



Annual Report 2004

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Chairman IRC



IRC Chairman Joop Hoekman

During 2004 we passed the halfway point in the current IRC Business Plan (2002-2006). I am pleased to report that we are well on track to achieving our main objectives. Increasingly IRC has visible outputs to show for the work that we do.

Evidence that IRC is in demand includes the growing use of our communication materials and our involvement in large capacity building and action research programmes, several examples of which can be found in this Annual Report.

As a learning organisation, IRC works to increase effectiveness, through self-reflection and with our partners all over the world. You will see the evidence of this ability to learn within the report.

The long process of achieving greater autonomy for IRC – of benefit to us and to the Dutch Ministries that provide our core funding – continued to progress at the pace dictated by legal and parliamentary procedures. We should achieve this new status before the end of 2005.

The IRC Board plays an active supervisory role of our work, meeting five times during 2004, and working closely with management. We are very satisfied with the contribution this makes to the governance of IRC and the high quality results achieved.

Through careful planning, we believe that we have as clear a view of the future as any organisation in the water and sanitation sector. This gives us confidence that we will continue to play a strong and positive role without falling into the trap of complacency or of relying upon our past achievements.

I would like to thank the Netherlands Directorate General for International Co-operation (DGIS) for its continued support to IRC. I would like to thank our staff for continuing to ensure that we give good value for that support.

Joop Hoekman,
Chairman, IRC Governing Board

IRC Director

2004 was an especially dynamic year for IRC. We worked hard to achieve our objectives and targets, and looked outwards, consolidating our role as an authoritative voice in the sector. It was, despite inevitable pressures and difficulties, a very successful year.

This was also a year when we made good progress on our five year Business Plan (2002-2006), consolidating the changes made in the previous two years. We were asked to undertake challenging and innovative assignments on an international front, from reviewing the Monitoring of Millennium Development Goals for Water and Sanitation, at the request of the German Development Co-operation (GTZ), to playing a major role in helping NGOs in Africa to apply for grants from the ACP-EU water facility.

We also strengthened our role with water sector organisations within the Netherlands. We were able to give support to the Directorate General for International Co-operation (DGIS) and to the Dutch NWP-NGO platform. When, right at the end of the year, the tsunami tragedy struck in Asia, IRC was in a position to join other organisations in the Netherlands to help those preparing to fly out to do relief work on the ground.

In 2004, we also looked ahead, not only for the remainder of our current Business Plan but also beyond towards a more distant horizon. An internal review of IRC's performance against the current business plan concluded that "we are widely respected, receive positive feedback on our role and have a distinct position in the WATSAN sector." The review concluded that we should focus on a manageable set of initiatives and programmes, looking to create greater synergies between various sectional programmes, in order to achieve greater overall impact. In the meantime, we continued to improve working conditions, introduced stronger project management, and improved our forecasting and risk management.

IRC continued to strengthen partnerships with WHO and UNICEF and to develop new ones, for example, signing a Memorandum of Understanding with the Dutch organisation WASTE. We continue to support influential international networks, such as the Gender and Water Alliance (GWA) and the Streams of Knowledge global coalition of resource centres.

We strive to improve our work through a professional and critical approach, in collaboration with others, and in a transparent and equitable way. This will enhance the visibility of IRC as a cost-effective organisation with a pro-poor agenda. We continue to aim to build upon our past achievements: to become a more effective and focused knowledge dissemination and capacity building organisation.

Paul van Koppen,
IRC Director



IRC Director Paul van Koppen

Highlights of 2004

Action framework for school sanitation and hygiene education

The symposium, "The Way Forward - Construction is not enough" was organised by IRC and sponsored by UNICEF and the Water Supply and Sanitation Collaborative Council.

Ministries, NGOs and donor agencies from 20 countries agreed a framework for action to promote and improve school sanitation and hygiene education (SSHE) when they met at the international symposium on School Sanitation and Hygiene Education (SSHE) in Delft, from 8-10 June 2004.

The action framework focuses on going-to-scale, developing effective partnerships, project planning and financial sustainability.

Mrs. Agnes van Ardenne, Minister for Development Co-operation of the Netherlands, pledged to double Dutch support for the UNICEF/IRC school sanitation and hygiene education programme to two million US dollars over three years.



Mrs. Agnes van Ardenne

UNICEF and IRC have worked together in Burkina Faso, Colombia, Nepal, Nicaragua, Vietnam and Zambia. The programme has reached almost 12,000 schools, making a huge contribution to children's health and learning outcomes.



TOPs live up to their name

Thematic Overview Papers (TOPs) lived up to their acronym in 2004 – as they dominated the top ten list of most downloaded documents from the IRC website. TOPs occupied seven out of the top ten downloads, including the top position, for Financing and Cost Recovery, and – at number 5 – the Spanish TOP on School Sanitation and Hygiene.

TOPs combine a concise digest of recent experiences, expert opinions and foreseeable trends with links to the most informative publications, websites and research information.

A number of new TOPs were added during 2004, including those on Gender, Waste Stabilisation Ponds (wastewater treatment), Financing and Cost Recovery, VIH/SIDA Eau Assainissement et Hygiène, Scaling up Community Management of Rural Water Supply, Integrated Water Resources Management (IWRM) and Uso Eficiente Del Agua. In addition, TOPs on HIV/AIDS and Water Sanitation and Hygiene; Productive Uses of Domestic Water Supplies and Saneamiento Escolar y Educación en Higiene were updated during 2004.

All these titles can be downloaded free of charge from the IRC website: www.irc.nl/tops in 2004 there were 16,325 downloads of pdf documents from the site.

IRC's key messages at National Grass Roots Convention in Dhaka

In September 2004 IRC Director Paul van Koppen delivered a keynote speech at the WASH-Streams National Grass Roots Convention in Dhaka, Bangladesh. This policy influencing event was organised by the NGO Forum for Drinking Water Supply and Sanitation.

Poor men and women in grass roots consultations sat alongside VIP guests among the 400 participants, including Abdul Mannan Buiyan, Minister of Local Government. Mr van Koppen said that the two biggest challenges were to ensure that community projects are sustainable, supported by adequate institutional arrangements, and to find ways to scale up coverage from pockets of success to whole populations. WASH-Streams organised these grass roots consultations to ensure that village voices were heard and contribute to water, sanitation and hygiene policy changes.



The results of village meetings were presented at Union level meetings. Stakeholders participated in Divisional consultations, which also sent their outputs to the National Convention in Dhaka. For the first time, men and women sat together to share ideas and discuss problems that affect them all.

A film captured images and voices from the grass roots consultations and was shown in Dhaka and during the Global WASH Forum in Senegal.

Hygiene promotion – high quality research with globally significant results

Hygiene promotion can change people's behaviour – and reduce water related illness and death rates by almost half. But are changes in hygiene behaviour sustained over time or do people revert to previous practice?

In 2004, IRC and partners completed a study funded by the European Commission and the Dutch Government (DGIS) to gain an insight into how people sustain changes in hygiene behaviour, and to develop a methodology for further research.

IRC acted as coordinator and manager, and with the London School of Hygiene and Tropical Medicine provided technical support to partners/researchers in the field.

The research developed a methodology with unambiguous indicators to measure the sustainability of changes in hygiene behaviour and to identify the factors that influence sustainability.

The study also showed that practitioners in the field can carry out high-quality research on globally significant issues and deliver results of high importance value to the billions who lack water, sanitation and hygiene.

*Michaela Wright,
Principal Scientific
Officer, European
Commission, 12 July
2004, commenting on the
hygiene behaviour report:*

"I have just completed reading your last report and am writing to thank you for a very high quality and comprehensive final report. It is very well-written, addresses the Commission's requirements for final reports, and sets out clearly your overall findings in this field."

Networks and Partnerships

WSSCC Steering Committee

The first open election held for the Steering Committee of the Water Supply and Sanitation Collaborative Council (WSSCC) showed strong support for IRC and our partners. IRC Director Paul van Koppen topped the poll in the closely contested active partner agency section with Ethne Davey of GWA second and Stephen Turner of WaterAid third.

The poll was also a vote of confidence in women, who made up only eight of the 50 candidates. On a high turnout, five of the eight women were elected, and they now make up a third of the Steering Committee. The new 15 person Steering Committee took up its duties in December 2004. The group consists of three active partners, three donor organisations and 9 regional representatives.

WASPA sees wastewater as a solution

As urban populations increase, cities use ever increasing amounts of fresh water, and produce ever increasing amounts of 'grey' wastewater from domestic uses, and 'black' wastewater from latrines and sewage.



Poor farmers in and around towns have used wastewater to irrigate their crops for centuries. However, with urbanisation and industrialisation, the level of pollutants poses new and more serious risks to health and the environment. Wastewater can be treated and used safely. Local authorities can support livelihoods for the urban poor through innovative planning for sanitation.

Wastewater Agriculture and Sanitation for Poverty Alleviation (WASPA) promotes affordable and sustainable wastewater technology for peri-urban areas, small cities and towns, helping to create links between the WASH sector and water for food.

WASPA is a collaborative network led by the International Water Management Institute (IWMI), Streams of Knowledge and IRC. In 2004, proposals for action research and demonstration projects were prepared for Bangladesh, Sri Lanka, Burkina Faso, Ghana and Cameroon.

Drop a question into the WELL

The WELL (Water and Environmental Health in Developing Countries) Resource Centre Network is an information and capacity building project dealing with water, sanitation and environmental health. It is funded by DFID and IRC is one of the collaborating partners.

WELL runs an inquiry service which provides information and answers questions on water, sanitation and environmental health posed by professionals working in the South.

Partners involved

WELL is led by WEDC at Loughborough University in the UK, in partnership with IRC and the London School of Hygiene and Tropical Medicine, and in collaboration with 6 network partners, AMREF, Kenya; ICDDR,B, Bangladesh; IWSD, Zimbabwe; NETWAS, Kenya; SEUF, India and TREND, Ghana. Senior staff at these organisations provide answers to the questions received.



Costs

The service is funded by DFID. A number of organisations can have their questions answered for free: DFID, developing country ministries, agencies, utilities or local government, multilateral agencies (such as WSP, WSSCC, UNICEF, WHO), international finance organisations (such as World Bank, AfDB, ADB, IDB) or an NGO.

Some examples of questions received

In 2004 WELL answered questions on amongst others:

- Sanitation in Iran,
- Borehole pumps in Sudan,
- Household behaviour and water safety in Tanzania,
- Water treatment in Afghan refugee camps in Pakistan,
- Ecological sanitation and anaerobic waste water treatment,
- Culturally relevant hygiene promotional materials,
- EU and WHO norms for pesticides in drinking water.

Examples of Networks and Partnerships

Promoting multiple use water services

Service providers rarely take account of demand for water for gardens, livestock, or small businesses – they may even try to ban use of 'domestic' water by such enterprises. Irrigation projects also tend to ignore household use.

Integrated approaches take account of small scale production and other household uses. Following an international symposium in 2003, co-organised by IRC and the PRODWAT (Productive uses of water at the household level) thematic group, several partners established a five year multiple use services (MUS) project.

This US\$ 1.5 million (EUR 1.15 million) project launched in January 2004 aims to improve food security and health in poor communities, reduce drudgery, alleviate poverty and enhance gender equity. MUS supports learning alliances of stakeholders working on multiple-use water services at local and national level in each country.

The project is supported by the Challenge Fund (Water and Food) of the Consultative Group of International Agricultural Research (CGIAR). It will develop work in **Bolivia** and **Colombia** in the Andes, **Ethiopia** in the Nile basin, **India** in the Indus/Ganges basin, **Thailand** in the

Mekong basin and in **South Africa** and **Zimbabwe** in the Limpopo basin.

IRC is leading on disseminating information and preparing to scale up successful lessons from the research.



Exposure to other cultures is valued

IRC runs an active Junior Professional Officer exchange programme. JPOs from **South Africa, Burkina Faso, Nepal, Bangladesh, Mozambique, Colombia, Kenya** and the **Philippines** took part in an online e-conference during 2004 to share their stories and ideas and to give their feedback on the programme.

They felt that they had gained skills,

capacity and confidence and that the JPO programme contributes significantly to links between IRC and Resource Centres. JPOs identified the need for more planning and strategic thinking to optimise this.

Although not all Resource Centres had a clear perception at the start of what would flow from the JPO programme, it is now generally recognised that they have benefited a great deal.

Cooperative agreement CREPA-IRC

IRC has a long-standing relationship with the Centre Régional pour l'Eau Potable et l'Assainissement à faible coût (CREPA) in **Burkina Faso**. In July 2004, CREPA and IRC signed a cooperative agreement under which CREPA becomes the focal point of Resource Centre Development for French speaking countries in West and Central Africa, with IRC as its preferential partner for support.



The objective of the partnership is to gain greater impact at regional level. CREPA will grow into a regional facilitator for Resource Centre Development in 11 countries in Francophone Africa. With indirect support from IRC, CREPA will support at least four national centres to develop into Resource Centres.

Work with national centres began in **Mali**. Other countries where CREPA has national centres are **Benin, Congo, Côte d'Ivoire, Guinea Bissau, Guinea, Niger, Senegal** and **Togo**.

Resource Centres

Resource Centre movement grows in size and authority

IRC has worked for many years to support Resource Centres (RC) in countries and regions to act as an advocate, guide, knowledge bank, conscience and focus for water, sanitation and hygiene. These include stand alone centres and networks of institutions (RCN). The original aim was to successfully support the development of RCs in 16 southern and two Eastern European countries by 2006. In total, 24 country processes have been initiated. IRC frequently receives new requests to support efforts to develop a national resource centre. However, we intend to focus our efforts so that RCs increase effectiveness and impact and produce measurable and visible outputs in countries.

Of the 24 processes, five (Burkina Faso, Nepal, South Africa, Ghana, Colombia) have progressed to the development and implementation phase, and in some others, including Kenya and Pakistan, Resource Centres implement content related activities.

"In my view 90% of these proposals by NGOs would definitely not have been produced if this initiative had not been there."

IRC Senior Programme Officer, Jo Smet

Sub-Saharan Africa. Grass-roots NGOs in sub-Saharan Africa submitted bids for EU money to strengthen community water and sanitation, thanks to support from the Dutch Government, IRC and Resource Centres in Africa. The process started in 2004 to meet the March 2005 application deadline for the first tranche of the EUR 500 million ACP-EU water facility.

The Dutch Government put up money to support NGOs, and IRC asked Resource Centres in sub-Saharan Africa to help NGOs submit a convincing case. Many had been initially deterred by the complexity of the paperwork.

CREPA held NGO workshops in Burkina Faso and offered support in Mali, Niger, Togo and Senegal. NETWAS held a workshop for 12 organisations in Kenya. In Ghana, the TREND resource centre held a half day briefing for members, followed by a five day workshop in Kumasi for 16 organisations. Seven NGOs prepared draft bids for projects covering water, sanitation, hygiene promotion, HIV/AIDS prevention, rain harvesting and participatory methods.

One workshop report said: "Participants...saw it as a great learning experience and capacity building for future calls to submit proposals."

A Resource Centre Network has now been established in Ghana by a group of institutions, including TREND, WaterAid-Ghana, The University of Science and Technology, and the Water Research Institute.

Pakistan. In Pakistan, the Water and Environmental Sanitation Network (WESNet) is a network of government organisations, NGOs, donors, academic and private sector bodies active in the sector. In 2004, WESNet applied to join the IRC RCD 18 country programme and was accepted.

Romania and Bulgaria. In Romania there is sector-wide support for a Resource Centre pioneered by an IRC partner, the PACT Foundation in the Banat region. Many rural areas lack central water supply and sewage systems and households depend on open dug wells and pit latrines. The Resource Centre will contribute to improvements. In Bulgaria, IRC works with Earth Forever (EFF) an NGO based in Stara Zagora, which found wide sector support for the Resource Centre concept. The EU and the Netherlands funded programme, MATRA, agreed to use the RC to disseminate the results of its programmes.

Advocacy for RCD

An open session was organised at the WASH-Forum in Dakar in November with presentations from IRC, Earth Forever, Bulgaria, and NEWAH, Nepal, to identify key elements for successful networking. There was agreement on the need to develop a culture of networking within organisations and to develop trust and equality of ownership.

Working WELL together...

WELL (Water and Environmental Health in Developing Countries) is a UK DFID funded Resource Centre Network promoting environmental health and well-being in developing countries. It is managed by WEDC and LSHTM (both UK), and IRC in collaboration with Southern network partners, AMREF; IWSD; ICDDR,B; NETWAS; TREND and SEUF.

In 2004, IRC contributed to a key WELL Briefing note on the Millennium Development Goals - Will it cost the earth? This overview of cost estimates, published in 2004, highlighted the huge range in estimates for the total cost of meeting the MDGs from US \$7.5 billion to US \$75 billion annually (EUR 5.7-53 billion), and warned that a greater commitment was needed to target the poor and to improve sustainability.

One objective is to strengthen the WELL network through Learn@WELL modules. In 2004, IRC took the lead in developing the knowledge management (KM) module, which helps organisations to create, share, apply and evaluate knowledge. Following the module, each organisation creates, and takes ownership of, a basic plan for their KM goals using practical activities with mentoring support from IRC and WEDC.

For example, SEUF, India, identified lack of information sharing as a major obstacle to becoming a leading resource centre in the region. SEUF developed plans to share information internally and through its web site, implementing KM across all six regional offices.



Working with AMREF and SEUF, the WELL team developed milestones to monitor progress, and, working with IWSD, created the means to tie these milestones to a timeline.

Lessons from working with this module were presented at the 30th WEDC International Conference, in Lao P.D.R., in 2004:

- KM is about people working together; not necessarily about IT.
- Implementing KM requires staff time, and therefore has a cost.
- Implementing KM is a long term objective, so momentum needs to be kept alive.
- Milestones to assess progress need to be set.

"The work at IRC is all about learning and about analysis and conceptual development. I enjoyed myself being a part of such processes in IRC and being able to contribute to smoothing the relationship between IRC and NEWAH. Confidence is crucial in this regard."

Ratan Budhathoki, a former JPO from Newah, Nepal

"The JPO programme focuses on learning by doing and that is what I did at NGO Forum. I spent considerable time in the field, which gave me an in-depth view into the problems and issues on the ground and the reality in which IRC's partners are working".

Marieke Adank is now a JPO with IRC in the Netherlands. From August 2003 to September 2004, she was stationed with the NGO Forum, Bangladesh.

The JPO experience – learning to adapt

The Junior Professional Officer exchange programme started in November 2001 for young water and sanitation professionals in the Netherlands and their counterparts in developing countries. The programme is managed by IRC, with eight participating Resource Centres; CINARA (Colombia); NETWAS (Kenya); NEWAH (Nepal); PCWS (Philippines); the NGO Forum (Bangladesh); Crepa (Burkina Faso); CFPAS (Mozambique) and the Mvula Trust (South Africa).

Informing and Communicating

IRC publications are normally published in three languages:

- English
- Spanish
- French

For specific occasions books were published in 2004 in other languages:

- Portuguese
- Vietnamese
- Urdu
- Indonesian
- Lao

How do we reach our audiences in the South?

Northern-based organisations that publish development materials often struggle with problems of physical distribution and promotion to reach their audiences in the South. Development publishers also seek ways to make materials affordable for Southern audiences, while still covering costs.

In December 2004, IRC hosted a meeting of 12 NGOs and development publishers from Europe to find ways to address some of these issues. By combining knowledge and experience, we hope to improve our services, and to benefit publishers in the South.

Distribution

It was agreed that there is a need to develop distributors in the South, either organisations or individuals. Greater use should be made of opportunities through local book fairs or local NGOs, perhaps using a pyramid model to build contacts. The group felt it could work more closely together, sharing information and contacts, developing a common catalogue and maybe even hiring a travelling sales person. Save the Children, UK, will organise a follow up workshop on distribution in 2005.

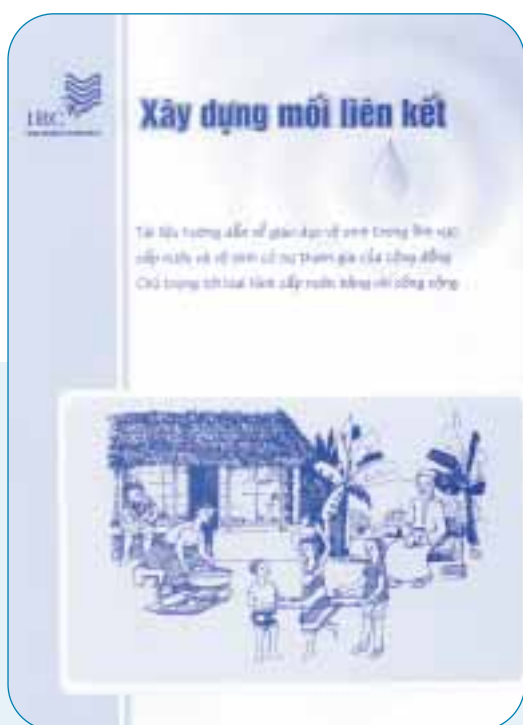
Pricing and funding

A variety of pricing approaches are used to balance the need to cover costs with the need to make products affordable. Possibilities for sponsorship were explored especially for 'solidarity publishing'. While electronic publishing saves costs, there is a problem in covering generation and updating costs, since this material is widely regarded as free.

Marketing and Promotion

The group concluded that people read materials in different ways, and it is necessary to publish both paper based and electronic media. Marketing requires attention to the combination of price, product, place, promotion and distribution.

Participants found this common forum for discussion on publishing and distribution very useful and wanted to keep the publishers' group alive. "I felt I was the only one dealing with these issues," one participant said.



Drowning in data but thirsting for knowledge

Over four weeks in September and October 2004, IRC organised an e-conference “Knowledge management: worth the effort?!” to develop a greater common understanding on this topic. The e-conference examined constraints, benefits, lessons learned and approaches to scaling-up. It attracted 149 participants and on-line ‘observers’. In all, 40 participants posted more than 100 messages.

These responses showed a diversity of understanding. For some KM was the same as research, others linked it to local knowledge and practices, while a Bangladesh workshop found KM to be a tool for “solving social problems easily as well as promoting gender equity”.

There were many examples of e-lists and e-conferencing, but several Internet-based knowledge activities had closed due to a lack of resources or interest. On the other hand, one Swiss learning group has sustained itself for 20 years solely on face-to-face meetings.

Le mot correct – in three languages

During the Water Information Summit (WIS) 6 in 2003 IRC was challenged to take the lead on updating the sector Interwater Thesaurus, in collaboration with CEPIS and the Water Web Consortium. The thesaurus is a trilingual vocabulary that is widely used to standardise the indexing, storage and retrieval of information in English, French and Spanish.

The first edition was published in 1987 by IRC and the Water Research Centre in the United Kingdom as a contribution to the International Drinking Water Supply and Sanitation Decade.

For many years, IRC and partners have felt the need to update the thesaurus in an electronic format. In 2004 this work was commissioned and got under way. Consultants Harold Lockwood and Marta Miyashiro have added 315 new terms, including community management, environmental sanitation, and scaling up, in a new English version.

The new electronic Interwater Thesaurus will be published in English in 2005, followed quickly by translations in French and Spanish.



Uganda: drama about sanitation

Developing Knowledge

Knowledge and advocacy for scaling up pro-poor approaches

The development of knowledge on how to provide sustainable WASH services, and advocacy for effective and proven pro-poor approaches is at the heart of IRC's work.

IRC does this by facilitating and supporting networks of partners, known as thematic groups, in areas where knowledge gaps exist. In this context, 2004 saw the strengthening of many existing partnerships with research organisations north and south, local NGOs, and UN agencies. We continued to build new partnerships with international NGOs identified as innovative and effective within target countries. Organisations such as Plan International, WaterAid and Care International have become invaluable partners in the development of practical and proven approaches to scaling up pro-poor and demand responsive services.

Focus on district and municipal organisations

In the past, the focus of IRC was at community level but many years of experience have shown that communities cannot manage water systems unaided. As a result we have focused on the development of knowledge and capacity within government and other intermediate level organisations working at a district or municipality level. These organisations provide the enabling environment in which community based institutions can flourish, and are critical to scaling up and sustaining community services.

Learning alliances

A major new theme emerged during 2004. The learning alliance concept is about analysing the processes by which innovation and scaling-up take place. Learning alliances bring people together to encourage them to ask themselves the right questions about what they are doing and how they do it. They look at the process of change, to determine which new or innovative approaches introduced at community level are appropriate, and how they can be best scaled up. Learning alliances seek to include and understand the roles of stakeholders at national, intermediate and community level. They reflect a continuing shift from refining the content of innovation, to analysing the process of how it happens. Following groundwork in 2004, a major conference is planned for 2005.

Scaling up – thematic group fosters co-operation UNDP, Umgeni Water from South Africa, and the Streams coalition all joined the scaling up thematic group, which focuses on action research in strengthening capacity at district level to support community management. The group has started to develop a framework for promoting sustainability and extended coverage of rural water supplies. Successful workshops were held in the Philippines and Ethiopia, where action research is being carried out by a broad range of sector stakeholders. A robust range of case studies was added to the website to strengthen advocacy resources. A literature review also produced an overview of theoretical approaches to scaling up and ways and means of putting it into effect. Members of the thematic group contributed to a special issue of Waterlines that was dedicated to scaling up.

Financing and cost recovery A relatively new area for IRC reached critical mass in 2004 with the publication of a well-received thematic overview paper on cost recovery which became the most downloaded IRC publication of the year. IRC led this study on financing mechanisms for the MDGs, carried out for the King Baudouin foundation in Belgium and the WELL resource centre. This investigated the possibilities of a pan-European solidarity fund to help bridge the MDG funding gap. The study – with UNESCO-IHE, Cranfield University and pS-Eau – explored the diversity of institutional water and waste water entities in Europe. Research suggested that Europe is willing to contribute corporately, individually, and nationally, but needs to be convinced that resources will be used effectively – not siphoned off through corruption, maladministration or in costs and fees. The report suggests further exploring the concept of a Fair Water campaign – akin to the Fair Trade initiative. IRC has been working with like minded partners to focus on financing to refocus the MDG discussion on the interests of the poorest communities.

Environmental sanitation This group focuses on wastewater reuse for urban agriculture (WASPA). IRC in partnership with IWMI is developing activities in West-Africa and South Asia. Articles in French in *Sources Nouvelles*, the newsletter produced by partner CREPA with support from IRC, stirred great interest in the region. Work on urban water and sanitation also developed in 2004. The Basic Urban Services project, in collaboration with UN-Habitat, is piloting participatory approaches to providing the urban poor with services. The primary challenges in improving these services are in the hands of local and municipal authorities, who need effective partnerships with communities, CBOs, NGOs and the local private sector. Pilot activities are underway in Burkina Faso and Sri Lanka, and a handbook has been published covering concepts, design and implementation, tools and resources.



Participatory management tools At the request of the German Development Co-operation (GTZ) IRC published a booklet on monitoring the MDGs. 'Monitoring Millennium Development Goals for Water and Sanitation: a review of experiences and challenges' by Kathleen Shordt; Christine van Wijk and François Brikké, provides useful insights, identifies challenges that need to be addressed and formulates recommendations for action. This very successful publication has already been translated into French and Spanish.

New areas of work

Just as some focus areas come to the end of their innovation phase; so other concepts are identified as important. In 2004, a series of discussions started on the issue of transparency and its unwanted reverse side – corruption. This will be actively pursued in 2005 as a new focus area.

Staff at IRC

Staff and Human Resources

IRC believes in the value of an international and well balanced workforce that is capable of meeting our professional requirements, while also providing a challenging environment for personal career development. We do this through careful recruitment, maintaining up-to-date employment conditions, strengthening management systems and giving staff personal attention.

In 2004, we continued to develop our competency management system that allows staff to develop the right skills and competencies. Each member of staff makes a self-assessment of his or her strengths and weaknesses, devises a Personal Development Plan (PDP) and draws up an annual Personal Commitment Statement (PCS) for monitoring and evaluating their individual performance. The organisation allocates its budget for education and training and plans training activities that are based on the individual development needs expressed in the PDPs.

Since January 2004, IRC has become responsible for its own personnel and salary administration which has led to some changes and improvements in the terms of employment for staff. These include a policy of compensating staff for commuting costs which benefits staff who live close-by or use low cost transport, and a policy to allow staff to use their own mobile phones for work purposes improving communication. A flexible employment package will be implemented in full in 2005.

During the year, staff were given briefings on the Dutch Pension premium system, followed by individual advice on pensions and our travel insurance package. A start was made on updating the Personnel Manual. This will be completed by May 2005.

Employee in focus:



Eveline Bolt

Eveline Bolt has been with IRC since 1990, helping to change the way that organisations work together through resource centre development, the way that people develop, through coaching, and the way that people in developing countries protect themselves through hygiene education.

Her first role was training others on hygiene promotion, participatory approaches, community management and the skills for capacity building at local level.

Eveline headed the Resource Centre Development

Programme for five years. This programme represents a significant shift in locating expertise, support and resources from the north to the south. "It works best", says Eveline, "where there is a strong local organisation, as in Nepal and Colombia, or local money to develop networks, as in South Africa".

One highlight was the three year hygiene behaviour study conducted in Ghana, India, Kenya, Nepal, Sri Lanka and Uganda, guided by IRC and the London School of Hygiene and Tropical Medicine. Eveline said: "Getting

people to wash their hands is very difficult, but once they start, they carry on doing it." The results of this work have proved of great interest to the European Commission.

Water and sanitation touch every aspect of development and equity. Eveline says: "Water is needed for everything and time is needed for everything. Women could have more choice over what to do with their time, if they did not have to spend so long fetching water. Giving women more responsibility for water supply issues, gives them more confidence and self-esteem."

Staff changes

In 2004, four people left IRC while eight people joined. Programme Officers, Maria Lucia Borba and Heikki Wihuri took early retirement. Susanne Boom and Corine Otte, both Junior Professional Officers, ended their contracts. New staff were Erma Uytewaal, as Head of the RCD Section, Petra Brussee and Sandy van Wijngaarden (Programme Assistants), Petra Koole (Management Assistant), Deirdre Casella (Project Officer) and Laurent Stravato (Research Associate), Maggie Melo Livramento (Receptionist) and Tettje van Daalen (Editorial Officer). By the end of 2004, IRC employed 43 staff.

The newly recruited staff come from a diverse range of countries: Cape Verde, the Netherlands, USA and France. IRC recruits on the basis of skills, competencies and experience but also seeks to achieve a good balance in terms of gender, international composition and age. In this respect, we regret to note that it is becoming more and more difficult to recruit staff from outside the EU, because of stricter regulations in Dutch law governing immigration and employment conditions.

Laurent Stravato

Laurent Stravato was appointed Research Associate in March 2004, one of the newest recruits to IRC. He works in the Knowledge Development and Advocacy section focusing on environmental sanitation, participatory management tools and wastewater resources for agriculture.

Laurent has a Masters in Geography from Grenoble University and a Masters in Development from the Institute of Social Studies in The Hague. Before coming to work for IRC, he had worked with NGOs in India, Central America and in Africa.

“When I worked with an NGO in India I became very interested in water and sanitation. It is going to be one of the most important issues for the next 20-30 years. Because I studied at ISS, I knew the Dutch approach and I liked it that this approach is about development rather than about politics.”

One of Laurent’s roles is to help IRC build connections to test theory in action research and share the resulting knowledge.

Laurent says: “I see myself working with this methodology for a long

time. I have learned a lot working alongside some very good people. It is an experience you do not forget.”

“I love working here. Everybody is busy, but everybody is ready to help. If you prove you are enthusiastic and capable you are given a lot of responsibility and freedom to develop your area of work.”

Employee in focus:



Financial report

Income

In 2004, IRC income stabilised at around 4 million euro. Of this 2,7 million euro is Core Funding from the Netherlands Directorate General for International Co-operation (DGIS). Core funding was marginally less than for 2003, because of a lower carry over from the previous year.

External income, generated from externally funded projects, increased by 230,000 euro, matching 2002 and the assumed level of external income in the current Business Plan.

Major clients for external activities in 2004 were DGIS, the British DFID (especially for the WELL programme), EU and UNICEF.

IRC Income 2002 – 2004 (000s of euro)			
	2004	2003	2002
Core Funding	2673	2883	1998
External Income	1238	1008	1194
Other income	78	107	92
Total	3989	3998	3284

Expenditure

A small increase in personnel costs for 2004 was related both to an increase in the number of staff and to a national increase in employer pension premium costs. IRC stayed within its Core Funding budget, which was necessary to ensure a stable financial performance within the Business Plan 2002 – 2006. The increase in overheads is attributable to a one-off addition to the provision for bad debts.

The overall surplus in 2004 of 40,000 euro – amounting to 2% of our equity – was added to our general reserves as part of our long-term financial policy.

IRC Expenditure 2002 – 2004 (000s of euro)			
	2004	2003	2002
Personnel	2282	2231	1883
Core Funded projects	999	1150	891
Overheads	647	504	462
Extraordinary items	21	74	9
Total	3949	3958	3245
Surplus	40	39	39

Governance

In 2004, important progress was made in the “enhanced autonomy process”. The IRC Foundation was established by an Act of Parliament in 1980. However, in 1997, the legally responsible ministries (the Ministry of Housing, Spatial Planning and the Environment and the Ministry of Foreign Affairs) started a process to give IRC greater statutory autonomy. The Dutch Ministries wished to uncouple their dual role as subsidy-provider to IRC and ‘legal’ supervisor of the Foundation, and to provide IRC with more flexibility to operate professionally in the international water sector. This enhanced autonomy process will put the IRC Foundation at a greater distance from the Ministries without jeopardizing core funding. In the new situation, IRC’s operations vis-à-vis Ministry funding will be more accountable and transparent. Autonomy has to be effected by law, which involves a lengthy and careful parliamentary procedure. It is expected that this process will be concluded by the end of 2005.

Enhanced autonomy will provide greater scope to change IRC statutes and the related governing structure. The Board and the IRC Works Council have started a joint exploration of possible governing models that will benefit the long term position of IRC. The role and position of the International Advisory Board will be part of this assessment. A new role and position is expected to be in place for 2006. Another new element in the new governing framework will be the ‘Tabaksblat Code’. This code of business conduct was launched in the Netherlands in 2004 with a focus on listed companies but is expected to be applied more universally to organisations, including IRC.

In 2004, the IRC Board met five times: on March 9 and 16, on May 6, on September 2 and on December 9. It approved the Financial Accounts 2003 during its May meeting and approved the Annual Budgets for 2005 at its December meeting. At this meeting, Board member Mr J.C. van Winkelen was re-elected for another four year period.

IRC Board of Governors as at 31 December 2004:

- Chair: J.B. Hoekman
Former Ambassador and former Director-General of International Co-operation, Netherlands Ministry of Foreign Affairs
- Secretary-Treasurer: G.W. Ardon
Head, Water Supply and Water Waste Department, Directorate-General for Environmental Protection, Netherlands Ministry of Housing, Spatial Planning and the Environment

Members:

- A. Leusink (Deputy Chairman)
Consultant, Former Managing Director, NEDECO, Netherlands Engineering Consultants
- W.A. Segeren
Former Rector, International Institute for Infrastructural, Hydraulic and Environmental Engineering (IHE)
- J.C. van Winkelen
Chairman of the Executive Board, Vitens N.V.

Board members receive an annual allowance of 1,400 euro each. The Chair will receive 4,000 euro.

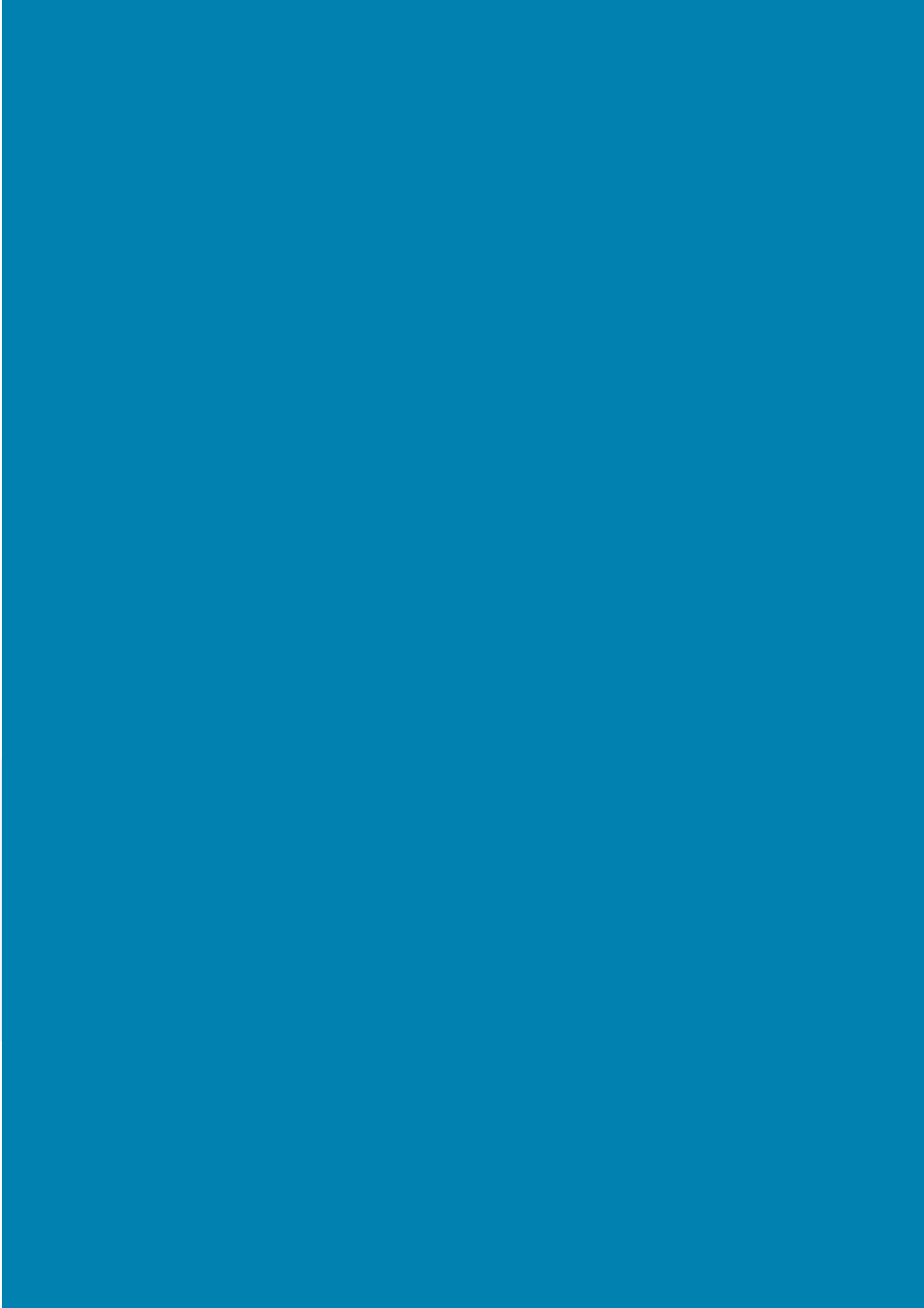
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