

2016 Annual Report



MILLENNIUM WATER
ALLIANCE

Millennium Water Alliance Fiscal Year 2016 Annual Report

This report covers activities from October 2015 through September 2016.

The Millennium Water Alliance is the 501(c)(3) consortium of leading charities helping to bring safe drinking water, sanitation, and hygiene education to the world's poorest people in Africa, Asia, and Latin America. MWA works with governments, corporations, foundations, individuals, and other NGOs to advance best practices, share knowledge, build collaborations, and advocate for greater commitment to this global goal. MWA's members in FY 2016 were **Aguayuda, CARE, Catholic Relief Services, El Porvenir, Food for the Hungry, Global Water, HELVETAS Swiss Intercooperation, IRC – International Water and Sanitation Center, Living Water International, Pure Water for the World, WaterAid America, Water4 Foundation, Water For People, Water Mission, Water.org, and World Vision.**



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Cynthia Nyaoro, Accountant
Allan Elvir, Program Assistant
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Melkamu Jaleta, MWA-Ethiopia Program Coordinator
Doris Kaberia, MWA-Kenya Program Director

MWA appreciates the generous support of the Wallace Genetic Foundation for its ongoing work in advocacy and communications to the general public.



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2016 Annual Report edited by John Sparks
 Design by Chad Brobst Design
 Cover photo by Nelson Guevara, WFP Honduras

Lazos de Agua completes all program targets in 2016

MWA's three-year program with The FEMSA Foundation and Coca-Cola Latin America met its final goals in all five countries. See the key figures in our map on page 2.

Lazos de Agua (Water Links) focused on sustainability (improved access that lasts) and water quality in every plan and every project in the 196 rural communities targeted in the three-year program.

Service Delivery: Lazos de Agua focused on improving the level of service to beneficiaries, with emphasis not only on construction of new water points, but also on each water point being conveniently located (accessibility), regularly delivering sufficient quantities of water (quantity and reliability), and ensuring the water met the standards set by the World Health Organization and each national government.

Focus on Water Quality: The program's Water Quality Protocol ensured implementing partners complied with regular water quality testing for both chemical and bacteriological contamination. The program served as a first step in setting up supply chains and markets for water quality testing in the rural areas where the program was active.

Capacity Building for Improved Governance: Implementing partners focused on creating and supporting Community Water Committees for improved governance of water systems. Water Committees are responsible for regular operations and maintenance of water systems, collecting tariffs and accounting, and informing the community about all issues related to the water system. The program emphasized the importance of having gender-balanced water committees, recognizing the particular impact of water and sanitation issues on women in rural areas.

Integrated Water Resource Management: Lazos de Agua encouraged conservation and reforestation efforts to ensure longevity of the water sources. Implementing partners worked with local government and other organizations to support nurseries, and provide capacity building for non-contamination of groundwater.



Photo by Nelson Guevara, WFP Honduras



Photo by Living Water International, Mexico

New Ten-Year Latin America Strategy in Process

In 2016, MWA began to develop a ten-year strategy for future work in Latin America and the Caribbean. The strategy process will define how MWA can add value toward achievement of Sustainable Development Goals 6.1 and 6.2, for universal and sustained access to safe water and sanitation in the region. A working group of our membership is collaborating to develop the specific aims of the strategy, to be completed in 2017.



MWA Latin America program

Lazos de Agua

Program Duration: January 2013 to October 2016

Total Investment: US \$13.3M (\$6.3M from Coca-Cola Latin America and The FEMSA Foundation, and \$7M in matching funds from the implementing MWA members)

Countries of Operation: Mexico, Guatemala, Honduras, Nicaragua and Colombia

Program Partners: World Vision, Living Water International, CARE, Water For People, WaterAid, and Aguayuda

Total Program Targeted Beneficiaries: 110,000

WASH Beneficiaries Reached at Program Close: 110,292

Donors:



Country maps vary in scale; all maps by Rainer Lesniewski/ Shutterstock.com and Chad Brobst Design

Kenya RAPID

links more than 30,000 people to improved service in FY 2016

Kenya Resilient Arid Lands Partnership for Integrated Development (Kenya RAPID) is a five-year development program bringing together public and private sector institutions to increase access to water services in some of the driest, most remote areas. Kenya RAPID focuses on:

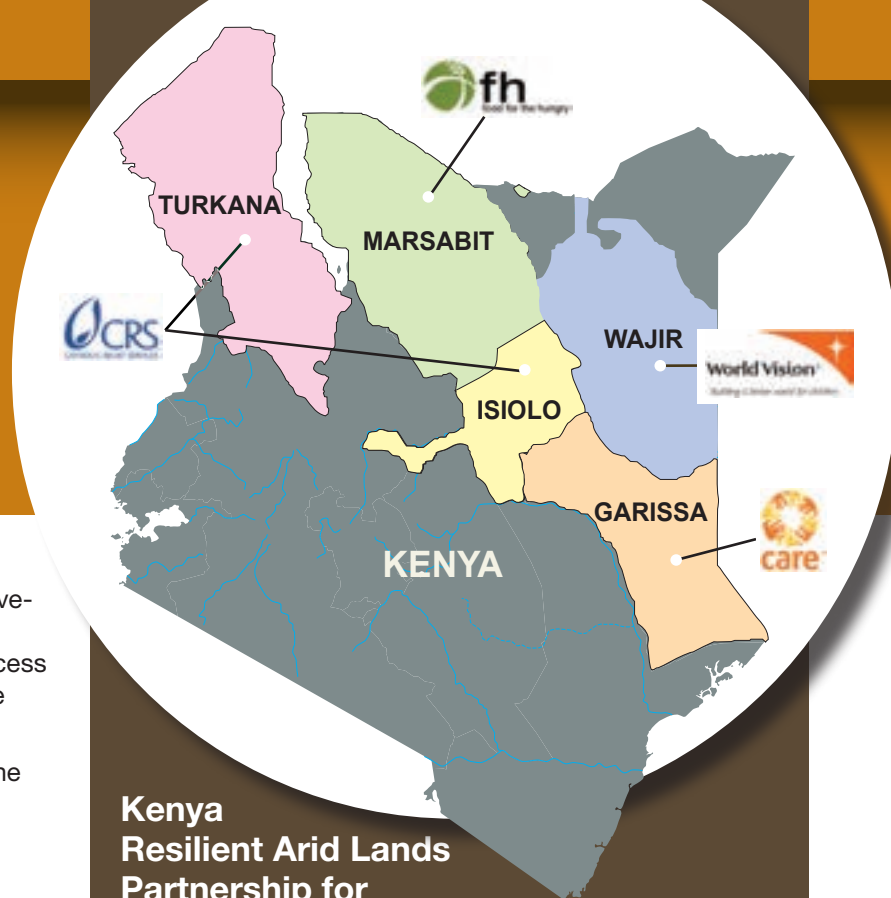
- safe drinking water, better sanitation, and hygiene education for people,
- reliable water for livestock, and
- rebuilding a healthy rangeland-management ecosystem.

The program strongly supports the Ending Drought Emergencies Common Program Framework launched by the Government of Kenya in November 2015, linking sustainable management of rangelands, water, crops, and increasing contribution of livestock to the pastoral economy, to the creation of resilient livelihoods in Arid and Semi-Arid Lands (ASALs).

Kenya RAPID works with others to support a devolved system of governance with **strengthened institutional capacity in the water sector**. The USAID program AHADI, designed to support Kenya's ongoing devolution process, works with Kenya RAPID across the five northern counties to develop water sector policy, strategic water planning, and water regulations. An established legal framework ensures water and rangeland management.

The program seeks to increase the average water access coverage in these five counties from 37% to 50%. Several projects were accomplished in FY 2016, affecting 30,775 people, through improved access to safe and clean water services, including water for agriculture uses. More than 5,200 cattle, 11,600 goats and sheep, and 72 camels gained needed access to water – critical components for stability in a pastoral economy.

Kenya RAPID includes 15 national partners and funders. Major funding comes from the United States Agency for International Development at US\$12.5 million for five years, the Swiss Development Corporation at US\$7.5 million for five years, and major ongoing investments by Garissa, Isiolo, Marsabit, Turkana, and Wajir counties and the Government of Kenya, as well as by MWA's four implementing members and other private sector partners.



Kenya Resilient Arid Lands Partnership for Integrated Development (Kenya RAPID)

Program Duration: September 2015 – September 2020

Five-Year Budget: \$12.5 million United States Agency for International Development, \$7.5 million Swiss Development Corporation, \$1.5 million Aqua for All, \$600,000 Vitol Foundation, and additional funding from The Coca-Cola Africa Foundation and implementing members of MWA. Major in-kind contributions from Acacia Water, IBM, SweetSense, Inc., Davis & Shirliff, and KCB Bank, Ltd.

Counties of Operation: Garissa, Isiolo, Marsabit, Turkana, and Wajir

Implementing Members: CARE, Catholic Relief Services, Food for the Hungry, World Vision

Targeted Beneficiaries: 450,000 people for improved access to water for multiple uses, more than 300,000 for improved sanitation access

Solar panels pump well water for human and animal consumption in Wajir County, Kenya. Photo by Anna Pollock, MWA



Building on history to accelerate services in Ethiopia



From 2004 through 2017, the Millennium Water Alliance and its members have invested more than **US\$45.6 million** in MWA WASH programs to improve delivery of water, sanitation, and hygiene (WASH) services to more than **1.3 million people** in Amhara, Benishangul Gumuz, Oromia, SNNPR, and Tigray.

The **2014-2017** phase of the MWA-Ethiopia Program:

- Is funded by major grants from the **Conrad N. Hilton Foundation** for water services, **The Vitol Foundation**, and matching funds from implementing partners for sanitation and hygiene.
- Works in 23 woredas in four regions with implementation by five MWA members: **CARE**, **Catholic Relief Services**, **HELVETAS Swiss Intercooperation**, **Living Water International**, and **World Vision**, with strategic roles for two MWA members, **IRC** and **Water.org**, and with global strategic partner **Aqua for All**.
- Improves access to WASH services for 300,000 people in rural communities.
- Strengthens the capacity of national and local government, community-based organizations and the private sector to provide continuous water service delivery of rural water schemes.

The MWA - Ethiopia Program incorporates a common monitoring and evaluation system, applied research in collaboration with universities, and innovations such as self-supply, water quality monitoring, and appropriate technologies.

Examples of research facilitated by MWA - EP include:

- Water scheme sustainability and functionality
- Stresses on women and water insecurity
- Defluoridation of community water schemes
- Low-cost ecological sanitation options
- Water access equity
- Household water treatment and safe storage

MWA-EP also acts as a unified voice on behalf of its members, working with the Government of Ethiopia on the National WASH Inventory and the National Self-Supply Task Force. MWA seeks to generate evidence and sector learning focused on NGO engagement in the Government's ONE WASH National Program.

Millennium Water Alliance – Ethiopia Program (MWA-EP)

Program Phase: July 2014 to June 2017

Budget: \$5 million from the Conrad N. Hilton Foundation (CNHF), \$5 million in matching funds from partners

Regions of Operation: Amhara, Benishangul-Gumuz, Oromia, SNNPR

Program Partners: CARE Ethiopia, Catholic Relief Services, HELVETAS, IRC, Living Water International, World Vision Ethiopia

Total Beneficiaries: More than 300,000



Photo by Adugnaw Tadesse, CARE Ethiopia



Advocacy for WASH yields sustained funding and new initiatives

FY 2016 was the first full fiscal year after the passage of the landmark Sen. Paul Simon Water for the World Act by Congress in December 2014. MWA advocacy for USAID continued, but we also devoted attention to other areas of advocacy, among them:

WASH in Health Care Facilities

MWA joined a new group for an advocacy push on the severe shortage of adequate water, sanitation, and hygiene education (WASH) services and training in thousands of health care facilities in many developing nations. Spurred by the Wallace Genetic Foundation and armed with new research from the University of North Carolina Water Institute and others, several WASH NGOs (non-governmental organizations) are raising awareness among the broader global health community to build the case for more interventions to ensure **health care facilities** are not overlooked in programming. MWA emphasizes this issue in its overall WASH advocacy, and is surveying members to assess the role of health care facilities in their current field work.

The 2016-2030 SDGs

The Sustainable Development Goals were unanimously adopted by the global community in late 2015, and became effective in 2016 as the global framework for eliminating extreme poverty by the year 2030. Following the 15-year record of progress under the Millennium Development Goals that came to an end in 2015, MWA

FY 16 USAID WASH Funding at Highest Level

Congress increased funding for the Sen. Paul Simon Water for the World Act to \$400 million in Fiscal Year 2016, the highest level ever. MWA remains concerned, however, about the misunderstanding by some in Congress that they can support WASH effectively while making specific cuts in other parts of the State Department and USAID budgets. MWA joined with its NGO colleagues to call for sustained funding of the entire State and Foreign Operations spending account (still, after all these years, totaling less than 1% of the federal budget), to ensure that the progress made in recent years to rebuild USAID talent and morale does not dissipate. As of the end of FY 16, both House and Senate appropriations committees had recommended continued funding in FY 2017 for WASH at the same level (\$400 million).

We appreciate the continued support from key Congressional appropriators, but we push strongly for USAID increases needed for operating expenses, and in particular for the Development Assistance and Economic Support Fund accounts which fund so much of the cross-sectoral work that effective WASH programs need.

works with other WASH organizations to spur action by governments and other sectors. By 2030, **SDG 6** – the specific group of goals for water and sanitation – calls for achieving **universal and equitable access** to safe and affordable drinking water, sanitation and hygiene for

all, eliminating open defecation, halving the proportion of untreated wastewater, increasing water-use efficiency across all sectors, and capacity-building support to developing countries.

USAID Choice of Instrument

NGOs work with USAID and other agencies to implement programs in the field, and to figure out how to make aid partnerships more effective overall. Much of USAID’s investment in on-the-ground work is made through grants to NGOs, such as MWA members, and other USAID investments are made in contracts, often with large for-profit companies that specialize in large-scale infrastructure projects. USAID produced guidelines in FY 2016 on criteria for missions to use for these grants and contracts (called “instruments”). MWA joined other NGOs to press USAID to ensure that the grant/contract instruments make sense for country development goals, allow NGOs fair

opportunity to participate, and do not impede NGOs in their ability to keep overhead low and be accountable for the work promised and performed.

White House Summit on Global Development

MWA was honored to participate in the White House Summit on Global Development in 2016, and hear President Obama’s gracious, modest, and at times self-critical “farewell speech” to the international development community. WASH was mentioned in several remarks throughout the day in various panels of diplomats, development experts, and Administration officials. The Obama years were marked by some points of disagreement with NGOs (as in every Administration), but overall the relationship was very positive, and USAID showed improvement in transparency and working with others to deploy systems for monitoring and evaluation and cross-sectoral impact.

MWA Member Consortia Programs 2004 to 2016

Country	Program Dates	Donors	Partners (MWA Members & Local)
Kenya	2005-present	Acacia Water, Aqua for All, Coca-Cola Africa Foundation, IBM, SweetSense, Inc., Swiss Development Corporation, USAID, Vitol Foundation, plus matching funds from members	Akvo, CARE, CRS, Food for the Hungry, IRC, KCB Bank Ltd., Water.org, World Vision
Ethiopia	2004-present	USAID, Coca-Cola Africa Foundation, Conrad N. Hilton Foundation, Vitol Foundation, plus matching funds from members	Akvo, Aqua for All, CARE, CRS, Ethiopian Evangelical Church Mekane Yesus, Evidence Action, Food for the Hungry, Kalehewot Church, HELVETAS Swiss Intercooperation, Hope2020, IRC, Lifewater International, Living Water International, Relief Society of Tigray (REST), Water Action, WaterAid, WaterPartners International (now Water.org), World Vision
Colombia	2013-2016	FEMSA Foundation, Coca-Cola Latin America	Aguayuda
El Salvador	2010-2011	IDB, Coca-Cola Foundation	CARE, CRS, Living Water
Guatemala	2010-2016	IDB, Coca-Cola Foundation, FEMSA Foundation, Coca-Cola Latin America	CARE, CRS, Water For People
Honduras	2010-2016	IDB, Coca-Cola Foundation, FEMSA Foundation, Coca-Cola Latin America	CARE, CRS, Water For People, IRC
Mexico	2012-2016	FEMSA Foundation, Coca-Cola Latin America	Living Water International, World Vision
Nicaragua	2010-2016	IDB, Coca-Cola Foundation, FEMSA Foundation, Coca-Cola Latin America	WaterAid

Financials

INDEPENDENT AUDITORS' REPORT

Board of Directors
Millennium Water Alliance
Houston, Texas

Report on Financial Statements

We have audited the accompanying financial statements of Millennium Water Alliance, which comprise the statement of financial position as of September 30, 2016, 2015, and 2014, and the related statements of activities, and cash flows for each of the years in the three-year period ended September 30, 2016, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Millennium Water Alliance's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Millennium Water Alliance's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Millennium Water Alliance as of September 30, 2016, 2015, and 2014, and the changes in its net assets and its cash flows for each of the years in the three-year period ended September 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

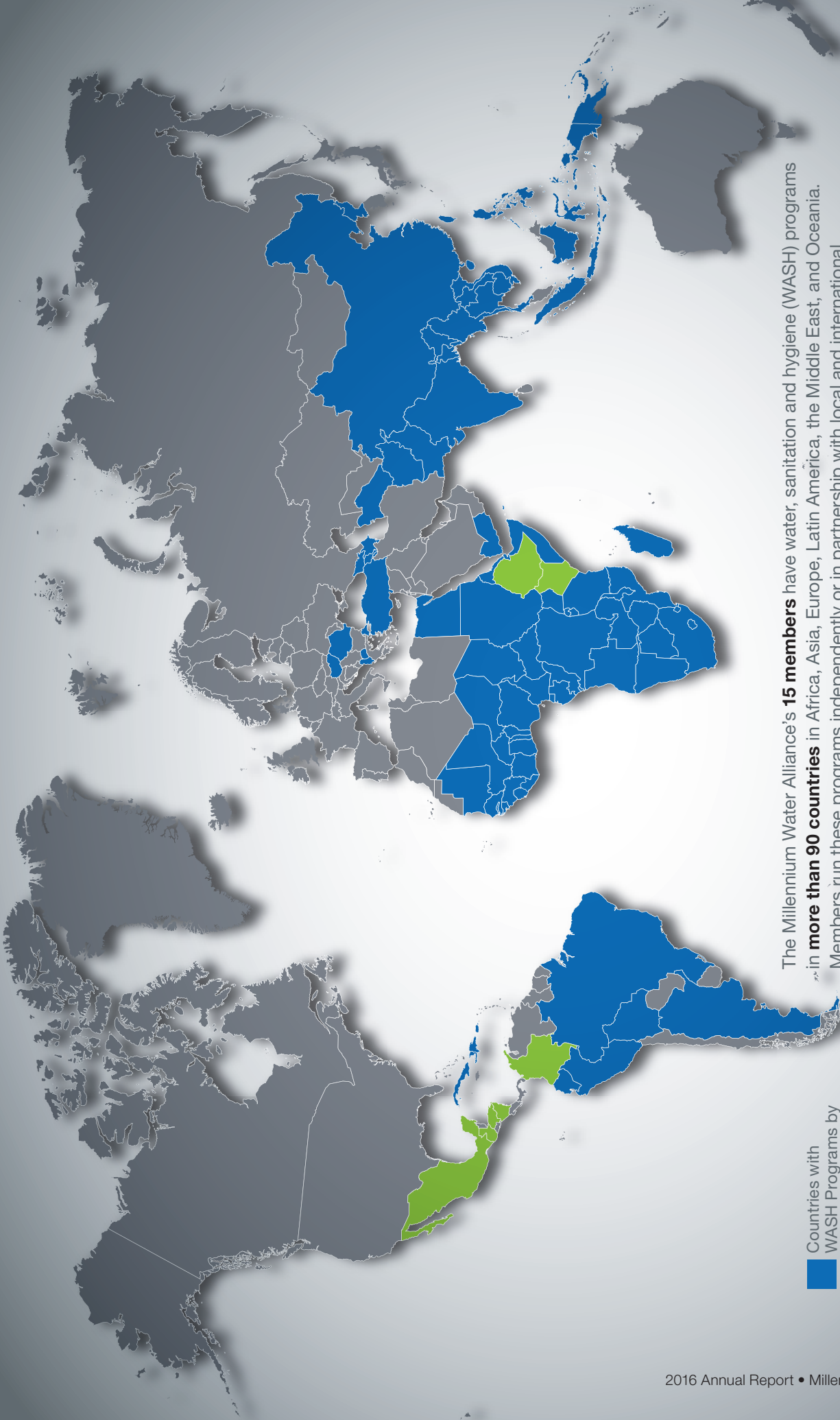
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 2, 2017, on our consideration of Millennium Water Alliance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Millennium Water Alliance's internal control over financial reporting and compliance.

May 2, 2017

Financials

	September 30		
	2016	2015	2014
ASSETS			
Cash and equivalents, including refundable grant advances	\$ 2,836,220	\$ 2,186,708	\$ 3,318,207
Grants receivable	614,674	(144)	859,156
Other receivables	33,094	71,403	8,763
Due from members	20,643		-0-
Prepaid expenses	15,387	14,521	14,239
Grant advances to subrecipients	292,343	538,101	592,896
Equipment	5,317	5,316	5,316
(Less) accumulated depreciation	(3,190)	(2,126)	(1,063)
	2,127	3,190	4,253
	\$ 3,814,488	\$ 2,813,779	\$ 4,797,514
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	\$ -0-	\$ 19,876	\$ 25,162
Due to grant subrecipients	1,069,869	331,633	1,663,075
Refundable grant advances	1,974,056	1,913,110	2,493,535
Accrued expenses	167,648	34,887	94,716
Accrued payroll benefits	7,938	9,439	8,272
Due to members	-0-	500	1,000
Accrued payroll	57,365	53,194	73,393
	\$ 3,276,876	\$ 2,362,639	\$ 4,359,153
Net assets:			
Unrestricted	537,612	451,140	438,361
	\$ 3,814,488	\$ 2,813,779	\$ 4,797,514
SUPPORT AND OTHER REVENUE			
Federal awards	\$ 2,549,220	\$ 2,156,741	\$ 3,900,406
Contributions:			
Individuals	-0-	-0-	500
Foundations	3,816,740	4,347,410	4,780,322
Non-profit organizations	-0-	50,000	-0-
Member dues and assessments	164,000	157,000	87,000
Interest income	1,884	2,801	2,892
	\$ 6,531,844	\$ 6,713,952	\$ 8,771,120
EXPENSES			
Program services	\$ 5,767,680	\$ 5,952,722	\$ 8,043,966
Supporting services	675,837	747,799	637,541
Fundraising	1,855	652	1,196
	\$ 6,445,372	\$ 6,701,173	\$ 8,682,703
CHANGE IN NET ASSETS			
	86,472	12,779	88,417
NET ASSETS, BEGINNING OF YEAR	\$ 451,140	\$ 438,361	\$ 349,944
NET ASSETS, END OF YEAR	\$ 537,612	\$ 451,140	\$ 438,361



The Millennium Water Alliance's **15 members** have water, sanitation and hygiene (WASH) programs in **more than 90 countries** in Africa, Asia, Europe, Latin America, the Middle East, and Oceania. Members run these programs independently or in partnership with local and international organizations. In seven of those countries, several members have joined to implement a major consortium program under MWA management: the **Millennium Water Alliance Ethiopia Program**, the **Kenya Resilient Arid Lands Partnership for Integrated Development Program**, and in Mexico, Honduras, Guatemala, Nicaragua, and Colombia, the **Lazos de Agua WASH Program**.

For all members, MWA provides a forum for sharing knowledge and best practices, and advocates for sustainable WASH development and greater global commitment.

- Countries with WASH Programs by MWA Members
- MWA Consortium Program Countries

FY 2016 Annual Report



**MILLENNIUM WATER
ALLIANCE**

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