research and non-governmental organizations a programme aiming to precisely identify and highlight the benefits brought by sound water management and provide governments with appropriate tools and analysis so that they may be considered in priority setting, planning, development, management and financing of the water sector.

The aim of the benefits programme is to stimulate the demand for investments in water infrastructure to meet the MDGs by improving the quality of development and management processes through the creation of a better understanding and qualification of all tangible and intangible, direct and indirect water benefits through the provision of methodologies and the associated development of tools to include these in planning, economic analysis and decision making processes and as such contribute to enhancing the financing of water for all.

### ***Follow-up of World Water Actions***

The extent of achievement of the MDGs warrants for an interconnected system of monitoring. Many monitoring activities are already ongoing, such as the WWAP, but none is focused on the integrating part of water in the WEHAB sectors and the achievement of the MDGs. Many water related commitments to achieve the MDGs were expected from the 3<sup>rd</sup> World Water Forum. Their implementation also demands a monitoring system as a follow up of the Water Action Unit.

The aim of the programme on monitoring is to improve the quality and access to information in order to enable better policy and decision-making on global water management. The direct objective of the programme is to link existing monitoring systems, develop them further and make them accessible to:

- provide the global water community through an independent and complete world water development report with information on the state of water resources, their utilisation, the progress related to the achievement of the MDGs (especially the goals related to water and sanitation, poverty and hunger) and the implementation of the commitments of the 3<sup>rd</sup> World Water Forum, and
- analyse the reasons for success or failure of actions observed and to make these lessons learnt available for the global water community.

The special interest of the Council is to learn which processes and approaches on policy development and their implementation are successful and why. In this context the Council has prepared a proposal to the Government of France in cooperation with UNESCO-WWAP, GWP, AESN, WSSCC and other associated partners, which enable active involvement of NGOs working at the grassroots level. The Council is also preparing with GWP a follow up programme that fits within and is complementary to the overall global water monitoring activities.

### **Virtual Water Trade – Conscious Choices**

Trade in virtual water can be one of the contributions to lessening the stress on water resources for many countries. Though the concept as such is not new, its relevance for policy making on water resources management, food production and environmental protection demand for a serious consideration of this virtual water potential. A thorough understanding of the impact of virtual water trade on the socio-economic and cultural conditions is required if virtual water trade is to be included as a policy option. Moreover, the consequent food security should be enhanced by appropriate agreements in agricultural product trade respecting nations choice and right to food sovereignty. To enable implementation, the consequences of the introduction of virtual water trade policies have to be understood better and rules of the game have to be established.

The objective of this programme is to provide governments with information and tools to enable them to consciously choose the utilisation of virtual water trade as an effective way to promote water saving and to make it an integral part of government's national and regional water, food and environmental policies.

As a follow-up to the Kyoto session, an e-mail conference is ongoing on the use and implications of virtual water trade in the context of sustainable development, environmental degradation, poverty alleviation and international trade agreements. The following follow-up activities are envisaged:

- To further study through cases, the natural, social, economic and political implications of using virtual water trade as a strategic instrument in water resources management policy and to develop instruments for analysing its impact on local socio-economic and cultural conditions
- To analyze the geo-political importance of virtual water, the opportunities and threats involved and the associated political processes underlying decision making on the application of this concept
- To analyze the impact of diets on virtual water trade and to raise awareness on the impact of diets on global, regional and local water resources
- To develop and disseminate common methodologies and procedures of virtual water accounting
- To prepare an inventory of virtual water trade as input for the World Water Development Report

### **Financing Water for All**

As a follow-up to the Panel on Financing Water Infrastructure the Council is actively involved in the so-called Follow-Up Group (FUG). Since the publication of the Panel's report *Financing Water for All*, several initiatives have started with the aim of bringing the issue on financing water to the agenda of policy makers and financing institutions. Other activities envisaged under the continuation of this component are to advocate and enable:

- Complementing of the study with the financing mechanisms of rural infrastructure
- Identification of the reasons for low demand for financing in conjunction with the benefits program
- Identification of alternative modes of urban and rural financing mechanisms including local financing mechanisms, lending and credit schemes to local authorities and mechanisms for international lending mechanisms to local authorities.





### ***International Co-operation Facility***

During the 2<sup>nd</sup> World Water Forum, held in The Hague, Dr. Mahmoud Abu-Zeid, President of the World Water Council, proposed the creation of the World Commission on Water, Peace and Security to provide an opportunity for third party mediation of shared water disputes. The role of the Commission would have been to assist nations in current and potential trans-boundary water issues with an independent opinion to help bridge the gap between concerned parties, to develop and promote common interest for "win-win" solutions.

However, the Council recognized that the lead in some of these areas rests with the United Nations family. In January 2003, Dr. Abu-Zeid addressed a letter to UNESCO's Director General suggesting the establishment of an international water mediation facility by UNESCO, the World Water Council and the Permanent Court of Arbitration. In March 2003, UNESCO's Director General replied, accepting this proposal and suggesting to include the Universities Partnership in this initiative.

The Statement to the Ministerial Conference adopted in the Water and Peace theme of the 3<sup>rd</sup> World Water Forum recommended the establishment of such a facility. At the closing session of the Water for Peace theme on March 21, 2003, the Director General announced the creation of the Water Co-operation Facility.

This announcement was very well received. The media and other stakeholders recognized it as one of the most important results achieved through the Forum. It showed that the four partner institutions were ready to undertake concrete actions in helping the sustainable and sound management of water resources.

Meetings of the partners have been held since then to develop the working procedures. The Facility is expected to begin its functions before the end of 2003.

### ***North-North Partnership***

The establishment of a North - North (Type 2) Partnership was announced by the Council, GWP and the Secretariat of the 3<sup>rd</sup> World Water Forum in Johannesburg in September 2002. An agreement was signed by Dr. Abu Zeid with the other partners in Kyoto during the 3<sup>rd</sup> Forum. The statement describes the purpose of the Partnership as follows:

To develop national and regional networks in the North, to accelerate solutions to problems in the water sector to link these networks with the existing networks in the South promoting North-North and South-North exchange.

Steps required to implement the Partnership were discussed among the parties and other interested country representatives in Stockholm in August 2003.

### ***Towards the 4<sup>th</sup> World Water Forum***

The Forum is and will remain an essential tool of the Council for achievement of its mission: raise awareness and put water higher on the political agenda.

After the third, the World Water Forum has become the internationally recognized global platform for the water sector to link with politicians, policy and decision makers, donors and financing institutions. These links have to be strengthened by associating politicians and decision makers already in an early stage with decisions on themes, topics and issues to be addressed. This should start at a local level and develop to regional and global level.

These processes have to become an inseparable part of the forum where more and more grass-root needs, aspirations, experiences and lessons can be scaled-up to a representative regional level. Regional meetings in the process towards the forum clearly provide continuation to water actions but also allow lessons to be learned and their timely incorporation in the discussions at local, regional and global level.

Also due to the success of the World Water Forums, water has become an important point on the international development agenda. The initiatives of the Commission on Sustainable Development and the Task Forces on Millennium Development Goals have a heavy water agenda and the Forum should link with these programs in terms of agenda setting, advocacy and policy development but also in joining efforts in organizing regional or global meetings and using the opportunities for sharing for example ministerial conferences.

The features that will shape the future Forums are action, policy, participation and openness. These are some of the important features that will be the basis of cooperation between the Council and future host countries of the Forum. The role of the Council as owner and co-organizer of the World Water Forum is instrumental in identifying and defining issues to be put on the international water policy agenda and in formulating follow up and providing input as continuation into the next Forum.

## Management report of the World Water Council for the financial years closed on December 31<sup>st</sup>, 2000, December 31<sup>st</sup>, 2001 and December 31<sup>st</sup>, 2002.

### Annual Accounts

The presentation rules and evaluation methods that are being presented here, as employed for the drawing up of the World Water Council's annual balance sheet, are in accordance with the regulations in effect and are identical to those employed for the previous financial years.

Below are the key figures of the World Water Council over the three closed financial years, which form the basis of this management report, followed by the representative figures of each of the years studied in more detail.

	31.12.02	31.12.01	31.12.00
Operating revenue	1,732,992.00 €	1,283,654.00 €	1,040,016.00 €
Operating profit	- 136,198.00 €	157,274.00 €	119,850.00 €
Financial profit	- 22,164.00 €	36,131.00 €	36,027.00 €
Current profit	- 158,362.00 €	193,406.00 €	155,877.00 €
One-off profit	13,102.00 €	- 43,744.00 €	-42,491.00 €
Profit of the financial year	- 145,260.00 €	149,632.00 €	113,386.00 €

At the end of the financial year closed on December 31<sup>st</sup>, 2002, the assets and liabilities of the World Water Council were characterised by the following main values:

	31.12.02	31.12.01	31.12.00
Fixed assets	71,315.00 €	64,371.00 €	53,611.00 €
Current assets	892,461.00 €	953,540.00 €	565,600.00 €
Total assets (net amount)	963,776.00 €	1,017,911.00 €	619,211.00 €
The WWC's capital stock	442,565.00 €	587,825.00 €	384,031.00 €
Debts to suppliers	75,111.00 €	48,753.00 €	66,278.00 €
Fiscal and social debts	175,476.00 €	23,981.00 €	28,779.00 €
Other debts	62,624.00 €	89,621.00 €	49,177.00 €
Deferred income	208,000.00 €	242,239.00 €	35,450.00 €
Difference in the liability translation			1,129.00 €
Total debts	963,776.00 €	992,419.00 €	563,715.00 €

## **Analysis of the Figures of each Financial Year, 2000, 2001, 2002**

### *Financial Year 2000*

During the financial year 2000, the World Water Council generated a total operating revenue of 1,040 K€, coming essentially from:

- membership fees, for an amount of 312 K€
- various grants obtained, for an amount of 665 K€, which represent 64% of the running budget and which are laid out as follows:
- Grant from the City of Marseilles: 588 K€
- Grant Vision: 77 K€

The running expenses are mainly composed of:

- staff expenses, for a total amount of 223 K€ (or 24% of the running expenses)
- external expenses (travel, missions, seconded staff, telecommunication expenses...), for an amount of 573 K€ (or 62% of the running expenses).

The financial year 2000 reveals an operating profit of 120 K€, and a net profit of 113 K€, taking into account financial expenses and differences in payment. The importance of financial revenue in the differences in exchange rates for an amount of 36 K€ should be noted, taking into account the exchange rate with the dollar, the currency in which membership fees are invoiced.

### *Financial Year 2001*

The total operating revenue of the year 2001 was of an amount of 1,283 K€, a 23% increase compared to 2000.

As regards running expenses, the year 2001 was marked by a stagnation in staff expenses, which represent an outlay of 218 K€. The external expenses increased and represent an operating cost of 748 K€, 30% more than in 2000. The year 2001 marks the beginning of the WAU project, emanating from the Japan Water Resources Association, which explains the progression in the general expenditure related to it.

The operating profit for the financial year 2000 was 157 K€, against 120 K€ in 2000. Moreover, bearing in mind the surplus finances and the profit in the exchange rate with the dollar, the World Water Council was able to generate a financial profit of 36 K€.

### *Financial Year 2002*

The operating revenue for the financial year 2002 represents an amount of 1,734 K€, a 35% progression compared to 2001. As regards self-financing, the World Water Council generated 12% of its funds through membership fees.

Regarding external expenses, a recorded amount of 931 K€ is observed, in net progress compared to 2001. This is justified by the expenses involved in the Water Action Unit project, which are covered by the grant from the Japan Water Resources Association.

Concerning wages, the amount of the recorded expense progressed compared to 2001, going from 218 K€ in 2001 to 800 K€ in 2002. This may be explained by the significant amount devoted to the payment of the Water Action Unit experts, which was almost entirely covered by the transferral of the grant from the Japan Water Resources Association.

The non-payment in 2002 of membership dues from the financial year 2001 by some members is observed for an amount of 32 K€.

The result of these elements is a running loss of 137 K€.

Bearing in mind the great losses through the exchange rate with the dollar, the currency in which membership fees are invoiced, a financial loss of 22 K€ was registered.

Financial operations recorded in 2002 but related to 2001 brought about a one-off profit of 13 K€.

The financial year 2002 resulted in a net accounting loss of 145 K€.

# Annex 1.

## Overview of Events - 2000/2003

Month	Description
<b>2000</b>	
October	<p><b>2<sup>nd</sup> meeting of the WWC General Assembly</b></p> <ul style="list-style-type: none"> <li>New Board of Governors and new Bureau elected</li> <li>3 technical sessions held on "World Water Vision unresolved issues", "The way forward for water" and "The way forward for the WWC"</li> </ul>
November	
December	<p><b>WWC along with some member organizations initiated the Dialogue on Water for Food and Environment</b></p>
<b>2001</b>	
January	4th issue of WWC Newsletter produced
February	
March	<p><b>10<sup>th</sup> Board of Governors Meeting, Ankara</b></p> <ul style="list-style-type: none"> <li>World Water Day celebrated with technical session in Sanliurfa.</li> <li>Brainstorming session in Ankara identified Financing Water Infrastructure and Implementing water management policies as priority themes for Council for coming years</li> <li>Agriculture and Environment, Water and Climate and Financing Infrastructure identified as priority themes for the 3<sup>rd</sup> Forum</li> <li>Launch of new WWC/3<sup>rd</sup> World Water Forum joint logo contest</li> <li>Establishment of a communication programme for the Council</li> <li>Establishment of the Ankara Thematic Center on the theme Intersectorial Integration and Participation</li> </ul> <p>5<sup>th</sup> issue of WWC Newsletter produced</p>
April	<p><b>Hydrotop 2001, Marseilles</b></p> <ul style="list-style-type: none"> <li>Booth presenting WWC activities and public relations for the 3<sup>rd</sup> World Water Forum; members of the Council involved in several sessions</li> </ul> <p>6<sup>th</sup> issue of WWC Newsletter produced</p>
May	<p><b>Official establishment of the Water Action Unit</b></p>
June	<p>WWC participated in the Kyoto Preparatory meeting attended by 300 participants</p> <p><b>International Symposium on Urban Water Management co-organized with UNESCO, Marseilles</b></p> <p>Workshop of the Dialogue on Climate and Water in Tokyo co-sponsored by the Council.</p> <p>Publication of "Changing Course", a summary of the technical sessions at the 2<sup>nd</sup> General Assembly</p> <p>7<sup>th</sup> issue of WWC Newsletter published</p>
July	<p><b>Launch of the Water Action Unit activities</b></p> <ul style="list-style-type: none"> <li>Staffing of Water Action Unit to organize substance of 3<sup>rd</sup> World Water Forum begins at Council Headquarters in Marseilles.</li> </ul>
August	<p><b>Stockholm International Water Symposium</b></p> <ul style="list-style-type: none"> <li>WWC sponsored a workshop entitled "How to increase the status of water issues in governance and public perception" and as part of the consortium for Dialogue on water for food and environment, co-sponsored a workshop on Trade-offs in water for food.</li> <li>Shared booth with the Secretariat of the 3<sup>rd</sup> World Water Forum for the promotion of the Forum</li> <li>Announcement of the new joint logo for WWC and 3<sup>rd</sup> World Water Forum</li> </ul>
September	<p><b>Creation of the Water Infrastructure Financing Panel</b></p> <p>jointly with GWP and the Secretariat of the 3<sup>rd</sup> World Water Forum and under the leadership of Mr. Michel Camdessus former manager of the International Monetary Fund.</p>
October	<p><b>11<sup>th</sup> Board of Governors Meeting, Marseilles</b></p> <p>8<sup>th</sup> issue of WWC Newsletter published</p>
November	<p><b>New Executive Director appointed</b></p> <ul style="list-style-type: none"> <li>Daniel Zimmer appointed in succession to Jamil Al-Alawi</li> </ul> <p>Second meeting of the Organizing Committee of the 3<sup>rd</sup> World Water Forum held in Cairo, Egypt</p> <p>9<sup>th</sup> issue of WWC Newsletter published</p>
December	<p><b>Bonn International Freshwater Conference</b></p> <ul style="list-style-type: none"> <li>Side-event organized by the WWC on Public-Private Partnership in Water Management: institutional, legal and practical problems for the participation of the private sector in the construction and the operation of water infrastructures</li> <li>Booth presenting WWC activities</li> </ul> <p><b>Launch of the Dialogue on Climate Change co-sponsored by the WWC</b></p> <p>First introductory meeting held by the Water Action Unit</p> <p>Internal questionnaire seeking opinions on the functioning and the governance of the WWC sent to all members</p>

Month	Description
<b>2002</b>	
January	
February	
March	<p><b>12<sup>th</sup> Board of Governors meeting, Washington</b></p> <ul style="list-style-type: none"> <li>• Launch of the upgraded version of the website incorporating the World Water Actions database</li> </ul> <p>King Hassan II Water Prize - 1st meeting of the Permanent Committee held in Marseilles</p>
April	<b>First draft of the World Water Actions report released</b>
May	<p>King Hassan II Water Prize - 2nd meeting of the Permanent Committee held in Rabat - Panel of Judges selected</p> <p>12<sup>th</sup> issue of the WWC Newsletter produced</p>
June	<p>Launch of the nomination period for the King Hassan II Water Prize</p> <p>New status of "NGO in operational relations with UNSECO" obtained</p>
July	<p>Second draft of the World Water Actions report released</p> <p>New brochure of presentation of the WWC produced</p>
August	<p><b>WaterDome, Johannesburg, Aug. 28-Sept 3</b></p> <ul style="list-style-type: none"> <li>• Shared Pavilion with GWP and 3rd World Water Forum under the common label One World, One Water</li> <li>• Session held in partnership with GWP and 3<sup>rd</sup> World Water Forum on Financing : Finding Solutions</li> <li>• Daily sessions held for the World Water Actions report</li> <li>• Meeting of the Organizing Committee of the 3<sup>rd</sup> World Water Forum</li> </ul> <p><b>Stockholm International Water Symposium</b></p> <ul style="list-style-type: none"> <li>• WWC shared a booth with the Secretariat of the 3<sup>rd</sup> World Water Forum</li> </ul> <p>13<sup>th</sup> issue of the WWC Newsletter produced</p>
September	
October	<p><b>3<sup>rd</sup> draft of the World Water Actions report released</b></p> <p>14<sup>th</sup> issue of the WWC Newsletter produced</p>
November	<p><b>13<sup>th</sup> Board of Governors Meeting, Marseille</b></p> <p><b>1<sup>st</sup> meeting for the preparation of the Ministerial Conference</b></p> <p><b>New Commission on legal and financial affairs established along with new Committee on institutions and governance and Committee on science and technology</b></p> <p>New membership brochure produced</p>
December	<p>Meeting on Virtual Water in Delft, part of the preparatory process of the session at the 3<sup>rd</sup> Forum</p> <p>Meeting of the Organizing Committee of the 3<sup>rd</sup> World Water Forum in Cairo</p>

Month	Description
<b>2003</b>	
January	<p><b>2<sup>nd</sup> meeting for the preparation of the Ministerial Conference</b></p> <p>Paul van Hofwegen appointed at the WWC Headquarters as full time Senior Water Management Expert</p>
February	
March	<p><b>3<sup>rd</sup> World Water Forum</b></p> <ul style="list-style-type: none"> <li>• Launch of the final report of the World Panel on Financing Water</li> <li>• WWC participates in the Ministerial Conference</li> </ul> <p><b>Presentation of "World Water Actions : Making Water Flow for All"</b> main report of the Forum prepared by the Water Action Unit</p> <p><b>Presentation of the 1<sup>st</sup> King Hassan II Great World Water Prize</b></p> <p><b>14<sup>th</sup> Board of Governors meeting, Nara</b></p>
April	
May	<p>Opening for nominations for host country of the 4<sup>th</sup> World Water Forum</p> <p>15<sup>th</sup> issue of the WWC Newsletter produced</p>
June	<p><b>G8, Evian-les-Bains</b></p> <ul style="list-style-type: none"> <li>• Official request sent to heads of states calling for the recognition of the management of transboundary rivers, lakes and aquifers basins as a priority and the allocation of \$1 billion during the next 10 years to finance interstate cooperation over this strategic issue.</li> </ul> <p><b>Official launch of the WWC Extranet</b></p> <p><b>15<sup>th</sup> Board of Governors meeting, Marseilles</b></p>
July	<p>Dismantling of the Water Action Unit</p> <p>16<sup>th</sup> issue of the WWC Newsletter produced</p>
August	<p><b>Stockholm International Water Symposium</b></p> <ul style="list-style-type: none"> <li>• Joint booth presented with the Secretariat of the 3<sup>rd</sup> World Water Forum</li> </ul> <p><b>Launch of the discussion forum on Virtual Water Trade</b></p>
September	<p><b>Extraordinary General Assembly meeting, Marseilles</b></p> <ul style="list-style-type: none"> <li>• Vote on reforms of the WWC Constitution and By-laws</li> </ul> <p><b>16<sup>th</sup> Board of Governors meeting, Marseilles</b></p>
October	<p><b>3<sup>rd</sup> General Assembly meeting</b></p> <ul style="list-style-type: none"> <li>• Workshops on: finance and benefits, follow-up of water actions and the 4<sup>th</sup> Forum and CSD process.</li> <li>• Election of a new Bureau and a new Board of Governors</li> </ul> <p><b>17<sup>th</sup> Board of Governors meeting, Marseilles</b></p>

## Annex 2. Members of the Board of Governors (October 2000 – October 2003)

### Bureau

#### PRESIDENT:

**Mahmoud ABU-ZEID**

Ministry of Water Resources and Irrigation, Egypt  
Founding Member

#### SPECIAL ADVISER TO THE PRESIDENT:

**Loïc FAUCHON**

Groupe des Eaux de Marseille, France

#### VICE-PRESIDENTS:

**William COSGROVE**

Ecoconsult Inc, Canada

**René COULOMB**

SUEZ, France

Founding Member

#### TREASURER:

**Olcay UNVER**

Southeastern Anatolia Project, Turkey

#### EXECUTIVE DIRECTOR:

**Daniel ZIMMER**

#### OBSERVER

**Hideaki ODA**

Secretariat of the 3<sup>rd</sup> World Water Forum, Japan

### Members of the Board

**Ahmed Mohamed ADAM**

Ministry of Physical Planning & Public Utilities, Sudan

**Mohamed AIT-KADI**

General Council for Agricultural Development, Morocco

**Dogan ALTINBILEK**

State Hydraulic Works – DSI, Turkey

**Ingvar ANDERSSON (Roberto LENTON)\***

United Nations Development Program

**Vaijayanti Milind BENDRE**

Central Water and Power Research Station, India

**Ger BERGKAMP (Mac MERCER)\***

World Conservation Union - IUCN

**Maarten BLOKLAND (Wim van VIERSSSEN)\***

International Institute for Infrastructural, Hydraulic and Environmental Engineering (IHE Delft - UNESCO - IHE), the Netherlands

**Benedito BRAGA**

International Water Resources Association

**John BRISCOE**

World Bank

### Mokhtar BZIOUI

Ministère de l'Aménagement du territoire, de l'eau et de l'environnement -  
Secrétariat d'état chargé de l'eau

**Thomas F. CAVER (John D'ANIELLO)\***

U. S. Army Corps of Engineers Civil Works, USA

**Maria Concepcion DONOSO**

Executive Committee Inter-American Water Resources Network

**Mona EL-KADY**

National Water Research Center, Egypt

**Jean-Claude GAUDIN**

Ville de Marseille, France

**Gourisankar GHOSH (Richard JOLLY)\***

Water Supply and Sanitation Collaborative Council

**Atef HAMDY**

Istituto Agronomico Mediterraneo – CIHEAM, Italy

**Yumio ISHII**

TI Engineering Co. Ltd, Japan

**Raymond LAFITTE**

International Hydropower Association

**Jacques LECORNU**

International Commission on Large Dams

**Ceylan ORHUN**

Tüstas Sinai Tesisler A.S., Turkey

**John PIGRAM**

Centre for Ecological Economics and Water Policy Research, Australia

**Leonor PINTADO CORTINA**

National Water Commission, Mexico

**Paul REITER (Tony MILBURN)\***

International Water Association

**Pierre-Alain ROCHE**

Seine-Normandy Water Agency, France

**Aly SHADY**

Founding Member

**Andras SZÖLLÖSI-NAGY**

UNESCO Division of Water Science

**Yutaka TAKAHASI**

Construction Project Consultants Inc., Japan

**Kuniyoshi TAKEUCHI (John RODDA)\***

International Association of Hydrological Sciences

**Houria TAZI SADEQ**

Alliance Maghreb Machrek for Water, Morocco

**Pierre-Frédéric TENIERE-BUCHOT**

United Nations Environment Program

**C. D. THATTE**

International Commission on Irrigation and Drainage

**Avinash TYAGI (Arthur ASKEW)\***

World Meteorological Organization

\* Indicates the governor replaced during this term of office.

## Annex 3. Membership of the Commission on Legal and Financial Affairs

**Loïc Fauchon** (Chairman)

**Olcay Unver**

**Mohamed Ait-Kadi**

**Arthur Askew**

**Ger Bergkamp**

**Maarten Blokland**

**Georges Greco**

**Atef Hamdy**

**Jacques Lecornu**

**Paul Reiter**

## Annex 4. Membership Figures

Evolution of the Membership	2000	2001	2002	2003
Numbers of members at the beginning of the year	185	290	313	272
<b>Active members (membership fees paid or exempted)</b>	<b>246</b>	<b>241</b>	<b>222</b>	<b>228</b>
Exempted	2	7	9	3
Non active members	44	72	50	72
Cessation of membership	0	0	49	0
<b>New members accepted</b>				
1 <sup>st</sup> Board of Governors meeting	14	14	5	7
New members accepted				
2 <sup>nd</sup> Board of Governors meeting	27	9	3	21
New members accepted				
3 <sup>rd</sup> Board of Governors meeting	64			
Number of members at the end of the year	290	313	272	300
Percentage of active members	85 %	77 %	82 %	76 %

## Membership Fees and Payments

Membership fees paid in	1996	1997	1998	1999	2000	2001	2002	2003	Membership fees paid
2000 membership fees	2	2	2	1	234	3			244
2001 membership fees	1	1	2	0	27	180	18	5	234
2002 membership fees	1	0	2	0	2	9	174	25	213
2003 membership fees	1	0	0	0	0	0	5	219	225
Number of payment received the year	5	3	6	1	263	192	197	249	

## Annex 5. List of Acronyms

<b>AESN</b>	Agence de l'Eau Seine Normandie
<b>DWFE</b>	Dialogue on Water Food and Environment
<b>DWC</b>	Dialogue on Water and Climate
<b>FAO</b>	Food and Agriculture Organization
<b>FUG</b>	Follow-up Groups
<b>GWP</b>	Global Water Partnership
<b>IAHS</b>	International Association on Hydraulic Research
<b>IADB</b>	Inter American Development Bank
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICID</b>	International Commission on Irrigation and Drainage
<b>IFAP</b>	International Federation of Agricultural Producers
<b>IFI</b>	International Financing Institutions
<b>IHE</b>	International Institute for Infrastructure, Hydraulic and Environmental Engineering
<b>IISD</b>	International Institute for Sustainable Development
<b>IUCN</b>	The World Conservation Union
<b>IWA</b>	International Water Association
<b>IWMI</b>	International Water Management Institute
<b>MDGs</b>	Millennium Development Goals
<b>NGO</b>	Non-governmental Organization
<b>ODA</b>	Overseas Development Aid
<b>SIWI</b>	Stockholm International Water Institute
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCO</b>	United Nations Education Scientific and Cultural Organization
<b>WAU</b>	Water Action Unit
<b>WEHAB</b>	Water supply and sanitation, Energy, Health, Agriculture, Biodiversity and ecosystems
<b>WHO</b>	World Health Organization
<b>WSSCC</b>	Water Supply and Sanitation Collaborative Council
<b>WWAP</b>	World Water Assessment Programme
<b>WWC</b>	World Water Council
<b>WWF</b>	Worldwide Fund for Nature



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