IWMI
International
Water Management
Institute

Annual Report 2007-2008

Helping the world adapt to water scarcity

Our Mission

To improve the management of land and water resources for food, livelihoods and environment

Our Vision

Water for a food-secure world

Contents

Message from the Board Chair and Director General

2007 was a year of considerable change for IWMI which included the departure of the previous Director General, Professor Frank Rijsberman in April and the arrival of his successor, Dr. Colin Chartres in October.

Dr. Colin Chartres
Director General

Prof. Nobumasa Hatcho
Board Chair

For IWMI, a significant milestone was reached with the completion and publication of the Comprehensive Assessment of Water Management in Agriculture. This key document includes contributions from approximately 700 international scientists working across the water-food production nexus. The Comprehensive Assessment asked the question, "Is there enough land, water and human capacity to produce food for a growing population over the next 50 years – or will we run out of water?"

Agriculture, which currently uses about 70% of water withdrawals, faces stiff competition from the growing demands for water from urbanization and industry, from biofuel production and from the potential impacts of climate change on water resources. Furthermore, as diets change around the world to ones richer in meat and dairy products, more water will be needed to produce these products compared with cereals and vegetables. The answer to the question posed by the Comprehensive Assessment was "Yes, if…" The "if" referred to the fact that we will only succeed in the challenge if we change the way we use water for crop production and that "business as usual" with very low levels of water productivity will lead us down the track to major food shortages regionally and possibly internationally.

In many ways, the Comprehensive Assessment was prophetic, as 2008 has seen the development of what some call a "world food crisis", marked by major increases in cost of food commodities and some of the lowest levels of food in storage ever recorded. Irrespective of whether the food crisis is a response to temporary supply and demand perturbations, or is an early manifestation of the impact of population growth, dietary change, biofuel production and climate change factors, IWMI is convinced that the world water crisis is real and here to stay.

IWMI is developing adaptive management strategies that will help the poor and underprivileged cope with water scarcity. These strategies are being shaped in IWMI's new Strategic Plan (2009-2013) which will be available late in 2008. This new Strategic Plan will guide us in tackling the significant development challenges facing many countries. We also believe that the water and food crises will turn the tide in terms of the recently declining donor investments into agriculture and food production, which should facilitate funding for further investment in water productivity and adaptive management research and development.

With regard to project output and impact, 2007 was a year of steady progress with several IWMI-led projects in the Challenge Program on Water and Food either being completed or close to completion. An overview of achievements and impacts is given later in this report.

On the financial side, IWMI managed a significant turnaround resulting from a series of cost-cutting measures and prudent financial management in the second half of the year. The measures taken resulted in the recording of a small surplus and the transfer of significant funds to reserves, which considerably improved our indicators of longer term financial stability, allowing us to reach the CGIAR target for the first time. These financial improvements will put us on a stronger footing to meet future challenges. International Research Support Services, a collaborative initiative with WorldFish, is bearing some fruits of efficiency in financial management and supporting services.

Given the food and water crises we have to move quickly and efficiently to deliver research-based innovative solutions to the world's poor. We cannot do this alone, but need partnership and collaboration so that we can achieve our goal of increased food security and better livelihoods for the rural poor. We sincerely request your engagement and collaboration.

Prof. Nobumasa Hatcho
Board Chair

Dr. Colin Chartres
Director General

Creating Impact through Research

As I write, world leaders are struggling to deal with a food crisis, as shortages have hit, and prices are skyrocketing. An immediate response will be to stimulate food production.

However, more food production will likely mean that agriculture will require more water from rain and irrigation. On top of this are increasing demands from cities, for energy, and on top of that are the uncertainties brought about by climate change. Water is likely to become a major constraint to food production systems in many of the world's breadbaskets. In fact, a major question is whether there will be enough water to grow the required food?

At the same time, millions of rural poor could benefit from better water services to support their livelihoods and promote food security. Sub-saharan Africa has not mobilized water anywhere near to the amount required to better enhance agricultural productivity. Water is not playing the role in poverty reduction and economic growth that it should.

A key role for a research institute like IWMI is to provide research-backed, policy relevant recommendations that will help guide decision makers through very difficult decisions. Now, the water challenge is more clear than ever. How can we better use water in our food production systems to grow more food, to support livelihoods, without detrimental and irreversible impacts on the ecosystems?

An irrigation canal in India. To increase food production, more water is needed from irrigation and rain. Millions of rural poor could benefit from better water services to support their livelihoods and promote food security.

Photo Credit: Jean-Philippe Venot

Unloading grain in Ghana. Water is likely to become a major constraint to food production systems in many of the world's breadbaskets.

Photo Credit: Sanjini De Silva

In 2007, the book "Water for Food, Water for Life" was released in which researchers addressed this question to better inform investments in water and food. IWMI played a key role in shaping and driving the assessment process that involved hundreds of people from all parts of the world. The re-phrased answer to the question on whether there would be enough water is - no, there will not be enough water in many places for many people, unless we change the way we do business. The assessment went on to lay out key trends and possible scenarios, and a number of technical and policy response options. The effort will have made impact when people really start to do things differently.

So how do we get impact from IWMI's work? It has a lot to do with making sure we address the right issues. It has a lot to do with communicating results, and delivering results to the right people. And it has a lot to do with building capacity.

In 2007, biofuel rose to the top of the agenda. IWMI's scenario work allowed us to quickly provide an indication of the impact on water. The study concluded that water scarce countries such as India and China will not have sufficient irrigation water resources to implement ambitious biofuel plans. This result achieved tremendous media attention.

In India, water is always on the agenda, and closely linked to water use, is energy. The IWMI-TATA program produced a suite of studies looking at the effects of diesel prices on water markets in India and Pakistan. As expected, the poor suffer most when the price of water rises due to increased costs for pumping. Research pointed to adaptive management and policy responses specific to groundwater abundant and groundwater short areas.

Creating Impact through Research

Drip irrigation for a pomegranate orchard in Gujarat, India — a project under the IWMI-TATA program.
The program is an example of how research is done in partnership to build capacity.

Photo Credit: Sharni Jayawardena

The IWMI-TATA Program is an example of how research is done in partnership to build capacity. The Program works with a wide array of professionals and students in India, engaging them in stimulating debate, exciting research, and linking them with policy. So when recommendations come out, they are developed and backed by a range of people; and there are more and better trained people to carry out the recommendations.

We aim for science backed recommendation, and credibility of our science is gained through publishing. We aim to be leaders in ideas. IWMI research, ranging from its gender and pro-poor research to studies on irrigation investment, impacts, and multiple uses contributed significantly to the 2006 Human Development Report, with over 10% of the total citations attributed to IWMI publications. 2007 was a productive year, with IWMI staff serving as editor and authors in several special editions – one on Water Productivity published by Irrigation Science; on Dams, Ecosystems and Livelihoods, published by the Journal of River Basin Management; an edition on Water and Agriculture in China published by Water Policy; and an edition on Closing Basins, published by the International Journal of Water Resources Development.

A true test is application of results. Work on wastewater has changed the way many think and act about water. WHO has started to use our Africa projects to test the application reality of their new Guidelines on safe wastewater irrigation. FAO has started to develop a Farmer Field School program based on our research. The Ministry of Food and Agriculture in Ghana started to use extension and awareness material which is based on our wastewater research. IWMI was asked to lead a team for the development of a national wastewater strategy as part of a new National Environmental Sanitation Strategy.

In 2008, IWMI will go through an adaptive management process, and refocus their efforts to make sure they are dealing with the most urgent water-food-livelihood-environment issues. To do this we must stay engaged with a range of stakeholders, address key issues, deliver cutting edge science, and build capacity while doing so.

Dr. David Molden
Deputy Director General, IWMI

In India water is always on the agenda but water is not playing the role that it should in poverty reduction and economic growth.

Photo Credit: Sharni Jayawardena

Institutionalizing the Control of Health Risks Associated with Wastewater Irrigation in Pakistan (BMZ Project)

A cabbage crop grown with wastewater. IWMI's research formed the basis for an inter-sectoral dialogue on the negative impacts of wastewater use in crop production.

Photo Credit: Sanjini De Silva

Approximately 25% of domestic vegetable production in Pakistan depends on wastewater. IWMI's work extensively documented livelihood and health implications associated with wastewater agriculture by engaging project partners' staff to collect data after methodology design and training by IWMI, and discussed them at many forums. More recent work has focused on mitigation of negative impacts, and translating the findings into interventions, particularly in relation to health issues.

IWMI's work has impacted grassroot health at institutional level by addressing health risks associated with wastewater irrigation and implementing a risk mitigation strategy to contain selected infections. To this end, an IWMI-recommended holistic approach [encompassing diagnostic tests, awareness raising on health risks associated with wastewater-based livelihoods, and educational outreach programs on sanitation and hygiene behavior was adopted and institutionalized with support from key partners in Faisalabad, Pakistan, including the National Program for Family Planning and Primary Health Care (NPFP & PHC). They conducted the field program, with diagnostic support provided by the Institute of Public Health and Punjab Medical College.

IWMI's research data were used to pilot a deworming campaign—introduced as mass-scale anti-helminthic treatments through NPFP & PHC to reduce worm burdens in the communities—which was coupled with health education on wastewater irrigation based livelihoods. This institutionalization, which involved the direct engagement of Lady Health Supervisors (LHSs) and Lady Health Workers (LHWs), was seen as a sustainable, positive outcome of IWMI's research. The LHWs constitute the grassroot level arm of the NPFP & PHC that provides primary health care services at the community level. This group of health staff are women, over 18 years old from the community.

Further, based on IWMI's work, a package of interventions, from training events to treatment was developed and implemented by NPFP & PHC. In keeping with the holistic approach, complementary studies were carried out to assess groundwater quality (drinking water) and sanitation infrastructure with the support of the Water and Sanitation Agency (WASA) whereby the community and regulatory stakeholders were brought together to discuss and address sustainable health risk mitigation options through inter-sectoral and cross-scale dialogue.

In summary, IWMI's research formed the basis for an inter-sectoral dialogue on the negative impacts of wastewater use in crop production; pilot level institutionalization of interventions and enhancement of knowledge and skills of the LHSs and LHWs within the community to address the negative health impacts of wastewater use; and the development of strategies for a long-term surveillance program for infection containment within communities in other parts of the country. The NPFP & PHC highlights the importance of our strategic and targeted research outputs, has recognized the key role of LHWs in promoting safe use of wastewater and good hygiene practices within the community, and is willing to extend its application countrywide.

IWMI's work has impacted grassroot health at institutional level by addressing health risks associated with wastewater irrigation and implementing a risk mitigation strategy to contain selected infections.

Photo Credit: Sanjini De Silva

Promoting the Multiple Use Water Services Approach at Local and Global Scales

Research shows that systems designed for a single use only, in reality, serve multiple purposes. This holds true not only for irrigation systems which are used for many non-irrigation uses, but also for water services to homesteads. Apart from domestic uses, water is used for livestock, brick making, gardening, staple foods, tree growing, aquaculture and small-scale crafts and enterprise. For the land-poor, the homestead is often their only site for production. IWMI introduced 'multiple-use water services' (and coined its widely used abbreviation of 'MUS') as an innovative approach to use water for poverty alleviation and gender equity in rural and peri-urban areas. Multiple-use water services take people's multiple domestic and productive water needs as a starting point for planning and design of infrastructure and this includes the homestead.

Research findings indicate that quantities of factual water use at homesteads are double or triple (50-100 liters or more per person per day) the quantities that the domestic sector currently adopts as its standard design criteria (25-50 liters per person per day). Two types of technologies provide best for such large quantities of factual water use: first, individually managed homestead-based technologies—like shallow wells or boreholes—with improved lifting devices, run-on ponds, or roof water harvesting; and, second, communal systems with distribution networks with connections to the households themselves or nearby street taps. As a result of IWMI and partners' presentations in international forums, strategic global players have now acknowledged 'MUS' as a "form of Integrated Water Resources Management, at the level of the household or the community". This is considered as "a highly appropriate and cost-effective way to contribute to achieving the Millennium Development Goals".

As the lead institution of the first global comparative study on implementing and upscaling 'MUS' under the Challenge Program on Water and Food (CPWF), IWMI together with its partners compiled over 100 national and international outputs, including IWMI Research Report 98 on 'Multiple-Use Water Services to Advance the Millennium Development Goals'. Proactive debates on these outputs at district and national-level workshops in Bolivia, Colombia, India, Nepal, South Africa, Ethiopia, Thailand and Zimbabwe as well as at World Water Forum 4 and other global forums led to several important outcomes (see also www.musproject.net).

In South Africa 'MUS' was adopted in the local government Integrated Development Plan for Bushbuckridge Ward 16 and the project's work explicitly referenced in national guidelines for municipalities on the 'Provision of water for small-scale multiple use systems'. 'MUS' has further influenced South Africa's Water for Growth and Development Strategy, and prompted the Water Research Commission to commence studies on the topic.

Multiple-use water services is an innovative approach to use water for poverty alleviation and gender equity in rural and peri-urban areas. Water is used for domestic purposes and others such as growing crops.

Source: MUS Project

A key outcome in Ethiopia was adoption of 'MUS' by Catholic Relief Services (CRS) as its "core strategy" for promoting integrated water resource management, and partnership with IWMI has led to the spread of 'MUS' across CRS regional and country programs".

Other country-level outcomes include:

- (Bolivia) 'MUS' central in the new Water Resource Center, Cochabamba
- (Colombia) More participatory rural water supply for multiple uses by the parastatal PAAR; follow-up research by Cinara, Universidad del Valle, Cali funded
- (Nepal) 'MUS' included as authorized activity in Fund Allocation Guidelines of Ministry for Local Development; 'MUS' promoted by Department of Irrigation; national dialogue on 'MUS' among ministries of Agriculture and Cooperatives, Finance, Women, Children and Welfare, Local Development and Irrigation
- (Zimbabwe) 'MUS' promoted in a draft water services Bill
- (Thailand) Homestead 'MUS' water provision promoted by the Farmer Wisdom Network and in the new national water law

Finally, at an international level, IFAD has 'endorsed and promoted the MUS approach to focus on multiple water use requirements that address women's concerns better than single-use irrigation projects'.

Supporting Water Accounting Methodologies and Frameworks through the Spatial Data and Knowledge Gateway Project (IWMIDSP)

IWMIDSP (http://www.iwmidsp.org) is an award winning pathfinder pioneered by IWMI for providing state-of-the-art global public good (GPG) spatial data on water and land resources for river basins, nations, regions, and the world. The Environmental Systems Research Institute (ESRI) recognized IWMIDSP with a Special Achievement in GIS (SAG) Award at the 27th Annual ESRI International User Conference in San Diego, California, June 20, 2007. In the ESRI press release, they state that "IWMI stood out from more than 300,000 organizations worldwide that use geographic information system (GIS) software to make a difference in the world".

Released to the public in June 2004, currently IWMIDSP has 3500+ registered users from 80+ countries. Monthly users average about 1500+. The 2007 IWMIDSP annual survey showed 80% of its data used for research purposes and 70% of the respondents rate it 7 or higher on a scale of 1 to 10. The IWMIDSP is profiled by: (a) Water Monitoring Alliance, (b) UN-Water Africa/UN Economic Commission for Africa, and (c) World Health Organization: Health and Environmental Linkages Initiative.

Surveys and regular feedback indicate that the IWMIDSP data is widely used throughout the world.

Some examples of application:

Application	User/Beneficiary	Geographic Scope
Water balance computation at regional level using SEBAL	Irrigation development of Study and Design Department	Ethiopia
Base maps for hydrogeological study in Northern Ghana to enhance current knowledge of groundwater resources	INRS-Eau, Terre et Environnement, France	Northern Ghana
Workshop and training session on use of remote sensing for water management and agriculture	Purpan Graduate School of Agriculture, France	Pakistan
Re-delineation of Indo-Gangetic Plain	Rice-Wheat Consortium group of South Asia	South Asia
Use of the global map of irrigated area with ArcGIS to define extent of irrigated area in the State of California		California
Assessment of water uses in the Challenge Program basins	CSIRO Land and Water, Australia	
Estimate irrigated areas for bioenergy plantations in different EU countries	University of Joensuu, Finland	EU
Use of climate data to simulate food security and global climate change scenarios	University of Florida, USA	Jamaica
GIS information for humanitarian aid in East African countries		Kenya, Somalia, Tanzania, Eritrea, Djbouti
Graduate level seminar course	University of California in Davis	USA
Relationships between climatological data and arrival date for migratory bird species breeding at Doñana National Park	Estación Biológica Doñana-CSIC, Sevilla	Southern Spain
Australian schoolbook "Humanities Alive 2" with over 40,000 copies printed		Australia
Tsunami rapid action maps http://www.fao.org/tsunami/environment/maps.html	FAO	Sri Lanka

Improving Irrigation Performance in Africa (IPIA/APPIA)

IWMI and national partners in Ethiopia and Kenya developed the APPIA/IPIA project implemented from 2003-2007. It developed a methodology named PRDA for Participatory Rapid Diagnosis and Action Planning for improving performance of farmer-managed irrigation schemes. The methodology was field-tested by irrigation personnel in 18 pilot irrigation schemes in Ethiopia and Kenya. A recent external evaluation of action plans (December 2007) highlighted the significant improvements in performance in Kenyan pilot schemes and to some extent in Ethiopia.

On considering field data, the evaluators arrived at the overall conclusion that "one of the tremendous achievements of the IPIA project was gaining much success with less resources" when compared with other irrigation investments in the region, and attributed this to good collaboration with stakeholders on the ground. It also noted the "considerable benefits for farmers within the schemes compared to those outside". In particular, the report highlighted the following:

- **Downward production trends reversed** in most sites. This was based on economic analysis of baseline and post-intervention data that showed "significant increase in yields in most of the schemes" including a threefold increase in one site.
- **Improved water application** enabling crop diversification with higher market profitability.
- **Significant technical and institutional capacity building** through new irrigation water user associations (IWUAs) or strengthening existing ones via skills development programmes ranging from problem identification methods to application of suitable small-scale solutions.
  The net result: "improved performance of IWUAs in equitably and efficiently distributing irrigation water to their clients".
- **Major changes in farmers' attitudes** which contributed to more effective IWUAs and efficient knowledge uptake.

APPIA's flagship scheme is the Mwea scheme in Kenya. Application of PRDA helped design an irrigation management transfer (IMT) action plan, and raised rice productivity from less than 3 t/ha (2003) to more than 5 t/ha (2006/7) and fee recovery to 80% (figures available with Kenya National Irrigation Board). Mwea is consequently cited in Kenya as a successful case of IMT, a complete reversal from previous expectations.

Moreover, field level results have convinced the Kenyan Government to use the APPIA approach in other centrally managed schemes to improve performance, and to incorporate APPIA's approach in the new (and first) national irrigation policy prepared by the Ministry of Water & Irrigation in 2007. The most significant result was the creation of KIDA (Kenya Irrigation & Drainage Association), a continuation and upscaling of professional networks created during the course of APPIA/IPIA in Kenya. Also noteworthy is that APPIA/IPIA PMU members were actively involved in preparing the irrigation policy.

In addition, a manual on PRDA methodology published by IWMI & FAO in 2006 is now widely used in Kenya, Amhara regional state in Ethiopia, West Africa (after translation into French), non-APPIA targeted countries including Rwanda and Malawi, and has been translated into Persian and 6,000 copies printed for use at the initiative and cost of the National Committee of Irrigation and Drainage of Iran.

IWMI and national partners in Ethiopia and Kenya developed the APPIA/IPIA project which created a methodology to improve the performance of farmer-managed irrigation schemes.
This methodology was tested in18 pilot irrigation schemes in Ethiopia and Kenya.

Photo Credit: Hugh Turral

IWMI's Water Scarcity Map for the Comprehensive Assessment of Water Management in Agriculture (CA)

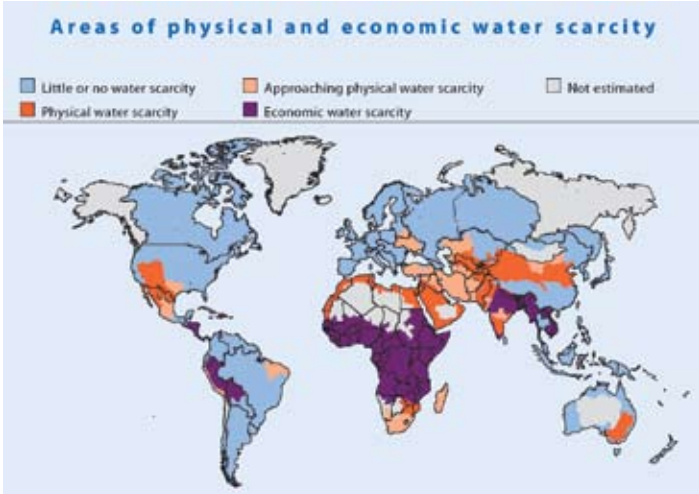
Thinking differently about water is essential for achieving food security, reducing poverty and conserving ecosystems. Agriculture should be viewed as a multiple use system and as an agro-ecosystem providing services and interacting with other ecosystems.

Photo credit: David Molden

Water scarcity is high on the development agenda. IWMI's work through WaterSim for the Comprehensive Assessment of Water Management in Agriculture (CA) influenced this agenda by creating greater awareness on water scarcity, both within and outside the water community. In particular, the global map depicting water scarce areas, with statistics on people in water scarce basins and suggestions for tackling water scarcity provided a geographical context and focus to dialogues and development agendas. For example, the theme of the UN World Water Day in 2007 was 'coping with water scarcity', and IWMI's water scarcity map featured prominently in its main brochure. The map and the CA messages also featured in top national and international media, during World Water Week and thereafter.

In addition to the water and development sectors, several newspapers, news websites, and radio/TV broadcasts featured in-depth articles on water scarcity using IWMI's work. Printed media coverage included New Scientist, Financial Times, The Economist, New York Times, Washington Post, Liberation (France), Süddeutsche Zeitung (Germany), Der Spiegel (Germany), Daily Nation (Kenya), La Stampa (Italy), and El Mundo (Spain). In addition, several news agencies covered the water scarcity issue, including Associated Press, Agence France Press, Reuters, Xinhua News Service, and United Press International. Web coverage included major news sites such as ABCNews.com, CBSNews.com, Yahoo! News, Le Monde Online, ScientificAmerican.com, Economist.com, BBCworld.com, Forbes.com, New Scientist.com, Science Now and SciDev.net. Print and online media (including Reuters, New Scientist and The Economist) wrote in-depth pieces on the global water scarcity problem, highlighting findings and policy solutions from the CA. The Financial Times published two stories on water scarcity and organized an "Ask the Experts" online forum in which Frank Rijsberman participated. Major TV and radio news networks (including CNN, Reuters, BBC, Deutsche Welle) broadcasted stories to audiences worldwide.

IWMI's reprint request process, by granting copyright permission to potential user requests, also indicates how the broader awareness created by the media coverage is being adopted by a diverse group of users to reach an even more diverse audience from policy makers to research institutions and other educators to the private sector at global and national scales. This has been through the adoption of the water scarcity map in policy publications, incorporation in documents of key international conventions such as the Convention on Biological Diversity, reproduction in university and secondary school textbooks and online reference portals and in discussion documents for private sector organizations.



Water scarcity is high on the development agenda. The global map developed by IWMI and WaterSim for the Comprehensive Assessment of Water Management in Agriculture shows water scarce areas with statistics of people in water scarce basins.

Source: Comprehensive Assessment of Water Management in Agriculture

Performance Indicators

The CGIAR Performance Measurement System measures the performance of all CGIAR centers in terms of research results (i.e., outputs, outcomes, and impact); potential to perform (i.e., quality and relevance of current research and institutional and financial health) and stakeholder perceptions (through periodic surveys). We provide below a snapshot of some of the key performance indicators, IWMI's 2007 results and, where possible, comparisons with previous years.

Research Results - Output Targets (2005-2007)

INDICATOR	ACHIEVEMENT		
	2007	**2006**	**2005**
Peer reviewed publications/scientist	1.86	1.25	1.72
Peer reviewed ISI Journal Articles/scientist	0.93	0.69	0.67
Publications with NARS partners/scientist	41.22	33.0	22.8

INDICATOR	ACHIEVEMENT
Does your Center have Board approved gender diversity goals?	**Yes**
Percentage of women in management:	**46.15%**
Percentage of scientists receiving PhDs in the last five years:	**26.41%**
Does the Board have a clear strategy for communicating with stakeholders (including CGIAR members, other centers, and partners)?	**Yes**

Publications 2007

In 2007, IWMI continued its upward trend in the annual number of peer reviewed publications produced. Over 200 peer reviewed articles were published in 2007 (compared with 169 in 2006 and 144 in 2005). Over a third of these were in ISI ranked journals, and the remaining two-thirds in other peer reviewed outlets, including IWMI's Research Report series, journals and books. To further the Institute's commitment to producing high quality peer-reviewed outputs, in 2007 IWMI launched a new Publication Strategy which further refines the publication expectations at the Institute and researcher levels and the support and planning tools available to achieve these.

A full listing of IWMI's peer reviewed publications for 2007 and previous years is available on IWMI's website at: http://www.iwmi.cgiar.org/Publications/

IWMI Board of Governors

Standing (left to right): Dr. John Skerritt, Ms. Shanthi Weerasekara (Board Secretary), Dr. Rivka Kfir, Dr. Pietro Veglio, Dr. Margaret Catley-Carlson, Dr. Colin Chartres, Mr. Getachew Engida, Prof. Nobumasa Hatcho, Ir. A.D.S. Gunawardena

Absent: Dr. Fatma Attia

Prof. Nobumasa Hatcho
(Chair, IWMI Board of Governors)
Professor, Dept of International Resources Management, School of Agriculture
Kinki University
Japan

Dr. Margaret Catley-Carlson
(Vice Chair, IWMI Board of Governors)
Chair, Crop Diversity Trust & SecGen Group
Canada

Dr. Rivka Kfir
Chief Executive Officer
Water Research Commission
South Africa

Dr. Fatma Attia
Professor Emeritus
Ministry of Water Resources & Irrigation
Egypt

Dr. John Skerritt
Deputy Chief Executive
Australian Centre for International Agricultural Research (ACIAR)
Australia

Mr. Asger Kej
Managing Director
Danish Hydraulics Institute
Denmark

Dr. Pietro Veglio
Consultant
Switzerland

Mr. Getachew Engida
The Comptroller
Bureau of the Comptroller
UNESCO
France

Ir. A.D.S. Gunawardena
Secretary
Ministry of Irrigation & Water Management
Sri Lanka

Dr. Colin Chartres
Director General
International Water Management Institute
Sri Lanka

Board Statement on Risk Management

IWMI's Board of Governors has responsibility for ensuring an appropriate risk management process is in place to identify and manage high and significant risks to the achievement of the Institute's business objectives, and to ensure alignment with CGIAR principles and guidelines which have been adopted by all CGIAR centers. These risks include operational, financial and reputational risks that are inherent in the nature, modus operandi and location of the Institute's activities, and are dynamic as the environment in which the Institute operates changes. They represent the potential for loss resulting from inadequate or failed internal processes or systems, human factors, or external events. They include low impact (and therefore irrelevance) of scientific activities; misallocation of scientific efforts away from agreed priorities; loss of reputation for scientific excellence and integrity; business disruption and information system failure; liquidity problems; transaction processing failures; loss of assets including information assets; failures to recruit, retain and effectively utilize qualified and experienced staff; failures in staff health and safety systems; and failures in the execution of legal, fiduciary and agency responsibilities.

The Board has adopted a risk management policy, communicated to all staff, that includes a framework by which the Institute's management identifies, evaluates and prioritizes risks and opportunities across the organization; develops risk mitigation strategies which balance benefits with costs; monitors the implementation of these strategies; and periodically reports to the Board on results. This process will draw upon risk assessments and analysis prepared by the Institute's staff, internal auditors, Institute-commissioned external reviewers, and the external auditors. The risk assessments will also incorporate the results of collaborative risk assessments with other CGIAR centers, System Office components and other entities in relation to shared risks arising from jointly managed activities. The risk management framework seeks to draw upon best practice promoted in codes and standards promulgated in a number of CGIAR member countries, and it is subject to ongoing review as part of the Institute's continuous improvement effort.

Risk mitigation strategies include the implementation of systems of internal control which, by their nature, are designed to manage rather than eliminate the risk. The Institute endeavors to manage risk by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the organization.

Key practices employed in managing risks and opportunities include business environmental scans, clear policies and accountabilities, transaction approval frameworks, financial and management reporting and the monitoring of metrics which are designed to highlight positive or negative performance of individuals and business processes across a broad range of key performance areas. The design and effectiveness of the risk management system and internal controls is subject to ongoing review by IWMI's internal audit service, which is independent of business units and reports on the results of its audits directly to the Director General and Board through the Board's Audit Committee.

IWMI Donors 2007

During 2007, IWMI's funding support was provided by the following governments, development banks, agencies and foundations:

- African Development Bank
- Asian Development Bank
- Australia (ACIAR)
- Canada (CIDA)
- Challenge Program – Consortium of Donors
- France
- Germany (BMZ, GTZ)
- Global Environment Facility (GEF)
- International Development Research Centre (IDRC)
- Ireland
- Israel
- Japan (JBIC, JICA)
- National Oceanic and Atmospheric Administration (NOAA)
- Netherlands
- Norway
- Sweden (SIDA)
- Switzerland (SDC)
- Sir Ratan Tata Trust
- United Kingdom (DFID)
- United Nations Food and Agriculture Organization (FAO)
- United States of America - USAID
- World Bank

The governments of India, Iran, China and European Union provided program support for IWMI-related activities in those countries.

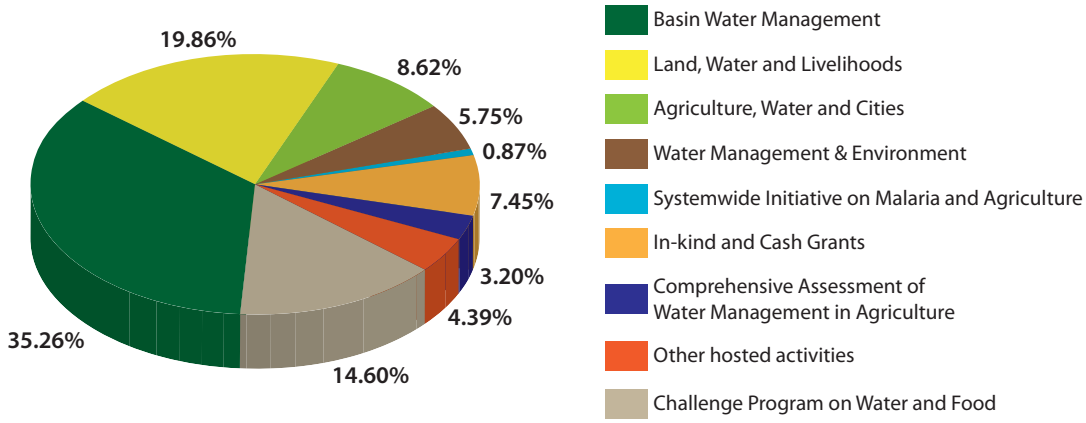
Financial Statement

2007 for IWMI was a year of transition, improvement and consolidation. The year saw the completion of several projects with high quality outputs. The IWMI-led Comprehensive Assessment of Water Management in Agriculture, a five-year effort, was delivered in 2007. At the same time, IWMI initiated new activities, many of them focused in Africa, and moved into more research dealing with climate change.

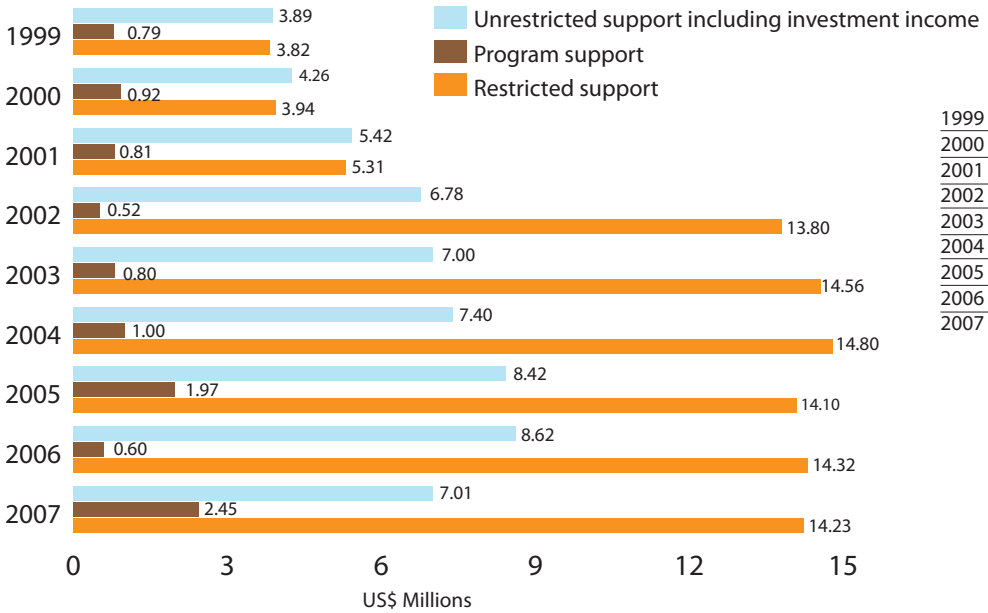
Financially, IWMI ended 2007 on a strong note and recorded a surplus despite some setbacks in unrestricted funding. This strong financial performance puts IWMI within the CGIAR recommended range for long term financial stability for the first time, and also in full compliance with other CGIAR financial performance indicators. IWMI's long term financial stability was 77 days as of December 2007 and its short term solvency indicator was 114 days. IWMI's cash management on restricted operations was 0.18 as of December 2007 and the ratio of indirect cost to total cost was 20%.

IWMI's financial health is looking good and the prospects are promising, given the increased conversion rate of proposals and the efforts put towards extending the pipeline of restricted projects.

Direct Research Expenditure by Program



Income 1999-2007 (US$ Millions)



				Total
1999	3.89	0.79	3.82	**8.50**
2000	4.26	0.92	3.94	**9.12**
2001	5.42	0.81	5.31	**11.54**
2002	6.78	0.52	13.80	**21.10**
2003	7.00	0.80	14.56	**22.36**
2004	7.40	1.00	14.80	**23.20**
2005	8.42	1.97	14.10	**24.49**
2006	8.62	0.60	14.32	**23.55**
2007	7.01	2.45	14.23	**23.69**

US$'000

ERNST & YOUNG

Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Telephone : (0) 11 2463500
Fax Gen : (0) 11 2697369
Tax : (0) 11 5578180
E-Mail : eysl@lk.ey.com

APAG/NAPJ

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF GOVERNORS OF INTERNATIONAL WATER MANAGEMENT INSTITUTE

Report on the Financial Statements

We have audited the accompanying financial statements of International Water Management Institute, which comprise the statement of financial position as at 31st December 2007, and statement of activities, statement of changes in net assets and cash flow statement for the year then ended, and a summary of accounting policies, notes and supplementaries as set out on pages 3 to 36.

Management's Responsibility for the Financial Statements

The institute's management is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations made in the Consultative Group for International Agricultural Research (CGIAR) Financial Guidelines Series No.2-CGIAR Accounting Policies and Reporting Practices Manual (revised March 2004). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Institute's Management, as well as evaluating the overall financial statement presentation and determining whether the said financial statements are prepared and presented in accordance with the recommendation made in the CGIAR Guidelines.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Institute maintained proper accounting records for the year ended 31st December 2007, and the financial statements give a true and fair view of the Institute's state of affairs as at 31st December 2007 and of its activities and cash flows for the year then ended in accordance with the recommendations made in the CGIAR Financial Guidelines Series No.2-CGIAR Accounting Policies and Reporting Practices Manual (revised March 2004)

Colombo.
12th March 2008

New Projects 2007

Project Name	Life Budget US$	Period
Assessing the Impact of Physical and Management Interventions through RS/GIS Tools on Irrigation System Performance in Punjab, Pakistan The overall objective of the study is to provide a neutral and unbiased scientific assessment of the impact on irrigation performance and agricultural water productivity due to improved asset management and institutional reforms in the Punjab under the Development Policy Loan (DPL) Program and to provide baseline information for the canal systems where new rehabilitation projects are to be undertaken with the help of international donors including World Bank, ADB and JBIC.	201,844 PKR12,111,000	7 Months
Water Flume Meters for Water User Allocations Water Flume Meters for Water User Associations (WUAs) in Central Asia—This project is funded by the Swiss Agency for Development and Cooperation and carried out in collaboration with the Scientific Information Centre of the Interstate Commission for Water Coordination of Central Asia (SIC-ICWC). The overall goal of the project is dissemination of the IWRM and water-saving experiences gained within pilot WUAs by moving to volumetric water allocations instead of area-based, among the newly created WUAs in the Akbura Basin, along the South Ferghana and Khodji Bakirgan canals in the three countries of the Ferghana Valley.	159,986	11 Months
CP 65: Informal Shallow Groundwater Irrigation to Livelihoods Security and Poverty Reduction in the White Volta Basin This project looks at the current role of shallow groundwater irrigation in securing livelihoods and reducing poverty in the White Volta Basin. Recommendations for improved management practices and policies, based on the generated knowledge base, will be developed and implemented in close cooperation with local partners in the Ghanaian Water Research Institute (WRI) and the Burkinabe Ecole Inter-Etats d'Ingénieurs de l'Equipement Rural (EIER).	499,955	21 Months
Understanding Conflict and Cooperation in Local Water Governance Local water governance conflicts and cooperation will be studied in Namwala District, Zambia, for comparison with similar studies in Nicaragua, Bolivia, Mali and Vietnam. In June 2007 a global workshop was organized with project partners, where generic concepts and methodologies were specified. In August 2007, the Zambian national Working Group was established to ensure upscaling of findings at national level. IWMI provides backstopping on local and national water policies and laws, and social science research methodologies.	72,969 DKK 386,356	36 Months
SA SAKSS P2: Hub for Strategic Analysis and Knowledge Support Systems Program in South Africa	770,020	36 Months
SAKSS Mozambique: Strategic Analysis and Knowledge Support in the Agriculture Sector in Mozambique	392,000 SEK 3,140,000	18 Months
ReSAKSS SA: Regional Strategic Analysis and Knowledge Support System for Southern Africa The ReSAKSS-SA was established to facilitate access by the Southern African Development Community (SADC) and their member states to policy-relevant analyses and high quality knowledge during the design, review and learning processes associated with the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP) agenda and SADC's Regional Indicative Strategic Development Plan (RISDP). In particular, it targets the identification and assessment of strategic options for agricultural growth and development in Southern Africa, particularly those options contributing most to poverty alleviation. The establishment of the ReSAKSS-SA is being facilitated and led by ICRISAT and IWMI, in collaboration with IFPRI.	895,433	17 Months
IWRM for Zambezi Riparian Countries Following the successful implementation of the previous edition of this programme in 2006-07, IWMI-SA has been requested by Ramboll-Natura to plan and implement the regional module of the international training programme on Integrated Water Resources Management for Zambezi Riparian Countries (IWRM-Zambezi) for the year 2007-08.	179,799 SEK1,188,664	9 Months

New Projects 2007

Project Name	Life Budget US$	Period
Improving Water in Crop-livestock SSA This project aims to optimize productive use of water to increase incomes and improve the environment, within crop-livestock systems in the semi-arid areas of Southern Africa and the Blue Nile Basin. The project will focus on biophysical optimization and resource governance, and apply a water productivity framework, suitable for crop-livestock systems, to diagnosis entry points for intervention. The project is a collaboration that will contribute to the CGIAR System-wide Livestock Programme. It will develop tools, methodologies and recommendations for a range of stakeholders. This will be disseminated through peer reviewed publications and electronic platforms.	1,752,360 Euro 1,200,000	36 Months
CP 68: Improving Water Productivity, Reducing Poverty and Enhancing Equity in Mixed Crop-Livestock Systems in the IGB This is a companion project of the BMZ project on livestock water productivity in Africa that began in 2007. It is a collaboration with ILRI, and two NGOs in India, funded by CPWF. This project will contribute to providing a framework that can be used to understand water productivity of crop-livestock systems, and designing entry points for improvement, that will be tested for their impacts on gender dynamics, livelihoods and poverty.	499,679	24 Months
Improving Productivity and Market Success of Ethiopian Farmers (IPMS) P1 - In the last few years, the System of Rice Intensification (SRI) method of rice cultivation has attracted much attention and been credited with spectacular yield gains. Yet, it is surrounded by much controversy. The Government of Andhra Pradesh is promoting the SRI method in the State with the aim of enhancing rice production and at the same time conserving irrigation water. As this technology is relatively new and there are doubts about its perceived benefits this study attempts to objectively assess the merits of the SRI method. The study will be undertaken in collaboration with the Commissioner of Agriculture, Government of Andhra Pradesh. P2 - The project includes two components: 1) Review, update and publish water management training modules, and 2) contribute to market oriented water innovation development and documentation in 4 Pilot Learning Woredas (PLW).	61,000	12 Months
Poverty Assessment at UWLB: Impact Assessment of Infrastructure Development on Poverty Alleviation The main objective of this study is to evaluate the effectiveness of irrigation infrastructure development as a policy instrument for reducing poverty within an agricultural setting by developing a better understanding of the linkages between irrigation and poverty. The study is being carried out in Sri Lanka in the Walawe Left Bank Irrigation Project Area. It comprises of 3 major components; Package 1 – involves an econometric poverty analysis that combines panel data from the previously un-irrigated Sri Lankan study site (part of the 2001-2003 JBIC and IWMI study) with data from the same site after the introduction of irrigation. It also revisits the previously irrigated sites to gain additional insights on poverty change over time; Package 2 that investigates the role of institutions on irrigation related poverty reduction; and Package 3 that adopts a sustainable livelihoods approach to determine the underlying processes and driving forces that result in some households and not others to move out of poverty with the presence of irrigation infrastructure and development. By using the quantitative and qualitative evaluation results the project aims to highlight the policy implications of future infrastructure development in a rigorous manner.	122,043	13 Months
Sustainable Mekong-PES Cluster Research/Catalyze the Transition to Sustainability in the Mekong Region The overall goal of the project is to address the sustainable utilization of land and water resources in upper catchments of the GMS by developing strategies that enhance community livelihoods. The project objective is to assess the development of effective policies and incentives that enhance productivity and income generation opportunities for disadvantaged rural farmers in upper catchments in the Greater Mekong subregion resulting in equitable distribution of benefits to upstream and downstream communities and the adoption of sustainable land and water practices.	91,056	13 Months

New Projects 2007

Project Name	Life Budget US$	Period
CP 71: APIA and AEA to support decision-making for Water Allocation for Fisheries and Agriculture in the Tonle Sap Wetland System The project aims to enhance the existing participatory agro-ecosystems analysis (AEA) at Commune level (CAEA) by developing an integrated assessment that considers the benefits and requirements of fisheries in agro-ecosystems, especially in relation to water management. This project will make use of existing knowledge and tools, including the Adaptive Participatory and Integrated Assessment (APIA) approach.	500,000	24 Months
TEIWRMT: Research on Transferring Effective Irrigation and Water-Resource Management Technique This research project aims at establishing a suitable site evaluation methodology for disseminating small-scale lowland rice in inland valleys in West Africa by adapting the East and Southeast Asia's expertise on lowland rice development technology (Sawah) in inland valleys. The project carried out studies on: (1) Developing suitable site selection technology for paddy cultivation in the inland valley of Ghana, (2) Hydrological survey on study site in Kumasi area in Ghana, and (3) Questionnaire survey for rice farmers in project sites of the Inland Valley Rice Development Project (IVRDP).	209,521	27 Months
ICT-KM Knowledge Sharing: Scaling Out Research The 15 centers supported by the CGIAR and national partners are together creating a wealth of knowledge to help rural communities in developing countries build sustainable livelihoods. However, certain obstacles have to be overcome. One of the missing elements which has reduced the effectiveness of our research and development (R&D) efforts, is appropriate and effective knowledge sharing, both within centers and between them and their partners. There is a longstanding tradition that separates researchers from those that take up their results. This project will help bridge the gap and seek the best solution for agricultural research to contribute to development outcomes. The CGIAR centers and their partners need to shift to a more demand-driven, interactive approach, in which such methods are developed collaboratively through a shared process of learning and innovation. A key requirement for achieving this shift is that knowledge sharing should no longer be a mere afterthought in research. Instead, it must become an integral part of the whole research process, involving all stakeholders. The KS in Research project will work closely with scientists, users and project partners who are open to incorporating KS approaches into new or ongoing collaborative research initiatives.	493,947	25 Months
CP19: Improved Water & Level Management in the Ethiopian Highlands and its Impact on Downstream Stakeholders Dependent on the Blue Nile Proposed by diverse stakeholders, this study hypothesizes that with increased scientific knowledge of the hydrological, hydraulic, watershed, and institutional processes of the Blue Nile in Ethiopia (Abay catchment), constraints to up-scaling management practices and promising technologies within the catchment can be overcome, resulting in significant positive benefits (win-win) for both upstream and downstream communities, reducing win-lose scenarios. Specific objectives of the project are: 1. Identify major water, land and livestock management constraints and opportunities in the Abay catchment; 2. Adapt and apply existing hydrological and watershed, and economic models that can be used to estimate such impacts both basin-wide and locally in selected communities, including their costs and benefits, and identify 'best-bet' interventions; 3. Create a better overview of 'best-bet' management practices and interventions, and the hydrological and socioeconomic conditions for up-scaling them; 4. Build capacity of research partners, NGOs, community leaders and policy makers, through collaboration with local institutions and universities to facilitate student research, stakeholder consultation, facilitation and engagement of stakeholders in dialogues on resource management issues and innovative approaches, as well as generating knowledge for planners and policy makers.	920,598	17 Months

Grant Revenue 2007-2006

	Total 2007 US$	Total 2006 US$
Unrestricted income		
Australia	375,550	378,500
Canada	609,658	697,901
China	10,000	9,968
Denmark	0	355,338
DFID	1,281,420	1,170,729
Germany	285,142	279,642
India	37,500	37,500
Ireland	537,972	508,640
Israel	184,676	185,000
Japan	29,708	32,000
Netherlands	616,980	614,457
Norway	480,191	320,087
Sweden	404,121	349,287
Switzerland	354,044	329,258
USAID	616,400	644,000
World Bank	550,000	2,219,000
Subtotal (Unrestricted Income)	**6,373,362**	**8,131,307**
Restricted income		
ACIAR - Growing more rice with less water (AUS06)	32,048	0
ACIAR - Krishna Project (ACI02)	266,726	154,901
ADB - Benchmarking the performance of RBO	16,109	50,752
ADB - Bright Spot in Central Asia	275,454	261,845
AFD - M&E for FWUCs	7,089	0
AFDB - African Investment study (AFB14)	9,749	(57,571)
ANP - Land Water Productivity of SRI	0	2,002
AUS - Krishna River Basin (ICS02)	0	6,000
BMZ - Improving Water in crop-livestock SSA	272,567	0
BMZ - Wastewater Irrigation South Asia	271,025	405,203
BTC - IWMI-PIMD Training in Cambodia	8,500	9,910
Canada - Irrigation Innovation IPMS (CDA07)	17,655	12,486
Canada - IWMI/GWP-SA	0	870
CARE - Tsunami Relief GW & Water supply (CAR02)	0	5,255
CCK - WUA Kazakhstan (CCK01)	0	7,389
CGIAR - Consortium for Spatial Information (CG01)	79,183	87,789
CGIAR - ICT KM KS in Research	135,447	0
CGIAR - LA Waspa	3,458	
CGK - Safe Food Despite Wastewater Irrigation	1,754	
CIAT - Case Study in Mekong	12,258	0
CIAT - EMBRAPA	0	9,480
CIAT - EMBRAPA AFRICA	153,788	5,000
CIP - Wastewater (CIP02)	5,132	3,056
DANIDA - Local water governance	16,598	0
DANIDA - IWRM Demonstration Project in SADC Region (DAN19)	64,308	43,362
DANIDA - Staff Secondment	0	69,737
DANIDA - Wastewater Reuse in Agriculture in Vietnam (DAN13)	58,023	128,038
DANIDA/KVL Production in Aquatic Peri-urban Systems in Southeast Asia	1,751	4,500
DFID - IWMI in RIPPLE	6,058	0
DFID - ICUC Underutilized Crops Research	253,391	255,077
DFID - Mitigating diffuse agriculture Pollution (DFI08)	3,356	17,420
DFID - RIPARWIN (DFI06)	29,106	31,203
DMV - Remotely sensed modeling in Krishna (DMV 01)	0	5,700
ERU - SWITCH	37,746	13,645
ERU - ENcorFor Land sustainability for Carbon Sequestration	12,100	21,787
ERU - Sandy Soil Remediation	0	1
ERU - Sustainable Water Andhra Pradesh	30,760	23,286
ERU - WASPA	221,893	175,766

Grant Revenue 2007-2006

	Total 2007 US$	Total 2006 US$
Restricted income. *Continued..*		
ERU - Waterman	26,348	0
ERU - European Community Contribution	2,101,372	0
FANRPAN Support	1,030	0
FAO - Global Production Systems Mapping (FAO12)	0	1,485
FAO - IPTRID (FAO 04)	0	116,197
FAO - SADC-FAO Food Security (FAO14)	0	38,259
FAO - Delta 2007 Conference	7,647	0
FAO - Urban Producers - India (FAO16)	108	7,169
FAO - Zimbabwe Drip Irrigation Study (FAO15)	900	10,483
France - MSEC-IRD (Catchments Approach to Managing Soil Erosion in Asia (IRD01))	754,000	983,252
France - Staff Secondment (FRA25)	193,208	252,834
France - APPIA (Improving Irrigation Performance in Africa) (FRA27)	105,394	33,372
France - Program Support (FRA24)	209,897	184,913
GAT - MUS Scoping	19,395	0
GEF - Inland Wetlands in Southern Africa	208,223	145,470
Governance & Economic of UWT (SNE01)	0	3,750
GTZ - Ghana Dams Dialogue	32,111	0
GWP - IWMI/GWP-South Africa (GWP 07)	(13,884)	57,538
GWP - South Asia (GWP-SAS) (GWP05)	39,662	294,496
ICB - BioSaline Agriculture Training Course (ICB01)	0	25,562
ICL - GOFAU	19,830	0
ICM - Wetlands Tibet	12,000	0
IDRC - CGIAR NBI Synergies (IDR15)	31,916	26,099
IDRC - Health Impact Assessment Small Dams Morocco (IDR 12)	6,510	43,051
IDRC - Recycling Realities Workshop 4th WWF (IDR14)	0	34,703
IFAR - Fellowship Grant Central Asia	18,647	0
IFPRI - SAKSS-SA	292,443	0
IFPRI - Ghana	(34,522)	0
ILRI - Livestock System Water Productivity	0	19,537
India - Central India Initiatives (RTT05)	49,522	40,679
India - Government of India (ICAR)	137,500	100,000
India - Kerala Basin Study	1,345	12,492
India - North Gujarat sustainable Groundwater Initiatives (RTT04)	75,256	114,741
India - Research Phase of North East Initiatives (RTT0168)	12,321	0
India - TATA Water Policy Program (RTT01)	11	70,428
India - TATA Water Policy Program Phase ii (RTT06)	240,231	83,265
IPGRI - Post-Tsunami Food Security in Dodanduwa (IPG02)	3,798	0
Iran - New Project (IRN02)	66,293	72,714
IRD - WEAP Volta (CP)	13,726	
IRRI - Disaster Resilience Project	570	407
IUCN - Coastal Zone Governance Study Sri Lanka	3,476	
IUCN - Mekong Tributaries IBFM (107IUC0161)	8,400	4,400
Japan - Program Support IWMA & SGM Themes (JAP19)	0	85,000
Japan - Program Support WHE Theme (JAP19)	0	85,000
Japan - Water Forum (Sri Lanka)	41,154	23,928
JIBC - Poverty Assessment at UWLB	69,356	0
JICA - Contract Research Agreement between IWMI & JIRCAS	32,311	
JICA - Farmers Participation in Irrigation Management Ghana	2,397	1,583
KNU - WHO Guideline Testing in Kumasi Ghana	7,613	0
MDP - Delta	(605)	
MRC - Climate Change IBFM 3 Mekong (MRC01)	20,427	24,200
MULTI - 2008 International Symposium	643	0
NES - IWMI Nestle Cooperation	13,433	0
Netherlands - IRC-SRIWASH	862	1,548
Netherlands - Urban Agriculture Policy Support - Ghana/India (DUH23)	332,586	227,508
NIRE - Analysis of Water Management	25,000	0
NIRE -Watersim (NIR01)	(205)	10,292
NOA - Climate Variability - Malaria Transmission	59,095	62,384

Grant Revenue 2006-2007

	Total 2007 US$	Total 2006 US$
Restricted income. *Continued..*		
NUJ - Japan Capacity Building Program	9,922	
PFR01 - Tsunami Area Research Management Initiatives	45,627	27,917
PIP - RS Irrigation Performance Pakistan	108	
RBN - IWRM Training in Laos	5,690	
SANDEC - Nutrient Loop - Co-Composting (SDC 08)	1,373	19,206
SEI - Dayashree Pachpute	30,367	
SEI - Sustainable Mekong	36,195	0
SEI - Sustainable Mekong (PES Cluster Research)	94	
SIDA - GWP-CACENA (SID06)	373,628	372,729
SIDA - GWP Resource Center (SID06)	0	3,237
SIDA - International Training on IWRM - Ramboll (SID12)	147,491	122,054
SIDA - International Training on IWRM - Ramboll Workshop	0	3,373
SIDA - SAKSS	83,966	0
SIDA - Smallholder System Innovation in Irrigated Watershed Management	370,480	(78,139)
SIDA - Sri Lanka National Water Partnership (SLNWP) (SID07)	11,665	(12,929)
South Africa - Support for IWMI's Program (SOA02)	0	150,000
Sri Lanka - Uniliver KBS Lanka (UNL02)	8,792	31,698
SWISS - Associate Expert	127,845	154,872
SWISS - Co-Compositing in Irrigation & Rain-Fed (CIRUPA) (SDC12)	26,008	17,765
SWISS - Ferghana Valley Phase III	1,065,955	591,515
SWISS - Delegation from South Korea	0	6,562
SWISS - IWMI/TATA Water Policy Research Program (SDC09)	0	31,589
SWISS - Ramsar	37,874	0
UBC - Aquaculture Inst Data collection	(400)	0
UDS - WHO Guideline Testing in Tamale	1,734	0
UHE - Joint Appointment Yasir	76,804	
UNEP - Central Asia (UCC01)	19,995	76,084
UNESCAP (UCP03) DMC Pilot Sites	(510)	8,994
USAID - Ag. Water Technology inventory Africa (AID35)	5,526	23,389
USAID - AWM Technologies	96,356	49,239
USAID - Collaborative Research (AID34)	59,130	44,752
USAID - Natural Resources Management (AID22)	502,880	120,048
USAID - SA-SAKSS (AID33)	201,652	231,798
USAID - Water Energy Nexus in agriculture (AID32)	0	7,853
USDA - Heavy Metals in Irrigation	13,754	11,345
WFC - Hydrological Modeling of pond water	11,963	
WHO - Assessing Health Impacts of SR in BF (WHO02)	1,716	13,991
WHO - Water Res.Dev Perspective of Burden of Disease (WHO01)	0	2,660
WIN - Best Practices Wetland	26,771	0
World Bank - Ethiopia CWRAS (WLB23)	6,181	755
World Bank - Kala Oya Basin Study (WLB29)	0	22,914
World Bank - Water Governance in Africa (WLB28)	0	4,689
World Bank - Water Institution (WLB25)	0	396
WWF - E-Flows & climate change - IGB	13,448	0
WNT - Integrated WRM	28,592	46,109
ZEF - Environment Flows Volta Basins	7,620	0
ZEF - Glowa Volta Project (ZEF01)	(44,754)	213,322
Subtotal	**10,963,321**	**7,372,415**

Grant Revenue 2007-2006

	Total 2007 US$	Total 2006 US$
SIMA		
IDRC - Comparative Grant for East & Southern Africa (IDR09)	0	4,400
IDRC - Mwea Phase II (IDR10)	34,490	188,825
Netherlands - Competitive Grants (DUH15)	2,560	2,553
USAID - Workshop (AID25)	3,193	0
Subtotal	**40,243**	**195,778**
Comprehensive Assessment		
Austria - Irrigation Impact on Poverty	165,113	201,647
ICID - Watersim Model	0	50,257
Japan - Research on Intensification of Effective Water-use Policy	111,307	477
Japan - JIID - INWEPF	3,150	1,360
Japan - NIRE Research on Water Use Efficiency	1,049	787
Linkoping University - Mats Operation	12,320	0
Netherlands	565,502	781,932
OPEC - GW in Arid & Saline Env	9,377	45,343
Switzerland	(60,702)	602,266
Taiwan - Impact of Irrigation	14,429	44,037
Subtotal	**821,545**	**1,728,106**
Challenge Program on Water and Food (MUL03)		
Consortium of Donors	4,855,776	5,631,118
Subtotal	**4,855,776**	**5,631,118**
Subtotal (Restricted)	**16,680,885**	**14,927,417**
GRAND TOTAL	**23,054,247**	**23,058,724**

Statement of Financial Position - December 31, 2007 and 2006

	2007 US$'000	2006 US$'000
ASSETS		
Current Assets		
Cash and cash equivalents	16,418	9,078
Accounts Receivable (Net of US$400,000 allowance for doubtful accounts)		
Donor	2,975	2,188
Employees	448	532
Other CGIAR centers	142	57
Others	1,801	1,652
Inventories	43	49
Prepaid Expenses	109	116
Total Current Assets	21,936	13,672
Non-Current Assets		
Property, Plant and Equipment, net	1,882	2,516
TOTAL ASSETS	23,818	16,188
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable		
Donor	4,898	3,792
Employees	234	109
Other CGIAR centers	121	57
Others	638	835
Amount held for the Challenge Program	8,719	2,403
Accruals	202	132
Total Current Liabilities	14,812	7,328
Non-Current Liabilities		
Accounts Payable		
Employees	2,336	2,302
Total Non-Current Liabilities	2,336	2,302
Total Liabilities	17,148	9,630
NET ASSETS		
Unrestricted		
Designated	3,180	3,180
Undesignated	3,490	3,378
Total Net Assets	6,670	6,558
TOTAL LIABILITIES AND NET ASSETS	**23,818**	**16,188**

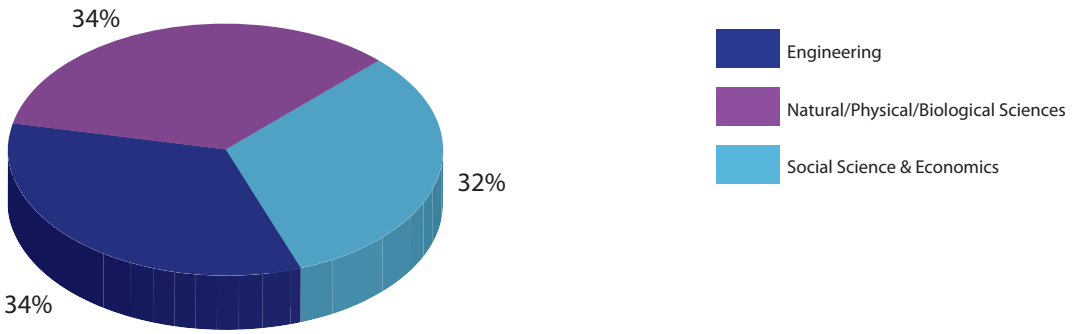
IWMI Staff

On 31 January 2008, the Institute had 88 researchers of whom 77 were internationally and regionally recruited. The latter includes 11 joint positions (with ICRISAT, ILRI, IHE, IUCN, SEI, and WorldFish), and 10 Post Doctoral Fellows. On 31 January 2008 IWMI's total staff numbered 315.

When categorized by broad disciplines, 34% of the researchers are from Natural/Physical/Biological Sciences, 32% from Social Science & Economics and 34% from Engineering.

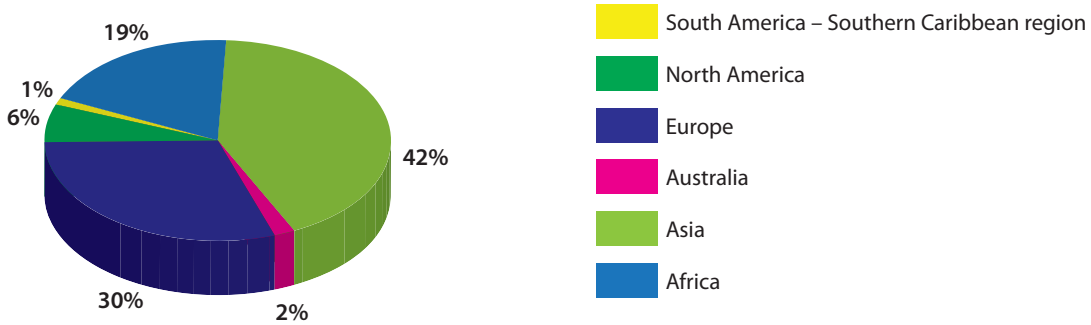
The nationality composition of the researchers is diverse - 2% Australia, 6% North America, 19% Africa, 30% Europe and 42% Asia.

IWMI Researchers (by Discipline, 2008)

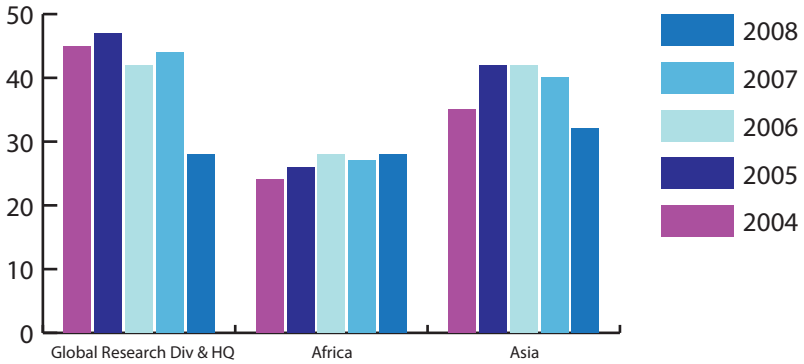


IWMI Researchers (by Nationality, 2008)

Africa	17
Asia	37
Australia	2
Europe	26
North America	5
South America – Southern Caribbean region	1
Total	**88**



IWMI Researchers (by Region, 2004-2008)



Overview of All IWMI Staff as at 31 Jan 2008

(Researchers, Research Support & Services)

Country	Researchers	Research Support	Services	Total
Australia	2		1	3
Bangladesh		1	1	2
Barbados	1			1
Belgium	1			1
China	1			1
Canada			1	1
Eritrea	1			1
Ethiopia	5	1	4	10
France	14			14
Germany	2		1	3
Ghana		9	17	26
India	9	17	12	38
Iran		2	3	5
Japan	1			1
Kenya	3	1		4
Malaysia			1	1
Mongolia	1			1
Nigeria	2			2
Netherlands	3		1	4
Nepal	2	1	1	4
Pakistan	4	5	5	14
Philippines	1			1
Russia	1			1
South Africa			3	3
Sri Lanka	13	22	103	138
Sudan	1			1
Sweden	1			1
Senegal	1			1
Tunisia	1			1
Thailand		1		1
United Kingdom	5			5
United States	5		1	6
Vietnam	1		1	2
Zambia	1			1
Zimbabwe	2			2
Uzbekistan	3	6	5	14
Total	**88**	**66**	**161**	**315**

Annual Report Team:

Project Leader	Dawn Rodriguez
Design & Layout	Manoj Jayasuriya
Copy Editor	Mahen Chandrasoma
Administrative Support	Sharmani Gunawardena
Printed by	Gunaratne Offset Ltd

Contact Information:

IWMI Headquarters
P. O. Box 2075, Colombo, Sri Lanka.
127, Sunil Mawatha, Pelawatte, Battaramulla,
Colombo, Sri Lanka
Telephone: +94 11 2880000, 2784080
Fax: +94 11 2786854
Email: iwmi@cgiar.org
Website: www.iwmi.org

IWMI Regional Office for Africa
C/o CSIR Campus, Martin Odei Block,
Airport Res. Area, Accra, Ghana.
Mailing Address: IWMI Ghana, PMB CT 112,
Cantonments, Accra, Ghana.
Telephone: +233 02 1784752/3/4
Fax: +233 02 1784752
Email: iwmi-ghana@cgiar.org

IWMI East Africa & Nile Basin
C/o ILRI-Ethiopia Campus, Wereda 17,
Kebele 21, Addis Ababa, Ethiopia.
Mailing Address: P. O. Box 5689, Addis Ababa, Ethiopia
Telephone: +251 11 6172000 Ext: 2190/2200
Fax: +251 11 6172001
Email: iwmi-ethiopia@cgiar.org

IWMI Southern Africa Office
Private Bag X813 Silverston 0127, Pretoria, South Africa
Mailing Address: 141, Cresswell Street, Weavind Park 0184
Pretoria, South Africa
Telephone: +27 12 8459100
Fax: +27 12 8459110
Email: iwmi-africa@cgiar.org

IWMI Ghana - Second Office
PMB CT 112, Cantoments, Accra, Ghana.
Phone/Fax: +233 51 60206
E-mail: iwmi-kumasi@cgiar.org

IWMI Regional Office for South Asia
Hyderabad Office, India
C/o ICRISAT, Building #401/5, Patancheru 502 324,
Andra Pradesh, India.
Telephone: +91 40 30713071, 30 713036, 30 713039
Fax: +91 40 30713074/5
Email: m.samad@cgiar.org

IWMI New Delhi Office
2nd Floor, Office Block B NASC Complex
DPS Marg, Pusa, New Delhi 110 012, India.
Telephone: +91 11 25840811/2, 65976151
Fax: +91 11 25842075
Email: b.sharma@cgiar.org

IWMI Nepal Office
C/o. Department of Irrigation
Room # 427 & 428, Jawalakhel, Lalitpur,
GPO 8975 EPC 416, Kathmandu, Nepal.
Telephone: +977 1 5542306 / 35382
Fax: +977 1 5535743
Email: d.pant@cgiar.org

IWMI Pakistan Office
12KM Multan Road, Chowk Thokar Niaz Baig,
Lahore 53700, Pakistan.
Tel: +92-42 5410050/53 (4 lines)
Fax: +92-42 5410054
E-mail: iwmi-pak@cgiar.org

IWMI Central Asia
Apartment No. 123, Building
No. 6, Murtazaeva Street, Tashkent 100000, Uzbekistan.
Telephone: +998 71 2370445 / 2372173
Fax: +998 71 2370317
Email: h.manthrithilake@cgiar.org

IWMI Regional Office for Southeast Asia
(Cambodia, Laos, Malaysia, Vietnam)
C/o WorldFish Center, Jalan Batu Maung
Batu Maung 11960, Bayan Lepas, Penang, Malaysia
Mailing Address: P.O. Box 500 GPO 10670
Penang, Malaysia
Telephone: +604 6202141 (Direct), /6261606
Fax: +604 6265530
Email: a.noble@cgiar.org

IWMI Laos Office
C/o. National Agriculture and Forestry Research Institute (NAFRI)
Ministry of Agriculture and Forestry
PO Box 811, Vientiane, RDP Laos
Telephone: +856 21770076, 20502680
Fax: +856 21414374
Email: a.noble@cgiar.org

IWMI Cambodia Office
C/o WorldFish Center Great Mekong Regional Office
#35, Street 71 (Corner of Mao Tse Tong Blvd.)
Sangkat Beng Keng Kang 1, P.O. Box 1135 (Wat Phnom)
Phnom Penh, Cambodia
Telephone: +855 23 223208
Fax: +855 23 223209
Email: a.noble@cgiar.org

IWMI Vietnam Office
C/o Soil and Fertilizer Institute (SFI)
Vietnam Academy for Agricultural Science (VAAS)
Dong Ngac, Tu Liem District, Ha Noi, Vietnam
Telephone: +84 4 7543257
Fax: +84 4 9720630
E-mail: d.orange@cgiar.org

IWMI
International
Water Management
Institute

www.iwmi.org