

2018

ACTIVITY REPORT



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SUMMARY

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« Over the past 15 years, 1001fontaines has not only proven that our model delivers an effective solution to provide communities with reliable access to safe drinking water.

We were also able to demonstrate that this model is sustainable and ready for large scale deployment.

Join our forces and reach a global impact. »

François Jaquenoud
Founder of 1001 fontaines

EDITORIAL



JULIEN ANCELE,
MANAGING DIRECTOR

In 2018, 1001fontaines further worked on the sustainability of our model in Cambodia. Country where we started our activities, Cambodia has grown to become the proof of concept for our model, testing the efficiency and durability of our drinking water production and distribution systems.

Meanwhile, in Madagascar, we have proven our ability to replicate that same model in the challenging context of widespread poverty.

Beyond the momentum we gained in those two countries, we laid the foundation for our development in Vietnam and Myanmar. 2018 was also a year to take stock of the progress we've made and reshape the scope of our ambitions for the 10 years to come. We want to accelerate and multiply our impact in order to enable 10 million people to have daily and sustainable access to drinking water.

That ambition is grounded in our confidence that our model is well placed to play a central role in solving the water crisis that impacts almost a third of the world population, and as such stands as one of the most critical development challenges for the 21st century.

For this reason, we have but one obsession: to change the scale of our reach, through partnership with equally passionate individuals for whom we are grateful every day. To each of you, we are counting on you!

1001 FONTAINES' IMPACT, AS OF LATE 2018

213

Active Water Kiosks,
each serving 4 to 5 villages

Over 600

Sustainable jobs created,
25% of them held by women

600,000

Beneficiaries, including
175000 school children who
now access safe drinking
water for free, every day

2,500,000

People living close to a Water
Kiosk, with easy access to
a sustainable source of
affordable drinking water

MILESTONES

2004

1001FONTAINES' INCEPTION

Chay Lo, a Cambodian engineer, meets Francois Jaquenoud, a former associate at Accenture, and Virginie Legrand, a volunteer at Enfants du Mekong. They endeavor to share their expertise and energy to help rural communities address their needs for drinking water.

2005-2007

FIRST 11 LOCATIONS OPENED IN CAMBODIA

1001fontaines and our local partner NGO Teuk Saat 1001, set up the first Water Kiosk in the Battambang district, in the north of Cambodia, home to some 60 villages. 10 years later, some 200 Water Kiosks have been deployed in the country.

2008

PILOT LAUNCHED IN MADAGASCAR

From day one, 1001fontaines emphasized the replicability of the model. Three years after starting operations in Cambodia, a pilot is set up in Madagascar to test how the model can be adapted to a different environment.

WATER IN SCHOOL PROGRAM KICKED OFF

A new program dedicated to offering free drinking water to children in schools, available every day of the year

2017

1001 FONTAINES OPENS AN OFFICE IN SWITZERLAND

2018

1001 FONTAINES SERVES OVER 600 000 BENEFICIARIES IN CAMBODIA AND MADAGASCAR, AND OPENS TWO NEW PROJECTS IN MYANMAR AND VIETNAM

1001 FONTAINES: THE STRENGTH OF A PIONEERING AND SUSTAINABLE MODEL

Our action is grounded in two beliefs: that the best way to improve the health of vulnerable populations is to provide them with access to affordable drinking water, and that the only way to guarantee this access on the long run is to build their capacities to manage water production.

So instead of “giving” them drinking water, we **developed an innovative model that enables them to address their needs on their own**, sustainably, through the transmission of know-how and entrepreneurial spirit.

Our model, part of the social entrepreneurship movement, relies on three pillars:

- A technical solution: The Water Kiosk**
 1001fontaines sets up Water Kiosks, small water treatment plants, in communities where they're in direct proximity to the beneficiaries. Thanks to a simple, reliable, cheap and ecological filtration and UV purification technology, the solar-powered Water Kiosks only require three hours to turn surface waters from ponds, lakes, rivers or wells into safe drinking water.
- Local entrepreneurship through social micro-franchise**
 1001fontaines recruits, trains and coaches local entrepreneurs to manage the Water Kiosks. The kiosks become micro-businesses under social franchise, and their operators are

responsible for the production and distribution of purified water. They are supported over time by our regional platforms, who provide them with the services they need to operate and develop their business: procurement of the containers, filters, maintenance, quality testing and coaching...

• Economic viability
 The water produced by the Water Kiosks is sold, and delivered to the user, for the affordable price of approx. 0.015 US \$ / liter). That income allows the local entrepreneurs to make a living from their activity, and to allocate 20% of their turnover to pay for the services delivered by the platform. This covers all costs, including the maintenance of the installation and the rigorous quality testing, and insures the sustainability of the model and the quality of the water.

This model allows 1001fontaines to create in each country a water access program that is ultimately 100% self-funded.
 These projects are carried by a local partner, NGO or social enterprise, who plays a fundamental role enabling success by drawing on their understanding of local context and partnerships with public authorities. When the number of Water Kiosks installed reaches a certain threshold, the income generated by the water sales is enough to cover the basic costs of the platform. Any profits are then reinvested to finance further development.

ACHIEVEMENTS :

83 %

Percentage of Water Kiosks that have reached financial break-even

3 months

Average time it takes in Cambodia for a Water Kiosk to reach break-even after it starts operation

A DIRECT IMPACT ON 6 OF THE UN SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations called on all its members to commit to 17 Sustainable Development Goals to be achieved by 2030. 1001fontaines' model has a positive impact on 6 of these goals, making it an agent of change for a better world.



With the 1001fontaines model, safe drinking water is available and affordable, costing less than 3% of a family's budget.



Because our model spans both production and distribution, we're able to guarantee that our water respects the quality standards set by the WHO, up to the point of consumption.



Through its distribution of free drinking water in schools, 1001fontaines contributes to a reduction in student absenteeism of up to 75%.



In average, each Water Kiosk results in the creation of 3 permanent jobs: an asset to the economic development of local communities.



25% of the local entrepreneurs and operators trained and coached by 1001fontaines are women.



Powered by solar panels, the Water Kiosks avoids 10,000 tons of CO2 emissions every year by doing away with the need to boil water to make it safe for drinking.

INTERNATIONAL RECOGNITIONS

- Google Impact Challenge 2105's "Innovative Association of Tomorrow"
- USAID Development Innovation Ventures 2016
- BFM Awards "A But Non Lucratif" 2016
- Entrepreneur of the Year - Social commitment EY 2017
- Finalist in the Zayed Sustainability Prize 2019

CAMBODIA



Local Partner:

Teuk Saat 1001

Distribution Brand:



TOWARDS SUSTAINABILITY

37 new production stations opened in 2018

That's 3 new Water Kiosks every month, on average. This reflects the momentum 1001fontaines has acquired over the last 15 years with our local partner, Cambodian NGO Teuk Saat 1001

2018: a year of acceleration

In late 2015, 10 years after establishing its first pilots in Cambodia, 1001fontaines kicked off the «Camp IV» project, a reference to the last camp before summit on Everest, with the goal to have 240 Water Kiosks in production in 2020, and, most critically, for Teuk Saat 1001 to achieve self-financing of operations by that time.

As of late 2018, 1001fontaines had 200 production stations distributed across provinces in North and North West Cambodia, as well as in rural areas around Phnom Penh. They all benefit from the support of three platforms located in Battambang, Kampong Cham, and Phnom Penh, which ensure their sustainability and the continuous improvement of the quality of their production.

This acceleration directly follows the setting up of a new team in Cambodia led by a new managing director, Frederic Dubois and several new experienced managers.

It will continue in 2019 with the activation of an additional 40 stations.

2018 KEY NUMBERS

200

Production sites
in action (+15% YOY
2017)

355 000

Liters of drinkable water
produced every day
(95,000 US Gallons)

Over

550 000

Beneficiaries, including
150,000 school children



MADAGASCAR

Local Partner and distribution brand:
ranontsika

A SUCCESSFUL ADAPTATION IN A NEW LOCAL CONTEXT

10 years after our implantation in Madagascar, 1001fontaines is demonstrating the replicability of our model in a context of extreme poverty: 90% of Malagasy population lives below poverty line. With 72% of the rural population lacking access to drinking water, diarrheal diseases are the second cause of death in the country.

2018: a year of consolidation

Launching the 1001fontaines model in Madagascar brought a new set of challenges relative to our deployment in Cambodia. After completing phase 1, our first set of water purification station pilots, we were able to increase our reach through the creation, in 2014, of a new NGO dedicated to scaling the 1001fontaines model in Madagascar. Ranontsika, which means "Our Water" in

Malagasy, also serves as our distribution brand in the country.

Benefiting from strong local awareness and a positive image, Ranontsika started deployment on the east coast of the country, in the region of Tamatave, where our project is now recognized for its sustainability, rigor and for the quality of the water distributed.

In March 2018 the Board of 1001fontaines approved additional development for the project in Madagascar, starting activities in peri urban areas around Tamatave, where sustainable and affordable access to drinkable water is entirely lacking. We will open 5 new stations there in 2019.

2018 KEY NUMBERS

13
Active production sites

13 000
Liters of drinking water produced every day

Over 45 000
Beneficiaries, including 25,000 school children



WATER IN SCHOOL PROGRAM

CHILDREN FIRST

Every 90 seconds in the world, a child dies from a waterborne disease. Such diseases are also the first cause of school absenteeism, and as such of school dropouts. For this reason, in 2008 1001fontaines launched the “Water in School” program, distributing free safe drinking water in schools to ensure that children have access to quality water every day of the year.

2018, 10-year anniversary for the “Water in School” program

The concept behind Water in School is simple: 1001fontaines uses private donor and partner enterprise donations to subsidize our entrepreneurs and enable them to produce and distribute free drinking water to schools. 1001fontaines also covers related Water Kiosks operating costs like utilities, gas for transportation, containers and supplies.

Every month, the quantity of water each entrepreneur delivers to the schools is recorded in their “Site Report”, the monitoring tool we use to track each station’s production and sales. This in return helps us reimburse

the entrepreneur and track the impact of the program.

We complement the program with activities engaging both students and their families, designed to create awareness about the positive impacts of clean drinking water and good hygiene practices.

That impact has been incredible. A study conducted in 2012 by the University of East Anglia (UK), tracking 3000 school children across 10 schools for 6 months, concluded that absenteeism dropped up to 75% in those schools offering free safe drinking water. Access to drinking water also improves children’s attention and overall cognitive capabilities, and as such contributes to better results in school.

2017-2018 SCHOOL YEAR IN FIGURES

Approx. 450
Schools receiving free drinkable water

175
Participating Water Kiosks

Over 175,000
Children benefiting from the program

\$2.1
will provide 1 Year of free drinking water for a school child



PERSPECTIVES

X3

In order to reach our goals, 1001 fontaines must triple its budget over the next 3 years, thanks to the support of our donors and partners.

OUR AMBITION: REACH 10 MILLION PEOPLE IN 2030

To deploy our model on a broader scale, and inspire other NGOs and actors dealing with the global water challenge: this is our aspiration for the next 10 years.

We are convinced that the Water Kiosk has a key role to play in addressing the global water challenge that burdens almost a third of our planet's population. But neither 1001fontaines nor any other organization can succeed alone.

We need to join forces and redouble our commitment in order to multiply our impact and reach, through our projects, 10 million people in 2030.

For this to happen, we will

• Achieve autonomy on Cambodia

We will continue our deployment in Cambodia to include all rural communes with over 10,000 inhabitants, through the deployment of 370 Water Kiosks. That will position us as the first Water Kiosk actor in the world to reach national impact with a solution that is 100% sustainable and operationally autonomous.

• Further proof test the replicability of our model

While our fundamentals remain unchanged, 1001fontaines is working tirelessly with our on-the-ground partners to adapt our model to local contexts, constantly innovating to ensure the best possible match with the needs of the communities we serve.

Madagascar, and its context of pervasive poverty that constrains us to pricing our water below 0,01€ a liter, provides a useful illustration. 1001fontaines is exploring new levers to increase the sustainability of our

operations. We will test new offerings with our entrepreneurs to generate additional revenue streams, leveraging for instance the power produced in the kiosks to charge mobile phones, or selling water analysis services to other organizations. We will also test the potential of more densely populated peri urban areas to increase Ranontsika's revenues while growing our social impact.

• Develop our model in new countries

In 2018, 1001 fontaines prepared to launch programs in 2 new countries: Myanmar and Vietnam.

In Myanmar, where the socioeconomic context in rural areas more closely resembles that of Cambodia, our pilot stage will start in 2019 with the installation of 5 Water Kiosks serving 10,000 people. We will partner with one of the largest Burmese NGOs: Network Activities Group (NAG).

In Vietnam we will complete the buildup of our local team, "O-We Water Services", and launch our first 5 Water Kiosks.

Over the next 10 years, we plan to expand the 1001 fontaines presence in more countries in South and Southeast Asia.

• Create a Center of Excellence to inspire more actors

We will develop a platform to share the tools and methodologies we've developed over 15 years of expertise, in order to exchange knowledge and best practices, and both inspire and learn from other organizations deploying the Water Kiosk model across the planet.

MORAL AND FINANCIAL REPORT

JULY 1ST, 2017 – JUNE 31ST, 2018

ANNUAL EXPENDITURE ACCOUNTS (EUROS)

Fiscal year	2017-18 closed on 30 jun 18		2016-17 closed on 30 jun 17		Variat.
OPERATING EXPENSES					
1. SOCIAL PROGRAMS	1 710 203	75 %	2 153 908	86 %	-21 %
1.1. In France					
1.2. International	1 710 203		2 153 908		-21 %
Cambodia	1 239 932	55 %	1 813 915	72 %	
Madagascar	241 881	11 %	329 535	13 %	
Other countries	228 390	10 %	10 458	0 %	
2. FUNDRAISING COSTS	312 175		200 143		56 %
2.1. Private grants	222 852	10 %	180 117	7 %	
2.2. Events (gala dinners)	89 323	4 %	20 026	1 %	
3. MANAGEMENT AND ADMINISTRATION	245 726	11 %	161 943	6 %	52 %
I - TOTAL OPERATING EXPENSES	2 268 104	100 %	2 515 994	100 %	-10 %
IV - FISCAL YEAR SURPLUS	246 627	11 %			

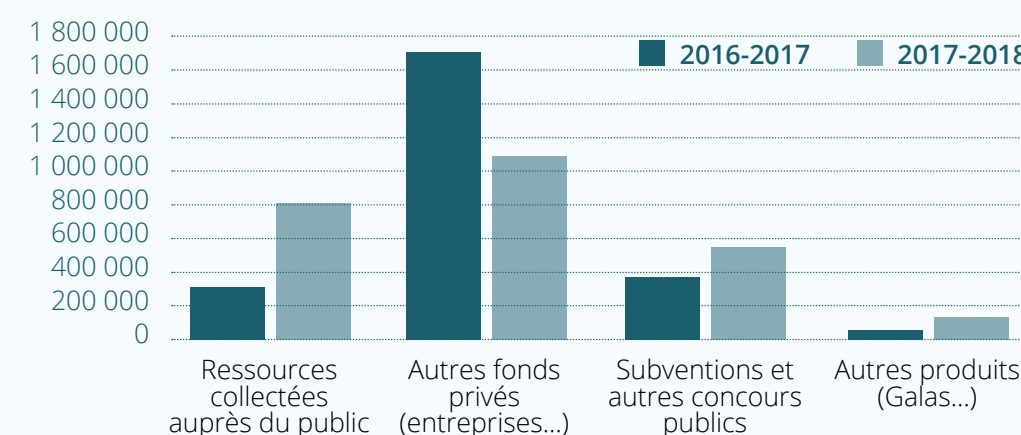
Fiscal year	2017-18 closed on 30 jun 18		2016-17 closed on 30 jun 17		Variat.
OPERATING RESSOURCES					
1. DONATIONS FROM INDIVIDUALS	792 449	35 %	306 809	12 %	158 %
2. PRIVATE GRANTS AND CONTRACTS	1 096 314	48 %	1 717 040	68 %	-36 %
3. GOVERNMENT GRANTS & FUNDING	541 052	4 %	374 825	15 %	44 %
4. OTHERS	84 915	4 %	45 141	2 %	88 %
I - TOTAL OPERATING RESSOURCES	2 514 730	111 %	2 443 815	97 %	3 %
IV - FISCAL YEAR DEFICIT			- 72 179	-3 %	

ALLOCATION OF RESOURCES

During the financial year 2018, the expenditures reached 2,268,104 €. The allocation is shown in the graph below.

The expenditures have decreased by 10% compared to last year, principally because of variations in Cambodia, where the finalization of some capacity-building projects (IT, Marketing...), and the time dedicated to making the managerial transition a success, resulted in lower budget requirements.

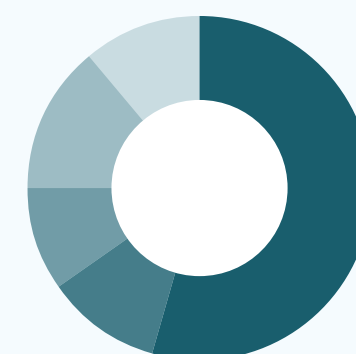
EVOLUTION OF RESOURCES BY FINANCIAL YEAR



RAISED FUNDS

The funds raised during the 2018 financial year amounted to 2,514,730 €, an increase of 3% compared to last year.

ALLOCATION OF EXPENDITURES (2018 FINANCIAL YEAR)



- 55 % Cambodia
- 11 % Madagascar
- 10 % Other countries
- 14 % Fundraising expenditures
- 11 % Admin & Overheads

The percentage of expenditures allocated to social purpose is 75%.

Like the previous years, Cambodia absorbed the highest amount of expenses (1,240 K€) to pursue the deployment in the country.

Thanks to additional funding, new water kiosks were set up in Madagascar by Ranontsika, for the amount of 242 K€.

Feasibility studies in Myanmar and Vietnam amounted to 228 K€.

The fundraising expenditures, reaching 312 K€, increased by 56% due to charity events led in Paris and Lyon during this financial year. Administrative costs and overheads amounted to 11% of the yearly budget.

BUDGET 2018-2019

The proposed budget for the 2019 financial year (running from July 1st, 2018, to June 30th, 2019), is as indicated:

STAFF

By June 30th, 2018, the association was employing directly or indirectly 9 staff based in France.

Projet	Budget 2018-2019	
CAMBODGE (CAMP IV + 2019 -1)	971 560	36 %
WATER IN SCHOOL CAMBODGE	372 283	15 %
WATER IN SCHOOL MADAGASCAR	33 000	1 %
RENFORCEMENT CAMBODGE	211 603	9 %
MADAGASCAR PHASE II	60 000	4 %
MADAGASCAR PHASE III	100 000	4 %
MYANMAR PHASE I	150 000	6 %
STRATÉGIE / HUB OPÉRATIONNEL	118 024	5 %
FRAIS DE STRUCTURE FRANCE & SUISSE	487 143	19 %
TOTAL	2 503 613	

A THOUSAND THANK YOU TO OUR DONORS AND PARTNERS

1001fontaines wishes to thank all our donors, sponsors and partners: without them nothing would have ever been possible

1 000
Private donors

40
enterprises and
institutional sponsors

OUR LOYAL PARTNERS



2018 Activity report

Published by 1001fontaines

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