

# 2019

## ANNUAL REPORT



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## “ 1001fontaines: Impact in our DNA “

Dear friends,

Impact is at the core of 1001fontaines' model, grounded on an entrepreneurial spirit unique in the philanthropic field.

This impact can obviously be estimated by the number of beneficiaries, which soared by 20% to reach 740,000 people as of late 2019, including 278,000 children. It can also be assessed by the sustainability of our solution, which enables a lifetime access to safe drinking water, and by its ability to be scaled up in very different countries.

This impact goes beyond our first mission - to bring safe drinking water to all - by addressing 9 of the Sustainable Development Goals, including education, economic development and climate action.

This impact is today widely recognized by the highest international organizations, and 1001fontaines entered the select group of the thousand solutions that change the world when it obtained the Solar Impulse Foundation Efficient Solution label in 2019.

This impact is your impact. Because your donations enable us to grow every year in order to change the lives and the future of more and more men, women and children. Our will is to “leave no one behind”.

All together, we can multiply our impact in 2020. We have to. Because our model is one of the best to address the global water challenge that still affects about one third of the world population.

I warmly thank you and I am counting on you!



**Julien Ancele**  
CEO  
1001fontaines



### 2019 ANNUAL REPORT Published by 1001fontaines

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## 1001 FONTAINES: THE STRENGTH OF A PIONEERING AND INNOVATIVE MODEL

We believe one of the best solutions to break the vicious circle of rural poverty is to enable vulnerable people to produce safe drinking water, in an independent and sustainable manner.



That is why we developed an innovative model triggering all ripple effects of inclusive development, that relies on four core principles:

### ■ An innovative technical solution:

water from available local sources (rivers, ponds, wells) is treated using UV disinfection and solar energy technologies. Once treated the water is bottled in 20-litre containers, which are sealed and delivered to the beneficiaries' homes, ensuring water quality up to the point of use, so that the water meets the strict quality standards recommended by the WHO.

### ■ A social entrepreneurship model:

every station is managed by a villager, who is recruited and trained with the help of the local community, to turn him into an autonomous entrepreneur. We ensure the follow-up of micro-entrepreneurs on the long run through monthly coaching, including water quality control tests and maintenance services.

### ■ The economic sustainability of the model:

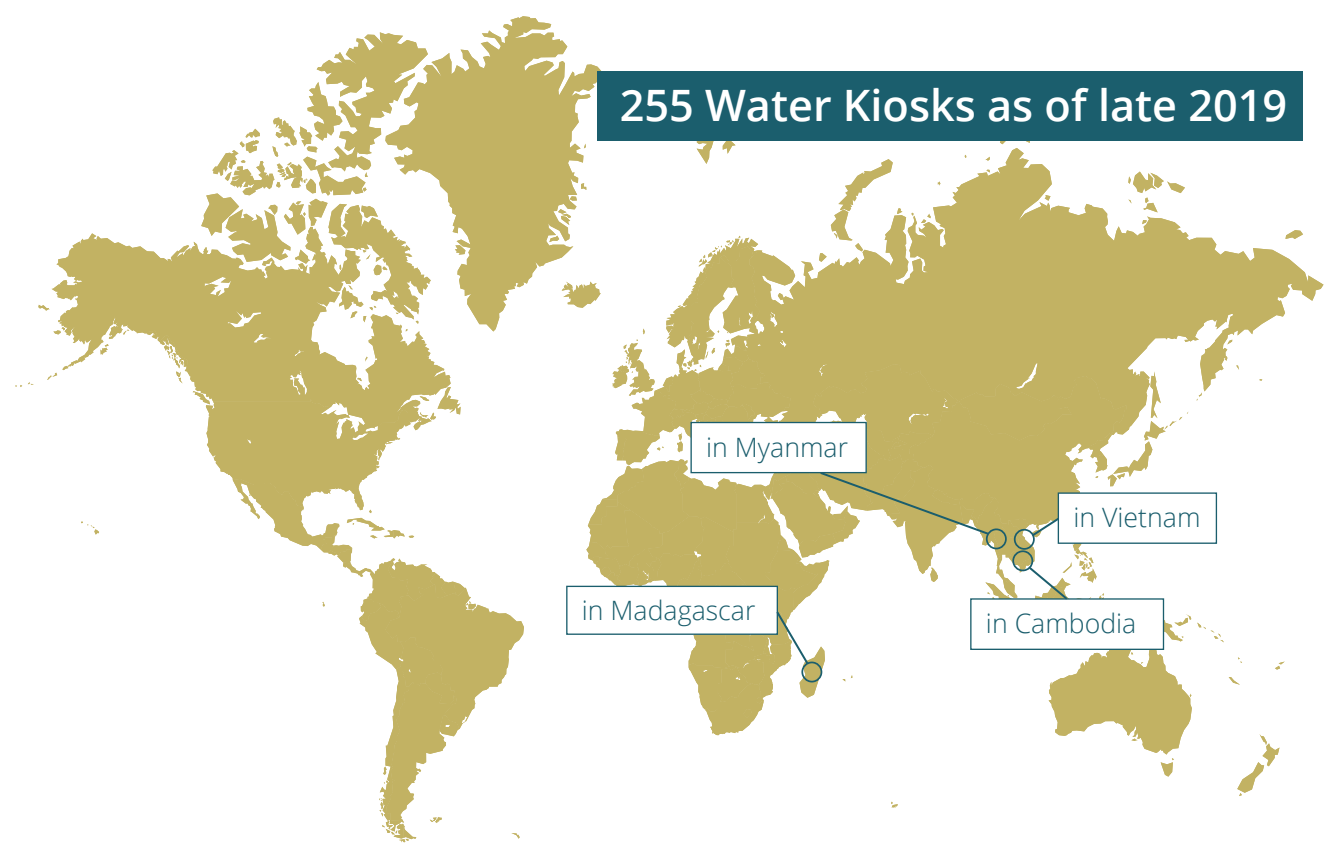
by limiting transportation costs (distribution is limited to 5-8 km around the Water Kiosk), water can be sold at a low price (€0.02/liter), ensuring affordability for the most vulnerable local villagers. The revenues generated by water sales ensure the activity of the local entrepreneur as well as the sustainability of the model.

### ■ The "Water in School program":

launched in 2008, it aims to deliver free safe water in the schools of the villages where we have implemented a Water Kiosk, to target children, who are the most vulnerable to water diseases. The program is fully subsidised, enabling the entrepreneurs to deliver free water in primary schools daily, without threatening the sustainability and autonomy of their activity. The Water In School program represents 20% of their daily production.



# 2019 HIGHLIGHTS



## WE STARTED OPERATING IN TWO NEW COUNTRIES: VIETNAM AND MYANMAR

After having started in Cambodia, where our model is now broadly spread with 234 active Water Kiosks in 19 of the 25 country's provinces, then continued in Madagascar, where 1001fontaines proved its capacity to replicate its model, we launched two new programs in Vietnam and Myanmar in 2019.

In Vietnam, 1001fontaines chose to settle in the Mekong Delta, which accounts for 12% of the country area and where 20 million inhabitants face great difficulties to access safe drinking water. As of late 2019, the first 3 Water Kiosks had been built and we already served 10,000 beneficiaries including 3,000

children in 8 schools: promising results to scale up the model in the Delta in 2020.

Myanmar presents similar social, economic and environmental conditions as those in Cambodia. It is one of the countries that are the most affected by the lack of safe water: only 3% of rural populations have access to safe drinking water. The child death rate is also one of the highest in South-East Asia. Faced with such an alarming situation, 1001fontaines selected 5 areas to set up its operations, and opened its first Water Kiosk, covering the needs of 2,000 people.

## A STRONGER CONTRIBUTION TO THE WATER KIOSK SECTOR

1001fontaines participated in the World Water Week, with other organizations operating on a similar model. This major event, which is organized in Stockholm every year in late August, gathers all water actors: institutions, companies, new technologies, the academic world, NGOs... A great opportunity to highlight the strength of our model, its impact, and to convince new actors to contribute to its deployment.

We also took part in a 'Learning Expedition', organized in Mumbai in October, that aimed at increasing collaboration between water access projects. Field visits, experience-sharing workshops, and time to reflect on the structure of the sector... this week enabled 1001fontaines to share its progress regarding social marketing, consumer knowledge, and measures of impact. We would like to thank Danone Communities for organizing the Learning Expedition and coordinating the participation of Safe Water Enterprises during the World Water Week.



## The impact of 1001fontaines as of late 2019



**740,000**  
beneficiaries including more than 278,000 school children

**837**   
sustainable jobs created, and 25% of them are held by women

**735**   
schools freely provided with safe water thanks to the 'Water in School' program

**CO<sup>2</sup>**  
**17,000**  
tons of CO2 emissions avoided

**120**   
times less plastic consumed





## MADAGASCAR OBTAINS THE HONOURS

A study led by the independent firm COTA, in partnership with the French Development Agency (AFD), attributed a total grade of 4/5 to our Malagasy project. It is a great recognition of the action we led during the past 5 years in Madagascar, where we managed to prove the efficiency and sustainability of our model in a context of extreme poverty. This strengthens our determination to double the number of beneficiaries in 2020!

*"Ranontsika is one of the three most beautiful projects I have evaluated over the last 10 years"*

Stéphane Vancutsem,  
COTA consultant

## CARBON CREDITS TO VALUE OUR EFFORTS ON CLIMATE ACTION

As the 1001fontaines Cambodian project is certified by the United Nations Framework Convention for Climate Change, we emit carbon credits labelled by the Gold Standard, corresponding to the reduction of CO2 emissions resulting from people no longer boiling water to make it safe for drinking purposes.



# 17,000

carbon credits emitted by 1001fontaines

## 1001FONTAINES CERTIFIED BY THE SOLAR IMPULSE FOUNDATION: FURTHER EVIDENCE OF OUR POSITIVE ENVIRONMENTAL FOOTPRINT



1001fontaines is now one of the 1000 Efficient Solutions labelled by the Solar Impulse Foundation, acknowledging our capacity to change the world with a socially impactful, economically viable, and environmentally sustainable model. The Solar Impulse Efficient Solution Label is attributed following a strict selection process performed by external independent experts based on the following criteria:

- Technical Feasibility
- Environmental benefits
- Socio-economic impact

This recognition is added to those which 1001fontaines already gained on the international level:



## A DIRECT IMPACT ON 9 OF THE UN SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





# 2019 IN PICTURES



A.



B.



E.



C.



D.



F.

**A. Entrepreneurs' seminar in Siem Reap (Cambodia).**  
For the second edition, we gathered 225 entrepreneurs and 35 staff members of Teuk Saat during a team building seminar.

**B. Launching of the Jug O-We in Cambodia and Vietnam.**  
In order to have a competitive marketing advantage for the O-We water quality perception, we decided to design our own 20-liter jugs.

**C. Launching of the program in Myanmar and the Daw Ahnya brand.**  
1001fontaines successfully engaged communities in the creation of the «Daw Ahnya» brand, which means 'our Dry zone' (the name of the area where we are operating).

**D. New Sales Kiosks in the periurban areas of Toamasina (Madagascar).**  
To meet a more urban and suburban demand, we adapted our offer by setting up modular sales kiosks, able to align their offer with the purchasing demand.

**E. Olympiads in Madagascar to raise awareness among children.**  
2 days of Olympic games took place to engage children about water issues and to have them become changemakers in their families' behaviours.

**F. Lab in Madagascar: a reputed expertise.**  
The Toamasina lab is the only one in the area able to perform physical, chemical and bacteriological analyses. It also offers services to NGOs and companies acknowledging our expertise.

**G. Launching of the program in Vietnam.**  
4 Water Kiosks were set up to tackle the issue of water quality in an extremely competitive market. Our goal: to offer low-income households affordable water whose quality is certified.



G.



# MORAL AND FINANCIAL REPORT

JULY 1<sup>ST</sup>, 2018 – DECEMBER 31<sup>ST</sup>, 2019

## ANNUAL EXPENDITURE ACCOUNTS (EUROS)

Fiscal year	2018-2019 closed on 31 dec 19		2017-2018 closed on 30 jun 18	
OPERATING EXPENSES				
1. SOCIAL PROGRAMS	2 793 549	82 %	1 710 203	75 %
1.1. In France				
1.2. International	2 793 549		1 710 203	
Cambodia	2 086 696	61 %	1 239 932	55 %
Madagascar	246 728	7 %	241 881	11 %
Myanmar	297 950	9 %		10 %
Other countries	162 178	5 %	228 390	
2. FUNDRAISING COSTS	400 000	12 %	312 175	14 %
2.1. Private grants	390 375	11 %	222 852	10 %
2.2. Events (gala dinners)	9 625	0 %	89 323	4 %
3. MANAGEMENT AND ADMINISTRATION	217 525	6 %	245 726	11 %
I - TOTAL OPERATING EXPENSES	3 411 074	100 %	2 268 104	100 %
II - CHARGES FOR PROVISIONS				
III - COMMITMENT TO CARRY OUT ON ALLOCATED RESOURCES				
IV - FISCAL YEAR SURPLUS	243 350	7 %	246 627	11 %

Exercices	2018-2019 closed on 31 dec 19		2017-2018 closed on 30 jun 18	
OPERATING RESSOURCES				
1. DONATIONS FROM INDIVIDUALS	375 155	11 %	792 449	35 %
2. PRIVATE GRANTS & CONTRACTS	2 402 740	70 %	1 096 314	48 %
3. GOVERNMENT GRANTS & FUNDING	829 225	24 %	541 052	24 %
4. OTHERS	47 304	1 %	84 915	4 %
I - TOTAL OPERATING RESSOURCES	3 654 424	107 %	2 514 730	111 %
II. REVERSAL OF PROVISIONS				
III. CARRYOVER OF UNUSED RESOURCES FROM PREVIOUS YEARS				
IV - FISCAL YEAR DEFICIT				

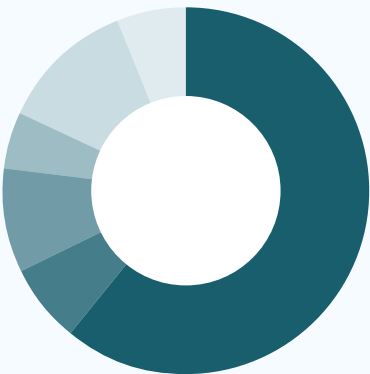
## ALLOCATION OF RESOURCES

During the fiscal year 2018-2019, the expenditures reached €3,411K over 18 months, equivalent to €2,274K over 12 months. Over 12 months, it is similar to the previous fiscal year.

### COLLECTED RESOURCES

Funds collected from companies and foundations account for two thirds of the fiscal year's resources, an increased proportion compared to the previous year. It can be explained by the support granted by some English private foundations.

### ALLOCATION OF EXPENDITURES (FISCAL YEAR 2018-2019)



- 61 % Cambodia
- 7 % Madagascar
- 9 % Myanmar
- 5 % Others - social missions
- 12 % Fundraising expenditures
- 6 % Admin & Overheads

### BUDGET 2019-2020

The budget for the 2020 financial year is as indicated:

### STAFF

By December 31st, 2019, the association was employing 5 staff members including 4 based in France.

### The percentage of expenditures allocated to social purpose is 82%.

This percentage has increased a bit compared to the previous fiscal year, when it reached 75%. Like the previous years, social purpose in Cambodia absorbed the majority of the budget, which accounted for 61% of the total fiscal year expenditures (€2,087K). This amount enabled to fund the deployment in new villages and the pursuit of the Water in School program. The Madagascar program expenditures remained stable compared to the previous fiscal year, and reached €247K in 2018-2019. This relative decrease can be explained by the transition period between the 2nd phase of deployment and the 3rd phase of consolidation. €297K were dedicated to the launch of the Myanmar pilot, which was supported by private partners. The remaining social purpose (€162K) can be explained by the support given by 1001fontaines to the operations in the three aforementioned programs and to the Vietnam program. The latter does not directly impact the association budget as it is funded by our UV+Solaire subsidiary's co-stakeholders: Danone Communities and Colam Impact.

Overheads reached €618K, accounting for 18% of the fiscal year expenditures. Such a level reflects the association's good management of its expenditures. Fundraising expenditures amounted for €400K of the overheads, and administrative expenditures amounted for €218K of them. If some investments were made to improve our fundraising capability, their proportion in the overall association budget has decreased because of the reduction of the cost related to the organisation of events.

Project	Budget 2020	
CAMBODIA - 2020 VILLAGES	1 100	37 %
CAMBODIA - SCHOOL PROGRAM	400	13 %
CAMBODIA - SUPPORT TO TEUK SAAT	50	2 %
CAMBODIA - STONE CAPACITY BUILDING	200	7 %
<b>CAMBODIA</b>	<b>1 750</b>	<b>58 %</b>
MADAGASCAR PHASE III	190	6 %
MADAGASCAR - SCHOOL PROGRAM	10	0 %
<b>MADAGASCAR</b>	<b>200</b>	<b>7 %</b>
<b>MYANMAR</b>	<b>160</b>	<b>5 %</b>
<b>SUPPORT TO OPERATIONS</b>	<b>220</b>	<b>7 %</b>
FUNDRAISING	430	14 %
ADMIN	240	8 %
<b>OVERHEADS</b>	<b>670</b>	<b>22 %</b>
<b>TOTAL</b>	<b>3 000</b>	<b>100 %</b>





# NEW CHALLENGES ADDRESSED IN 2019

## OPERATING IN ENVIRONMENTS VULNERABLE TO CLIMATE CHANGE

Climate change and water are intrinsically linked: rainfall patterns and ocean tides directly influence soil recharge in water, and can generate disasters such as droughts and floods. 1001fontaines aims at maintaining access to safe water despite these changes, thus improving the resilience of local populations.

### **CAMBODIA: ADAPTING OUR MODEL TO INCREASING DISASTERS**

1001fontaines has been working in Cambodia since 2005. Over the years, we have observed the evolution of climate and its consequences on our operations. The country is now ranked among the most vulnerable to climate change. 2019 was specifically representative of the extreme conditions now faced by the entrepreneurs, and by the rural population as a whole.

In April, the country experienced a huge peak of temperature, sometimes crossing 50°C, causing a severe drought across Cambodia. Hardly 3 months later, in September, tremendous rainfall resulted in floods in urban and rural areas. Most of our sites were able to maintain their activity and provide access to this basic need that is drinking safe water – a service even more precious in a context of climate disaster.

However, some Water Kiosks stopped operating for a few days because of dried water sources during drought, or because of the impossibility to deliver during floods. 37 sites, located mostly in Kampong Cham and Kratie provinces, were strongly affected by the historical rains. As a result, the sales volumes were 16% lower than in September 2018. This triggered an internal reflection to strengthen the adaptation effort and build more efficient coping strategies. Teuk Saat 1001, our local partner in Cambodia, has been working on identifying a second water source for the sites being threatened by drought, and has already rehabilitated Water Kiosks to raise them above potential flood level.

These actions directly contribute to the SDG 13: Climate Action, by strengthening the resilience and adaptation capacities of local populations.

### **VIETNAM: ENSURING QUALITY IN THE DROWNING MEKONG DELTA**

The Mekong Delta covers 12% of the country's surface area, and hosts 20 of Vietnam's 96 million inhabitants. This highly populated region was chosen by 1001fontaines to launch a pilot project in 2018. While the country has experienced strong economic development and managed to significantly reduce poverty, it is now facing high environmental risks.

In the Mekong Delta, the ocean tides enter further in the rivers, and increase the salinity of surface water. This phenomenon directly impacts farmers who cannot harvest rice anymore, and generates difficulties to get sweetwater. People start to dig deeper to find groundwater, and pump from aquifers. If it gives them a quick solution, it only enhances the medium term problems, with soils progressively sinking below sea level, making the Mekong Delta even more vulnerable to the rising salinity.

In this alarming context, the local water producers play a key role to ensure people can remain in the Delta and access safe drinking water without overexploiting the aquifers. In 2019, an audit conducted by 1001fontaines, with the support of OSHUN, concluded that the existing producers do not have the required technology to treat salinity and the residues of other contaminants such as pesticides, putting the health of their consumers at risk. Hence our ongoing work to upgrade the treatment systems and the water quality monitoring of bottled water producers, to provide sustainable and affordable access to safe drinking water in the Mekong Delta.





## FINDING NEW LEVERS TO EXPAND HEALTH IMPACT

Contracting waterborne diseases is the first step of the poverty circle that 1001fontaines strives to stop. With unplanned health expenses impacting households' budget, and the incapacity to work or go to school, drinking unsafe water generates high consequences. Providing drinking water matching the WHO quality standards has thus been our permanent focus. We want to go further, and have thus explored complementary paths to fulfill our health mission in 2019.

### MADAGASCAR: OFFERING WATER QUALITY SERVICES FOR LEAD REMEDIATION

The East Coast of Madagascar, near the city of Tamatave, has experienced rapid urbanization over the past decade, especially in the expansion of informal peri-urban settlements. Thousands of households either cannot afford piped utility water or are underserved by the utility's service. Accordingly, a market has emerged for hand-driven wells affixed with a

locally produced hand pump, typically including components with lead (Pb). An estimated 9,000 of these systems exist in Tamatave, placing populations' health at risk. A first intervention in 2018 demonstrated our capacity to change the dangerous components, monitor the water quality afterwards, and thus improve the health situation of children consuming this water. The evaluation conducted in early 2019 concluded that more than 20% of children had already

gone back to a normal level of lead presence in their blood. This impact was also monetized, as lead contamination directly results in IQ loss. The opportunity cost associated with this IQ reduction amounts to US\$11,700 per child, hence a total of nearly US\$ 3 million for the whole childhood population depending on the systems upgraded in 2018.

**This project will be renewed in 2020 with 500 additional pumps covered**, with the aim to integrate a health impact measurement thanks to blood testing, thus showing the lead contamination before and after our intervention.

### MYANMAR: RAISING AWARENESS ON THE LINK BETWEEN WATER AND HEALTH

Paying to get safe drinking water is nothing but a clear indication that the customers know the value of this product for their health. In Myanmar, there is no such understanding among our target beneficiaries. In rural areas of the country, only 3% of the population has access to a water supply system, the others using improved water points (78%), like wells, or sharing water points with animals (19%). They typically drink groundwater that was stored for days in dirty, open containers, located outside their home, without even boiling water. If turbidity is there, they might filter it with a basic cotton cloth that is seldom washed. The health consequences of these unsafe behaviors are easy to see in the statistics: Myanmar has one of the highest infant mortality rates in Southeast Asia, and 29% of children under 5 suffer from stunted growth.

This alarming situation highlights the need for 1001fontaines not only to provide access to safe drinking water, but also to raise awareness among the communities on the link between health and water, sanitation, and hygiene practices. It means spending more time prior to setting up a Water Kiosk to explain in a pedagogical manner the consequences of drinking unsafe water, and to show the good practices to adopt to remain healthy (frequently washing hands, properly storing water...). Such sessions happen at the village level, with the help of local stakeholders

to gather the community.

**In 2019, over 40 meetings took place in the 5 villages where Water Kiosks are to be set up**, with an average of 25 people attending the community session. The teams assisted to striking reactions from the participants who suddenly realized they were placing their health and life at stake.



### OUR SERVICES VALUED BY CONSUMERS: 90% WOULD RECOMMEND 1001FONTAINES WATER TO THEIR PEERS

A survey conducted among Cambodian consumers showed their satisfaction with the services provided by Teuk Saat 1001. With more than 80% people acknowledging the affordability of pricing and the convenience brought by home delivery, our operating model was once more appraised.





## EMPOWERING LOCAL STAKEHOLDERS AND ENTREPRENEURS THROUGH CAPACITY-BUILDING

1001fontaines believes in developing local ownership to ensure the project answers the needs of the target populations, and the impact is sustained by a strong anchorage in the served communities. Our ambition is to have each Water Kiosk succeed thanks to the mobilization of all the local stakeholders.

### MYANMAR: LEVERAGING HIGHLY RESPONSIVE COMMUNITIES

1001fontaines started working in Myanmar in February 2019, with the ambition to replicate the Cambodian model and accelerate the deployment pace. If the socioeconomic conditions are similar in both countries, there

is one parameter that is highly different: the capacity of communities to mobilize themselves for a collective initiative.

A new process was designed in 2019, to mobilize local opinion leaders around the 1001fontaines project. For each Water Kiosk, elections were organized to choose the

members of a water station committee. This committee is then in charge of promoting the importance of safe water for health, and supporting the entrepreneur in developing the activity. Elections encountered great success, with hundreds of people coming to vote. The chosen members were then trained for one day by our teams, to ensure they master the key elements of Water Kiosk management, and understand their new role.

**We will now measure in 2020 the impact of this mobilization. First signals are highly positive,** with more than 100 households having already committed to purchase safe drinking water prior to the kiosk opening.

### CAMBODIA: MORE THAN A NETWORK, A FAMILY

With 234 Water Kiosks spread across 20 out of 25 provinces, Cambodia is the flagship program of 1001fontaines. More than 700 people work in the country to provide safe drinking water to rural communities, either by operating a water kiosk, or by working for Teuk Saat 1001, our local partner entity, to deploy new kiosks and provide services to the existing ones.

This national footprint led to a new challenge: animating the large network of entrepreneurs, to have them make the most out of the franchise, and to increase their loyalty and motivation to grow their activity. We came up with the concept of “O-we family”, to represent the feeling of belonging to this network, O-we being the local water brand.

In 2019, we tooled up the O-we family, starting with a bimonthly newsletter shared with all the entrepreneurs and the commune representatives through the Teuk Saat 1001 staff. This typically encompasses success stories, reminders of good practices, and announcements of upcoming marketing

operations.

A yearly entrepreneurs’ seminar also took place on October 21st / 22nd in Siem Reap. Participants were trained on sales, customer service or rural marketing concepts. They also had the opportunity to learn and share their experiences with other entrepreneurs from various provinces. An exposure visit was finally organized at a nearby water factory, to show them the industrial version of their work and inspire them to maintain the highest standards of quality.

All these actions aim at connecting the entrepreneurs to increase mutual support within the network, and create bottom-up dynamics with ideas coming from the field to upgrade the overall Teuk Saat 1001 practices.





## SOCIAL ENTREPRENEUR ACADEMY: TRANSFERRING KNOW-HOW IS MORE SUSTAINABLE THAN GIVING

The “Social Entrepreneur Academy” is the 1001fontaines in-house training course, designed in 2013 with the support from Accenture. It is built around 4 topics: water quality, sales & marketing, finance, and entrepreneurship. Designed to be practical and interactive, it aims at transferring the key good practices and teaching the relevant know-how to ensure the Water Kiosk is sustainable and delivers quality services to the target populations. The selected entrepreneurs follow this course, and participate in the following steps:

- Visiting an existing water entrepreneur: observation of the kiosk’s organization, understanding of the whole water production process, presentation of the reporting tools, and discussion about the daily allocation of team roles;
- Classroom training around sales & marketing, finance and entrepreneurship;
- On-site training on water quality;
- Evaluation thanks to a serious game: tablet test confirming that the entrepreneurs understood the good practices and have learnt the key know-how.

After having been optimized in Cambodia, the Social Entrepreneur Academy was first replicated in Madagascar in 2016, and then transferred to Myanmar and Vietnam in 2019. The 4 topics have proven to be relevant for all geographical areas, while the tools have been slightly modified to reflect the level of education of the entrepreneurs. For instance, in Madagascar, a training on basic financial literacy was added to facilitate the understanding of the reporting processes.

## WATER IN SCHOOL: THIRSTY FOR KNOWLEDGE

The Water in School program was launched in 2008, to provide free safe drinking water to children at school. It was set up as a subsidized side activity to the core business: once entrepreneurs generate enough revenue through the water sales to be financially viable, 1001fontaines provides funds for them to deliver one 20L bottle of safe drinking water per classroom for the schools around the village. Every month, follow-up visits are organized with the entrepreneur and school directors to measure the project’s performance. It provides a huge legitimacy to the entrepreneur, who starts playing an even more important role in the community.



## BRINGING EACH PROJECT TO FINANCIAL SUSTAINABILITY

Impacts make sense only if they last. That is why the obsession of 1001fontaines is to build sustainable models, able to continue providing safe drinking water services without any additional financial support. This sustainability is most clearly demonstrated in Cambodia, with Water Kiosks and regional platforms already self-funded, and soon the national entity will be self-funded - the strongest evidence of our model’s relevance. In 2019, we launched new pathways to sustainability to adapt the model and the scaling up strategy to local contexts.

### MADAGASCAR: EXPANDING TO URBAN AREAS TO REACH REGIONAL VIABILITY

Madagascar is one of the 5 poorest countries in the world, where climate disasters and political instability hamper economic development. 1001fontaines has been operating in the East Coast since 2008, in the

region of Tamatave.

While our first 10 years of work focused on replicating the rural model designed in Cambodia, we had to come to the conclusion in 2018 that these 13 Water Kiosks alone would not bring the model to economic sustainability. The decision was thus taken to expand our presence to the urban areas of





Tamatave, where vulnerable populations have no existing solution for affordable safe drinking water, and higher density could lead to better sales.

A new model was designed to address this different situation, relying on a Hub & Spoke approach: a bigger production unit was built in the outskirts of Tamatave, and 5 new Water Kiosks were established within the city, acting only as selling points. The idea behind is to generate economies of scale while addressing a large market.

The first urban kiosk opened in May 2019,

followed by 1 in October, and 2 in November. To understand consumers' expectations, the teams decided to start with a soft opening, to test the offer and confirm the pricing and the marketing strategy. The results are very promising, with the first kiosk showing average sales close to 1,400 L a day at the end of the year, much above the 1,000L a day typically sold by a rural site. This being combined with a slightly higher pricing and a deposit system on the container, seems to confirm the potential of this project to contribute to the sustainability of the franchise.

## VIETNAM: DESIGNING A COMMERCIALLY VIABLE MODEL

Entering Vietnam was the opportunity for 1001fontaines to adapt our model to a more mature economy, with the ambition to strongly accelerate the deployment pace. We also set the target to develop the capacity to reimburse the capital expenditures, thus operating under a full for-profit model.

Our initial market study in 2018 concluded that bottled water, and specifically the 20-liter jug, was already the standard for drinking needs in most areas. The market is highly fragmented, from small players selling a few jugs a day at a very low price, to international and expensive brands. Competition encourages water producers to compromise on quality to lower the price, resulting in poor people not having an affordable solution for safe water. Understanding this context led 1001fontaines to make an important decision: **work with existing entrepreneurs to upgrade their capacities, rather than adding players to a market already crowded.**

A pilot phase was conducted in 2019, and enabled us to confirm the key hypotheses:

- The value proposition based on business performance, technology upgrade and quality control meets franchisees' expectations;
- The chosen market positioning ("The most affordable premium brand") is attractive for retailers and end-consumers, and the pricing at USD 2.5 cents per liter is affordable;
- High density enables sales to be 3 to 4 times higher than in our other countries of operation;

With 3 Water Kiosks having joined the franchise, 10,000 end-consumers and 1.3 million liters sold between April and December, 2019 has brought promising results for the future deployment of the project in the Mekong Delta.

## "1001FONTAINES IS THE GLOBAL MARKET LEADER"

"Since 2006, the Vitol Foundation has supported more than 1,700 projects in 119 countries. We select projects bringing durable change for the most vulnerable populations. 1001fontaines is one of those projects.

As Head of the Water, Sanitation and Hygiene (WASH) program, I strongly appreciate the 1001fontaines project and the team, with whom I have built a sincere and transparent relationship. The organization structures its deployment with a great balance between results and risk taking: strengthening a successful model in Cambodia, and replicating the solution in different contexts with different partners. For me, 1001fontaines is the global market leader, and should further capitalize on its successes."

**Régis Garandeau,**  
Head of WASH, Vitol Foundation





IN 2020,  
OUR DREAM  
MIGHT COME  
TRUE

## MOVING FORWARD AND EXPANDING OUR IMPACT LIES IN OUR HANDS

In 2020, **1001fontaines will reach a decisive milestone in the development of its model, by achieving financial autonomy on operations in Cambodia.** The sustainability of our approach will thus be demonstrated, and we will keep on proving its capacity to solve the water crisis and its ability to be replicated in various countries.

**But we cannot be satisfied with this situation.** We have to go even further. Because the emergency is real: access to safe drinking water is still lacking for one third of the world population, and every seven seconds, one person still dies due to waterborne diseases, which especially affect children. Climate change worsens the situation even more each day.

**That is why we have to increase the means of 1001fontaines to keep on growing.**

Only €20 is necessary to give a new person a lifetime access to safe drinking water. Building on this high cost-efficiency, we will accelerate the replication of the Cambodian success story in our other countries of operation, while maintaining our efforts to achieve financial autonomy in Cambodia.

**Our ambition is to reach 3 million beneficiaries in five years.** This goal will only be achieved with a continuous annual growth, which will start in early 2020 with the setup of 50 new Water Kiosks, and with the support of all our sponsors committed to join forces with us and solve the global water crisis.

**In 2020, we will also strengthen the advocacy for our model.** Because water impacts all the development, we will communicate to the highest international institutions about its importance:

- Water & Climate Change: 1001fontaines will highlight this essential topic, by promoting the resilience of our model
- Water & Education: promoting the key role of water in children's educational experience is decisive to ensure efforts are strengthened to provide every child with safe drinking water

'16 years ago, Virginie Legrand, François Jacquenoud and Chay Lo dreamed about creating a sustainable solution to solve the water crisis in Cambodia. This dream is about to come true. A new chapter is opening, and I am counting on each of you to write it with us.'

**Jean-François Rambicur,**  
Chairman of 1001fontaines



# IN 2020, YOU REMAIN OUR GREATEST STRENGTH

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, for everyone who wants to solicit their relatives by creating their own fundraising campaign on our my.1001fontaines.com website, or even schools and teachers who want to involve their school children in our Water in School program... By making a donation or becoming an ambassador of our project, everyone can be an actor of generosity and help 1001fontaines to spread its model around the world.

## DONORS' TESTIMONIES

*'I have seen children's joy when they helped themselves of water in their classrooms in Cambodia, and now I can see it in Madagascar. I am very proud to be part of the Water Angels, who support with their donations 1001fontaines program of free water delivery in schools . When you think about the fact that you only have to give €2 to offer a child free daily access to safe drinking water in school, you do not hesitate !'*

**Sylvie Oursel, volunteer**

*'Thanks to my.1001fontaines.com website, I solicited 19 of my relatives and collected about €30,000 to build a new Water Kiosk, fund the recruitment and the training of the local entrepreneur... and thus bring safe water to 10,000 beneficiaries! Proof is that everything is possible, and that there is no little amount of contribution.'*

**Guillaume Lange, Board member**

*'Since 1885 in Angers, we elaborate, create and sell liqueur and sirop in relation with our leading product, the Mint-Pastille. We sell our products in many countries where safe water access is still limited, and without safe drinking water, our sirops are simply useless. That is why we have been involved in supporting 1001fontaines since 2015. As entrepreneurs for 135 years, we have learnt sustainability is a key value, and the model created by 1001fontaines really clings to this principle. To enable local populations to create their own business, to recruit and train them in order to produce safe water in an independent and sustainable manner, is an empowering, strong and sustainable model.'*

**GIFFARD company**

# 1001 THANK YOU TO OUR DONORS AND PARTNERS

1001fontaines wishes to thank all our donors: without them nothing would ever have been possible. Thank you for your commitment to give access to safe drinking water.

## We also thank our sponsors and partners:

### CAMBODIA

ACCENTURE  
FONDATION LORD MICHELHAM OF HELLINGLY  
FONDATION PHILANTHROPIQUE PRIVÉE  
SUISSE  
GEORG FISCHER FOUNDATION  
KUSANONE  
RICHEMONT INTERNATIONAL  
STONE FAMILY FOUNDATION  
UNICEF CAMBODIA  
USAID DIV

### MADAGASCAR

AGENCE FRANCAISE DE DEVELOPPEMENT  
CALINAUTO  
COOPERATION MONEGASQUE  
FLEURANCE NATURE  
FONDATION STAVROS NIARCHOS  
FONDS SUEZ ENVIRONNEMENT  
LABORATOIRES SERVIER  
NUXE  
SODIMATE  
SONEVA - WHOLE WORLD WATER FUND  
SOPRA STERIA

### VIETNAM

COLAM IMPACT  
DANONE COMMUNITIES

### MYANMAR

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FONDATION CA INDOSUEZ  
IF INTERNATIONAL FOUNDATION

### WATER IN SCHOOL

AIR LIQUIDE  
ANTIN INFRASTRUCTURE PARTNERS  
ARKEMA  
BAUME ET MERCIER  
CAILLIAU DEDOUT & ASSOCIÉS  
COJEAN

COMMON CENTS  
DANONE GROUPE  
DIEHL METERING  
DNCA FINANCE  
EXTENDAM  
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FONCIERE MAGELLAN  
FONDATION 154  
FONDATION ANAIKA TXALUPA  
FONDATION ANBER  
FONDATION CECILE BARBIER DE LA SERRE  
FONDATION COLLEGE CHAMPITTET  
FONDATION DE BIENFAISANCE DU GROUPE  
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FONDATION MERIEUX  
FONDATION RAM ACTIVE PHILANTHROPY  
FONDS OURÉA  
GEMWAY ASSETS  
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GIFFARD  
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VALMONT  
WATERING MINDS

### STRATEGIC DEPLOYMENT

DAVID WEEKLEY FAMILY FOUNDATION  
FONDATION ARCEAL SOUS ÉGIDE  
DE LA FONDATION CARITAS FRANCE  
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