The international movement against destructive dams gained further ground in 2004, most remarkably in China. In January, I had the fascinating experience of giving a presentation at the country’s first ever national meeting of dam critics, held at the Chinese Academy of Social Sciences. IRN’s long opposition to the Three Gorges Dam is well-known by the Chinese pro-dam lobby so I never thought I would find myself giving a talk on the worldwide failures of large hydro at a packed meeting in a government institute in Beijing.

The January meeting helped spur the creation of the China Rivers Network, headed by the award-winning journalist Wang Yongchen. The work of Wang and other courageous journalists and activists resulted in Premier Wen Jiabao’s April decision to suspend (for the time being) plans for a river-wrecking cascade of 15 big dams on the Nu River. The proposed projects would forcibly displace some 50,000 ethnic minority people. They would also harm millions of people living downstream in Burma and Thailand who depend on the river for fisheries, agriculture and many other aspects of their livelihoods.

In 2004, renewable energy continued to make major gains worldwide. The renewable energy and decentralized cogeneration (combined heat and power) industries installed ten times as much new capacity as the large hydro industry in 2004. Wind power capacity alone grew at three times the rate of large hydro. In June, IRN attended a major global renewable energy conference in Bonn sponsored by the German government and successfully lobbied against the World Bank including large hydropower in their “renewables” portfolio.

On the policy front, IRN achieved a notable success with the passage of a European Union directive that requires some hydropower projects to comply with the recommendations of the World Commission on Dams (WCD). The directive applies to large hydro plants in developing countries that sell carbon credits to be used in the EU-wide carbon trading system, and is a major milestone in our long-term goal of universal adoption of the WCD recommendations.

IRN’s advocacy efforts also helped to ensure that the World Bank debarred Canadian dam-engineering company Acres International from receiving contracts to work on World Bank projects for three years. Acres had been convicted in Lesotho of paying bribes to the head of that country’s dam-and-diversion scheme.

But sadly there was also plenty of alarming news and trends in 2004. The World Bank and their allies in the international dam industry stepped up their backlash against the advances made by energy and water justice advocates over the past ten years. The World Bank approved its first large dam in India for 15 years and continued its efforts to discredit the recommendations of the World Commission on Dams, which the Bank itself had sponsored and committed to apply.

The coming years will present even greater challenges as the dam industry, the World Bank and major dam-building countries such as China, India and Brazil plan massive expansions of dam construction. Countering this trend will require a redoubling of efforts by IRN and our partners to stop destructive projects and show that there are viable energy and water solutions to meet the needs of the world’s people while respecting the environment and human rights.

Of course, we could not do anything without all of you—our members and funders. If we are to be ultimately successful, we need your continued commitment to our vision of healthy rivers and water and energy justice for all. Thank you for all that you do for IRN and the world’s rivers and people.

Patrick McCully
Executive Director
INTERNATIONAL RIVERS NETWORK

Financial Statements 2004

Statement of Activities
Year Ended December 31, 2004 with Comparative Totals for the Year ended December 31, 2003

<table>
<thead>
<tr>
<th>SUPPORT AND REVENUE</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2004 Total</th>
<th>2003 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$40,000</td>
<td>$875,762</td>
<td>$915,762</td>
<td>$1,157,024</td>
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<tr>
<td>Contributions</td>
<td>152,897</td>
<td>2,397</td>
<td>155,294</td>
<td>143,946</td>
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<tr>
<td>In-kind contributions</td>
<td>7,335</td>
<td>0</td>
<td>7,335</td>
<td>106,587</td>
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<tr>
<td>Sales of publications</td>
<td>555</td>
<td>0</td>
<td>555</td>
<td>1,451</td>
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<tr>
<td>Contract revenue and service fees</td>
<td>10,170</td>
<td>0</td>
<td>10,170</td>
<td>15,031</td>
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<tr>
<td>Contributions and revenues from fundraising event</td>
<td>44,940</td>
<td>0</td>
<td>44,940</td>
<td>48,520</td>
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<tr>
<td>Direct fundraising event expenses</td>
<td>(18,347)</td>
<td>0</td>
<td>(18,347)</td>
<td>(22,396)</td>
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<tr>
<td>Interest</td>
<td>1,096</td>
<td>0</td>
<td>1,096</td>
<td>1,487</td>
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<tr>
<td>Net gain (loss) from investments</td>
<td>(9)</td>
<td>0</td>
<td>(9)</td>
<td>355</td>
</tr>
<tr>
<td>Gain (loss) from disposal of fixed assets</td>
<td>(1,250)</td>
<td>0</td>
<td>(1,250)</td>
<td>(2,993)</td>
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<tr>
<td>Other income</td>
<td>4,511</td>
<td>0</td>
<td>4,511</td>
<td>400</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>1,049,966</td>
<td>(1,049,966)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL SUPPORT AND REVENUE</td>
<td>$1,291,864</td>
<td>($171,807)</td>
<td>$1,120,057</td>
<td>$1,449,412</td>
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</tbody>
</table>

EXPENSES

Program Activities
- Campaigns: $1,032,541, 0, $1,032,541, 1,148,707
- Information and media: 99,586, 0, 99,586, 122,111

Supporting Activities
- Administration: 188,391, 0, 188,391, 127,768
- Fundraising: 130,740, 0, 130,740, 119,694

TOTAL EXPENSES: $1,451,258, 0, $1,451,258, $1,518,280

Change in net assets: (159,394), (171,807), (331,201), (68,868)
Net assets at beginning of year: 123,651, 558,622, 682,273, 751,141

NET ASSETS AT END OF YEAR: ($35,743), $386,815, $351,072, $682,273

2004 Staff and Board

Staff
- Juliette Majot, Executive Director
- Anne Carey, Assistant to the Executive Director
- Aviva Imhof, Southeast Asia Campaigns Director
- Doris Shen-Hoover, China Private Finance Campaigner
- Elizabeth Brink, Policy Analyst
- Elizabeth Sabel, Campaigns Assistant
- Glenn Switkes, Latin America Campaigns Director
- Inanna Hazel, Business Manager
- Jonathan Stein, Information Technology Assistant
- Lori Pottinger, Africa Program Director & World Rivers Review Editor
- Mary Houghteling, Development Director
- Monti Aguirre, Latin America Campaigner
- Patrick McCully, Campaigns Director/Executive Director (elect)
- Peter Bosshard, Policy Director
- River Lune, Web Manager
- Ryan Shen-Hoover, Africa Campaigner
- Susanne Wong, Southeast Asia Campaigner
- Terri Hathaway, Africa Campaigner

Consultants
- Colin Felton
- Jorge Alberto Fernandez
- Friends of the Earth
- Masao Inamura
- Darin Jensen
- Kevin Li Yuk Shing
- Willow Lune
- Jean Manrique
- Dr. Payal Parekh
- Profundo
- John Reid
- Ann Kathrin Schneider, WEED
- Oswaldo Sevá
- Bruce Shoemaker
- Dr. Bolyvong Tanovan
- Guillermo Terol
Statement of Financial Position
December 31, 2004 with Comparative Totals for the Year Ended December 31, 2003

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$131,549</td>
<td>$282,040</td>
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<tr>
<td>Grants receivable</td>
<td>300,000</td>
<td>412,500</td>
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<tr>
<td>Other receivables</td>
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<td>829</td>
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<tr>
<td>Inventory</td>
<td>12,423</td>
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<tr>
<td>Prepaid expenses</td>
<td>5,863</td>
<td>5,791</td>
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<tr>
<td>Total Current Assets</td>
<td>$452,233</td>
<td>$721,517</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>33,059</td>
<td>42,957</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,171</td>
<td>2,653</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$487,463</td>
<td>$767,127</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable, including current portion of leases payable</td>
<td>37,051</td>
<td>13,841</td>
</tr>
<tr>
<td>Grants payable</td>
<td>44,050</td>
<td>20,000</td>
</tr>
<tr>
<td>Accrued personnel liability</td>
<td>37,968</td>
<td>28,378</td>
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<tr>
<td>Total Current Liabilities</td>
<td>$119,069</td>
<td>$62,219</td>
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<tr>
<td>Lease payable</td>
<td>17,322</td>
<td>22,635</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$136,391</td>
<td>$84,854</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(35,743)</td>
<td>123,650</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>386,815</td>
<td>558,623</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>$351,072</td>
<td>$682,273</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$487,463</td>
<td>$767,127</td>
</tr>
</tbody>
</table>

For a complete financial report contact Karolo Aparicio, Development Director at 510.848.1155.
IRN would like to thank all who supported our work in 2004, and especially the following:

**Foundations**
- Charles Stewart Mott Foundation
- Compton Foundation
- Conservation, Food & Health Foundation
- Ford Foundation
- Foundation for Deep Ecology
- George & Miriam Martin Foundation
- Global Environment Project Institute
- Gordon & Betty Moore Foundation
- JMG Foundation
- Marra Foundation
- Moriah Fund
- Overbrook Foundation
- Oxfam America
- Patagonia, Inc.
- Richard & Rhoda Goldman Fund
- Rockefeller Brothers Fund
- Seven Springs Foundation
- Sigrid Rausing Trust
- Swedish Society for Nature Conservation
- Wallace Global Fund
- Walton Family Foundation
- Weeden Foundation

**Individuals & organizational donors**

**$100 & above**

- Anonymous
- Tom Athanasiou & Rachel Sommerville
- Elisha & Elizabeth Atkins
- Paul Beach
- Martha Belcher & Martin Wagner
- David S. Berkowitz
- Teresa Beynart
- Brent Blackwelder
- David J.H. Blake
- Pamela & Bruce Bochte
- Warren Brockelman
- Brooklyn Friends School

**$5 & above**

- Judith Brown & Michael Meyers
- Peter & Mimi Buckley
- Glenn & April Buckbaum, The Martin Bucksbaum Foundation
- Zoe Katherine Burke
- Michael Burtt
- Linda Butler
- Penny Cabot
- John Denys Cadman
- André Carothers
- Catherine Caufield
- Sarah Challinor & James Smith
- Patricia Chang
- Steven & Martina Chapman, Foundation for Ecology & Culture
- Angana Chatterji & Richard Shapiro
- Jo Clifton
- Gigi Coe & Mike Garland
- Jack Collins
- Marcy Darnovsky & Barry Zuckerman
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- C.J. de Vries
- Thomas J. DeMarco
- Raj & Helen Desai
- Chris Desser & Kirk Marckwald
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- Helmut Dorfler
- Mark Drake
- Marta Drury
- Dean & Sharon Edell
- Dan Eisenstein
- Jim Felley
- Pam & Dennis Fisco
- Robert & Elizabeth Fisher
- Anne Fitzgerald
- Jonathan Fox
- Leonard H. Fremont
- Elizabeth Fuldor
- Laura Galdorisi
- Caleb & Sidney Gates
- Annette & Fred Gellert
- Aleta & Dave George
- Charles Gibbs
- Michael Goldman & Rachel Schurman
- Jommin & Robert Goodland

**In-kind contributors**

- California Canoe & Kayak
- Design Action Collective
- Friends of the River
- In-kind contributors
- Mountain Travel Sobek
- Nina Wise
- Whittaker Publishers

**Matching gifts from corporations**

- Microsoft Giving Campaign
- QUALCOMM, Inc.
- U.S. Borax, Inc.

**In-kind contributors**

- Beach Chalet Brewery & Restaurant
- California Canoe & Kayak
- Claudia Bernardi
- Design Action Collective
- Friends of the River
- Gigi Coe
- Inkworks
- Jeanette Madden
- Julie Major
- Kathleen Goodwin
- Kitty Margolis
- M. Lowe & Co. Fine Jewelry
- Mountain Travel Sobek
- Nina Wise
- Marian O’Brien, O’Brien & Whitaker Publishers
- Patagonia
- Paul Strasburg
- Plumpjack Balboa Cafe
- Plumpjack Squaw Valley Inn
- Richard Blair
- Robert Haas
- Saintsbury Vineyard
- Sam Walton

IRN supports local communities working to protect their rivers and watersheds. We work to halt destructive river development projects and to encourage equitable and sustainable methods of meeting needs for water, energy and flood management. Published in September 2005.