



Aqua for All Annual Report 2018

There's value in water & sanitation

Aqua for All Highlights



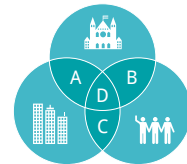
Funds Managed PPP, VIA Water, Football for Water, Marie Stella Maris



VIA Water Nearly 65 projects implemented & ready to continue



1,250,000 people
Get access to water or sanitation



PPP Program A pipeline of promising, scalable programs



FINISH Mondial Successful program on how Financial Inclusion Improves Sanitation & Health

Focus in 2019

VIA Water

Water & sanitation solutions for Africa from initial idea to proof of concept



Supporting promising & proven concepts to reach scale



SCALE
Water & sanitation solutions financed with seed capital



Unlock private capital



Smart granting by pooling, matching, leverage



Bridging the finance gap

Team & Organization

Since January 2018 the VIA Water secretariat/project agency is embedded in the Aqua for All organization. This has led to 3 new positions (2.78 fte) and more office space in the New World Campus and has resulted in synergy advantages in the field of HRM, organizational costs/benefits and cooperation.

Another important change is the hiring of a Project Controller to manage our financial administration. In September our financial controller left Aqua for All, and we hired an (interim) financial controller to prepare the Financial Statements 2018. Our new Financial Manager will start 2 January 2019.

Our organization consists of 10 program managers supported by 6 colleagues working on finance, office support, marketing and communication and campaigns (15.68 FTE). The team is led by our Managing Director Sjef Ernes and Operational &

Team Manager Marleen Hasselerharm. To support our programs in the countries, 5 colleagues (3.24 fte) are contracted in the field (paid from the project budget) among which 2 Country Coordinators for Football for Water (Kenya and Ghana), a financial expert for Smart Water for Agriculture (Kenya), a business developer for Kenya and a business advisor in Ethiopia.

Finally, Aqua for All hired specific expertise, namely business support, by continuing the cooperation with Africa Funded (management of the Business for All incubator and a financial expert in the field of innovative financing and impact investments (in total 1.04 fte).

In 2018 Aqua for All met the following organizational criteria:

- We passed the audit requirements for the 'ISO 9001:2015 norm'. In april 2018 an external audit of the renewed quality management system of Aqua

for All took place. This audit was in accordance with the renewed ISO 9001:2015 norm. De ISO certification has been acknowledged for 3 years and will be reconfirmed yearly by an intermediate audit.

- We meet the Dutch criteria 'Wet Normering Topfunctionarissen Publieke Sector' as management salaries are (far) below the maximum ceiling for organizations receiving government subsidies. Neither bonuses nor premiums were paid to the management.
- We comply with the requirements that are legally prescribed for organizations larger than 10 fte of contracted staff in terms of employee participation ('Wet op Ondernemingsraden'). Regular consultation of the staff is secured including addressing the legally mandatory issues like labour conditions and security aspects.

The Supervisory Board consists of:

Mr. Sybe Schaap (Chair)

Former Chairman Groot Salland region; former Chairman of the Managing Board of the Dutch Water Authorities; present Chairman of the Netherlands Water Partnership (NWP), national government representative, highly acknowledged professor of philosophy, broad international network.

Mr. Fon Koemans

Former Chairman of the NWB Bank; has held directorships at numerous social organizations, national and international, specialized in quality assurance within organizations from a financial perspective; many years of service on the Aqua for All Managing Board, stewardship of organizational profile.

Mr. Martien den Blanken

Former director of Dutch water company PWN. Known for his leadership in innovation in pursuit of scalable water solutions and improvements, always in balance with public interest. An active leader and proponent of development in international water sector.

Mrs. Bernadette Blom

Expert in the fast-developing world of impact investing. Experienced banking and financial consulting professional, partner at Goodwell Advisory Services b.v. (new name: FOUNT). Well established track record with the Dutch Ministry of International cooperation and government-backed and private development initiatives.

The team consists of:

Mr. Sjef Ernes

Managing Director

Mrs. Marleen Hasselerharm

Operational & Team Manager

Ms. Marlies Batterink

Program Manager Scale

Mrs. Titia Wouters

Program Manager VIA Water

Mr. Dick Bouman

Program Manager & Fund Manager VIA Water

Ms. Hester Foppen

Program Manager HWTs

Mr. Arco van der Toorn

Program Manager WASH Services

Mrs. Astrid van Agthoven

Program Manager Public-Private Partnerships development

Ms. Maaïke de Vette

Program Manager Water, Sanitation & Hygiene

Mrs. Machtelt Oudenhuijzen

Program Manager Football for Water

Ms. Shabana Abbas

Program Manager & Fund Manager VIA Water

Mrs. Karin van der Weerd

Program Coordinator and Communication Manager VIA Water

Mrs. Vi Nguyen

Knowledge Broker VIA Water (as of 1 May)

Mr. Joussef Boussebaa

Finance Manager (until September)

Ms. Janine de Laat

Communication & PR Manager

Ms. Chris Amsinger

Campaign Coordinator Walking for Water, Marketing and Campaigns

Ms. Mandy Tijm

Program Officer & Office Manager

Mr. Mehmet Balaban

Project Controller (as of 1 March)

Hired staff:

Mrs. Saskia Reus – Makkink

Business Incubation Manager/ CEO Africa Funded

Mr. Henk van den Berg

Interim Controller (as of 1 September)

Mr. Thijs Merton

Intern programs VIA Water

Program staff in the field:

Mr. Peter Karanja

Country Advisor Football for Water Kenya

Mr. Stephen Ntow

Country Advisor Football for Water Ghana

Ms. Florence Kariuki

Access to Finance Advisor for the Kenya Smart Water for Agriculture program

Mr. Gashaye Chekol

Program Advisor Ethiopia

Mr. Norman Muchori

Program Advisor Kenya

2018 in a nutshell

2018 was a crucial year for Aqua for All, it was part of the 1.5 year extension of the PPP Innovation program (VIA Water & PPP Scale), bridging the period 2014-2018 with the new program for the period 2019-2024, which we expect to start in July 2019.

The extension provides us room to develop a pipeline of promising, scalable programs. Programs that support social entrepreneurs in order to let their businesses grow in a sustainable way, and make them investment ready and scalable. In this way they can unlock private capital to bridge the finance gap between available grant money, and the required investments.

Re-using human waste, Recycling waste water and investments in Rainwater harvesting (3R) address huge economic disasters as predicted in Davos (World Economic Forum annual meeting) where the top five environmental threats all appear to be related to water.

We developed a 3R dealbook for impact investors with Acacia Water, MetaMeta, Rain and JustDiggIt: 'Reaching the millions' in which eight 3R investment profiles are described. In the dealbook a finance outcome payment model is explained, in which finance streams are turned into a risk sharing process, contributing to multiple SDGs, monetizing social and economic return (SROI).

We moved closer to our new core: from being a broker and aggregator in the search for money to fund valuable projects, we switched to the role of broker for

financiers/investors searching for value, in the field of scalable, social programs led by entrepreneurs, addressing pro poor WASH services.

In this annual report, you can read all about our lessons learned with the Kenya RAPID program, where the 'business as usual bias' impeded an innovative system change, needed to engage private sector players. The VIA Water program, is no longer a knowledge platform, but the emphasis is still on strengthening social innovations. In the four years of their existence, VIA Water harvested opportunities for innovators to grow. The team enabled a learning & sharing process, that sets many people in motion.

The way the PPP funding desk (future name: SCALE) explored options for the granted extra seed capital, learned us how to create opportunities to work closer with private capital sources, when grants do what they should do: enable! This opens doors for smart granting and recoverable grants.

The huge empowerment of the FINISH Mondial Program, and fast scaling briquettes production from waste streams, shows us the seed capital approach worked in the field of sanitation.

The report on the 'Safe Water market potential', published in 2017, proved its value now that we are promoting decentralized water services, such as water kiosks, that use prepaid PAYGO systems and electronic payments. This brings added value for the safe water market of 2 billion consumers, as well as improve

security from investors and banks. The Carbon Credit finance options prove to be realistic, allowing us to create revolving funds from our seed capital. At the same time, it is a second revenue stream strengthening the SROI in the water filter industry, and safe water treatment by kiosks. These outcome payments will largely trigger Venture Capital to fund WASH services, knowing the impact they have on the economy, environment, wellbeing and peacekeeping. Time saving credits are on their way.

Aqua for All presented its learnings, findings and results at various events in 2018, and we were also present at events to learn, especially at financial conferences. The 'language gap' between the finance sector and the water-development cooperation sector, is declining, but still exists.

In 2018 we have been shaping the future in order to bridge the service- and finance gap for still so many deprived people, to meet Sustainable Development Goal 6 on Water and Sanitation. We haven't reached this goal yet, and that's a shame, the 21st century unworthy. But our team, our partners in Africa, Asia, the Netherlands, Switzerland and France, our subsidiaries and their partners worked hard. We all joined forces, inspired by innovations achieved, promising results, and pure friendship.

Enjoy your read!

The team of Aqua for All

Shaping the future, bridging the gap

Achieving the Sustainable Development Goals for water requires an estimated 113 billion dollars per year, while less than 5 billion dollars in donor money is available. The conclusion for Aqua for All is clear: the future should focus on bridging this gap, together with our partners to unlock private capital. However, experience from practice shows that (impact) investors are still reluctant to invest in water and that other investment opportunities rank higher. We have to make clear there's value in water and sanitation.

We are dealing with a service- and finance gap in the water and sanitation sector. In many developing countries, water and sanitation facilities do not have a sufficient service level. Hence, many investments by donors are lost prematurely due to a lack of proper maintenance and management. A business approach is necessary. The supply of drinking water and sanitation services should be run as a company, in order for the costs to be covered at the end of the day. It is preferable to retain a little profit to ensure that services are financially sustainable.

In addition, there's a huge finance gap. In order to go from 5 to 113 billion dollars, it is crucial to bridge this gap. This requires new arrangements for donor money to have no pay back obligation, and for private financing to have a convincing and credible business model, with a solid legal structure. In that way, the private investor is confident that they will get their money back. Aqua for All sees opportunities to use grants to help reduce risks, create sound business models and prove water is a high impact-creating investment. The social return from investment yields economic returns, to make the services sustainable.

The market potential is staggering, four billion consumers at the bottom of the pyramid demand improved services and are willing to pay for them, if the services are provided. Connections with other markets will emerge, when basic water and sanitation services are assured. The provision of a good water (and sanitation) service has a positive impact on multiple other Sustainable Development Goals. Currently, there are simply insufficient convincing business propositions available in the public water domain, which is

exacerbated by private investors wanting a return from their investment.

Therefore, our focus is on developing new concepts for **smart granting** and lower the threshold for private financing in more ways than 'just' blending. The most recent explorations with investment funds from Danone.Communities and FAMA confirm the promises of this smart granting approach.

We want to act as 'a mouse that moves a herd of elephants', preferably in the desired direction. Aqua for All has learned over the years that helping projects source money is far less effective than directing money towards value. The challenge is to become more flexible and to find more space to move. For a long time we were under the impression that the financial world should get to know us better. That is still true, but the reverse also applies: we must get to know the financial world better.

That is the challenge for Aqua for All in the coming years and is our modest but valuable contribution to **Shaping the future and Bridging the gap.**



Maputo-Katembe bridge in Mozambique



FINISH Mondial Workshop, Stockholm World Water Week, August 2018

Aqua for All presents...

and was present

Aqua for All pays substantial attention to learning and sharing by participating in conferences, workshops, seminars and symposia, sometimes in the capacity as an organizer or main partner. We have shifted towards attending more events involving impact investment. The initial meeting with Dutch impact investors and pension funds in January was followed by other meetings in Brussels (with like-minded fund organizations), the GIIN conference in October in Paris and a conference in Bonn with key players interested in outcome modelling (and monetizing social return in result based finance models).

In September we participated in an Innovate4Water session, part of a 2-days impact investment-conference in Zug-Switzerland which was by far the most successful one, resulting in the so-called iW+ initiative (a consortium combining innovative water solutions with PAYGO concepts around prepaid electronic payment systems on a lease-finance base).

We traditionally attended the Stockholm World Water Week, which is still one of the most efficient 'account management' events

in the sector. Here we met with multiple stakeholders and partners, friends and colleagues while exchanging knowledge and sharing experiences.

In September we worked hard on the Smart Water for Agriculture workshop around innovative finance in Nairobi, together with SNV, which was a key milestone in our achievements.

With PPPLab we organized two events: the PPPCafé that dealt with finance in August, and the final wrap-up conference in November to acknowledge four years of PPPLab. We happily accepted the invitation from the Dutch Embassy in Kenya to contribute to their Water Partners Day, with a VIA Water guided workshop on water innovations. We were invited by the Amsterdam International Water Week (AIWW) for their pre-summit (in Rotterdam!) and presented our smart granting approach for unlocking private sector players.

The highlight however, was participating in a successful 'train' of events organized for FINISH Mondial (Financial Inclusion Improves Sanitation and Health), together

with our partners WASTE and AMREF Flying Doctors. The events started in July with a symposium on financial inclusion for Households and Small and Medium Enterprises (SMEs) in the Hague. The follow up took place in Stockholm with a key-partner meeting at the embassy, and a working dinner with drinks for a large group of interested parties, as well as a workshop as part of the Stockholm World Water Week program. The final closure was a special session on innovative sanitation finance solutions with venture capital-outcome payers.

Smaller events, mostly embedded in a program, for Football for Water, for Wash & Learn, for VIA Water-Café's, for Smart Water for Agriculture and UDUMA, for Spring Health, in Africa, Asia or the Netherlands, were just as efficient. It proves that learning and sharing is essential. Meeting, questioning and having fun, is often the basis for improved partnerships and collaboration. We will keep on developing new initiatives and a sustainable engagement. There is still work to be done...

In the spotlight

Awards and acknowledgement for VIA Water projects

This year, **transition** was VIA Water's central theme. The program is scheduled to end in the summer of 2019, meaning that the 63 current projects are finishing up as well. To work on the skills needed to advance as innovators, VIA Water organized online Masterclasses for their project owners, among others. At the **Building Skills Seminar** in December in Benin, participants from VIA Water's French-speaking focus countries worked on the Business Model Canvas, and VIA Water hosted 12 of their project owners for **VIA GO** in the Netherlands, a week full of training and field visits where they learned about the investor landscape, marketing and team leadership. During the **Stockholm International Water Week**, VIA Water organized the 'African Spatial Delight' session together with G4AW (a program of the International Space Office and the ITC Faculty of Twente University) and AfriAlliance: 3 VIA Water projects pitched and presented their innovation.



Water quality measurement using submarine drones in Mali

IHE Delft and the Centre for Frugal Innovation co-host Silas Mvulirwenande's research into social innovations in the water sector in Africa, with VIA Water as a case study. Silas has written several papers and presented his findings at conferences. These products will be shared in 2019. This year, many VIA Water projects have been **rewarded for the innovative**

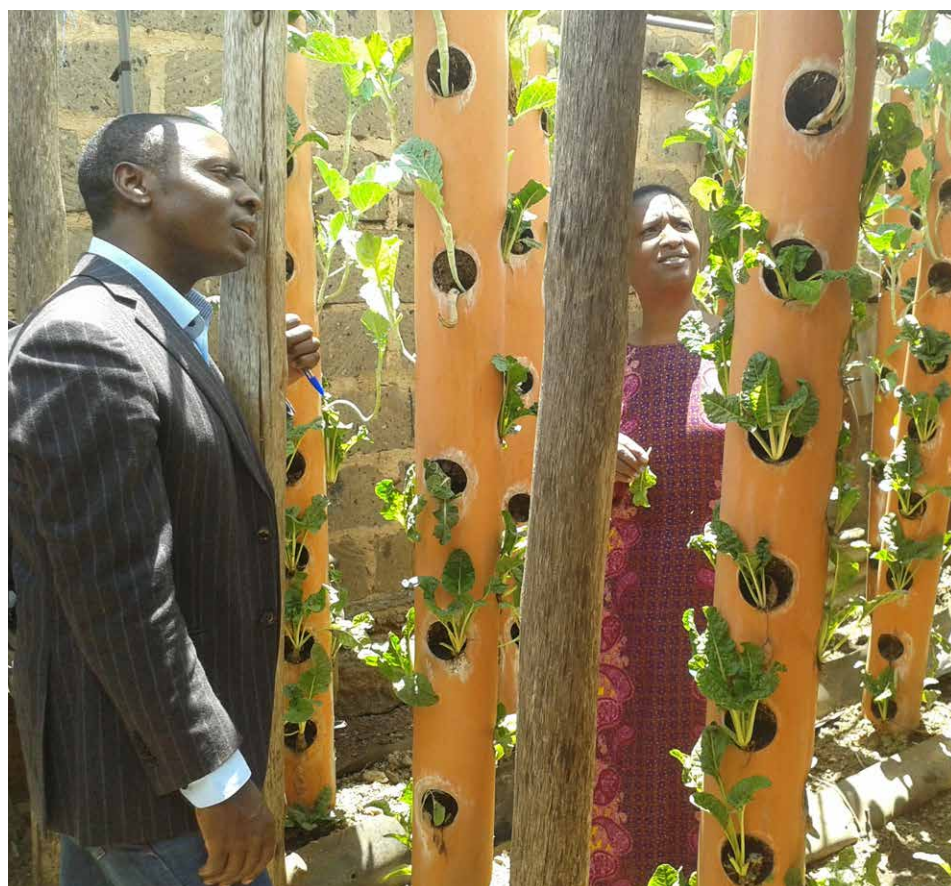
work they do. They have been selected for awards and invited to prestigious gatherings. Without fully doing them all justice, here's a short selection:

Green Keeper Africa

Green Keeper Africa (GKA) from Benin, produces an **absorbent fibre from the rampant weed water hyacinth**, that can **absorb up to 17 times its weight in oil**. They have been selected as one of 33 tech entrepreneurs for the 2018 class of Massachusetts Institute of Technology (MIT) Solve. Besides a financial push, MIT Solve provides personalized support, and helps them build the partnerships needed to accelerate their work, validate their impact and business model, and scale their solution.

Map Action Mali

The Map Action project is a response to the lack of information on WASH problems such as malfunctions or other incidents. Through an **online map of Bamako**, Mali and a **mobile application**, community members are able to **report water- and sanitation problems**, after which they can be managed more easily. Map Action Mali has been acknowledged for its efforts 3 times: They were awarded the Orange Social Entrepreneur Prize for Mali, and the government of Mali awarded the innovators with the title 'Best Young Innovative Company'. Map Action has also been selected for a program of Airbus called #Africa4future. This entails 6 months of mentoring, networking and coaching.



Hydroponics Kenya

In the spotlight

Seed Capital to strengthen the Sanitation Economy



Toilet demonstration for school children by Sanivation

Over 2.5 billion people still lack improved sanitation and the so called ‘sanitation economy’ is getting more and more visible. The toilet service chain provides opportunities for masonry, payed toilet operations, the collection and transport of human waste, cleaning activities and the pre fab industry.

Important in this context is financial inclusion: access to finance constructions by households to get small affordable loans from Micro Finance Institutes (MFIs), preferably encouraged by result based subsidies from government or philanthropy.

The FINISH Mondial program, created and established by WASTE and many partners in India, Bangladesh, Kenya, Tanzania, Uganda and Ethiopia, is creating financial inclusion with tailor made loan products with contracted MFIs. DGIS requested for Aqua for All to empower this program, and

help to create leverage, innovative finance concepts and local partner support with seed capital (total EUR 1.3 million).

Seed capital was also granted to producers of briquettes from fecal sludge in Nakuru, Kenya, and to organizations like Sanivation in Naivasha, Kenya and Greenergia in Kisumu, Kenya (all through VIA Water). The briquettes potential to replace wood and charcoal, while boosting improved cook stoves, will largely contribute to clean cooking and time saving, while being eligible for Carbon Credit finance.

Likewise, we further strengthened the production of biogas, fertilizer and compost by smart blending of waste streams, including human waste, like in Ghana with SafiSana. Protein production using black soldier flies on human waste, is emerging, and has also benefitted seed capital provided to Sanergy in Nairobi, Kenya.

Our Business4all (B4A) incubator successfully supported several start ups on the edge of smart water for agriculture with tailor made incubation activities for aQysta, Hydroponics, Farmerline and SunCulture among others. Aqua for All and B4A supported the SmartWater4Agriculture (SWA) program of SNV in Kenya, in developing innovative finance models with private sector finance parties.

Nevertheless, we learned that incubation should not be done from the Hague. The local embeddedness with local experts, local finance and day today contact is crucial. Aqua for All will adapt its ‘advanced incubation support’ accordingly.

Seed Capital to strengthen Safe Water services

Contrary to the sanitation economy, the safe water economy is much more difficult. Consumers do not recognize the difference in value between safe or clean water, which means their impact is not acknowledged. The willingness to pay is fully service-based. Utilities have a mandate to provide drinking water, but lack large capital investments needed for infrastructure extension. Non-revenue water (water that is produced but never paid for due to illegal tapping, fraud and leakages) makes it difficult for utilities to acquire financial investments.

Aqua for All addresses the potential consumer market that is yet unserved with piped household supply. For instance, we encouraged water ATMs (where water is obtained using pre-paid devices) to work under so-called delegated management models. This encourages private operators to utilize these Safe Water Enterprises.

Seed capital was provided to private operators in Kenya (Africaqua), Senegal (Oshun) and India (Spring Health) to grow their number of water kiosks while adopting prepaid systems. Aqua for All has given support to enterprises such as Maji Milele and Susteq. At the end of 2018, Aqua for All joined the iW+ Consortium, in which

innovative water technology providers, and IT providers join forces, using prepaid (PAYGO) systems and electronic payment. This provides opportunities for private investors, who can lease these systems. Seed capital allowed the grantees to obtain private investments with a leverage that went over 1:10.

Seed capital was also provided to two major Household Water Treatment System (HWTS) projects (water filters production to be marketed in Malawi and Ethiopia) and a joined HWTS program in six countries with Swiss partners. The Try & Buy pilot in Ghana provided valuable insights in how water filters are perceived and awarded by consumers.

In Ethiopia, water filters were adopted by both the government, and the water utilities as part of their mandate: providing safe water if there is no assurance for piped water quality. With this gesture Ethiopia is leading the way in promoting the use of water filters as a concrete means to guarantee safety, as well as have a positive impact on health, labor productivity and breaking the dependency on wood-based fuel to sterilize water. Both Safe Water Enterprises and water filters were successfully certified for Carbon Credits by the Gold Standard.

We contributed to the UDUMA hand pump program in Mali. Private sector player Vergnet, manufacturer of hand pumps, invested 50% of the capital needed to upgrade and renew 230 water points, equipped with hand pumps and promised a 15 year span of functionality. The grantors only invested 50% of the funds into this initiative while receiving a five times longer functionality.

The big winners are the communities who have now a breakdown service level of max 72 hours (average) between breakdown and repair (was 273 days!!!). Aqua for All provides support on monitoring and provided the seed capital to build a PPP with the Mali government and grantor RVO (The Netherlands Enterprise Agency).

Carbon credits for Safe Water Enterprises – could be key in making them viable businesses!

Thanks to a successful pilot, we pursue carbon credits for water projects with Believe Green, a social enterprise specialized in carbon finance. By providing safe drinking water through a water kiosk or household water filters, a lot of carbon emissions can be avoided as the water doesn't need to be boiled anymore.

In 2017 we received the first revenues from a pilot with Spring Health, a water

kiosk business in India. After this we started two new pilots: for household water filters in Ethiopia, where the sales of filters through utilities is reaching the number of 3,500, and for scaling up the pilot in India.

We are now exploring options with Believe Green to obtain carbon credits for sanitation projects. For kiosk businesses like Spring Health, this extra revenue stream makes them attractive for investors.



Water ATM in Kenya

Recoverable grants: Learning by doing

Aqua for All is constantly looking for new, innovative ways to reach its goals. We are often successful, but not always. The latter seems to apply to the provision of recoverable grants. This instrument can lead to uncertainty: is it a grant (that's what it says) or is it a debt (that's the translation of recoverable).

If you want to go from 5 to 113 billion, you have to explore new routes. Sometimes it works out well, sometimes it goes wrong. We work a lot with parties who are going through the “valley of death”. The slightest changes can cause the failure of a project. On the other hand: it is learning by doing, failures clarify the picture of how it should be done.

Finding growth capital for a scalable proof of concept demands time and expertise. We can contribute to achieving the necessary financial closing. A kind of risk guarantee fund, comparable to a bank guarantee in the business world, can offer a certainty to private investors, just enough for a favourable decision to invest.

We have experimented with recoverable grants, in fact a grant that we would like to be reimbursed, although with no

guarantee that this would really be the case. So far, these initiatives have not yet brought us the results we were hoping for. One of the reasons is, that it is difficult to apply such an instrument if you need private financing at the same time.

This has to do with uncertainty concerning the status, the transparency as to whether the grant must or will be repaid. Firstly, this uncertainty arises between the provider and the recipient of such a grant. The soft character does not encourage the recipient to pay back, and the provider of the grant has no guarantee whatsoever. And what is more: it leads to a second disadvantage, which surfaces as soon as the recipient of a recoverable grant needs more funding. Because the question is: how should an investor rate this agreement? If it is a debt, it may lead to unwillingness to invest.

We experienced this when we agreed a recoverable grant with Basic Water Needs based on their long term revenue prospective. They needed to pre-finance stockage and product improvement. It appeared to seriously harm their rating by investors, and it impeded a debt-remediation with a former financier. Another example shows that creative

thinking can make recoverable grants more useful and stimulate sustainability at the same time. We agreed on a capital injection for SpringHealth to expand its 53 kiosks in rural India, under the condition that it would be repaid if the kiosks operations would be eligible for carbon credit revenues as second revenue stream on top of the tariff-revenues. This second revenue stream would be used as revolving fund for a follow up injection. If carbon credits would not be sufficient or even absent, the capital provided was not requested to be paid.

Our conclusion is that financial instruments should be as clear and transparent as possible. What we learned is to use the same wording as the financial sector does: The grant will be addressed as ‘development capital’ added as equity on the balance sheet.

We will keep exploring new financial solutions to ensure a coherent total concept: a grant of one dollar can unlock an investment of multiple dollars, varying from small to potentially thousands of dollars on each grant dollar. That helps enormously to bridge the gap between 5 billion and 113 billion.



Demonstration of a Tulip Filter in Debre Tabor, Ethiopia

Kenya RAPID: what did we learn?

Not everything goes the way we would like it to go. This applies for Aqua for All's experience in the 'Kenya Resilient Arid Lands Partnership for Integrated Development' (Kenya RAPID) program. Our ambition was not sufficiently embraced. Program Manager Marlies Batterink discusses her experiences and the lessons learned from the Kenya RAPID program.

On February 18th 2016 an ambitious five-year program worth \$35.5 million was launched to improve access to safe water, sanitation and pasture to five northern counties in Kenya. This was started by Aqua for All, Millennium Water Alliance and leaders from 14 government agencies, private companies and non-profit organizations. Many organizations from different countries were involved with their own WASH approach: the US, Switzerland, the Netherlands and of course Kenya itself. In addition, we focused on a challenging, dry area, with nomadic people traditionally accustomed to humanitarian aid when problems became acute.

At the start of the program, we were nevertheless optimistic about what we could achieve together. We wanted to create an enabling environment, so that private players would develop enough risk appetite to deliver water, sanitation and hygiene services. The program should deviate considerably from the traditional approach. We wanted private parties to play a continuous role in, for instance, the



Opening water project in Attir, Kenya

operation, management and maintenance of facilities, rather than just supplying products on demand for NGOs.

Unfortunately we have not been able to sufficiently convince the other partners of our philosophy or change program investments in that direction sufficiently. We have held a whole series of workshops, we have developed business cases, we have put a lot of energy into it. In retrospect, we thought too easily that we would manage to change the course of the oil tanker. Our share of the amount of €1.5 Million was considerable for us, but still relatively modest. We had to deal with the weight of the large donors, such as USAID. They

thought our philosophy was interesting, but this did not lead to a program approach that reflected it. Moreover, our role was not explicit enough and not sufficiently secured. We learned that we need to be sharper on that as well.

When checking out the website, you can see the program is achieving results, but in a traditional sense. Other program partners made it clear that we had succeeded in spreading our ideas around the Theory of Change. It was nice to hear that others see it that way, but we are not fully satisfied.

One of our lessons learned is that in the preparation phase we must be more selective in choosing our partners. Do they have the same goal, do they really share our philosophy, our approach for change? In future programs we should be involved more directly in smaller partnerships. For example, in just one county with a government that is ready for change. Then we can be more on top of it, adjust where necessary and show that our approach leads to sustainable results. We remain convinced that things have to change. We think it is necessary to do things differently and swim against the current to reach the Sustainable Development Goals. If you decide to just go with the flow, you'll end up where the flow goes, which is usually downhill.



The power to enable

By Sjef Ernes,
Managing Director Aqua for All

More than fifteen years ago, in the start-up phase of Aqua for All, I wrote a section for the business plan on the role of the new organization. In all simplicity it came down to this: We should not do what others were already doing, and certainly not what others can do better.

What remained was still more than enough: bring good ideas, people and money together and use grants to 'grease the wheels': to enable.

As an innovative player, we have always been looking for new, creative and effective ways to improve basic services for people. We felt that we should offer maximum added value, empower others and enable them to achieve results with our support. That worked out well, we managed to achieve that niche position we still have today and I am very proud of that. I was also allowed to work in a challenging working environment, in an area that is close to my heart. So I felt like 'a fish in the water'.

In the fifteen years of our existence, we have always had the confidence of the

Ministry of Foreign Affairs, in particular of the Directorate General of Development Cooperation (DGIS). Despite all the changes in the political playing field, they have enabled us to keep on innovating and lubricate the water sector: bringing ideas, needs, solutions and funding together, in a highly effective way.

And this is still essential today. We are planning manned flights to Mars, but we do not arrange the drinking water supply and waste water treatment on our own planet properly. And not because we lack the skills. Our society is simply incapable of making choices based on solidarity and wellbeing, but is chasing individual interest and welfare, based on power, greediness and short term win's. That's where my personal drive lies: contribute to a system change, little by little, to help people and organizations take the required next step. Great ideas, inspiring attempts, promising expectations, that fascinate and inspire me every day, giving me energy. That's why it has been a great job all these years.

But I'm ready to pass the baton, and I am doing it with great confidence in the organization as a whole, and in my successor. Partly because of the great financial expertise the new CEO will

bring. I simply became aware of the fact that I miss that expertise which is essential. Maybe my strength is mainly found in being creative, opportunity driven and passionate, though I learned through trial and error. As a proud 'water-expert', I see sufficient innovative water solutions. Reality was sometimes more complex than I thought or hoped. Further professionalization in empowering 'the enabling' is necessary for the future of Aqua for All, I fully realize that.

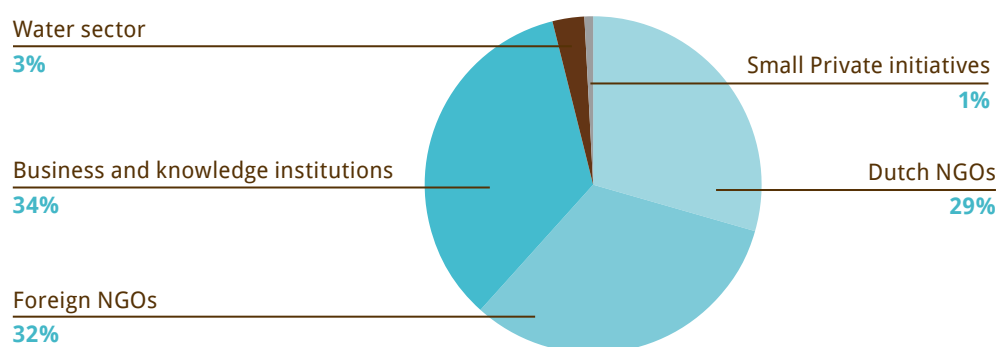
It is essential that we understand the financial world, including concepts such as smart granting. This ensures more recognition, to play our role as enabler in order to come up with better solutions. But if I may add, to be perfectly clear: Aqua for All must and will always combine that expertise with passion and commitment for the working field, the people we started working for fifteen years ago.

I'm sure that will work fine. Aqua for All is a great mix of young and old, of creativity and energy, of experience and new knowledge, showing a strong team with whom it was (and is) great working. Thanks to that strong foundation and the trust that others continue to have in us, Aqua for All can continue to prove its added value in the future.



Spring Health in Odisha, India, January 2018

Partner categories PPP-Innovation (aggregated 2015 - 2018)



Key results

Leverage on PPP-project subsidy

Aggregated 2015 - 2018

	DGIS project subsidy	Contribution third parties	Share third parties
PPP-Small Connect	€ 4,303,763	€ 4,8375,852	53%
PPP-Small Scale	€ 6,085,194	€ 18,164,404	75%
PPP-Small Develop B4A	€ 400,000	€ 600,041	60%
PPP-Small Develop 3R	€ 100,000	€ 49,168	33%
PPP-Small Support	€ 300,000	€ 180,104	38%
Subtotal	€ 11,188,957	€ 23,831,569	68%
PPP-VIA Water	€ 8,973,346	€ 4,228,511	32%

Total projects

with leverage	€ 20,162,303	€ 28,060,080	58%
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412,857

Total of people reached
Sanitation 2018
PPP-Innovation

Business Development

Aggregated 2015- 2019 for PPP-Small

Business Development Dominant **41%**
Business Development Substantial* **45%**
Business Development absent or small **14%**

*(20 - 50% projectbudget)



833,897

Total of people reached
Drinking water 2018
PPP-Innovation



WASH Distribution PPP-Small program Aggregated 2015 - 2018

Drinking water **26%**
Sanitation **18%**
Drinking water & Sanitation both **46%**
Other than WASH **9%**



TOP 10

Top 10 countries PPP-Innovation Aggregated 2015 - 2018

1. Kenya	€ 27,158,361	50%
2. Ethiopia	€ 3,252,672	6%
3. Ghana	€ 2,388,496	4%
4. Mozambique	€ 2,102,881	4%
5. Mali	€ 1,983,823	4%
6. Tanzania	€ 1,958,301	4%
7. Uganda	€ 1,890,000	3%
8. Benin	€ 1,503,311	3%
9. Bangladesh	€ 1,443,529	3%
10. Nepal	€ 1,106,000	2%

Financial Annual Report 2018

The financial year 2018 is the fourth year of the PPP Innovation Program 2014-2018, granted by the Ministry of Foreign Affairs. This program accommodates both the PPP Small impulse fund as well as the VIA Water innovation fund (€10 million each). In 2017 the PPP Innovation Program was extended by six months to July 2019. A supplement totalling €4.55 million has been granted by the Ministry of Foreign Affairs for extension of the VIA Water project bureau, for innovative product & concept development (e.g. innovative finance) and seed capital for promising showcases. January 2018, the integration of the VIA Water project bureau into the Aqua for All organization was completed. In 2018, Aqua for All continued her participation in other programs like Football for Water 2.0 (of which Aqua for All is the lead partner), PPPLab, Smart Water for Agriculture and Project 1800, and the collaboration with and support to the Made Blue and Marie Stella Maris fund.

During the period November 2014 – December 2018, Aqua for All realized a total volume of €49.25 million within the PPP Innovation program. This includes a contribution of €28.06 million from project

partners. The majority of the funds has been committed in the years 2015-2016 in alignment with the PPP Innovation target. Most of the projects under the supplement of the PPP Innovation Program, are committed in 2018. The remaining funds will be committed in 2019. The remaining project commitments were realized through the programs Football for Water, Made Blue and Marie Stella Maris.

The total organization costs of Aqua for All in 2018 amount to €1.73 million. In total 72% of this amount has been used for the costs of the Aqua for All payroll staff of 15.7 fte. Aqua for All is committed to the Standards for Remuneration Act (The Netherlands). The remuneration of Aqua for All's Managing Director and the members of the Supervisory Board did not exceed the applicable maximum remunerations.

The Financial Annual Report 2018 of Aqua for All was successfully audited and provided with an independent auditor's report by BDO Audit & Assurance B.V. As in previous years, the 2018 annual accounts display the funds that have been provided by Aqua for All. The financial contribution

of the project partners (leverage) is detailed in the appendix to the annual accounts. As always, performance reporting addresses the whole project/program, its deliverables and its effectiveness and efficiency.

A slightly negative result of €46,408 was reported in 2018. This is based on the management fees and paid services on all projects that were contracted in 2018 while covering Aqua for All's planning, monitoring and evaluation (PME) costs over the multi-year contract period. This result will be charged to the PME Allocation Reservation.

For the first half year of 2019, which is the last six months period of the current PPP Innovation Program, a turnover of approximately €3.3 million is budgeted, with a budget for organizational costs of €1.1 million. This will partly be covered by management fees based on the remaining commitments made during 2019, which are primarily related to the supplement program, and paid services. A negative result of €334,960 is foreseen and will be charged to the PME Allocation Reserve.



Financial Statements 2018

EXPENDITURES	2018	2017
Projects		
Project contributions PPP BBCW progr.	€ (31,849)	€ -
Project contributions PPP Small	€ 2,687,541	€ 656,544
Project contributions PPP VIA-Water	€ 1,046,265	€ 4,171,447
Project contributions MSM program	€ 225,003	€ 249,317
F4W program contract	€ 269,224	€ 2,835,422
Other projects	€ 93,376	€ 126,979
	€ 4,289,560	€ 8,039,709
Organizational Costs		
Hired Staff	€ 99,879	€ 58,268
Salaries / social security	€ 1,250,470	€ 1,064,374
Other personnel costs	€ 75,691	€ 12,852
Rent	€ 45,254	€ 45,420
PR, communication and representation	€ 60,073	€ 61,503
IT costs	€ 25,895	€ 20,240
Consultancy costs	€ 71,115	€ 47,806
Events	€ 9,405	€ 9,245
Acquisition/growth strategy	€ 9,438	€ 11,423
Other general expenses	€ 34,707	€ 30,363
Depreciation costs	€ 22,326	€ 16,997
Bad debts	€ 29,861	€ 24,016
Total Organizational costs	€ 1,734,114	€ 1,402,508
Walking for Water Campaign	€ 148,513	€ 185,660
Total expenditures	€ 6,172,187	€ 9,627,877
INCOME STATEMENT	2018	2017
Project Contributions	€ 66,729	€ -
Funds	€ 225,011	€ 266,943
Services	€ 1,770,722	€ 1,655,122
Subsidies		
DGIS subsidy PPP Small	€ 2,723,419	€ 750,970
DGIS subsidy PPP VIA-Water	€ 1,062,768	€ 4,171,447
Football for Water	€ 274,813	€ 2,684,451
	€ 4,061,000	€ 7,606,869
Release accrual Football for Water BDI	€ -	€ 187,126
Financial income	€ 2,317	€ (41,951)
Total income	€ 6,125,779	€ 9,674,108
Result current year	€ (46,408)	€ 46,231

Balance Sheet per December 31st 2018

ASSETS	31-12-2018	31-12-2017
Tangible fixed assets		
Company assets	€ 39,261	€ 42,969
	€ 39,261	€ 42,969
Current assets		
Receivables	€ 131,192	€ 128,464
Outstanding subsidies	€ 438,231	€ 4,885,707
Other receivables	€ 138,167	€ 3,746
Advance payments	€ 35,613	€ 110,796
	€ 743,203	€ 5,128,713
Cash and banks	€ 6,401,891	€ 3,948,071
Total assets	€ 7,184,355	€ 9,119,753
LIABILITIES	31-12-2018	31-12-2017
Reserves and funds		
Continuity reserve	€ 477,303	€ 477,303
Allocation reserve	€ 610,539	€ 656,947
Short-term liabilities	€ 1,087,842	€ 1,134,250
Holiday allowances	€ 79,269	€ 74,108
Outstanding expenses for projects	€ 5,072,240	€ 7,729,324
Subsidies received in advance	€ 857,616	€ -
Accounts payable	€ 27,703	€ 90,438
Pension debt	€ 6,569	€ 15,660
Other payables and accruals	€ 53,116	€ 75,974
	€ 6,096,513	€ 7,985,503
Total liabilities	€ 7,184,355	€ 9,119,753



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