

SCALING AND SUSTAINING DECENTRALIZED SAFE WATER SERVICES: THE 1001FONTAINES CASE STUDY IN CAMBODIA

With 2.1 billion people in the world lacking access to safely managed water services and significant investment required to fill this gap, there is a major need for innovative, cost-effective and sustainable solutions in the water sector.

Decentralized models are a growing trend. They have demonstrated their capacity to operate in underserved areas. But a challenge often remains: the ability to reach scale.

This document highlights the key learnings of 1001fontaines in Cambodia in scaling and sustaining decentralized water services at country level.



258

WATER KIOSKS IN OPERATION



890

PEOPLE WORKING TO PROVIDE SAFE WATER SERVICES



25%

OF THE CAMBODIAN RURAL POPULATION REACHED

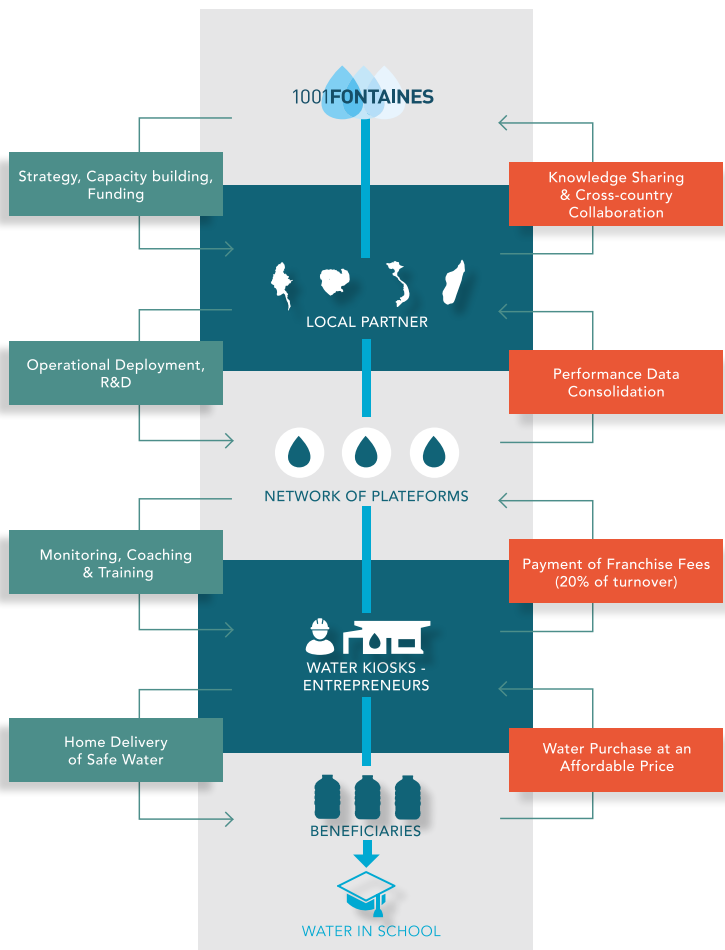


100%

OPERATING COSTS SELF-FINANCED AT NATIONAL LEVEL

THE 1001FONTAINES SOLUTION: THE WATER KIOSK MODEL

For the past 15 years, 1001fontaines has pioneered and optimized a model called water kiosks, enabling the decentralized production of safe drinking water in a sustainable manner. This solution has proven its impact on consumers' health, its cost-effectiveness, its resilience and its sustainability.



- 1001fontaines acts as the head of a network of projects, with a global team that supports the local entities with strategic guidelines, knowledge transfer, advocacy and partnership development.
- National entities are set up as franchising organizations. They ensure the successful deployment of new kiosks and the continuity of service over the long run.
- The regional platforms are the offices supporting existing water kiosks, by delivering a range of services in exchange for a percentage of the revenues (in other words, "franchising fees") from water sales.
- Water kiosks are set up directly in underserved areas. They are entrusted to local entrepreneurs, who are trained by the local teams to purify local sources of water to strict World Health Organization standards and to deliver the purified water in reusable 20-liter bottles to the consumers' homes.
- Safe drinking water is also provided free of charge to primary schools, in order to foster improvements in the health and educational experiences of the children.

ENSURING THE QUALITY

AND CONTINUITY OF SERVICE OVER TIME

In Cambodia, 1001fontaines relies on its local partner, Teuk Saat, to perform the two-fold mission of expanding the footprint in the country and supporting the existing water kiosks.

SETTING UP NEW WATER KIOSKS AT AN ACCELERATED PACE

Industrializing the processes for opening a new water kiosk has required better coordination and upgrading of all the activities critical to setting up a site, notably:



This standardization of site opening has translated into the concept of “wave” deployments: the establishment of groups of 10 new sites, repeated 3 to 4 times a year. It has enabled Teuk Saat significantly to increase the number of sites opened in a year.

2015	2020	2025 TARGET
134 SITES	258 SITES	420 SITES

AVERAGE NUMBER OF SITES OPENED IN A YEAR



2005-2012: 8
2013-2020: 31

SUSTAINING THE EXISTING SITES THANKS TO THE FRANCHISE SERVICES

The continuous support provided to the entrepreneurs is the keystone of the model’s operational sustainability.

REGIONAL SUPPORT

COACHING & TRAINING:



Our “Advisor” teams visit every site twice a month, to review the sales performance and provide guidance to develop the business of the kiosks

WATER QUALITY MONITORING:



Every month, samples from each water kiosk are tested in our in-house laboratories to ensure compliance with WHO norms

TECHNICAL MAINTENANCE:



Entrepreneurs have access to a 24/7 hotline in case they encounter a technical issue on site

NATIONAL COORDINATION

CONSUMABLES SUPPLY:



A centralized supply chain team manages the purchasing and delivery of key spare parts and materials required for the kiosk operations

MARKETING CAMPAIGNS:



Brand materials and promotional schemes are designed to support entrepreneurs in engaging new consumers

This dual territorial approach generates economies of scale at national level, while providing the required proximity and speed of response thanks to the regional platforms.

Thanks to these support services, 1001fontaines and Teuk Saat can demonstrate an impressive survival rate of the water kiosks set up since 2005.



82%

PERCENTAGE OF WATER KIOSKS STILL IN OPERATION SINCE 2005

ECONOMIC VIABILITY OF THE MODEL

FINANCIAL SELF-SUSTAINABILITY OF EACH WATER KIOSK

1001fontaines ensures that the conditions are met, in order for each kiosk to generate a decent income for the local entrepreneurs and their employees:

\$0.02: the price for one liter of safe water, delivered at home

A balance between:

- Affordability for the beneficiaries: safe water represents less than 3% of their monthly budget
- Attractive revenues for the entrepreneurs: average monthly income of \$200

400 households: the number of consumers signed up by the franchise teams at kiosk opening

Breakeven threshold of 1,200 L/day feasible from Day 1

PERCENTAGE OF SELF-SUSTAINED SITES

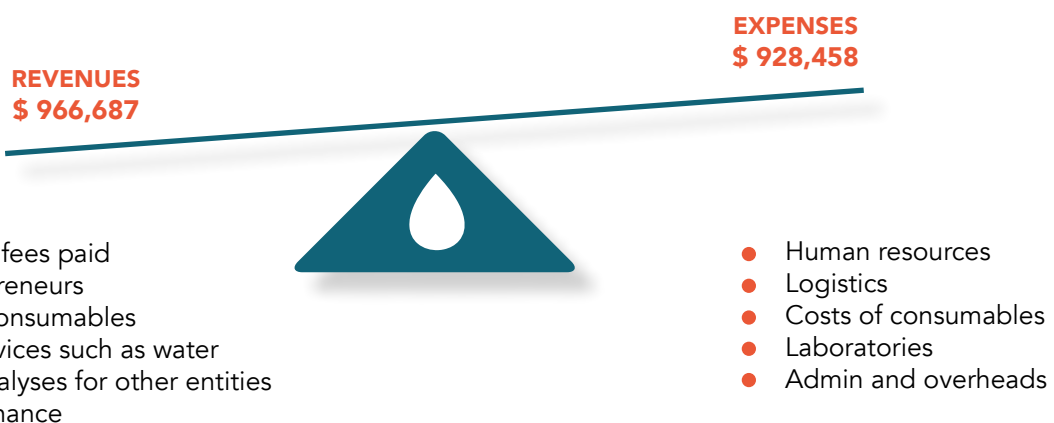


78% of the water kiosks launched since 2005 have reached financial sustainability, which means they can cover all their operating costs: salaries, water production and delivery, consumables, franchise fees...

The remaining 22% are actively supported by Teuk Saat to develop their businesses and engage new consumers.

BREAKEVEN ON OPERATING COSTS AT COUNTRY LEVEL

After 15 years of progressive deployment, the Teuk Saat franchise has become financially self-sustained. This is thanks to the critical mass of 258 water kiosks across the country in 2020, providing the needed revenues to cover the operating costs of the regional and national support offices.



From 2021 onwards, Teuk Saat will be able to reinvest the franchise's profits to contribute to its deployment. It opens the doors to move from a 100% subsidized initial investment for setting up a new kiosk to blended finance mechanisms, to have an efficient combination of philanthropy, public funding, and concessional loans.

Decentralized models supported by a franchise are sustainable solutions, able to leverage initial investments to build country-level viable social businesses.



The cumulative investment per beneficiary since 2005

A MAJOR MILESTONE IN OUR IMPACT JOURNEY



A COUNTRY-LEVEL ORGANIZATION ABLE TO PROVIDE THE REQUIRED SUPPORT TO A LARGE NETWORK OF DECENTRALIZED WATER KIOSKS

EXECUTIVE DIRECTION

DEVELOPMENT	PROJECT	PARTNERSHIPS	SUPPORT FUNCTIONS	SOCIAL FRANCHISE	WATER QUALITY
Site selection, site set-up, entrepreneur training, site launching	Innovation projects, coordination	Donor management, government liaison, monitoring & evaluation	Finance, accounting, HR, IT, office management	Regional platforms, technical maintenance, supply chain, marketing	Water testing, laboratories management
25 people	5 people	3 people	30 people	37 people	6 people

Funded through grants, subsidies and debt

Self-financed thanks to Teuk Saat revenues

A DEMONSTRATED MODEL ABLE TO GENERATE A GLOBAL LONG-LASTING IMPACT

HEALTH

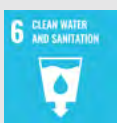
850,000 beneficiaries having access to safe drinking water
550,000 people trained in good hygiene practices that curb the spread of the COVID-19 pandemic

ECONOMY

950 local jobs created, one third of them being held by women
272 entrepreneurs trained to water kiosk management
315,000 children benefitting from our Water in School program

ENVIRONMENT

15,000 tons of CO2 emissions per year avoided in Cambodia
100% rural kiosks equipped with solar panels
RESILIENCE to climatic events



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John Stone, Founder and Chairman, The Stone Family Foundation



"I congratulate the Board and management team of 1001fontaines and Teuk Saat on the success of achieving financial sustainability in Cambodia.

This is a tremendous achievement and the social impact of providing safe, clean drinking water to rural Cambodians every day is something everyone involved in the operations and management should be very proud of."

The achievements of 1001fontaines in Cambodia are a stepping stone to the replication of the model in multiple geographies. With ongoing projects in Madagascar, Myanmar, and Vietnam, 1001fontaines intends to play a major role in bringing decentralized models to scale and looks forward to partnering with like-minded organizations to join forces in this endeavour.