This executive summary describes the achievements and strategy of 1001 fontaines pour demain, a French-based NGO enabling small rural communities to fulfill, by themselves, their drinking water needs.

For the last five years 1001 fontaines pour demain has developed a novel and successful approach to filling the demand for safe water in rural communities of developing countries and has undertaken to demonstrate that it is efficient and sustainable. The organization now seeks new institutional and financial partners to upscale this solution, as a social venture, for the benefit of the highest possible number of villagers in Cambodia – where projects were first launched – and other countries.

1. **1001 fontaines’ summary**

1001 fontaines was created in 2004 as a non profit organization contributing to the global effort of international solidarity and more specifically to improve access to safe drinking water. This initiative is specifically oriented towards small rural communities, which generally fall outside the remit of water access projects. It aims at improving these populations’ health by allowing them to meet their drinking water needs in a sustainable manner and without any specific infrastructure or expertise.

As you will see by visiting our website [www.1001fontaines.com](http://www.1001fontaines.com) or by watching a short video (link at the end of this text), 1001 fontaines has implemented several projects in Cambodia between 2005 and 2011, enabling today roughly 50,000 persons in 53 rural communes to drink safe water.

We started similar projects in Madagascar in 2008; there are 4 operating sites running at present and 7 more to be launched in 2012.

Furthermore we started a specific sponsorship program by which we provide safe water to 30,000 children in the primary schools of villages where 1001 fontaines has activities. We recognize that children are the most vulnerable to water-borne diseases, and we are convinced that targeting children is an effective means of raising not only theirs, but their parents’ awareness of WASH issues.

In September 2011 the Cambodian co-founder of 1001 fontaines Mr. CHAY Lo was awarded the title of “Social entrepreneur of the year for Asia” by the Schwab Foundation for social entrepreneurship, during the Annual meeting of New Champions’ in Dalian (People’s Republic of China).

1001 fontaines’ funding mainly comes from private donors (private companies, foundations), although it also received financial support from the French Embassies in Cambodia and Madagascar.

1001 fontaines’ long-term strategy is to provide totally safe water to millions of villagers in many countries:

- at an affordable price – i.e. 0,01 US $ per litre
- in a sustainable manner, our economic model relying on social business principles with each operating site as well as the supporting infrastructure being self-financing through water sales,
- for a very low one-time investment cost – currently US $ 6 per beneficiary.

The following links will help you rapidly understand the core principles guiding our action as well as the health impact it generates.

Video by Shamengo (2 min.): [http://www.youtube.com/watch?v=J3G5XmUKHY4&feature=colike](http://www.youtube.com/watch?v=J3G5XmUKHY4&feature=colike)

Vidéo by 1001 fontaines (6 min.): [http://fr.youtube.com/watch?v=8bykbVECVrE](http://fr.youtube.com/watch?v=8bykbVECVrE)
2. **1001 fontaines’ achievements**

Over the last six years (2005-2011), “1001 fontaines” work has been focused on three major issues:

- **Water quality**: The water sold in each village by local “1001 fontaines” entrepreneurs is produced and distributed in 20-litre bottles according to a process which was designed with the help of two international leading operators in drinking water distribution, i.e. Veolia and Danone. Quality requirements correspond to the highest WHO standards and water quality is controlled on a frequent basis according to protocols designed for us by the Fondation Mérieux (France).

1001 fontaines projects were selected as pilot sites for the Aquatest program (funded by the Bill & Melinda Gates Foundation and operated by Aquaya) to be run in 2011, which stands for the recognition of our Quality Control processes.

Finally, a formal Health Impact Study is under way in Cambodia, with the participation of the University of East Anglia (UK), to quantify health and economic benefits provided by 1001 fontaines projects to rural populations.

- **Accessibility**: Ensuring accessibility starts with offering safe drinking water at an affordable price for poor people (i.e. ability to pay). We meet this condition with a selling price of 1 US $ cent per litre.

Accessibility also requires taking significant training and social marketing steps, in order to foster behavior changes related to hygiene and safe water consumption (i.e. willingness to pay). Over a 6 to 8 year period our objective for each production site (in each village) is to turn at least 40% of the population from drinking pond water towards drinking safe water everyday.

- **Sustainability**: After a one-year apprenticeship period, each production site becomes financially self-sustainable, i.e. the operator generates enough turnover to make a living and finance all operating and maintenance expenses as well as growth investments.

Operational sustainability is also guaranteed by a technical support platform, i.e. a team of skilled technicians supervising 50 to 60 operating sites. The platform gives technical assistance to operators and carries out quality control tasks. In exchange for these services the platform receives monthly assistance fees from each site according to a micro-franchise operating model.

Therefore water sales allow achieving financial sustainability for both the support platform and operating sites, despite a very low selling price.
3. **1001 fontaines’ strategy and goals**

Now that the adequacy of its safe water provision model has been demonstrated, 1001 fontaines intends to undertake two new steps constituent of its vision: scalability and replicability.

- **Scalability:** By the end of 2011, 58 operating sites will be running in northwest Cambodia, serving up to 100,000 contributing beneficiaries (or customers) on a regular basis. The next step, which has the operational support of the Cambodian Ministry of Rural Development, is to scale up the model by opening 3 new support platforms throughout Cambodia and creating 200 new operating sites connected to these platforms between 2012 and 2016. This ambition requires the funding of a US $ 4 million capital cost, for the 250 production sites launched by 2016 (including already existing sites) to ultimately serve 1 million customers – while today 7 million of Cambodian people living in rural areas don’t have any access to drinkable water. Approximately 1,000 income-generating full-time jobs will be created out of this program.

- **Replicability:** 1001 fontaines intends to replicate its model in other countries where the demand for safe water has to be filled. To prepare this, experimentation is underway in Madagascar since 2008, and new perspectives in other countries can now be opened. In particular, we consider introducing this solution in Bangladesh and/or India, with the objective to reach more than one million beneficiaries.

4. **1001 fontaines’ business model**

Until now (in Cambodia and Madagascar) our Business Model has been a “hybrid” one since the water selling price (0.01 US $ / litre), if affordable for poor beneficiaries, does not enable to amortize the required capital investment of 20,000 US $ per village.

Therefore this capital investment is mainly funded through grants and subsidies. However once a production site is operational water sales provide enough revenue to cover all field expenses – i.e. operators’ salaries as well as operating and maintenance costs – as well as shared services costs – i.e.
quality control, supply chain management – and a small but regular contribution to the overall initiative.

Because of its contributory and partially self-financing nature our initiative was set up as a “social business“, through a joint venture established in 2008 between 1001 fontaines and a social investment fund – danone.communities – launched by the Danone Group and Professor Yunus, all layers of our organization being managed as a multi-level franchise.

Furthermore, after preliminary assessment of setting-up prospects in Bangladesh and India, we strongly believe that such countries, as well as others, have the potential for absorbing a revised version of our model where the initial capital cost could be funded through regular commercial loans (these loans being repaid by water sales profits on the field), instead of relying on subsidies.

Therefore, in order to expand our approach to the highest possible number of beneficiaries we still need to mobilize solidarity funds (grants, subsidies) to help implementing safe drinking water production capacities in new villages.

But we also seek new financial partners, including social investors. We believe that our model has the potential to demonstrate that designing and implementing efficient business schemes can allow achieving massive social benefits.

We are open to various funding possibilities, including equity, provided that investors are firstly motivated by delivering social benefits.
5. **Summary of 1001 fontaines' financial needs**

As previously explained, until 2011 1001 fontaines funding have mainly come from private donors (private companies, French foundations), while 1001 fontaines’ budget progressively rose from US$ 50,000 in 2005 to US$ 1,000,000 in the present fiscal year.

Funding requirements (see hereunder table) for the next five years are valued at € 6 million, to be allocated to projects roll-out in Cambodia, additional projects in Bangladesh (or India), and some Capacity Building initiatives coming with the setting of more ambitious objectives after 2015.

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<td>Deployment to a larger scale in Cambodia</td>
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<td>3,000,000 €</td>
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<td>Objective 2</td>
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Two thirds of this amount are dedicated to Cambodia and should be raised through institutional lenders of this country (such as World Bank or Asian Development Bank).

On the other hand we believe that the funding requirement for launching our initiative in a new country as well for strengthening our growth capacity would be better served by Social Investors (individuals or Social Venture funds), very likely in two successive investment phases over the coming five years.

We hope that this summary will convince you that our initiative deserves your interest, and that you will be willing to join us to improve significantly and widely the health of rural populations of under-developed countries.

Sincerely yours

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