

2008 Annual Report



Water Partners
water.org

*We envision the day when
everyone in the world can
take a safe drink of water.*



Table of Contents

| | |
|--|----|
| Message from Gary | 4 |
| International Programs | |
| • Year in Review | 7 |
| • Regional Feature: Africa | 11 |
| • Regional Feature: Latin America | 16 |
| • Regional Feature: Asia..... | 23 |
| Other Highlights | |
| • Important Partnerships Formed | 28 |
| • Raising Awareness and Inspiring Action | 32 |
| Financials | 36 |
| Thank You | 38 |
| Board of Directors and Advisory Council..... | 42 |
| Water Facts | 43 |

Message from Gary . . .

It was during a visit to the Valmiki Nagar slum in Hyderabad, India, that the impact of WaterCredit hit me full force.

I was talking to Gowrammal, a 65-year-old woman who had to travel down a steep, rocky hill to an open field in order to defecate. Desperate for a toilet and the dignity it would provide, she took out a \$50 loan from a loan shark at a 110% interest rate. This was a woman who earned about \$5 per week as a street vendor. I realized how access to affordable credit could empower Gowrammal and others like her to seek water and sanitation solutions.

That was almost four years ago. Since then, the WaterCredit Initiative has been successfully piloted in India, Bangladesh and Kenya, and has proven not only that market demand for water and sanitation loans exists, but that the poor will repay their microloans.

In 2008, WaterCredit had a major breakthrough. For the first time, a number of our partner organizations were able to obtain funding for the loans directly from commercial banks. In other words, the commercial lenders were willing to finance water and sanitation microloans for the poor. This involvement of market forces means there is huge potential to scale up the initiative.

This is incredibly exciting because not only could affordable credit empower millions of people to obtain safe water and sanitation, but it also frees up philanthropic dollars to go to the poorest of the poor. Not to mention the huge return on each donor dollar invested in WaterCredit – conservatively, five times as many people are reached with a WaterCredit program than with a traditional, grant-only program.

Regardless of whether a project involves WaterCredit or is entirely grant-based, our goal is the same – empowering people to achieve safe, sustainable, and affordable access to water supplies and sanitation. In 2008, we did this in record numbers, reaching more than 142,000 – up 300 percent from 2007.

Thank you for your tremendous support of WaterPartners. It is your generosity and compassion for those in need that make our life-saving work possible. Together, we can achieve the day when everyone can take a safe drink of water.



Gary J. White
Executive Director and Co-Founder
WaterPartners International



Children at a water project site in Ethiopia welcome Gary White.

Bangladesh Study Proves WaterPartners' Model Works

WaterPartners commissioned an impact study of its programs in Bangladesh in 2008. The study was carried out by researchers from the Bangladesh University of Engineering Technology in Dhaka. Researchers concluded that the water and sanitation facilities were functioning effectively, access to safe water and latrines has improved, and people are highly satisfied with their new services.



International Programs

Year in Review

Thanks to your donations, WaterPartners **tripled the number of people it served** with access to clean drinking water and improved sanitation in 2008.

Working in partnership with donors, its local partner organizations, and the people in need of clean water and sanitation, WaterPartners **empowered more than 142,000 individuals** to obtain the improved health and brighter future that comes with access to these most basic – and most important – human necessities.

WaterPartners continued to position itself for even greater capacity to serve in the future. WaterPartners' WaterCredit Initiative, which facilitates microcredit loans for water and sanitation, is a critical component of this strategy to reach more people with safe water and sanitation.

As part of its capacity-building efforts, WaterPartners **nearly doubled the number of its local partner organizations**, from 12 to 21. All of these organizations are indigenous, based in the countries they serve. Seven of these new partners are located in India, three in Kenya, and one in Ethiopia. Eleven of the new partners have the capacity to administer WaterPartners' WaterCredit program.

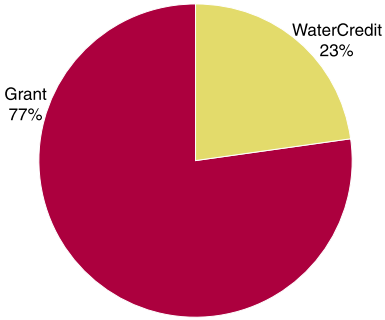
To date, WaterPartners has facilitated the disbursement of more than **\$1.6 million in microcredit loans** for water and sanitation, resulting in approximately **9,000 loans made**, and more than **110,000 people served**.

In 2008, for the first time, a number of WaterPartners' partner organizations were able to **obtain funding for the loans directly from commercial banks**, instead of through grants from WaterPartners.

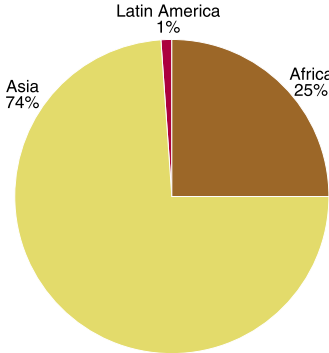
In 2009, WaterPartners will continue to drive new ways of stimulating commercial dollars flowing into water and sanitation. One of these ways is providing **credit enhancements for microfinance institutions** (MFIs). Simply stated, WaterPartners promises to cover monetary losses (due to loan defaults by borrowers) on up to ten percent of the loan money taken out by MFIs from commercial banks.

Most MFIs and commercial banks do not have a history of loaning in the water and sanitation sector. WaterPartners' guarantee makes the commercial banks more

FY 2008 Program Funding by Type

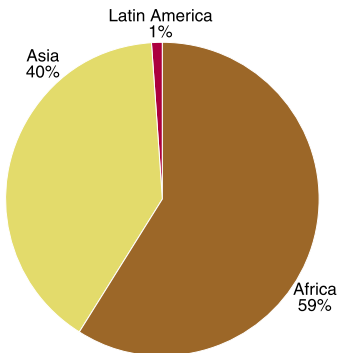


FY 2008 Beneficiaries* by Region



*Beneficiaries are counted only after project completion.

FY 2008 Direct Program Expenditures



*Difference between percent of beneficiaries and expenditures per country is due to projects begun but not completed in FY 2008.

likely to loan to a new initiative – and in greater amounts. The banks gain confidence both from the money WaterPartners guarantees and the fact that it comes from WaterPartners – a highly reputable organization with significant experience in the water and sanitation micro-lending sector.

For donors, the addition of commercial lending translates into greater leverage for each dollar donated. By stimulating external capital (i.e., loans from commercial banks), less WaterPartners funding is needed for the program, and greater resources are brought to bear in the water and sanitation sector. Thus, a conservative estimate allows that each donor dollar, when coupled with commercial loan capital, can reach five times as many people than it would with a traditional grant-only program.

As it has every year since its inception, WaterPartners will continue to pursue new, more efficient ways to leverage donors' dollars and empower people to obtain safe drinking water and sanitation in 2009. Thank you for your support, which brings us closer each year to achieving our vision: the day when everyone in the world can take a safe drink of water.



Thanks to your donations, WaterPartners reached more than 142,000 people with access to safe water and sanitation in 2008.



The new well has lifted the six-hour burden of water collection from the backs of women and children in Kodaeta.

Regional Feature: Africa

Safe Water Brings Relief and Hope to People in Tigray

In 2008, WaterPartners entered the second year of its three-year program with the Relief Society of Tigray (REST), bringing safe drinking water to people in some of the most underserved communities in Ethiopia.

Low-yield springs serve as the primary water source for many communities in Tigray. These shallow, polluted springs are shared with livestock, contain parasites, and harbor a variety of waterborne diseases. Women and children spend hours walking to and from the polluted springs each day, carrying heavy clay water pots.

Thanks to your donations, 37 villages in Tigray have gained access to a safe, reliable source of water under the REST program. Here are stories from two of these villages: Guetelo and Kodaeta.

KODAETA VILLAGE

Your generosity brings safe water

In the community of Kodaeta, located in the Eastern Tigray region of Ethiopia, your donations have helped villagers build a better tomorrow for themselves and their children. The source of this better tomorrow: a safe, accessible water point.

Before they built the well, the women and children of Kodaeta spent six hours each day collecting enough water for survival. This required either hiking across a mesa into a deep canyon, journeying to a distant village, or traveling to a far-away stream that sometimes dried up completely. Often, the water they worked so hard to collect was contaminated and led to disease and illness.

While they were desperate for a well in their village, the people in Kodaeta couldn't afford it on their own. That's where your donations made all the difference. Once Kodaeta received the needed project funding and technical direction from WaterPartners and its local partner, REST, villagers went to work on the new well.

Year Two Project Impacts

- *4,334 people obtained access to a safe, reliable water source through the completion of seven hand-dug wells, two borehole wells, and three spring developments*
- *Community members were trained to operate and maintain water points, and 14 local water and sanitation committees were established*
- *Decrease in incidents of water-related illness and death*
- *Reduction in time required to collect water, allowing women to pursue new opportunities and children to go to school*



*Community members break down the stone for the well. "This will turn a hard life into a better one"
- Gebre Abraha*

Highly motivated to improve their situation, the community invested great effort in building it.

"Life is difficult, and so is this construction," explained 56-year-old community member Gebre Abraha, as he broke down white stone with a hammer to reinforce the well. "However, I am full of gratitude. I smile inside. This will change a hard life into a better one." In addition to excavating

the site, the community also provided a home for the technician who was managing the project, elected a local water committee to oversee the project, and hauled all the needed supplies, from cement to rocks, to the project site. During project construction, women could be seen collecting stones in burlap bags while their animals grazed. Each stone helped to bring the well closer to completion.

As a supplement to the volunteer labor, the water committee hired four paid laborers and two masons from their community to help build the well. The money the laborers and masons made during the months of construction allowed them to buy sheep and cows, which significantly contributed to the local economy.

Today, 375 people in Kodaeta drink safe water that flows reliably from their new well. In the grassy highlands of Ethiopia, the health and happiness of these people has reached a new level.

GUETELO VILLAGE

Time spent collecting water reduced from hours to minutes

Like other women in the village of Guetelo, Ethiopia, 30-year-old Kebedech Hagos, a mother of two and the main provider for her family, used to walk two to three hours each day to fetch a single jug of water.



Today, the 375 people living in Kodaeta have safe water to drink from their new well.



Kebedech, like other women in Guetelo, only walks about five minutes from her home to the new well. Before, the journey to collect water took her two to three hours.

Kebedech now walks only five minutes from her home to the well constructed with funds from WaterPartners' donors.

The availability of safe water means everything for rural women like Kebedech. It provides great relief from the back-breaking and all-consuming task of collecting water. With the time gained, girls go to school and women like Kebedech can participate in income-generating activities.

"I used to travel for more than two hours to fetch water," explained Kebedech. "After that I had to prepare food for my children. And I had to find time to work some farm activities to earn money for my family. This was extremely difficult. We now have great relief due to this safe water supply."

Today, Kebedech sends her children to school. Her oldest is in eighth grade and her youngest is in fifth. Thanks to the new water source, she grows vegetables in her backyard to provide food for her family, and she sells the surplus for income. She even has time to participate in other development activities, such as soil and water conservation through the Ethiopian government's "food for work" program.

Kebedech is a member of the water and sanitation committee for the community's new water source. "Water is our life," says Kebedech. "Hence, we have to handle the water project with care and responsibility to ensure its sustainability."

Thank you for your donations, which enabled WaterPartners to bring the life-saving, life-transforming gift of safe water to Guetelo.

WaterPartners' Gender Sensitivity and Empowerment Workshop

WaterPartners funded a gender sensitivity and empowerment workshop for its Ethiopian partner organizations. The week-long training highlighted techniques for increasing understanding of women's issues and empowering women in the planning and management process.

Regional Feature: Latin America

Honduran Community Gets Clean Water

Imagine having to walk to the nearest stream for a glass of water, and drinking that water untreated, laden with bacteria. This used to be the daily reality for people living in Las Limas, Honduras.

Like many rural communities in Honduras, the people in Las Limas have suffered over the years due to lack of clean drinking water and toilets in their community. Families have made do without these most basic necessities for generations. But today, those difficulties and indignities are a thing of the past – thanks to a water project made possible with financial support from WaterPartners' donors.

Upon first meeting the women of these Las Limas families, you'll mostly see big smiles and hands eagerly brushing off the seats, an invitation to sit and stay and talk. But after talking with these women, it's easy to see how difficult their life was before and how much it has changed since the project was implemented.



Each woman in the 21 families of Las Limas has a unique story about her and her family's life without safe water. But each story's ending has a common thread – happiness about the WaterPartners project. Here are the stories of two of these women.

Clementina's Story

Clementina Hernandez lives in a household with nine people. Before the water project, her family's water source was a nearby creek. They didn't treat the water, which was unclean and often infested with insects.

Her family also did not have a latrine. Instead, she and the eight others in her household dug small holes near their home, which served as the latrine.

Clementina at her traditional water source. She couldn't wait to shed the backbreaking pain of collecting unsafe water from the creek.



Clementina stands by her family's new water connection with a cement basin for washing. These basic utilities have transformed her day-to-day life.



The men, women and children in Las Limas now have safe water right outside their homes. Cleaner clothing, better health, more time to work and play - these are just a few of the benefits.

Not surprisingly, Clementina was very excited about her family's participation in the planning and construction process for Las Limas' new water and sanitation project. Clementina played an important leadership role in the project construction, serving as an accountant for the community committee overseeing project construction. Her entire family actively participated in the planning of the new water system, attending many meetings and trainings.



In addition to the time required for planning, the actual construction demanded a substantial commitment of community labor. The new water system, a gravity-flow spring-catchment system, required miles of pipe leading from the water source down to the community. Clementina's family worked together with the rest of the community to lay each foot of pipe by hand – a task not made easier by rugged hills and dense forest cover.

But the work is well worth it, says Clementina. “We feel good because we have water.” As part of the project, Clementina and her family received a household water connection with a cement basin and a household pour-flush latrine. These simple but important conveniences have made a world of difference in Clementina's day-to-day life. Whether she's getting a drink, making dinner, or washing clothing for her family, all of the water-related activities in her life are better and easier, thanks to the WaterPartners project.

Raymunda's Story

Raymunda Martinez Gomez, another community member, has also struggled over the years to collect water for her family. Even though Raymunda is losing her sight and has arthritis, she bears the primary responsibility for water collection in her household.

Before the new water project, each day she walked down the hill to the closest creek to collect water – a task made even more painful by her arthritis. Sometimes,

when she lost her footing, she would fall in the middle of her task. Out of desperation, she managed to rig a very basic water system to bring water from the spring to her home – just some flimsy pipes that were not reliable. Unfortunately, the spring was an unprotected water source and contributed to her family's ill health.

Raymunda and her family were overjoyed at the prospect of the new water connection and eager to work hard to help achieve it. Like Clementina, Raymunda and her family were engaged in the WaterPartners project from the start, attending planning meetings and training seminars. Raymunda's son contributed labor toward the construction effort and helped collect local materials for construction.



Raymunda points to the unsafe water source she had to use before the WaterPartners project.

Life today is much easier for Raymunda, thanks to the safe water that is piped to her home as part of the WaterPartners project.

Thank You

Today, because of the community's hard work and perseverance and your financial support, the women of Las Limas have new and exciting things to share. After the smiles and proud welcomes to their community, these women can now, for the first time, show off safe water and toilets in their homes, and tell stories of how their community made their dream of safe water and sanitation a reality.



Raymunda smiles broadly as she talks about her new water source.

Regional Feature: Asia

Starting a WAVE: Access to Credit Empowers Women in India

In cooperation with its local partner, The Gramalaya Urban And Rural Development Initiatives And Network (GUARDIAN), WaterPartners has developed a revolutionary approach to providing water and sanitation to people in poor neighborhoods in India. By making small loans to people who otherwise don't have access to commercial credit, GUARDIAN is empowering people in the slums of Tiruchirappalli to establish and own their own water and sanitation solutions.

With start-up funds provided by WaterPartners, made possible by your donations, GUARDIAN was launched in 2007. It is believed to be the first of its kind anywhere in the world – a loan-making organization founded by a water and sanitation organization.

In 2008, GUARDIAN broke new ground once again. It was able to access private capital from commercial institutions and use that capital to make microloans for water and sanitation to individuals living in poverty.

Your generosity also enabled WaterPartners to support the community organizing and education efforts of the Women's Action for Village Empowerment (WAVE) Federation, an association of women's self-help groups.

Due in large part to these organizing efforts, women's self-help groups belonging to WAVE helped to mobilize \$1.1 million in capital from local sources to fund water and sanitation projects. These local sources include: commercial loans provided to GUARDIAN and distributed to women's self-help groups; commercial loans distributed directly to women's self-help groups; government subsidies; and internal savings from self-help groups and individuals.

Your donations make WaterPartners' microcredit efforts possible

WaterCredit pilot programs provided the proof that the poor are a viable market for water and sanitation microcredit loans. Without this proof, GUARDIAN and WAVE would not have been successful. It was these early WaterCredit programs that gave commercial lenders the confidence to invest in water and sanitation finance options for the poor.

The \$1.1 million secured in local capital, combined with the \$236,500 provided by WaterPartners, has allowed the WAVE Federation program to reach 72,000 people at a donor cost of about \$3 per person. That's a life transformed – or even saved – by safe water access at a cost of about one large premium brand of bottled water.

And it doesn't stop there. As GUARDIAN collects loan repayments, it is using those repayments to reach the next group of people with similar water and sanitation initiatives. In fact, WaterPartners estimates an additional 152,000 people will be reached with safe water and sanitation in the WAVE program area within the next three years.

WAVE in Uppiliar Slum

Poor women living in Tiruchirappalli are feeling the impact of WAVE. In Uppiliar Slum in the city of Tiruchirappalli in South India, women are doing something they never dreamed they would do – they are taking out loans and heading up water and sanitation improvements in their own homes. In a culture where men typically handle finances and home improvements, this is quite an achievement.

WaterPartners and its local partner, GUARDIAN, have made 41 loans so far in this community. All of the loans have gone to women, not only raising their status in the community, but also leading to a better quality of life for them and their families.

Mrs. Vellaiammal's quiet leadership

Mrs. Vellaiammal is the leader of one of the women's self-help groups to which a WaterCredit loan was initially made. She may seem shy, but her quiet leadership has been a crucial piece of the major improvements now underway in her community.

Before WaterPartners, Mrs. Vellaiammal had never heard about microcredit loans for water and sanitation. Today, she is building a household toilet with her loan and helping others in her community to do the same. One of people she has helped is Mrs. Jumana.



Vellaiammal's leadership has been a crucial piece of the major water and sanitation improvements now underway in her community. She is educating other women about the power of a microcredit loan.



Before the WaterCredit loan that brought clean water to Mrs. Jamuna's home, she spent three hours each day collecting water. She spends the time gained working at her tailoring business to earn more income.

Water loan leads to increased income

Mrs. Jamuna lives with her husband, their three children, and three other extended family members in their small home. Before she had a household water connection, Mrs. Jamuna collected water for her family from the public street tap, where she could get only two pots of water per day. Because of this, she would often have to make an additional trip to a more distant water source. She used to spend *three hours* or more per day collecting water.

Mrs. Jamuna has been a member of the women's self-help group led by Mrs. Vellaiammal for the past three years. Through this self-help group, Mrs. Jamuna was able to obtain a \$161 loan from GUARDIAN for a household water connection. She will repay the loan over two years. Today, Mrs. Jamuna can get water whenever she wants, right in her own home. She spends the time saved to work at her tailoring business to earn additional income. This was Mrs. Jamuna's first loan, but already she is excited about the prospect of taking out another loan from GUARDIAN for further home improvements.

Impacts of WAVE Federation program

- *Decreased time and money spent collecting water*
- *Enabled individuals to obtain connections to the municipal water system and to build toilets*
- *Empowered individuals to finance their loans largely through cost savings (the cost per liter of the municipal water system is 10 to 20 times lower than per-liter costs charged by street vendors)*
- *Linked self-help groups directly to commercial institutions for loans for water and sanitation*
- *Organized and worked with self-help groups from more than 250 villages*
- *Provided health and hygiene education as well as financial management training to each self-help group*

Year in Review

Important Partnerships Formed

Partnerships with PepsiCo Foundation and the ONEXONE Foundation led to WaterPartners' inclusion in "commitments to action" made by both organizations at the Annual Meeting of the Clinton Global Initiative in September 2008.

PepsiCo Foundation Partnership

WaterCredit: Catalyzing Access to Safe Water and Sanitation

PepsiCo Foundation committed \$4.1 million to WaterPartners in order to accelerate safe water and sanitation access for those living without these basic necessities in India. This will be achieved through traditional grant programs as well as through WaterCredit.

WaterPartners' groundbreaking WaterCredit Initiative aims to establish a microfinance market to enable hundreds of thousands of impoverished people gain better access to water through microloans. The WaterCredit model improves water access for urban communities, reducing dependence on individuals who control water supply and often charge exorbitantly high prices for water.

PepsiCo Foundation's contribution to WaterPartners will bring clean water to more than 120,000 people across India over three years, accelerating and broadening the delivery of safe water.

The PepsiCo Foundation initiative in India has two main components: first, to provide traditional grant funding directly to local non-government organizations to install pipes, faucets and storage tanks in impoverished communities, reaching some 60,000 people.

The second component is to establish a loan fund that will empower communities to expand access to safe water to more than 60,000 additional people over the course of the three-year project. This model produces a "multiplier effect," with repaid loans going to serve the next community in need.

About PepsiCo Foundation: Established in 1962, PepsiCo Foundation is the philanthropic anchor of PepsiCo, responsible for providing charitable contributions to eligible non-profit organizations. The Foundation is committed to developing sustainable partnerships and programs in underserved regions that provide

The Clinton Global Initiative: Building Partnerships for a Better World

The Clinton Global Initiative is a non-partisan catalyst for action that brings together a community of global leaders from various backgrounds to devise and implement innovative solutions to some of the world's most pressing challenges.

At the 2008 Annual Meeting, these leaders concentrated on challenges and opportunities in four focus areas: education, energy and climate change, global health, and poverty alleviation. Expanding provision of safe drinking water and sanitation was a key component of the global health track and was recognized in one of only four plenary sessions at the Annual Meeting.



President Bill Clinton recognizes Gary White, WaterPartners executive director and co-founder, and Claire Lyons, manager of global grant portfolios at PepsiCo Foundation, for the commitment "WaterCredit: Catalyzing Access to Safe Water and Sanitation."



Dilba community members gathered around Gary White in front of the community's new hand-pump.

Photo Credit: Joey Adler, ONEXONE Foundation

opportunities for improved health, environment and inclusion. For more information please visit www.pepsico.com/Purpose/PepsiCo-Foundation.aspx

ONEXONE Foundation Partnership **Securing the Building Block of Life: Water**

The ONEXONE Foundation and its partner H2O Africa have committed to donating no less than \$1 million to WaterPartners in order to reach 55,000 people in Africa with access to safe drinking water and improved sanitation.

General grants and its fundraising gala in San Francisco, held on October 23, 2008, are the source of ONEXONE's funding for this commitment. Providing clean water to those in need was the central focus of the gala, which featured celebrities including Matt Damon, the evening's ambassador, as well as Wyclef Jean, Josh Groban, Carlos Santana, and the African Children's Choir. WaterPartners partnered with ONEXONE for this event. Gary White, WaterPartners Executive Director and Co-Founder, served as a keynote speaker.



Gary with ONEXONE team members at a project site visit in Ethiopia.

Photo Credit: Joey Adler, ONEXONE Foundation

In addition to the \$1 million commitment made at the Clinton Global Initiative, the H2O Africa Foundation also donated \$1.35 million to WaterPartners in 2008, to support clean water projects in Africa.

About ONEXONE: ONEXONE is a unique umbrella organization that partners with talented and dedicated NGOs to implement specific programs which align with its mission statement – the alleviation of suffering of children locally and globally.

Year in Review

Raising Awareness and Inspiring Action

Raising awareness of the global water crisis and inspiring action has been a critical part of WaterPartners' mission since its founding in 1990.

Despite a recent increase in publicity, many people are unaware that in the 21st century, nearly one billion people don't have clean water to drink. It is only by making people aware of this immense – but solvable – problem and its impact on society that we can inspire action to change the situation.

WaterPartners' 2008 Outreach Campaign

WaterPartners conducted a major outreach campaign around World Water Day, March 22, including the launch of an online *Global Village*, global water supply lesson plans, and support of a major World Water Day celebration in India. Other information-sharing efforts in 2008 included construction of a new Toilet Training Center in India and presentations by WaterPartners at top industry conferences around the world.

WaterPartners Village: A Virtual Exploration of the Global Water Crisis

The *WaterPartners Village* on water.org is an online meeting place that offers a virtual exploration of the global water crisis.

Through characters and places that represent a composite of real-world experiences on social networking sites like Second Life, visitors to *WaterPartners Village* are better able to understand the daily reality faced by the one billion people who do not have access to safe water.

Characters include Dahney, an 11-year-old girl from a tiny village in Ethiopia; Miguel, age 16, from a small farming community in Honduras; and Araja, a 22-year-old native of India and a new mother. *Global Village* visitors can follow the characters' stories through profiles on Facebook, MySpace, YouTube, and Flickr, and learn how to team up with WaterPartners to help provide safe drinking water and sanitation to people in need. The journey starts at water.org/waterpartnersvillage.

Global Water Supply School Curriculum

WaterPartners launched new school curriculum materials to get young people interested and engaged in the issue of global water supply. Aligned with national



WaterPartners launched school curriculum materials to get young people interested and engaged in the issue of global water supply.



WaterPartners supported a World Water Day celebration in India that drew more than 20,000 women from 430 villages.

standards, the lesson plans and mini-units include elementary, middle, and high school levels. Stand-alone lessons are part of larger units that cover a broad scope of subjects including English, science and technology, geography, civics, and economics. Classroom activities, many of which can be conducted at home, cover everything from poetry seminars and vocabulary-building worksheets, to science and math lessons about potable water availability. Funding for this project was generously provided by the Open Square Foundation.

World Water Day in India

With support from WaterPartners and Water Aid UK, WaterPartners' local partner Gramalaya organized a celebration for World Water Day 2008. The event was attended by more than 20,000 women from 430 villages and 186 slums in Tiruchi City. The celebration highlighted the importance of safe water, sanitation, and good hygiene among the rural and urban communities. The event attracted the largest number of women ever to congregate in support of the water and sanitation cause.

National Institute of Water and Sanitation

Lack of sanitation is the world's biggest cause of infection, with more than 2.5 billion people living without proper sanitation facilities. Increasing access to improved sanitation decreases disease and contributes to social development and human dignity. With this in mind, Gramalaya launched the Center for Toilet Technology and Training in Tiruchirappalli, India, in 2007.

Each year, thousands of visitors from governments and local, national, and international nongovernmental organizations come to learn about the low-cost toilet technology on display at the center and in use in nearby project areas. In 2008, the center expanded with the addition of the National Institute of Water and Sanitation. The institute accommodates overnight visitors and includes classrooms and dormitories. It serves as a vital resource linking together organizations working for clean water and sanitation in India and throughout the world.

WaterPartners Shares Best Practices

WaterPartners shared its experience and best practices in water and sanitation programming and financing at several major conferences and events in 2008. These included the Bill & Melinda Gates Foundation Roundtable on Water and Microfinance in London; Stockholm World Water Week; the United Nations symposium on water and sanitation; the annual Water Engineering Development Center international conference on water and sanitation in Ghana; and an International Water Association conference in California.

Statement of Financial Position

September 30, 2008

| Assets | 2008 | 2007 |
|-----------------------------------|---------------------------|---------------------------|
| Cash | \$2,669,516 | \$366,554 |
| Accounts Receivable | 172,710 | 569,408 |
| Prepaid Expenses | 27,059 | 64,871 |
| Investments | 73,002 | 90,751 |
| WaterCredit Loans Receivable, Net | 248,552 | 134,068 |
| Property and Equipment, Net | <u>60,983</u> | <u>82,549</u> |
| Total Assets | <u><u>\$3,251,822</u></u> | <u><u>\$1,308,201</u></u> |
| | | |
| Liabilities and Net Assets | | |
| Accounts Payable | \$35,503 | \$58,839 |
| Accrued Expenses | 29,403 | 33,243 |
| Refundable Advances | 51,372 | --- |
| Grants Payable | <u>75,628</u> | <u>141,487</u> |
| Total Liabilities | 191,906 | 233,569 |
| | | |
| Net Assets | | |
| Unrestricted: | | |
| Undesignated | 218,830 | 110,373 |
| Board Designated | <u>62,744</u> | <u>62,744</u> |
| Total Unrestricted | 281,574 | 173,117 |
| Temporarily Restricted | <u>2,778,342</u> | <u>901,515</u> |
| Total Net Assets | <u><u>3,059,916</u></u> | <u><u>1,074,632</u></u> |
| Total Liabilities and Net Assets | <u>\$3,251,822</u> | <u>\$1,308,201</u> |

*Statement of Activities & Changes
in Net Assets*
Year Ended September 30, 2008

| | Unrestricted | Temporarily Restricted | Total |
|---|---------------------|-----------------------------------|-----------------------------|
| Revenue, Gains & Other Support | | | |
| Contributions and Grants: | | | |
| Foundations | \$301,988 | \$4,060,619 | \$4,362,607 |
| Corporations & Organizations | 79,680 | 33,475 | 113,155 |
| Individuals | 531,796 | 135,494 | 667,290 |
| Federated/Workplace Campaigns | 14,142 | | 14,142 |
| Special Event Revenue | 108,122 | | 108,122 |
| Government Grants and Contracts | 185,017 | | 185,017 |
| Investment Income & Other | 3,949 | | 3,949 |
| Net Assets Released from Restrictions | <u>2,352,761</u> | <u>(2,352,761)</u> | <u> </u> |
| Total Revenue, Gains & Other Support | \$3,577,455 | \$1,876,827 | \$5,454,282 |
| Expenses | | | |
| Program Services: | | | |
| Sustainable Water Projects: | | | |
| Grant Program | \$1,350,863 | | \$1,350,863 |
| WaterCredit | 589,811 | | 589,811 |
| Partner Development | 107,146 | | 107,146 |
| Outreach | <u>409,978</u> | | <u>409,978</u> |
| Total Program | 2,457,798 | | 2,457,798 |
| Supportive Services | | | |
| Administration | 469,527 | | 469,527 |
| Fundraising | 528,643 | | 528,643 |
| Direct Benefit to Donors | <u>13,030</u> | | <u>13,030</u> |
| Total Supportive Services | <u>1,011,200</u> | | <u>1,011,200</u> |
| Total Expenses | 3,468,998 | | 3,468,998 |
| Change in Net Assets | \$108,457 | \$1,876,827 | \$1,985,284 |
| Net Assets, Beginning of Year | <u>173,117</u> | <u>901,515</u> | <u>1,074,632</u> |
| Net Assets, End of Year | <u>\$281,574</u> | <u>\$2,778,342</u> | <u>\$3,059,916</u> |



*Thank You to All Partners
Who Provided Safe Water*

WIP3-IRUDA
GRAMALAYA

**Because of you, at this very
moment . . .**

- A little girl in Kenya is going to school because she no longer has to spend her day collecting water.
- A husband in Bangladesh holds a job since he is no longer sick from a water-related disease.
- A young woman in Honduras has a leadership position in community, due largely to the confidence and respect she gained working on the local water committee.
- A newborn baby is not suffering from a life-threatening case of diarrhea.

On behalf of the more than 142,000 children, women and men whose lives you have transformed or saved this year – thank you.

Cumulative Lifetime Gifts Grants of \$1 Million and Above

CARE International
H2O Africa Foundation
Michael and Susan Dell Foundation
Open Square Foundation
PepsiCo Foundation

Special thanks to the following partners who provided support to WaterPartners between January 1, 2008, and December 31, 2008.

\$100,000 - \$499,999

CARE International
H2O Africa Foundation
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Open Square Foundation
PepsiCo Foundation
Reader's Digest Foundation

\$50,000 - \$99,999

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WaterPartners

World Headquarters

2405 Grand Blvd, Box 12
Kansas City, MO 64108-2536 USA
info@water.org
Phone: (913) 312-8600

Additional Locations

South Asia Office

D-56, 6th Cross (NEE)
Thillainagar
Tiruchirappalli - 620 018
Phone: 91 431 4023516

East Africa Office

P.O. Box 3687
Kisumu, Kenya
Phone: 254 57 20 26 321

Photos contributed by WaterPartners' staff and partners, and Carmen Saura.

**If you would prefer to receive the Annual Report electronically in the future, please send an email with your first and last name and "AR" in the subject line to green@water.org.*

Download the 2008 Annual Report at water.org/AR2008.

Water and Sanitation Facts

Almost 900 million people lack access to a safe and adequate water supply.

More than 3.5 million people die each year from water-related disease.

84 percent of water-related deaths are children.

98 percent of water-related deaths occur in the developing world.

2.5 billion people live without access to adequate sanitation.

Four children die every minute from diarrhea.

Close to half of all people in developing countries are suffering at any given time from a health problem caused by water and sanitation deficits.

No intervention has greater overall impact upon national development and public health than the provision of safe drinking water and the proper disposal of human waste.

Sources at water.org/waterfacts

*We envision the day when
everyone in the world can
take a safe drink of water.*

water.org

