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

Tangible progress and infinite hope: that’s how I’d sum up the past year and explain our future.

I’ve always believed that it is within our power to stop any child from dying of diarrhea, to give every girl a chance to go to school, and provide every family the opportunity to thrive. With ready access to clean water and a sanitary toilet, these things are possible.

To get there requires sustainable and scalable solutions that put ownership by local people at the center. This is our belief. It’s the belief that brought together H2O Africa and WaterPartners in 2009, and it’s what drives Water.org, the new organization resulting from the merger.

Water.org’s logo, the infinity symbol, represents infinite hope as well as the essential interconnectedness – between donors, the people in need of clean water, and all water advocates – required to make our vision a reality. Together, we made tremendous progress in 2009. We directly served more than 137,400 people with clean water and sanitation. We expanded our programming to Ghana, Haiti, and Uganda. And our WaterCredit initiative hit important milestones.

Whether you joined us in 2009 or 19 years ago, thank you for making our life-saving work possible. Together, we can bring about the day when everyone has access to safe water and sanitation.

Sincerely,

Gary White
Executive Director and Co-Founder
Water.org

Water.org Co-Founders
Gary White and Matt Damon visit project sites in India, July 2009.
year in review

This was a year like no other. A new record for number of people served, a record high for WaterCredit loans, a merger, a new brand identity, an appearance with President Clinton, cover articles in PARADE and Esquire, and five new partner organizations certified . . . we’ve been busy.
International Programs

- Served 137,400 people with clean water and sanitation.

- Completed 135 community-based water improvements such as hand-dug wells, borehole wells, spring catchment systems, and roof water harvesting systems.

- Established more than 6,000 individual household water connections and constructed more than 2,500 toilets.

- Incorporated health and hygiene education into each project.

- Made 1,820 WaterCredit loans with repayment rates of nearly 100 percent.

- Certified five new partner organizations.

- Launched programs in Ghana and began expansion into Uganda and Haiti.
Awards and Awareness

• Water.org received the Skoll Award for Social Entrepreneurship in March 2009.

• More than 20,000 women gathered at the National Institute of Water and Sanitation in India to celebrate World Water Day; the event was sponsored by Water.org and PepsiCo Foundation.

• Matt Damon and his visit to Water.org sites in India featured on the October cover of Esquire magazine.

• The October 11 cover of PARADE magazine featured Matt Damon and a story he authored on Water.org’s work.

• Gary White was part of a panel on philanthropy at the Forbes Global CEO Conference.
WaterPartners and H2O Africa merged in July 2009 to create a new organization, Water.org, co-founded by Gary White and Matt Damon.

- Water.org co-founders joined President Bill Clinton on stage at the Opening Plenary of the Clinton Global Initiative Annual Meeting to announce Water.org’s expansion into Haiti.

Our Logo

A great identity communicates a story. Ours? The infinity shape conveys sustainability and the connection between beneficiaries, partners, and donors. The individual shapes and color symbolize water. The two drops represents the need to address both parts of the issue: safe water and sanitation. And finally, the differing thickness of the drops suggests change, the transformative effect of our work.
WaterCredit is our initiative to develop sustainable, scalable microloan portfolios focused on the water and sanitation needs of the poor.
**WaterCredit** represents the first comprehensive program of its kind. Before Water.org launched WaterCredit in 2003, virtually all water and sanitation programs were driven by charity or subsidies.

Today, more than 12,000 loans have been made and 130,000 people have directly benefited from WaterCredit. And every dollar that Water.org has invested in its WaterCredit partners and programs has mobilized more than $3 in additional social and commercial investment funds.

In 2009, Water.org took several important steps to prepare WaterCredit for exponential expansion in 2010 and the years to come. Water.org hired a global WaterCredit director and two regional WaterCredit officers. We grew our network to 14 certified WaterCredit partners. These partners are located in India, Bangladesh, Kenya, and for the first time, Uganda. And we signed up one of India’s premier microfinance institutions (MFIs), Grameen Koota, which has 266,000 active borrowers.

WaterCredit also attracted significant attention from social investors around the world. Water.org staff spoke at top conferences in the United States and Europe about WaterCredit, garnering interest from both the microfinance and the water and sanitation sectors.

Today, Water.org’s primary focus is building up the capacity of our partner MFIs. These efforts include funding start-up and product development costs, market assessments, providing credit enhancements, and forging meaningful linkages between the microfinance and water and sanitation sectors.

In 2010, Water.org will continue to grow WaterCredit geographically, both expanding in the countries where we currently work and entering new countries, particularly in East and West Africa and Southeast Asia.

Our ultimate goal for WaterCredit remains the same: to create a self-sustaining commercial market for water and sanitation microloans.

More than 300 million people without access to safe water and sanitation could meet their own needs if they had access to affordable credit.
Building latrines and breaking norms

Change isn’t easy. But women like Addisie aren’t used to easy.

A forty-year-old mother of three, Addisie lives in rural Wonchit Kebele, Ethiopia. Like everyone in her family and community, she used to go to an open field to defecate. For women and girls, this meant waiting all day until cover of darkness and venturing into a remote area, risking attack by wild animals or unscrupulous men – not to mention the associated health risks.

In Wonchit Kebele, open defecation wasn’t considered a health hazard; it was merely a part of life. Community members didn’t realize the connection between the diseases they were experiencing and lack of sanitary toilets.
When Water.org and its local partner, ORDA, came to work in Addisie’s village, she was selected to be a hygiene educator for her community. For five days, she participated in training sessions about health, hygiene, and sanitation. She also learned how to motivate others to change their behavior.

After the training, she went home and told her family about how hygiene and sanitation behaviors relate to disease. She soon constructed a traditional pit latrine, a solid waste disposal pit, and a hand-washing facility for her family. Next, she taught her neighbors about the importance of good hygiene and sanitation. They listened to her advice. Today, all four of her close neighbors have constructed latrines.

But Addisie didn’t stop there. She continued to teach more and more people in the community about the importance of sanitation and good hygiene. The result: more latrines, better hygiene, and less disease.

Before the project, people in the Wonchit Kebele, especially women and children, made frequent visits to the health clinic due to sanitation-related illnesses. Today, these health issues have been greatly reduced.

And as Addisie explains, the culture in Wonchit Kebele has started to change as well.

“In the past, the females were forced to defecate only at night,” said Addisie. “But now we have broken this culture by introducing the latrine. It provides us with privacy and keeps us healthy.”
infinite thanks

Located in the Department of Lempira, Honduras, the rural community of Guantincara has suffered from severe deforestation and depletion of the local water table. Women and children used to walk long distances to try to meet their families’ water needs. Today, things are very different.
Josefina Navarro

Josefina is thirty-two years old and has five children. During the summer, Josefina used to haul water from a well over a mile away. During the winter when the well wasn’t functional, she collected water from nearby creeks. This water was not fit for drinking.

Josefina and her family, along with the entire community, worked with Water.org and its local partner, COCEPRADIL, to implement the gravity-flow, spring-fed water system. Josefina says she has observed a change in the community: people are healthier, happier and proud of their new water source and their role in its development. They are also practicing the new hygiene techniques they learned.

“I am happy to have a tap at my house,” said Josefina. “The clean water allows my children to be healthier and to suffer less from diarrhea.”

María Luisa García

Twenty-six-year old María lives with her daughter, husband, and mother-in-law. Before the project with Water.org, her nearest source of water was a river located three miles away. The water in this river is contaminated by human and animal feces, as well as runoff from agrichemicals.

María explains that it was nearly ten years ago that the families in her community first started dreaming about a water project. Today, that dream has come true, thanks to their own efforts and the generosity of Water.org donors.

“This water project has changed my way of life,” said María. “It has saved me time and effort hauling water and helped prevent my daughter from getting sick.”
A little credit goes a long way. In fact, so far that a loan of only $130 can lead to greater income, more education, improved relationships, and better health. Take the case of Mrs. Kolanchi, for example.
Small loan brings great value

Mrs. Kolanchi lives in the Kamarai Nagar slum of Tiruchirappalli City, India. A widow, she has three sons and three daughters. She works in a local hotel from 4 to 11 p.m., where she makes about $130 each month to support her family.

The nearest public water source is a ten-minute walk away, in the neighboring slum of Soorancheri. No one ever knows when the water will flow. Mrs. Kolanchi and her daughters used to wait hours on end for the water to turn on – and even longer for their turn in line. Often, fights would break out over the limited water. Typically, their efforts resulted in only about 10-12 pots of water – not enough to meet the basic living needs of her family.

The time spent collecting water affected her daughters’ studies badly. Inadequate and irregular sleep (due to time spent waiting for water) caused Mrs. Kolanchi and her daughters to often fall ill. And not having enough water led to health and sanitation issues for her sons as well.

Mrs. Kolanchi used to think a household water connection would never be more than a dream due to her financial situation. Then she heard about Water.org’s local partner, GUARDIAN, through her local self-help group. The staff at GUARDIAN explained to her and others in Kamarai Nagar slum about WaterCredit and how to obtain a household water connection to the municipal city water lines.

It wasn’t long before she applied for a WaterCredit loan of $151 and obtained a household water connection. Today, she has ample water, right at her doorstep. She even shares surplus water with her neighbors for a small fee, which helps to repay the loan.

“My dream of clean water has come true,” says Mrs. Kolanchi. “WaterCredit is a source of pride and satisfaction for me and my entire family.”
## Financials

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<th>Years ending Sept 30</th>
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<td>2009</td>
<td>2008</td>
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<td><strong>ASSETS</strong></td>
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<td>Cash and Cash Equivalents</td>
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<td>Accounts Receivable</td>
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<td>Prepaid Expenses</td>
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<td>Investments</td>
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<td>WaterCredit Loans Receivable, net</td>
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<td>Property and Equipment, net</td>
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<td>Total assets</td>
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<td>$3,251,822</td>
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<td><strong>LIABILITIES AND NET ASSETS</strong></td>
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<td>Accounts Payable</td>
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<td>Total liabilities</td>
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<td><strong>COMMITMENTS AND CONTINGENCIES</strong></td>
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<tr>
<td>Net Assets:</td>
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<td>Unrestricted:</td>
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<td>Undesignated</td>
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<td>Total net assets</td>
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<tr>
<td>Total liabilities and net assets</td>
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<td>$3,251,822</td>
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Year ended Sept 30, 2009

REVENUE, GAINS AND OTHER SUPPORT:

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<th>Contributions and grants:</th>
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<th>Temporarily Restricted</th>
<th>Total</th>
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<td>Foundations</td>
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<td>172,203</td>
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<td>In-kind contributions</td>
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<td>Special event revenue</td>
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<td>Government grants and contracts</td>
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<td>Investment income and other</td>
<td>48,734</td>
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Net assets released from restrictions 4,354,416 (4,354,416) -

Total revenue, gains and other support 5,868,267 89,097 5,957,364

EXPENSES:

Program services:

Sustainable water projects:

Grant program 2,740,529 2,740,529
WaterCredit 666,691 666,691
Partner development 56,898 56,898
Outreach 715,769 715,769
Total program 4,179,887 4,179,887

Supportive services:

Administration 568,955 568,955
Fundraising 464,805 464,805
Direct benefit to donors 11,244 11,244
Total supportive services 1,045,004 1,045,004

Total expenses 5,224,891 5,224,891

CHANGE IN NET ASSETS 643,376 89,097 732,473

NET ASSETS, Beginning of Year 281,574 2,778,342 3,059,916

NET ASSETS, End of Year $ 924,950 $ 2,867,439 $ 3,792,389

Allocation of Funds

- Programs 80%
- Administration 9%
- Fundraising 11%
On behalf of the 137,400 people who received access to safe water and sanitation this year, thank you for your generous support.

Thank you from

The fifth-grader in Ethiopia on her way to school because she no longer spends her day collecting water.
We invite you to see the impact of your donations in our collection of videos at www.water.org.

Thank you to the Open Square Foundation for their generous support, which made our Women’s Campaign (www.water.org/women) and so many of our videos possible.

The baby in Honduras growing strong and healthy, free from life-threatening bouts of diarrhea.
Thank you from
The woman
in India who has
taken out and repaid
her WaterCredit
loan, gaining new
respect in her family
and community.

$1,000 - $4,999
AKC Fund, Inc.
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Shilpa Alva-Surge
Nicos Anastasopoulos
Anchor, QEA
Bakewell Foundation
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Regina Bandet
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Jordan Bodner
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The Chaney Family Foundation
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Charitable Trust
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KLA Tencor Corporation
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Dickson Lupo
Mark Anthony Brands
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Maryland Charity Campaign
McKim & Creed, PA.*
Jim Meckel and Mary O’Leary
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Meredith Corporation Foundation
Christopher and Nancy Meyer
Micah Fund of Triangle Community
Foundation
Microsoft Matching Gifts Program
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MO BIO Laboratories, Inc.
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Mike Motter
Mugs Made Easy
M. and Elaine Murphy
NovaStar Financial
Jules and Effin Older
Oppenheimer Funds Legacy Program
Doug and Cynthia Owen
Paisley Family Fund
Mark Palumbo and Priscilla Nodine
The young father in Bangladesh proudly providing for his family now that he’s no longer chronically ill.

We wish you could meet all of our beneficiaries. Because if you could, you would know just how profound a difference your gift has made in transforming – or perhaps even saving – each of their lives.

* North Carolina Water for Life events sponsor
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Kansas City, MO 64105 USA

South Asia Office
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Thillai Nagar
Tiruchirappalli – 620 018
Tamil Nadu. India

East Africa Office
P.O. Box 3687
Kisumu, Kenya
Our Certified Local Partners

**BANGLADESH**
- Dustha Shaasthya Kendra (DSK)
- Village Education Resource Center (VERC)

**ETHIOPIA**
- Relief Society of Tigray (REST)
- Water Action
- ORDA

**GHANA**
- Afram Plains Development Organization (APDO)
- Rural Aid

**HONDURAS**
- COCEPRADIL
- Catholic Relief Services (CRS) Honduras

**INDIA**
- Bhartiya Samruddhi Investments and Consulting Services (BASIX)
- Gramalaya
- Mythri Sarva Seva Samithi (MSSS)
- Society for Integrated Development in Urban and Rural areas (SIDUR)
- Deena Seva Sangha (DSS)

**KENYA**
- ADRA Kenya
- KWaho
- Pamoja Trust

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Water Facts

• One in eight people don’t have access to safe water.

• Lack of sanitation is the world’s biggest cause of infection.

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

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

• 84% of water-related deaths occur in children.

• Water projects designed and run with the full participation of women are more sustainable and effective than those that are not.

For sources and more facts: water.org/waterfacts