



2017
Annual Report



MILLENNIUM WATER
ALLIANCE

Millennium Water Alliance Fiscal Year 2017 Annual Report

*This report covers activities from
October 2016 through September 2017.*

The Millennium Water Alliance is a 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 2017 were 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, Water4, WaterAid America, Water For People, Water Mission, Water.org, and World Vision.**



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



Fiscal Year 2017 MWA Staff

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Additional program staff in Kenya and Ethiopia are listed at www.mwawater.org

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Washington DC, June 2018

2017 Annual Report edited by
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Cover photo by FH Kenya

Varied approaches to common goals

The fifteen members of the Millennium Water Alliance participate in hundreds of water, sanitation, and hygiene (WASH) programs around the world. Some members specialize in services and strategies for three or four countries, others work in many more countries simultaneously. Altogether, MWA members work concurrently in **more than 90 countries**.

The work of individual MWA members varies in specific scope and local goals, but all MWA collaborative programs share this: advocating for district-wide and eventually national coverage, consistent with MWA's 10-Year Strategic Plan (available at mwawater.org) and with the 2030 Sustainable Development Goals adopted by governments across the globe. More information on MWA's strategy is available on pages 8 and 9.

MWA collaborates with local and national governments so that *government* is leading development efforts, while MWA supports through systems-strengthening approaches for long-term sustainability. These themes are exemplified in MWA's current consortium programs in the field, **Kenya RAPID** (page 3) and the **MWA – Ethiopia Program** (page 4). In these collaborative programs, MWA and members create a concept, recruit funders and local partners, work closely with governments, assess potential innovations for testing, develop learning plans, and consult with other stakeholders to implement these approaches. MWA joins with other leaders in the WASH sector to get beyond “business as usual” infrastructure construction to working hand-in-hand with government and other actors to accelerate universal access, improved water quality, and better monitoring for evidenced-based decision-making.

In FY 2017, among the many benchmarks we reached, here are a few that made new headway:

Self-Supply Acceleration Enables Household Access

A water access approach called “self-supply” encourages families or communities to construct and improve their own water supply. The Government of Ethiopia encourages the use of an accelerated self-supply approach when feasible in remote areas of the country, where households can end up being far from a water source and where MWA does most of its work.



Photo by Ignatius Bichanga, MWA



Photo by Johnson Nganga, FH Kenya

MWA focused on activities to accelerate the adoption of self-supply, such as creating demand in communities (explaining how it could work); building national and local government expertise in self-supply; offering information about potential technology options; strengthening private sector capacity by training them to expand their social marketing and business abilities; and expanding the loan portfolio of micro-finance institutions to accommodate loans for WASH. Key self-supply work was done in five woredas: Dera, Farta, Estie, Omonada, and Dugda, in the Amhara and Oromia regions.

The lack of a direct subsidy for households dampened initial interest from government and communities, but communications with government and capacity-building efforts helped to increase buy-in and government support. Thanks to efforts during the pilot program, woreda government staff were prepared to continue self-supply activities going forward. Early pilot results have proven successful. For example, one family that implemented an unprotected well through the program later invested in a hand pump, complete with a cement apron. Thanks to their increased water access, the family is now growing a wider variety of crops, including cabbage and onions, for consumption and sale. ▶

New Technology Improves Water Quality

The Dispensers for Safe Water (DSW) Pilot Program, implemented in Ethiopia by MWA, MWA member CARE, and MWA partner Evidence Action, uses chlorine dispensers at water points to treat water in the jerry cans; residual chlorine keeps the water free from contamination for an additional 72 hours after collection.



Photo by Adunata Kelesse, CARE Ethiopia

What does this mean for families? Water with the chlorine in it is now safe for drinking and cooking, which supports improved health and well-being. Obtaining chlorine from these dispensers at the source takes only one added step which requires little time. The residual chlorine solves the issues of water contamination that often happen during transport and storage, even when water at the source is safe.

Community involvement in the Dispensers for Safe Water program helped foster a sense of ownership in the selected villages. Community members and government are involved in all stages of the pilot. They receive demonstrations on how to properly use and maintain the dispensers, and provide local materials for construction. The use of local promoters encourages household uptake.

Kenya RAPID Puts Local Government in the Driver's Seat

In FY 2017, MWA's widely-recognized Kenya RAPID program expanded work on infrastructure and engaging partners, and in particular, advanced its objective of working closely with county governments under the country's initiative to devolve many key public services and policy formation from the national level to the county level.

Kenya RAPID works with the five county governments and each of the 21 Kenya RAPID partners as co-investors in human and financial software, equipment, and other organizational resources to achieve transformative impacts. The big picture goal is to decrease the centrality of the NGO role in implementation, and increase ownership, capacity and buy-in of government. Kenya RAPID uses a "facilitation approach" where NGOs work as facilitators to support government to implement the program as the duty bearers for the delivery of water and sanitation services under the 2010 Constitution of Kenya. This shift is reflected in the day-to-day operational "heart" of the program – the NGO partner in the county is co-located within the government administrative headquarters of each county. Additionally, the program decision-making structure prioritizes national and county government representation and authority, and provides for the direct transfer of program funds to county governments to support the implementation toward program objectives.

This approach was intentionally applied beginning in 2015. Evaluations since then show encouraging results and key lessons have been learned about how to incentivize agencies to take on more responsibility. The process takes time, but change has been seen, and MWA is considering expanding this facilitation approach to programs in other countries.

Kenya RAPID

innovates with both public and private sectors for improved water services

The 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, sanitation and hygiene in some of Kenya's driest, most remote areas. Kenya RAPID focuses on:

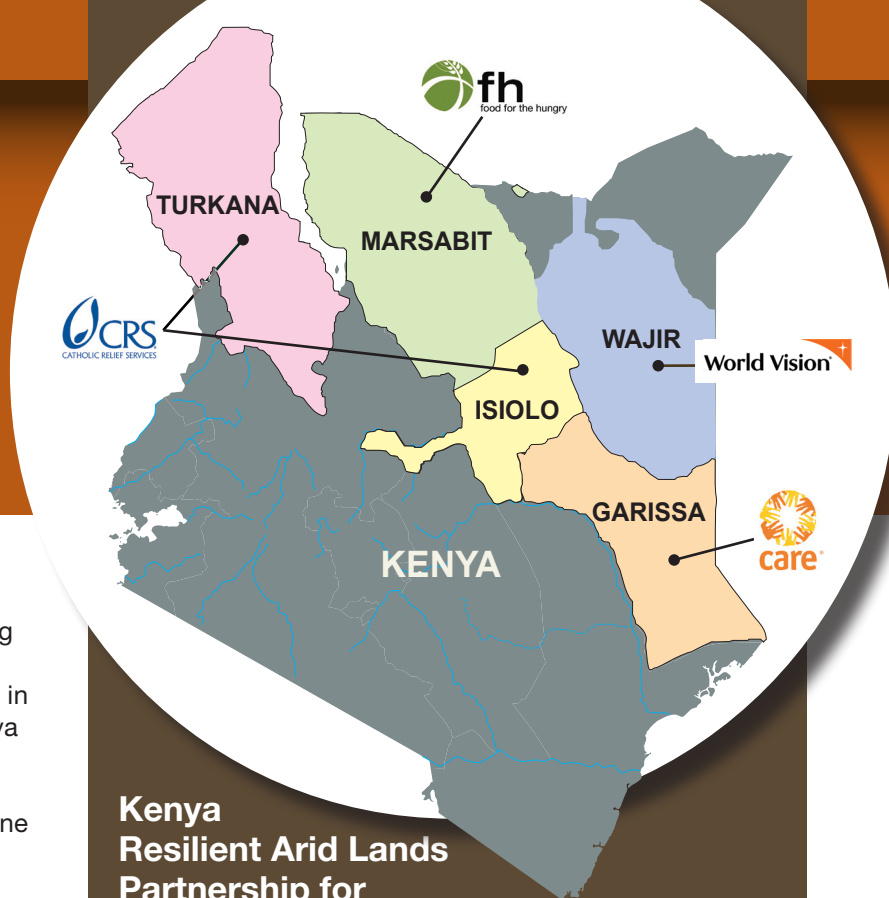
- Safe drinking water, better sanitation, and hygiene education for people,
- Reliable water for livestock, and
- Rebuilding a healthy rangeland-management ecosystem.

The program increases the average water access coverage in five focus counties from 37 percent to more than 50 percent. Kenya RAPID rejects the business-as-usual WASH approach, and instead focuses heavily on government and local involvement. Placing government at the center of planning and implementation is reflected in the day-to-day activities of the program, such as:

- A County Coordination Unit located within each county's administrative headquarters;
- A program decision-making structure that prioritizes national and county government representation and authority; and
- Provision for the direct transfer of funds to county governments in the final year to support the program's objectives.

Kenya RAPID also strongly promotes the Ending Drought Emergencies Common Program Framework launched by the Government of Kenya in November 2015, linking the sustainable management of water, crops, rangelands, and the increased contribution of livestock to the pastoral economy and the creation of resilient livelihoods.

Program efforts improved access to safe water for more than 60,000 people in FY 2017, totaling 163,450



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

Program Duration: September 2015 – September 2020

Five-Year Budget: United States Agency for International Development (\$12.5 million), the Swiss Development Corporation (\$7.5 million), Aqua for All (\$1.5 million), and the Vitol Foundation (\$600,000); additional funding from The Coca-Cola Africa Foundation and implementing members; major in-kind contributions from Acacia Water (IWRM, 3R interventions), IBM (technology and platforms to help counties with real-time decision making), SweetSense, Inc. (installation and design of sensors to improve data capture and use for improved functionality of water schemes), Davis & Shirliff (supplying water solutions and participating in public-private partnership models), and KCB Foundation (capacity building of local entrepreneurs); ongoing investments by Garissa, Isiolo, Marsabit, Turkana, and Wajir counties and the Government of Kenya

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

beneficiaries since its inception in 2015. By the end of FY 2017, over 258,000 livestock had improved access to water; 3,531 farmers applied improved technologies and management practices for better nutritional outcomes; and 26 rangeland management committees were formed and received training.

MWA-EP

drives for sustainability

FY 2017 marked the third and final year for the current Millennium Water Alliance-Ethiopia Program, which invested nearly \$5 million into improving access to safe drinking water for more than 258,000 rural Ethiopians. Additionally, 629 villages were introduced to community-led total sanitation and hygiene programs, and over 28,000 households constructed their own latrines, providing over 140,000 people with improved sanitation practices.

By the end of FY 2017, the MWA-Ethiopia Program:

- Helped more than 100,000 people gain access to safe water through construction of more than 100 new community water schemes and the improvement of more than 400 non-functioning ones;
- Constructed water points, handwashing systems, or latrines in more than 31 rural public schools, benefitting more than 36,000 students; and
- Provided WASH services for more than 42,000 people in health care facilities.

The MWA-Ethiopia Program incorporated a common monitoring and evaluation system, engaged in applied research in collaboration with universities, and piloted innovations such as self-supply and chlorine dispensers.

MWA-EP piloted a self-supply acceleration approach by providing the necessary support systems to help make unsubsidized household self-supply a viable option in Ethiopia. This is consistent with efforts by the Government of Ethiopia to encourage self-supply wherever appropriate, increasing access to water for both consumption and livelihood activities. Self-supply encourages households to construct and improve their water supply. Through this program, 731 wells were constructed or improved and approximately 18,000 people benefited from the pilot in FY 2017. Thanks to efforts during the pilot program, the private sector was strengthened and woreda government staff were prepared to continue self-supply activities.

MWA-EP also piloted a Dispensers for Safe Water (DSW) program in collaboration with CARE and Evidence Action. A 2015 study of MWA program sites revealed that over 75 percent of household-stored water



Millennium Water Alliance – Ethiopia Program (MWA-EP)

Program Phase: July 2014 to November 2017

Funding: Major grants from the Conrad N. Hilton Foundation (\$5 million, focused on water) and the Vitol Foundation (\$600,000, focused on supporting program gaps), with \$5 million in matching funds from implementing partners (focused on sanitation and hygiene)

Regions of Operation: Twenty-three woredas across four regions: Amhara, Benishangul-Gumuz, Oromia, and SNNPR

Program Partners: CARE Ethiopia, Catholic Relief Services, HELVETAS Swiss Intercooperation, IRC, Living Water International, Water.org, and World Vision Ethiopia, with strategic partners Aqua for All and Evidence Action

Total Beneficiaries: 258,210

contained microbial contaminants that made it unsafe for drinking. To help mitigate these water quality challenges, the DSW program installed chlorine dispensers at water points. Chlorine added at the site starts treating water immediately, and then keeps it free from contamination for approximately 72 hours after collection. The training of 49 local promoters and inclusion of community sensitization and education meetings led to high uptake rates during the first six months of the program. By the end of FY 2017, 49 chlorine dispensers were installed across three kebeles.

MWA-EP acted 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.

Foreign aid survives frontal assault by new administration

Soon after the new Administration took office in January 2017, it was clear we would face a challenge to keep US foreign assistance programs moving forward. Not only did the White House seek a Fiscal Year 2018 **funding cut of more than one-third** for USAID and the State Department, it also directed all agencies to submit reorganization proposals in 2018. A huge cut in appropriations would be bad enough, but gearing up to face a radical change in USAID mission and structure doubled the risks ahead.

Fortunately, by the end of FY 2017 (the fiscal year began in October 2016 and ended in September 2017), it became obvious that this deep cut in FY 2018 was not going to happen – the common response on Capitol Hill to this request, from both Democrats and Republicans, was “dead on arrival,” with the leadership in both chambers rejecting the idea before spending bills even got to the floor.

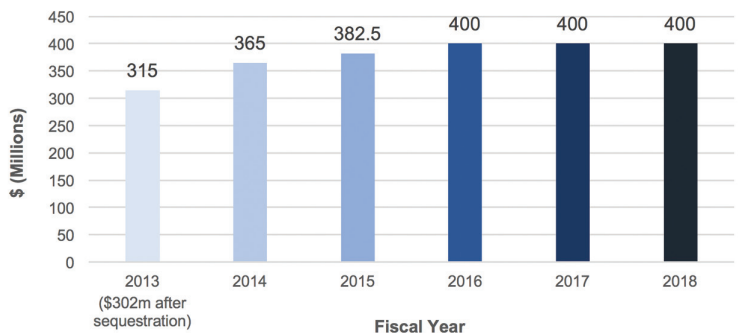
Congress approved FY 2018 spending much later. As FY 2017 came to a close, both chambers were positioned to make small cuts in FY 2017 *overall* foreign assistance levels – but WASH specifically remained the same: \$400 million in FY 2017; 400 million in the upcoming FY 2018.

NGOs Engage with USAID in Reorganization Discussion

Our larger immediate task became how to work with the Administration – The White House, the Office of Management and Budget, the State Department, and USAID – on the prospect of reorganization. The US NGOs that work with USAID generally agreed that ideas on how to reorganize the agency could be useful, and several joined together to offer broad outlines of what a new USAID could look like, addressing the need for more transparency, intersectoral cooperation, strategic partnerships, and internal efficiencies to strengthen public and Congressional support for foreign assistance going forward.

By the end of FY 2017, several NGOs and think tanks presented papers for Administration and Congressional consideration, and MWA joined in those discussions. Key members of Congress also assured us that they would oppose any reorganization plan that substantially undermined current programs.

Fiscal Year USAID WASH Appropriations by Congress



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In particular, MWA and other WASH organizations weighed in with Congressional offices and Administration officials to ensure that the requirements and goals of the Sen. Paul Simon Water for the World Act of 2014 are followed, and that any restructuring plan would account for the demands of that law. The restructuring issue will continue into FY 2018.

Sanitation and Water for All Reassessment

The global Sanitation and Water for All initiative (SWA), formed in 2010 by several donor and host country governments, as well as international organizations, undertook in 2017 an extensive examination of its structure, funding, and role. In recent years, SWA focused on getting governments on the record with timeline commitments to specific actions in WASH, and reporting their progress. It also pursued joint High-Level Meetings (HLM) with finance ministers, both in-country and at annual meetings of the World Bank, so that water ministers and others in governments charged with WASH development could meet directly with those who lead decision-making at the country level on public sector investments.

This year, SWA used outside consultants and its own membership to evaluate whether these activities should continue to be the focus of the organization, or if it should instead focus on providing models and assistance for policy and implementation in countries with the greatest WASH needs. SWA also began a lengthy assessment of what its international structure should be, how it should be funded and held accountable, and how its budget should be administered. For its part, MWA continued to monitor and participate in SWA discussions, with the hope that a resolution of the structural issues will be in hand in 2018. This will determine any continued MWA action in this area.

Financials

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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, 2017, 2016, and 2015, and the related statements of activities, and cash flows for each of the years in the three-year period ended September 30, 2017, 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.

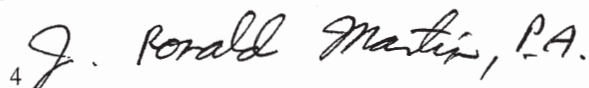
Opinion

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, 2017, 2016, and 2015, and the changes in its net assets and its cash flows for each of the years in the three-year period ended September 30, 2017, 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 8, 2018, 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 8, 2018

 J. Ronald Martin, P.A.

	September 30		
	2017	2016	2015
Assets			
Cash and equivalents, including refundable grant advances	\$ 1,892,924	\$ 2,836,220	\$ 2,186,708
Grants receivable	659,734	614,674	(144)
Other receivables	74,095	33,094	71,403
Dues from members	15,000	20,643	-0-
Prepaid expenses	15,000	15,387	14,521
Grant advances to subrecipients	585,903	292,343	538,101
Equipment	5,317	5,317	5,316
(Less) accumulated depreciation	(4,253)	(3,190)	(2,126)
	1,064	2,127	3,190
	\$ 3,243,720	\$ 3,814,488	\$ 2,813,779
Liabilities and Net Assets			
Liabilities:			
Accounts payable	\$ 16,460	\$ -0-	\$ 19,876
Due to grant subrecipients	2,214,482	1,069,869	331,633
Refundable grant advances	324,614	1,974,056	1,913,110
Accrued expenses	87,928	167,648	34,887
Accrued payroll benefits	8,313	7,938	9,439
Due to members	-0-	-0-	500
Accrued payroll	68,966	57,365	53,194
	\$ 2,720,763	\$ 3,276,876	\$ 2,362,639
Net assets:			
Unrestricted	522,957	537,612	451,140
	\$ 3,243,720	\$ 3,814,488	\$ 2,813,779
Support and Other Revenue			
Federal awards	\$ 4,398,190	\$ 2,549,220	\$ 2,156,741
Contributions:			
Individuals	-0-	-0-	-0-
Foundations	2,415,309	3,816,740	4,347,410
Non-profit organizations	-0-	-0-	50,000
Member dues and assessments	149,000	164,000	157,000
Interest income	3,480	1,884	2,801
	\$ 6,965,979	\$ 6,531,844	\$ 6,713,952
Expenses			
Program services	\$ 6,172,095	\$ 5,767,680	\$ 5,952,722
Supporting services	808,314	675,837	747,799
Fundraising	225	1,855	652
	\$ 6,980,634	\$ 6,445,372	\$ 6,701,173
Change in Net Assets	(14,655)	86,472	12,779
NET ASSETS, BEGINNING OF YEAR	\$ 537,612	\$ 451,140	\$ 438,361
NET ASSETS, END OF YEAR	\$ 522,957	\$ 537,612	\$ 451,140

Strategy & Goals

Millennium Water Alliance Summary of 2014-2024 Strategic Plan

The members of the Millennium Water Alliance are committed to help accelerate progress toward sustained access by all to safe drinking water, safe sanitation, and better hygiene, meeting the Sustainable Development Goals by 2030.

MWA's Strategic Plan 2014 - 2024 defines shared goals over the next ten years in three interdependent strategic areas: 1) campaigning for universal, sustained services; 2) monitoring, evaluation and learning to improve programs; and 3) evidence-based advocacy.

Goals under each strategic area fall into two categories: Global Goals involve any country with programs implemented by any MWA member. Focus Country Goals involve countries with consortium programs directed by MWA and implemented through MWA members.

Strategic Area 1

Global Goal:

Support or promote campaigns to achieve full WASH coverage in rural districts that members and partners seek to incorporate in their WASH programming globally.

Focus Countries Goal:

In selected countries, MWA and its members will support or promote campaigns to achieve universal WASH coverage in rural districts.

Strategic Area 2

Global Goal:

Establish a common global MWA MEL platform to contribute to the evidence base.

Focus Countries Goal:

Establish a common MWA monitoring, evaluation, and learning (MEL) platform and use it to improve our work.

Strategic Area 3

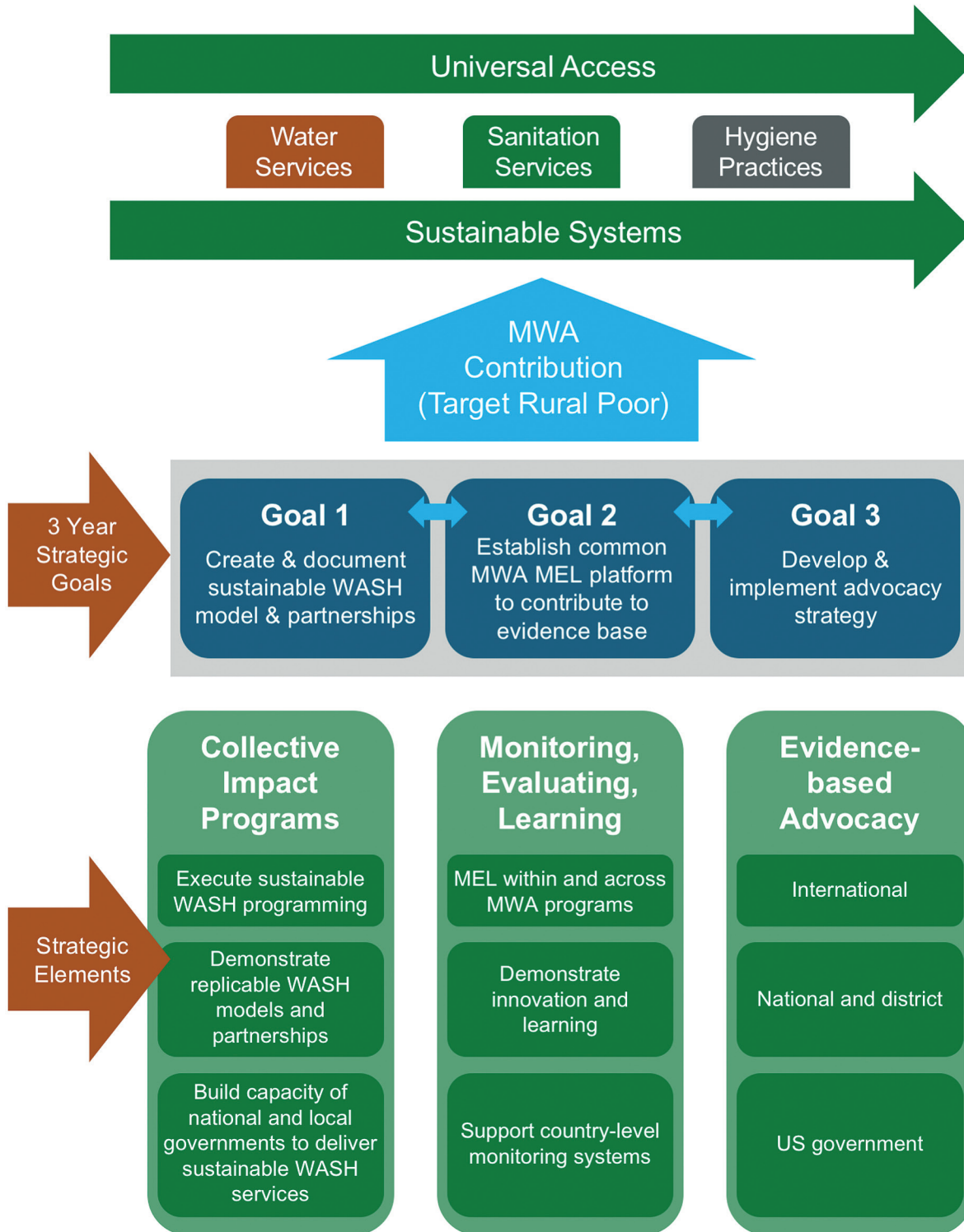
Global Goal:

Develop and implement strategy for international and US advocacy to help discover, innovate, and promote more effective approaches to universal sustained services.

Focus Countries Goal:

Develop and implement local advocacy agenda to discover, innovate, and promote more effective approaches to universal sustained services.

STRATEGIES AND GOALS FOR 2015-2018



Focus on strategies and goals for three years, based on the ten-year MWA Strategic Plan.

FY 2017 Annual Report



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