

**Bringing smiles
and happiness**

**ANNUAL REPORT
2016-2017**

About the title

Title depicts a selection of photographs from the communities served by WaterAid Pakistan

Back page picture

Sonia, 15, student of class 5, teaching her younger brother in her home in a village in Badin, Sindh.

WaterAid/Sibtain Haider

Picture on Right

Shabana, 16, student of class 9, washing hands at the newly renovated WASH block in her school in Rajanpur, Punjab.

WaterAid/Sibtain Haider

Credits

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Creative direction: Sumaira Sagheer

Design and layout: Uzma Toor, Shahmir Farooq

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Our vision

is a world where everyone, everywhere has safe water, sanitation and hygiene.

Our mission

is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene.

Our values

define us as an organisation and as individuals. Through the regular application of these values, we are firmly committed to upholding our reputation for integrity and ethical work in the WASH sector. We are:

- Inclusive
- Always learning
- Collaborative
- Accountable
- Inspiring
- Courageous

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Explore the digital version of this report at
www.wateraid.org/pakistanA

WaterAid has supported
the implementation of water
and sanitation programmes
in Pakistan since 1996



Front: Urusa, 12, shows her washed hands in her school in Badin, Sindh.
Background: Students washing hands at the WASH facility in a government primary school in a village in Badin, Sindh.
WaterAid/Sibtain Haider



Foreword

It gives me great pleasure to share with you WaterAid Pakistan's annual report for the year 2016-17. Reflecting on the reporting year, four words recapitulate the work that has occurred in WaterAid Pakistan – implementation, cross-integration, collaboration and transformation. During the reporting period, our organisation has made a number of particularly notable achievements. We launched our Country Programme Strategy 2016-2021 along with celebrating 10 years of our existence in Pakistan. Countrywide Behaviour Change Communication campaign for WASH was also launched in collaboration with UNICEF and Plan International, which reached out to around 96 million people across the country.

Ramsha, 13, in a government middle school in a village in Muzaffargarh, Punjab.
WaterAid/Sibtain Haider

In 2016, a key milestone in the implementation phase was the provision of **safe water access** to more than **77,727 people**. We provided **improved sanitation facilities** for **201,131 people** and reached out to **221,339 people** with **hygiene awareness**. Our approach remained to embrace WASH projects in their comprehensive scope, where the physical infrastructure implementation of WASH facilities, awareness raising and influencing policy were integrated.

The past year also saw the initiation of the implementation of our Country Programme Strategy which focuses on the sustainable delivery of WASH services and promoting long-term hygiene behaviour change as well as ensures a more structured approach to integrated and collaborative mechanisms within the WASH sector. The new approach motivated us to make positive programme movements within the five pathways articulated in the strategy. These included, but were not limited to the rural model of Muzaffargarh as first ODF district, water security planning in water-stressed Tharparkar to resolve serious drinking water issues and menstrual hygiene management (MHM) as a strong momentum-gathering movement for bringing thinking and behaviour change about this critical but ignored issue. The new country strategy is serving as an important roadmap in translating our envisaged development pathways, meeting our commitments to achieve the Sustainable Development Goals and converting challenges into opportunities for the common good.



We are giving people hopes and options to transform their lives. We stand with the people to claim their rights to safe water, improved sanitation and access to hygiene education.

I am thankful to representatives of the Government for many close interactions WaterAid has had them with this year. Together we were able to initiate work on interventions that will considerably impact and improve the overall water, sanitation and hygiene situation in Pakistan. As we look forward, my colleagues join me to extend gratitude to our development and implementing partners for furthering their support and enabling us to make a tangible difference in the lives of people and would also like to express our desire to reinforce collaboration with them in a similar fashion in future.

Siddiq Khan
Country Director

WaterAid and WASH

WaterAid is an international charity working in 38 countries including Pakistan. The organisation's vision is a world where everyone has access to safe water and sanitation and the mission is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene (WASH). WaterAid works with partners and influence decision-makers to maximise the impact.

WaterAid works through supporting local organisations and government authorities to design and demonstrate appropriate and sustainable WASH programmes. WaterAid also seeks to influence the policy change through government and other key sector actors to secure and protect the rights of marginalised and vulnerable people to safe, affordable water and sanitation services.

WaterAid has supported the implementation of water and sanitation programmes in Pakistan since 1996 through its implementing partner and opened its first office in Pakistan in 2006. It has since then been operating to accomplish its mission by helping the marginalised segments of the country to access sustainable water supplies and sanitation services and influencing government policymakers to serve the interests of vulnerable people.



WaterAid Coverage in Pakistan
(Number of People)

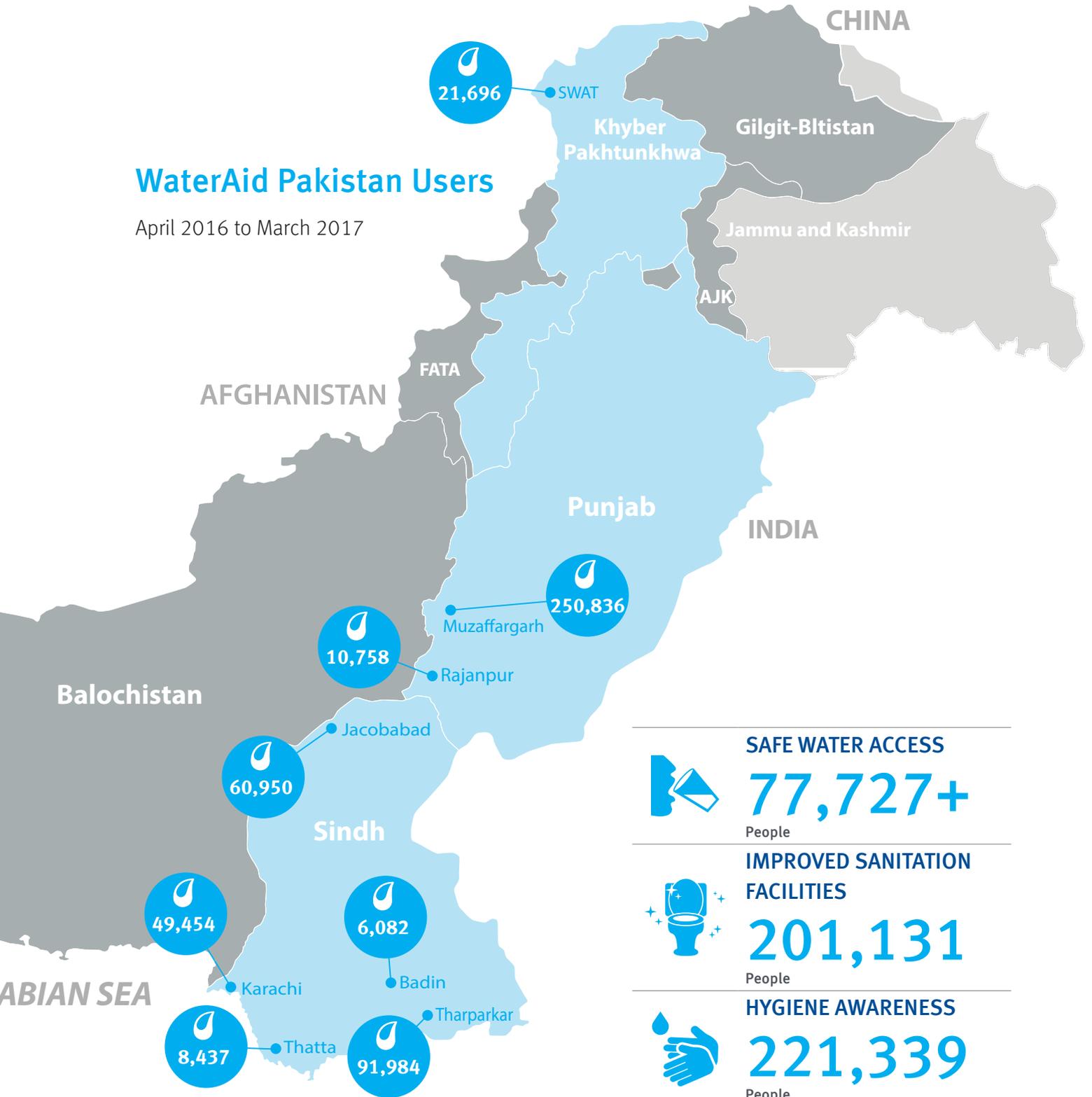
	Water	Sanitation	Hygiene
Swat	3,746	7,821	10,129
Muzaffargarh	30,274	108,877	111,685
Rajanpur	4,963	3,564	2,231
Tharparkar	33,888	26,559	31,537
Badin	2,003	2,003	2,076
Thatta	2,853	2,853	2,731
Karachi	0	49,454	0
Jaccobabad	0	0	60,950
Total	77,727	201,131	221,339

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WaterAid Pakistan Users

April 2016 to March 2017



	SAFE WATER ACCESS 77,727+ People
	IMPROVED SANITATION FACILITIES 201,131 People
	HYGIENE AWARENESS 221,339 People



Pakistan is among world's **36 most water-stressed countries**.¹



Pakistan ranks **9th in the top ten countries with most people defecating in the open per square km**.²



In Pakistan, **every year 39,000 children under the age of five die due to diarrhoea**.³

1 Water at what cost? The state of the World's Water 2016. WaterAid

2 It's no joke. State of the world toilets 2015. WaterAid

3 WHO Global Health Observatory Data. <http://apps.who.int/gho/data/view.main.ghe1002015-PAK?lang=en>

4 World Health Organization and United Nations Children's Fund 2015, "25 years of progress on Sanitation and Drinking Water – 2015 Update and MDG Assessment", Joint Monitoring Program for Water Supply and Sanitation

Our strategic approach

Our strategic approach comprises of interconnected aims to influence change: addressing inequality of access to WASH; strengthening sustainable WASH services; integrating WASH with other essential areas of sustainable development; and improving hygiene behaviour.

Our programme delivery approach is pivoted around collaboration. The approach seeks to place us in a position where we are able to catalyse great collaboration across the WASH sector. Our collaborative role relies on three mutually reinforcing pillars, including **motivating and inspiring** key opinion leaders and decision makers to lead wider mobilisation, promoting **viable programme interventions** which show the benefits of cross-sectoral collaboration and fostering **effective partnerships** that deliver sustainable, high-impact programmes.

Making change happen

Having access to safe water, sanitation and hygiene affects so many aspects of people's lives. WaterAid focuses solely on these vital services because they bring about huge transformations in people's health, education and livelihoods.

The challenge we face remains huge, **16 million people** live **without safe water**, **25 million** have **nowhere to go to the toilet**, and the resulting diseases account for **110 deaths of children under-5 every day**.⁴

We believe that the engagement of all stakeholders in the process of change creates ownership among all parties and contributes to a more cohesive society, improving and impacting on the overall situation. Our work with the Government and service providers help them develop the skills and systems to deliver effective water supplies, sanitation and hygiene education. At the local level, we support partners to build and maintain facilities, improve hygiene behaviours and mobilise communities to call for their WASH rights. We use the evidence from our work to influence decision-makers to reach everyone, everywhere with safe water, sanitation and hygiene by 2030.

The change we envisage is embedded in five interwoven strategic objectives and their associated results

Our priorities for 2016–2021

The WaterAid Pakistan’s new Country Programme Strategy sets out five strategic objectives to be achieved over the next five years:

Sustainable WASH services

We will create conditions where the most vulnerable people are able to access sustainable and disaster resilient WASH services, understand the relationship of hygienic behaviour with the quality of life, and assume responsibility for sustaining WASH initiatives.

Improved sector governance

We will actively support all collaborative efforts and mechanisms to strengthen institutional capabilities for delivering inclusive WASH services effectively and sustainably.

Cross-integrating WASH with other social sectors

We will proactively engage with other social sectors relevant to WASH such as education, health and nutrition in ways that help the cross-integration of approaches for effective programmes.

Improved sector coordination

We will engage meaningfully with stakeholders to help streamline effective programme coordination mechanisms within the WASH sector.

WASH legislation and prioritisation

We will provide support to all legislative efforts for the recognition of water, sanitation and hygiene as basic human rights. We will also proactively work to secure development and fiscal priority status for WASH within the Government and in the legislature.

This report gives an overview of our performance against the priorities set out in our Country Programme Strategy, demonstrating how we are supporting partners to deliver high-quality water, sanitation and hygiene programmes, and generating evidence for policy dialogue and advocacy around WASH.

Explore the digital version of Pakistan Country Strategy at www.wateraid.org/countrystrategyPK

Our partners

We partnered with non-governmental organisations, academia and local government departments providing them technical and financial support and ensuring community-centred improved WASH service delivery. Working with partners not only helped deliver and sustain our project activities and on-the-ground implementation but also ensured communities' involvement in their own development, enabling them to develop contextually acceptable solutions to meet the most pressing community WASH needs.

In **2016/17**, we worked with **nine partners** in Punjab, Sindh and Khyber Pakhtunkhwa provinces.

Bilal, 8, studying in his home in a village in Badin, Sindh.
WaterAid/Sibtain Haider

Cross-sectoral collaboration

Sustainable Development Goals' (SDG) targets are reliant on success in WASH which, we believe can only be approached with cross-sectoral collaboration. Collaborating with actors outside of the WASH sector is key to successful advocacy for WASH as well as ensuring sustainable achievements in global development as a whole.

WaterAid continued to direct its expertise at supporting the Government's development aspirations in WASH priority areas. WaterAid and UNICEF were approached by the Federal Ministry of Education and Professional Training to help cross-integrate WASH with education. WaterAid also provided technical assistance in the development of the school curriculum by incorporating cross-cutting themes and sub-themes, relating to the holistic development of children from grades pre-1 to 5.

Our collaboration with education sector helped us align the WASH agenda with them and reach out common advocacy goals to communicate WASH messages more broadly.

Check out the timeline slider map on our website www.WASHwatch.org to see how the world is progressing towards reaching everyone everywhere by 2030



Strengthening rural WASH

The rural programme worked towards developing integrated WASH models, enhancing access of the rural poor to equitable & sustainable WASH, strengthening local systems and coordination mechanisms, cross-sectoral programming, data and evidence gathering for higher level advocacy and programme strengthening and integration.

The year witnessed the smooth completion of first five years' phase of projects mainly including rainwater harvesting, WASH in Schools in Tharparkar and district-wide Community-Led Total Sanitation project in Muzaffargarh, which were able to over-achieve the agreed planned targets both for water as well as sanitation. Two WASH in Schools projects under H&MF support were also completed in three districts including Thatta, Badin and Rajanpur with overachievement in user numbers of water, sanitation and hygiene.

Ghulam Fareed, 68, with his son and grandchildren in his house in the village of Patan Wala in Rajanpur, Punjab. WaterAid/Sibtain Haider



RURAL WATER COVERAGE IN PAKISTAN⁵

Access to improved water

PUNJAB	93%
SINDH	90%
KP	76%
BALUCHISTAN	33%
AJK	80%
FATA	39%



RURAL SANITATION COVERAGE IN PAKISTAN⁶

Households with no toilets

PUNJAB	24%
SINDH	16%
KP	14%
BALUCHISTAN	18%

⁵ Pakistan Water Supply and Sanitation Sector: Executive Summaries Volume III, 2014. Water and Sanitation Program, The World Bank

⁶ Pakistan Social and Living Standards Measurement Survey (PSLM) 2014-15

The programme generated ground evidence for higher-level lobbying and advocacy at district, provincial and national levels through the development of 'Traffic Light Papers on WASH in Schools (WinS) in Thatta, Badin and Rajanpur, 'Accessibility Audits of Schools' in Swat and Muzaffargarh, development of the district-level 'Open Defecation Free (ODF) Plans' for Rajanpur and Badin, and conducting 'Policy Gap Analysis for WASH' in Khyber Pakhtunkhwa (KPK) province, .

Rural programme through its projects contributed in providing **77,727 people** with **drinking water**, **151,677 people** with **hygienic sanitation** and **160,389 people** with **awareness of personal and environmental hygiene..**

Improving sanitation in rural areas

One of the key objectives of Rural WASH Programme is to improve sanitation coverage in rural areas of Pakistan. In this regard, districts Thatta, Badin, Rajanpur and Muzaffargarh were focused to mobilise communities for developing sanitation infrastructures, building and improving drinking water facilities as well as sustaining and reinforcing positive hygiene behaviours. Success of the work was evident through the results of an interim systematic study, conducted two years down the road, **95.6% water points** and **99.8% latrines constructed** were fully functional and in use, while **99.5% users practised improved hygiene behaviours.**

In Muzaffargarh district, WaterAid and its partner AGAHE initiated the implementation and scaling-up of Pakistan Approach to Total Sanitation - PATS in **100 villages** of the district. All 100 villages were declared ODF and certified by the evaluation committee.

WaterAid, later on, joined hands with Public Health Engineering Department - PHED (under a Memorandum of Understanding with the Government of Punjab) to support PHED in carrying on the model to scale in the remaining **396 villages** of Muzaffargarh in coming years.



Ruqqa, 12, in front of a washroom in her home in a village in Thatta, Sindh. WaterAid/Sibtain Haider

Rural WASH Facts



21%

of the rural population defecates in the open⁷



56%

of the rural population does not have a hand washing facility at home with soap and water⁸



6%

of households in rural areas have a garbage collection system⁹

WASH in Schools (WinS)

The strategic approach of WASH in Schools is aimed at improving the health and learning performance of school-aged children by reducing the incidences of water-borne diseases. WaterAid's WASH in Schools (WinS) work in schools of Sindh, Punjab and KPK provinces involved raising awareness on improved hygiene behaviours and menstrual hygiene management, installing or rehabilitating water and sanitation services and building capacity of teachers and government officials to sustain these services. This provided an opportunity to WaterAid, together with other members of the 'WinS National Group', to review the current guidelines for School Management Committees (SMCs) or Parent-Teachers Association (PTAs) and develop recommendations for improving the situation of WASH facilities in schools of Sindh and Khyber Pakhtunkhwa provinces.

WinS work provided enhanced access of **19,830 schoolchildren** to **safe water**, **18,545 children** to **hygienic sanitation** and **17,891 schoolchildren** to **knowledge and awareness of personal and environmental hygiene**.

Breaking the silence around menstrual hygiene

The topic of menstruation is still handled with various degrees of difficulty at different levels. WaterAid remained a strong advocate for identifying knowledge gaps around menstruation and setting out clear recommendations for improving policy and programmes, integrating Menstrual Hygiene Management (MHM).

⁷ World Health Organization and United Nations Children's Fund 2015, "25 years of progress on Sanitation and Drinking Water – 2015 Update and MDG Assessment", Joint Monitoring Program for Water Supply and Sanitation

⁸ World Health Organization and United Nations Children's Fund 2015, "25 years of progress on Sanitation and Drinking Water – 2015 Update and MDG Assessment", Joint Monitoring Program for Water Supply and Sanitation

⁹ Country Paper on Sanitation. Pakistan. South Asian Conference on Sanitation VI. 2016



Sumaira, 12, with her sewing machine in a village in Thatta, Sindh. WaterAid/Sibtain Haider

In Swat and Muzaffargarh, discussions were held with educational leaders to provide girls and teachers with safe and suitable facilities in schools for their sanitary needs. To facilitate this, girls-friendly toilets were constructed in schools with provisions for menstrual hygiene management. The girls and women were engaged to understand about menstruation-related issues without guilt and with normalcy and confidence. Besides, active contributions were made to provincial as well as national MHM Working Groups to discuss concrete measures for spreading knowledge and understanding on this long ignored issue, paving way for improved health of girls and women.

We reached out to **16,603 schoolgirls** with **girls-friendly toilet facilities** and **18,979 schoolgirls** with **knowledge and awareness of menstrual hygiene management**.

Water security planning for vastly arid desert of Tharparkar

The consultative process of developing water security plan for arid region of the country, namely Tharparakar desert, succeeded in drawing attention of secretary PHED, Sindh Province who commended the effort. The Water Security Plan for Tharparkar is now submitted to the provincial Chief Minister of Sindh for approval. The plan once approved, will be shared with wider stakeholders and potential donors for its resourcing and implementation to be led by the Government of Sindh.

Watch some of our amazing short films at
www.youtube.com/wateraid



Improving WASH in urban communities

The focus of Urban WASH Programme remained on sustainable WASH services for communities in urban slums, strengthening institutional governance of utilities thereby, contributing to transformational change in the service delivery of urban WASH.



Haji Jaffa, General Secretary of Water Committee, stands in the water pipe trench in Faisalabad, Punjab.
WaterAid/Caroline Penn



Urban WASH Facts

 1%

of the urban population defecates in the open¹¹

 26%

of the urban population does not have a hand washing facility at home with soap and water¹²

 57%

of households in urban areas have a garbage collection system¹³

Bridging the gap between people and the service providers

The work on community participation in WASH infrastructure development in the city of Jacobabad was further systematised. Sixteen (16) Ward Committees and one (01) City Forum were registered, enabling them to catalyse for improving interface between service providers and consumers. As a result, a 'citizen liaison cell' was established in Jacobabad by the service provider North Sindh Urban Services Corporation (NSUSC) along with formulating an operational manual for Complaint Management System for its consumers.

Promoting safe sanitation systems in urban slums

Mushrooming of urban informal settlements and slums is a common phenomenon in most of the growing cities and towns of Pakistan. WaterAid strives to ensure access of slum dwellers to decent sanitation system. For this, our partner Orangi Pilot Project (OPP) supported 40 communities in informal settlements of Karachi to get organised through their representative (lane manager) and plan and execute laying down of underground sewerage system.

The urban programme, through its Underground Sewerage Project (Orangi Pilot Project), reached out to **49,454 users** with sanitation and **60,950 people** with knowledge and awareness on personal and environmental hygiene through Municipal Service Delivery Programme in Jacobabad.

Supporting utilities for improved mechanisms of service delivery

Our engagement in supporting Pakistan Water Operators Network (P-WON) resulted in its steering committee meeting to raise awareness about the need for wastewater treatment plants throughout the country. Currently, no sewage treatment plants are working in the country for city/town sewage treatment. The campaign will be instrumental for utilities in cities and small towns to establish new sewage treatment plants and functionalise existing ones.

11 World Health Organization and United Nations Children's Fund 2015, "25 years of progress on Sanitation and Drinking Water – 2015 Update and MDG Assessment", Joint Monitoring Program for Water Supply and Sanitation

12 World Health Organization and United Nations Children's Fund 2015, "25 years of progress on Sanitation and Drinking Water – 2015 Update and MDG Assessment", Joint Monitoring Program for Water Supply and Sanitation

13 Country Paper on Sanitation. Pakistan. South Asian Conference on Sanitation VI. 2016



Influencing and enabling programme

WaterAid is known for its articulation and catalytic forms of engagement with the Government to support universal access to and use of WASH services. We comprehended government goals and priorities as outlined in vision 2025 and SDGs document and aligned our advocacy efforts accordingly.

Front: Mir poses with one of her photographs from the participatory photography workshop in a village in Thatta, Sindh.

Background: Participants of the workshop pose with their final photographs in a village in Thatta, Sindh.
WaterAid/Sibtain Haider

Support to Government

In order to support and influence federal and provincial governments in acknowledging WASH as development/fiscal priority, WaterAid signed Memorandums of Understanding (MoU) with PHED, Government of Punjab. Following the MoU signing, work plans were devised to identify support requirements for PHED in scaling up PATS in Muzaffargarh. Also, a training manual was developed on prototypes for WASH services and installations of Sewage Treatment Unit (STU) in Local Government Training Academy, Lala Musa was developed for the training of Union Council Secretaries.

National Hygiene Behaviour Change Campaign

Realising the urgent need for behaviour change strategies into WASH programme design and delivery, WaterAid in collaboration with UNICEF and Plan International, launched a countrywide behaviour change campaign. The campaign was developed through an inclusive and consultative process to increase public awareness on WASH issues and promote sustained behaviours of water, sanitation and hygiene.

The campaign was officially launched by the Federal Minister for Climate Change on 07 December 2016. This was a multi-ministerial launch and was widely attended by sector stakeholders including the Ministry of National Coordination and Health Regulations, the Ministry of Information Broadcast and National Heritage, the Ministry of Capital Administration and Development Division and the Ministry of Federal Education and Professional Training. The campaign was rolled out across the country for hygiene awareness. According to estimates, this national campaign (handwashing with soap at critical times) reached out to approximately 96 million people through mass media engagement.

Engagement with parliamentarians

In order to achieve WaterAid's strategic objective of securing WASH rights for all, WaterAid reached out to 16 parliamentarians of Punjab provincial assembly through bilateral meetings. The response from the parliamentarians was very welcoming, which led us to select the province of Punjab for taking forward the legislative process. To facilitate the process, a new partner Strengthening Participatory Organisation (SPO) was brought on

board to undertake engagement with parliamentarians. A research paper on legislative analysis was finalised. The policy paper and advocacy roadmap for the next phase is also being finalised in consultation with the parliamentarians.

Research and development

WASH services require technically sound designs and specifications to be tested and used in varying contexts of the country. Realising this need, WaterAid continued its research-focused partnership with National University of Science and Technology (NUST). This year, NUST pushed further its research on decentralised wastewater treatment and field tested the model in Muzaffargarh. The tests proved it to be a good end-pipe treatment solution. After completion of lab-based research and development, the model will be presented to Local Government and Community Development Department (LG&CD) and Housing Urban Development and Public Health Engineering Department (HUD&PHED), Government of the Punjab for replication. Installations will be carried out in areas covered by the urban and rural programmes.

Harnessing support of media to further WASH agenda

WaterAid has always stressed the vital role of journalists in highlighting key WASH issues in the media and covering stories around deteriorated WASH situation in their dailies. WaterAid continued supporting the journalists with latest information on status of WASH services in the country and around the globe. The purpose remained to ensure quality media coverage for more effective support to national, regional and international advocacy for water and sanitation for all.

Four sessions were conducted in Karachi, Thatta, Tharparkar, and Islamabad for fellow journalists' orientation on WASH issues to strengthening their reporting on the subject. As a result, 176 quality stories were covered and published during 2016-17. A media scrapbook was also published to support wider advocacy initiatives.

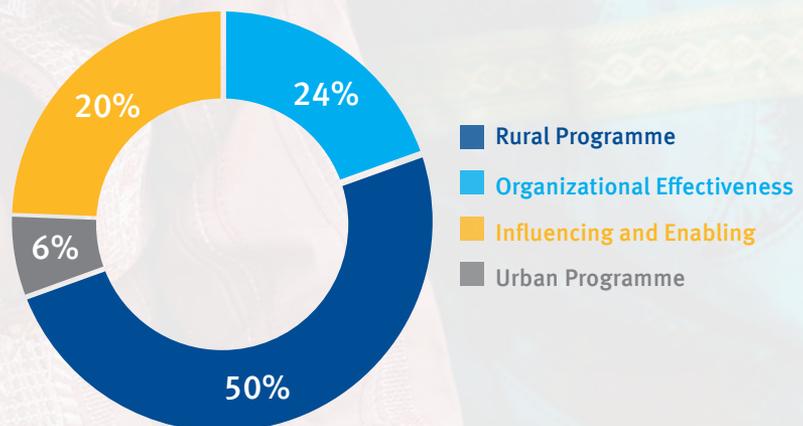
Hear from our team members themselves as they bring the issues to life at www.wateraid.org/policy-practice-and-advocacy





Financial Summary

Expenditure for the Year 2016-2017
(In Rupees)



Children sitting outside their home in Karachi, Sindh.
WaterAid/Asad Zaidi



INDEPENDENT AUDITOR'S REPORT TO WATERAID PAKISTAN

Opinion

We have audited the financial statements of WaterAid Pakistan (the entity), which comprise the statement of financial position as at March 31, 2017, and the statement of comprehensive income, statement of cash flows and statement of movement in restricted donors' fund / grant for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements for the year ended March 31, 2016 were audited by another auditor who expressed a modified opinion on that financial statements on September 7, 2016.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with such IFRSs issued by the International Accounting Standards Board as are notified under the provisions of the Companies Ordinance, 1984 for applicability in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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■ KARACHI ■ LAHORE ■ ISLAMABAD



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As part of an audit in accordance with ISAs, as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered accountants
Islamabad: June 30, 2017

Engagement partner: Jehanzeb Amin

WATERAID PAKISTAN**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017**

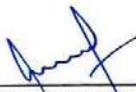
	Note	2017 Rupees	2016 Rupees Restated	2015 Rupees Restated
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	5	6,983,170	4,336,054	4,680,652
Long term security deposits	6	524,000	524,000	124,000
		<u>7,507,170</u>	<u>4,860,054</u>	<u>4,804,652</u>
CURRENT ASSETS				
Grant receivable	7	18,043,965	-	-
Advances and prepayments	8	12,209,248	15,327,290	8,148,816
Cash and bank balances	9	9,202,277	72,844,373	55,986,260
		<u>39,455,490</u>	<u>88,171,663</u>	<u>64,135,076</u>
		<u>46,962,660</u>	<u>93,031,717</u>	<u>68,939,728</u>
FUNDS AND LIABILITIES				
Restricted donors' fund / grant	10	1,837,435	56,026,755	32,587,095
Deferred capital grant	11	6,983,170	4,336,054	4,680,652
		<u>8,820,605</u>	<u>60,362,809</u>	<u>37,267,747</u>
NON-CURRENT LIABILITIES				
Provision for gratuity	12	19,211,249	16,212,420	12,075,106
CURRENT LIABILITIES				
Accrued and other liabilities	13	18,930,806	16,456,488	19,596,875
		<u>18,930,806</u>	<u>16,456,488</u>	<u>19,596,875</u>
		<u>46,962,660</u>	<u>93,031,717</u>	<u>68,939,728</u>
Contingencies and commitments	14			

The annexed notes 1 to 23 form an integral part of these financial statements.

WATERAID



COUNTRY DIRECTOR



FINANCE MANAGER

WATERAID PAKISTAN**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017**

	Note	2017 Rupees	2016 Rupees Restated
INCOME			
Grant income recognised	10	438,127,492	499,056,171
Amortization of deferred capital grant	11.2	3,875,484	2,709,811
		<u>442,002,976</u>	<u>501,765,982</u>
EXPENDITURE			
WaterAid country office expenditure	16	205,371,351	140,176,836
Partner organisation expenditure	17	232,756,141	358,879,335
Depreciation	5	3,875,484	2,709,811
		<u>442,002,976</u>	<u>501,765,982</u>
Income less expenditure - net		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>

The annexed notes 1 to 23 form an integral part of these financial statements.

AFZAL


COUNTRY DIRECTOR


FINANCE MANAGER



Urusa, 12, playing in the playground of her school in a village in Badin, Sindh. WaterAid/Sibtain Haider



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