

STAKEHOLDERS MID-TERM REPORT S1-2021



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CEO Update

With strong COVID-19 waves impacting our 4 countries of operation and the uncertain political context in Myanmar, the first half of 2021 brought multiple challenges. Despite lockdowns and socio-economic disruptions, 1001fontaines managed to ensure the safety of local teams and beneficiaries and even expand our impact in Cambodia, Madagascar and Vietnam. As of June, 2021, 20 000 additional people gained access to safe and affordable drinking water resulting in a stronger immune system that protects against infection.

The resilience of 1001fontaines' community-enrooted solutions, our entrepreneurs and teams commitment and effective cooperation with stakeholders, both in the field and from the overall WASH sector, have been decisive in enabling us to supply the most vulnerable until the last mile.

Throughout the crisis, we raised awareness and strengthened local capacities while still enhancing our programs' long term sustainability. It has been and will continue to be a demanding journey but we will not stop here. With your support, we are determined to reach those still left behind with safe and affordable water, improving their health (a proven 30%-60% decrease in diarrheal diseases) and fostering communities development.



Julien Ancele



2021 first semester by the numbers

872 000 (+20 000)

people reached across 4 countries

280 (+ 12)

safely managed Water Kiosks

+93.8M

liters of safe and affordable drinking water
locally produced and delivered

+9 000

tonnes of CO2 avoided

1001 local jobs created!

Click to watch
the impact



The water kiosk decentralized solution typically creates three reliable jobs in each community. It represents an income on average **40% higher than national minimum wages** for entrepreneurs, enabling them to improve their families' well-being and contributing to local development.



YOUR IMPACT

For the past 6 months, 1001fontaines has been mobilized to reach vulnerable people and be a key player for their health in COVID-19 time. This would not have been possible without the support of our partners. Thank you.



Delivering clean water to poor households in Cambodia facing Covid19 adverse consequences



Promoting hygiene practices and safe drinking water benefits in Cambodia and Vietnam



Providing children with safe drinking water



"Hydrate, feel great"! Fighting against sickle cell in Madagascar



Running training workshops about increase in health outcomes from access to safe drinking water



Upgrading our laboratory in Madagascar



Capacity building in Myanmar



Training entrepreneurs to increase sales by boosting their confidence in Cambodia

The COVID-19 pandemic and its socio-economic consequences on the communities we serve led 1001fontaines and Teuk Saat 1001 to join forces with public authorities specifically to ensure safe water access to the most vulnerable.

Local entrepreneurs are the keystones of water kiosks' sustainability, supporting the core of our mission. Beyond providing water they played a crucial role of health ambassador during these particularly troubled times.



KEY FIGURES*

- 830 369 beneficiaries
- +12 water kiosks
- +50 jobs created
- +1 regional platform
- +17 quarantine centers served

* end of june

Protecting the poorest households health in COVID-19 time

Given the severity of the COVID-19 wave with its direct consequences for rural livelihoods, we designed a specific response program targeting 13 000 poor households living below the poverty line. This program enabled local entrepreneurs to provide free 20L containers, key hygiene items, and free refills of safe drinking water for 3 months to 57 330 people. With schools closed, we made sure that vulnerable households' children were able to continue to get safe water.

From April 2021 onward, we have also supported local entrepreneurs in delivering safe drinking water for free to the quarantine centers, set up throughout the country to accommodate COVID-19 patients with mild symptoms.

"We are today proud that our entrepreneurs, together with our local and national government partners, reach the most vulnerable households, protecting their health and supporting them to safeguard their irregular incomes through this time of crisis."

Frédéric Dubois, Teuk Saat 1001 Executive Director

Delivering safe drinking water to the last mile in partnership with national government

Among the 12 water kiosks launched in the first half of 2021, 3 have been supported by the Cambodian Ministry of Environment as part of its climate change resilience strategy. Through this partnership we showcased water kiosks' reasonable use of the water source and their ability to ensure continuity of supply despite of climate events. We also assessed the impact of safe water supply on households livelihood: after 6 months the baseline/endline analysis reveal a 80% decrease of health expenses.

As the network grows, we build the decentralized support functions to ensure that each entrepreneur receives coaching and continuous monitoring of quality. The fourth regional platform was inaugurated in June 2021, in the city of Siem Reap, after a few months of delay due to the COVID-19 situation. The inauguration took place in the presence of representatives from the Ministry of Rural Development, illustrating public authorities' commitment to Teuk Saat's activities. The platform is already supervising 70 water kiosks, ensuring the provision of managed safe water services to 160,000 consumers.



"The water kiosk is a good example of what we call an integrated solution to complex development challenges" Nick Beresford, UNDP Resident Representative

Boosting entrepreneurs' mindset

We conducted a detailed analysis of the best performing water kiosks i.e. those delivering more than 2 500 liters per day, in order to identify the key factors of their success. We found that entrepreneurs' mindset and confidence in their roles as health ambassadors are the game changers. To assist all the entrepreneurs to develop their skills in raising community awareness of health matters and in recruiting new consumers, we created a new training module, which is being piloted with 11 entrepreneurs.

With the new methodology, entrepreneurs will be more confident in expanding their activity thus fostering their income. Beyond entrepreneurs, water kiosk operators and their families will benefit from improved livelihoods, while a greater percentage of the community will gain access to safe and affordable water: a virtuous circle of sustainability.

By the end of this year 18 additional water kiosks will be opened. Our local partner Teuk Saat has recently been appointed as the private sector focal point in Cambodia of the Sanitation and Water For All global network. In that role, we shall pursue our advocacy efforts, partnering with local WASH players, to support the government in reaching its target of 100% of the rural population covered with safely managed drinking water supply by 2025.

MADAGASCAR

In Madagascar, 77,4% of the population live under the poverty line and this figure keeps increasing. In that context, safe drinking water at an affordable price is a pressing issue. 1001fontaines, with its local partner Ranontsika, has pioneered a new model with a mix of rural and urban services to reach more beneficiaries. This has reinforced Ranontsika's positioning as a reference solution in a country with a very fragile health system.

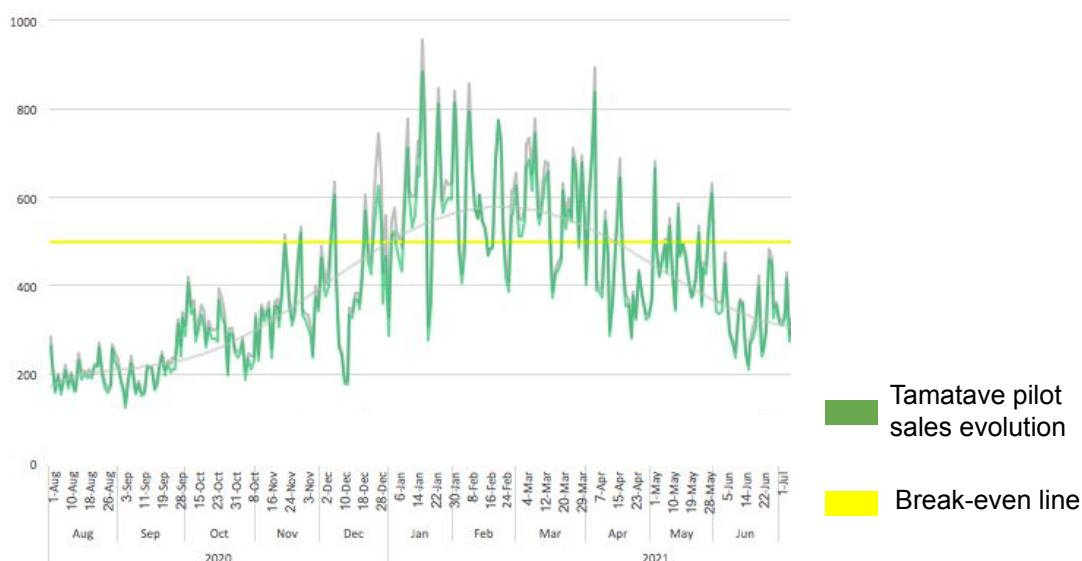


Getting on track toward break-even

Over the past 6 months, with the different lockdowns due to COVID-19, the peri urban sites have become the core of our operations. We reached 11 000 beneficiaries thanks to our large water production facility and the several distribution outlets installed in different locations of Tamatave. The sales peaked in the first 3 months of the year reaching more than 800 jugs a day, showing the relevance of our drinking water offer for vulnerable urban households.

To reach more beneficiaries we also developed some partnerships with local companies to provide safe drinking water to their workers, with an average of 28 jugs a day.

Today, the results have already exceeded our initial forecast, with an average of 494 jugs sold per day. This puts us in a good position to reach break-even in 2023 (500 jugs / day).



Creating opportunities for vulnerable youth

Rural areas of Madagascar face many challenges, in terms of their economic situation and overall development. In order to secure a stable income and improve the monitoring and management of our rural sites in a very poor environment, we decided to test a “win-win” approach by switching from a pure entrepreneurial to an apprentice model. The issue of unemployment among the young population is significant in Madagascar: 70% of the 4 million declared unemployed people are under 25 and 80% of the people under 25 have an informal or unstable job.

In 4 rural sites, we had to change entrepreneurs, so we recruited and train young apprentices from Tamatave to create opportunities for vulnerable youth. As a result, these sites have had a better performance than before and have proven to be easier to manage, especially in the context of COVID-19.

Our goal is now to switch most of the rural sites to this model by mid 2022 and strengthen our social impact for the young unemployed population.



Increasing our impact toward the most vulnerable

Our cooperation with health players and NGOs has continued to expand in a country burdened with a variety of epidemics. We support these organizations with solutions, such as our laboratory services, micro movable kiosks for hand-washing and drinking water set up in the health center and, lead remediation,...

In June, we started a new campaign called “Hydrate, feel great” in collaboration with the NGO LCDM (specialized in fighting against sickle cell disease in Madagascar), to bring 20 liters of safe drinking water per week for one year to 100 children suffering from Sickle Cell Anemia. In many provinces of Madagascar, nearly 20% of the population is affected by Sickle Cell Anemia, a genetic disease which increases mortality rates and poverty.

We also upgraded our laboratory and expanded further its services with stronger integration with the local authorities. 12 analyses were performed for external clients (NGO and local enterprises). Moreover, we have opened the laboratory for students and trained them to master water quality sector expertise fostering their interest in water related research activities.

We shall continue to develop health projects aligned with local authorities and in collaboration with other actors, in order to magnify our social impact in the most efficient manner.

Our goal is to prove conclusively the adaptation of our 1001fontaines model to the context in Madagascar and reach 60 000 beneficiaries by 2023. Our ambition is to become a key player in contributing to the national government's goals : 70% of the population with access to basic drinking water by 2023.

1001fontaines started working in Myanmar in February 2019, with the ambition to replicate the Cambodian model. In 2020, we implemented the first two water kiosks and succeeded in increasing their respective numbers of beneficiaries, despite local lockdowns and travel restrictions linked to the COVID-19. The communities involved were very supportive of the project. The local team took strong ownership of it and we were hopeful of finalizing the pilot and starting the expansion phase in the region during the course of 2021. However, in February the country faced into a political, social and economic crisis. Therefore, the timeframe for the project has been delayed.



Ensuring the team security

The uncertain political context has severely impacted the security conditions in the country, while also creating a major socio-economic crisis. In this context, our first priority was to ensure the security of the team. Our Program Director was repatriated in early March. The local team worked from home for 2 months.

We have been working assiduously with local and international NGOs to find ways to overcome the evolving challenges. For instance, we managed to ensure our partner NGO was supplied with cash, despite banking restrictions, thus ensuring that our local team received their salaries. In addition, we set up a reliable internet connection at the Magway office in Myanmar to facilitate day-to-day communication with the Program Director.

The two water kiosks remained open as the situation in our villages was stable enough for the entrepreneurs to operate. The local team returned to the field in April with appropriate security measures in place. Their objective is to expand the pilot project but the COVID-19 wave further complicated the implementation of new activities.

Two additional sites had been built and equipped but were waiting for the formal agreements from the local authorities, in order to be launched. Those authorisations have been delayed by both the pandemic and the unstable political situation.



Maintaining the service for the beneficiaries

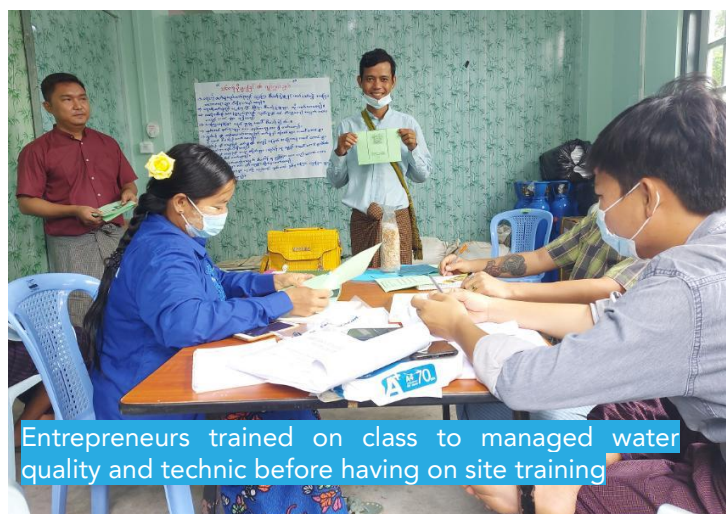
Confident of the communities' support and having mastered all the skills from production of safe drinking water to management of their kiosks' business, the two entrepreneurs succeeded in maintaining continuity of service. Our decentralized approach, which relies on local capacity to ensure service sustainability, clearly demonstrated its resilience. Although the local support team was subject to travel restrictions, which constrained team members to perform support activities remotely, this had minimal impact on the performance of the water kiosks. As the water kiosk entrepreneurs are an integral part of "last mile" delivery, they know their clients/beneficiaries well. Accordingly, these entrepreneurs contributed significantly to raising awareness on hygiene practices and safe drinking water. In contrast, the situation in the country lead to the suspension of many essential services, further isolating and disadvantaging rural communities.



Community awareness session on COVID-19, hygiene practices and safe water

Building next steps with the team

The positive results of the existing kiosks, the tremendous need for safe drinking water and the dedication of the project teams motivated 1001fontaines to find ways to complete the pilot project. If the situation remains stable enough in the Magway region, two new sites will be launched and a fifth one will be set up to reach underserved communities that need reliable essential services more than ever. The local team already delivers the training modules to the newly recruited entrepreneurs, who will also benefit from the advice shared by the more experienced ones.



Entrepreneurs trained on class to managed water quality and technic before having on site training

Close monitoring of the evolution of the political situation and coordination with our local partner will enable us progressively to adapt our program plan and activities to expand the provision of safe drinking water in the region, while prioritizing the security of our team.

Launched in 2020, our urban pilot in Ho Chi Minh City (HCMC) has produced promising evidence of impact and sustainability in a very competitive market and despite a complex situation due to COVID-19. We are pursuing our goal of becoming the preferred choice for daily safe drinking water for vulnerable households of HCMC and its suburbs.



Key Figures

- 8 000 beneficiaries
- 1 factory in HCMC
- 21 jobs created
- 60,000 liters delivered
- 2 factories in the Water for workers program
- 256 free jugs delivered in Quarantine Center

Reaching the vulnerable despite COVID-19

Our first factory in HCMC was launched in November 2020. Sales have been progressively increasing and deliveries now reach 600+ jugs per day. In May 2021 Vietnam was stricken by the resurgence of COVID-19 and drastic authorities measures. We defined a continuity plan to ensure the safety of our staff and the continuity of our activity for our beneficiaries. Despite the challenging situation, we had already achieved 88% of our volume targets by May, 2021. We also experienced good customer retention. This is evidence of the attractiveness of our safe drinking water to vulnerable people in a very competitive market.

Moreover, we established a “Water for Health” community program entailing voluntary donations. This program strengthened our impact on very poor households and also delivered safe drinking water free of charge to COVID-19.



Knowing our beneficiaries better

Today in Vietnam, vulnerable populations in big urban areas mostly have the choice between qualitative and very expensive products, or local unsafe & cheap brands. To address this challenge and maximise our social impact, we have refined the segmentation of vulnerable people, as well as their profiles and needs for safe drinking water. We have done this by means of surveys conducted with employees of our partner production sites, as well as with our consumers.

The first results confirm that our water is positioned appropriately for our target segments. 87% of the consumers expressed overall satisfaction compared to just 58% with their previous water supplier. 95% of our consumers agreed that our water was good value for money. In particular, they perceived that the pricing was affordable in relation to quality and service. 48% of the households interviewed represented economically vulnerable populations (living on less than \$8 a day and representing 29% of the Greater HCMC population). Although the sample cannot be considered as fully representative, it already highlights that we are reaching our main targets.

Raising awareness among poor workers

Our mission is to provide safe drinking water to vulnerable urban families in Vietnam. In order to reach more beneficiaries, we decided to target poor workers in HCMC, through the “Water for Workers” program. Our goal is not only to ensure safe water at work for all the employees but also to provide workers with education and awareness workshops, in order to increase their knowledge regarding the importance of safe drinking water and encourage them to take positive actions for their health.

As of today, our two production facilities are implementing the Water for Workers program. In March, 2021 we organized our first awareness workshop about the importance of safe drinking water for good health and how safe drinking water is produced. In this workshop we highlighted the health risks linked to drinking water contaminated water. Following this workshop, we observed a significant increase in consumers’ understanding of the trade-offs between consuming high quality drinking water versus purchasing low quality, potentially cheaper water.

Based on the success of this pilot, we intend to extend it to the families of the Workers. We are planning to pilot a new program to provide O-We Water to workers at home at an affordable price, including an order and collect system.



“The seminar helped me to understand where water comes from, and what the contamination risks are”

“ I learned to check the quality of the bottle water that I am using by carefully inspecting it”

Our ambition is to continue to grow by upgrading our existing production facilities and testing new distribution channels. The latter could include direct sales to consumers, as well as new partnerships with local companies and local authorities, in order to reach more vulnerable populations and strengthen our social impact.

SCALING THE JOURNEY AHEAD

1001fontaines' team update

1001fontaines' ambition is to reach 3 million beneficiaries globally by 2025. In order to achieve this scaling target, we shall capitalize on the practical experience acquired in the field over the past 15 years.



This includes how best to increase the understanding of the relationship between drinking safe water and good health at community level. It's precisely the mission of Anne Sophie Lecointre, our newly Sales & Social Marketing Director. With her Danone Group and Ashoka background, Anne Sophie brings very valuable and relevant experience to 1001fontaines. She believes passionately that *"traditional business levers can be used as a force for good to grow social impact, and help scale the 1001fontaines organization"*. Anne-Sophie will support local teams in developing social marketing tools and methodologies and coordinate knowledge sharing to facilitate the deployment of new programs.



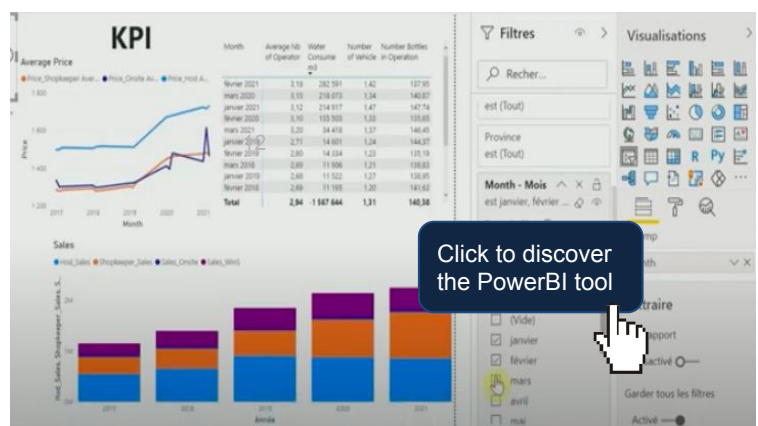
This also includes how best to engage public stakeholders in supporting our water kiosks. The purpose of Bun Lim opening position within Teuk Saat 1001. Program Director, Bun Lim joined our cambodian's team with his 30 years of experiences building partnerships between government and non government institutions to support community and rural development. He will ensure knowledge sharing and proactive cooperation between Teuk Saat and public authorities from commune conciles to Ministries.

Strengthen 1001fontaines' monitoring tools

1001fontaines and its local partners already utilize robust field monitoring systems. This is especially the case in Cambodia, where we exploit digital reporting tools that strengthen the operational support that we provide to the entrepreneurs.

However, we recognize the need to pursue and implement additional digital transformation strategies that improve the efficiency of our operations and enable us to be more effective in measuring our impact. Accordingly, we have been strengthening our teams at global and local levels, to derive lessons from our current data and disseminate good practices and tools throughout our countries of operation.

In the same vein, in May 2021 the global Finance team implemented the PowerBI digital tool.. This enables correlations of data with different indicators, as well as visual representations via powerful mapping features.



SCALING THE JOURNEY AHEAD

Betting on collective actions to achieve SDG 6 : WWWeek

As leading practitioners of the water kiosk model, we raised our voice during the World Water Week 2021, sharing the floor with transformative partners to solve the water crisis.

Click to discover how franchise approach ensure sustainable solutions to provide safe drinking water for the most vulnerable

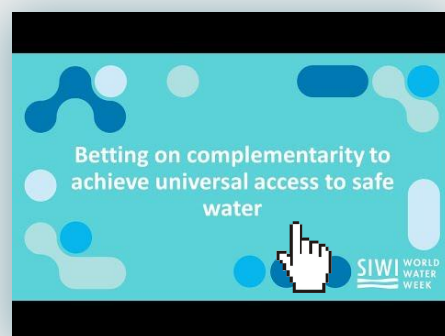
Catch up with an interactive session on how blended finance is the path to maximise social impact

Find out how the water kiosk model proved its resilience through the COVID19 crisis

Following a 6 months collaboration with major Cambodian rural drinking water stakeholders, we came out with a first of its kind session, showcasing how complementarity between traditional piped systems and decentralized water kiosk can be leverage to cover everyone in rural areas.

In the coming months, we'll turn the words into practice, working with public authorities to build an enabling environment and foster field collaboration.

We believe that system change is key. By combining the convenience of piped systems and the quality and community outreach of water kiosks we can met SDG 6 faster.



Contact us: advocacy@1001fontaines.com

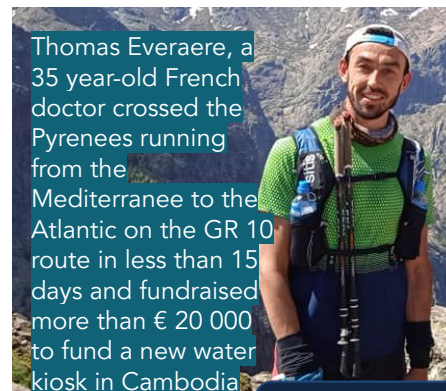
Betting on collective actions to achieve SDG 6: Get involved!

In order to bring a lifetime access to safe drinking water to all, we need more and more donors and partner companies by our side. We need you. With 1001fontaines, you can make a change in 1001 ways!

Indeed, we developed various customized tools to involve companies and their collaborators : engage your employees by turning their miles into water with Km for Change ; create your own fundraising campaign on our my.1001fontaines.com website to solicit their relatives; organise an presentation in your children school to support the Water in School program... In 48 hours we can set up your customized operation!

By making a donation or becoming an ambassador of our project, everyone can help 1001fontaines to spread its model around the world.

Special thanks to Thomas Everaere and the Microsoft EMEA Biking Club for their support!



Contact us: charlotte.fortun@1001fontaines.com

THANK YOU

1001fontaines wishes to thank all our donors, sponsors and partners: without you nothing would have ever been possible. Thank you for your commitment to enabling vulnerable populations around the world to have access to our safe drinking water.

CAMBODIA

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