



Stichting WASTE  
Binckhorstlaan 36 Unit C174  
2516 BE 'S-GRAVENHAGE

ANNUAL ACCOUNTS 2019

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## **ANNUAL ACCOUNTS 2019**

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1. BOARD REPORT 2019

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## 1. BOARD REPORT 2019

WASTE Foundation is pleased to present its 2019 Annual Report. This report has been prepared in line with the Annual Reporting Guideline C1.

### 1.1 Introducing WASTE

WASTE Foundation is an international operating non-governmental research and program management organization in the area of solid and liquid waste management. WASTE was founded in 1983 and is located in The Hague, the Netherlands. Together with local partners and partners in the Netherlands WASTE manages multi-annual programs in 11 countries in Asia and Africa with a staff of 18 professionals.

#### Vision and Mission of WASTE

WASTE envisions a world in which all people can exercise their fundamental human right to live in a clean environment, in which they have access to appropriate and sustainable sanitation and waste disposal services, that they use and can afford and where these services are based on the sustainable use of resources. It is our mission to empower and support stakeholders to create cleaner, better-functioning, and healthier cities which contribute to a better future for poor people, including good health, (youth) employment, inclusion, alleviating poverty and the effects of poverty in cities and peri-urban areas in middle- and low-income countries." Increasingly, both knowledge and experience are transferred and seated in local organisations and their staff, making them less dependent on Dutch/European involvement. To manifest our vision and fulfil our mission, WASTE experts design and implement programmes, projects, consultancies and trainings which focus on urban environmental management. Our main focus is on:

1. Sanitation and hygiene at household and institutional level (including demand generation, capacity development, government engagement) systems set up and used.
2. Sanitation circular economy (faecal sludge management including enabling environment).
3. Sanitation and hygiene & circular economy at enterprise level.
4. Solid waste management at household and institutional level (including demand generation, capacity development, government engagement).
5. Solid waste management & circular economy at enterprise level.

#### WASTE Programs and funding

The volume of WASTE's programs has reached €4,7 million in 2019, an increase with 24% compared to 2018. Most of the WASTE Foundation programs are of a multi-annual and multi-country character. More than 71% is directly financed by the Dutch ministry of Foreign Affairs, Directorate General for International Cooperation, DGIS, or indirectly through Public Private Partnerships (PPP's). In addition to this the WASTE Foundation has long-term programs financed by other governments of which 12% is financed by SIDA, USAID and the EU) and 17% is funded by Foundations such as the Bill and Melinda Gates Foundation and Aqua for All.

Currently the main WASTE Foundation programs are operational in:

- South Asia (Bangladesh, India, Nepal)
- East Africa (Kenya, Ethiopia, Uganda, Tanzania)
- Southern Africa (Malawi and Zambia); and
- West Africa (Mali, Ghana)



WASTE has developed specific tools that support its programmes. These are: The Integrated Sustainable Waste Management (ISWM) framework, the "Diamond Model" for sector development and the Financial Inclusion Improving Sanitation and Health (FINISH) approach.

#### WASTE Organization

The WASTE Foundation (Stichting WASTE): a non-profit organization, executing large multi-annual and multi-country programs. The foundation has outsourced its Human Resources and Financial Administration to Nedworc Foundation.

Waste Foundation is not subject to corporate income tax. Waste Foundation did not have positive results that exceed €75,000 in the past four years and is in this period not being charged by the tax authorities to file a corporate income tax return.

The Foundation is administered by the Executive Board and supervised by its Supervisory Board. The Supervisory Board is responsible for the overall strategy, budget approval, financial reporting process and compliance with laws and regulations, as laid down in the articles of association of the Foundation. The Executive Board is responsible for the strategy development and implementation, budgeting and reporting, daily management and for achieving the objectives of the organisation. The Executive Board is closely collaborating with the Coop as an advisory board to implement these tasks.

In 2019 WASTE Foundation had a Board of Directors with 2 Directors (Hanny Maas and Valentin Post (till 30-10-2019)) and an interim Financial Controller (see also par. 2.8).

#### WASTE Staff

There were 16 professionals contracted who worked on WASTE programs. This team consisted of 12 seniors, 3 mediors and 1 junior. Human Resources and Finance and Control have been outsourced to Nedworc Foundation, a pay-roll service provider, implying that all WASTE staff has been contracted by the Nedworc Foundation.

### **1.2 Review 2019**

In 2019 the WASTE Foundation portfolio has grown, its programs have gained momentum and are scaling up. This holds particularly true for the FINISH programs. Overall, most of the targets set for the programs in 2019 have been met. See Annex for a detailed review of the results per program. The large-scale programs require a different type of management and organization.

As programs expand in scope and size there is a need for e.g. more extensive contracting and for staff capacity and systems to manage and monitor the contracts and programs. To support a further scaling-up, investments are needed in all aspects of the organisation: people, equipment, processes and procedures, as well as capital. In 2019 important steps in this direction have been taken. These include:

- A Controller has been recruited to improve the financial management of the Foundation and its programs.
- Processes and procedures were adapted to the new way of working, and all the WASTE professionals are now conversant with the new procedures. WASTE has changed to a new document exchanging and archiving system (Sharepoint).

### **1.3 Outlook 2020**

The 2020 portfolio will provide a healthy funding base, with approximately € 2.5 million already contracted. Most of these projects are sanitation projects with funding from DGIS (key funder), Bill and Melinda Gates Foundation (BMGF), and the European Union (EU). For 2020 also around € 20 million will be submitted to



DGIS for the continuation of the Finish Mondial sanitation programs that has started in 2019. In addition, we anticipate around € 277.000 in smaller consultancy contracts, mostly in solid waste.

In 2020 we will expand our role as an implementer of large-scale programs with a role as influencer in the sector to promote our business-based approach of waste and sanitation services. We will continue innovating our approaches and invest in monitoring, evaluation and learning (MEL) in order to consolidate and disseminate the results and lessons from our current and future programs. These activities are core to our role in the sector but at the same time difficult to fund from the regular program budgets. Therefore, we will intensify our efforts to find core funding for these activities.

In 2020 we have submitted a € 40 million 'FINISH Mondial' proposal for DGIS to further scale-up the provision of sanitation in 6 countries in Africa and Asia through the realisation of 2 million safely managed sanitation systems with over € 400 million of local financing and an average grant investment of € 20 per facility. This is a continuation of the Finish Mondial bridging phase that started in 2019. On top of this we are in the final stage of agreeing on a € 5 million proposal to the Swedish International Development Agency SIDA for core funding for WASTE to support the scaling up and innovation of its programs. One of the new initiatives that we want to support with this core funding is the setting up of an investment fund: The Take-a-Stake Fund (TAS).

Though the portfolio with a budget of almost € 5 million provides a solid funding base to cover costs for the implementation of the programs, the resulting margin for managing programs through the Foundation are however too limited for further upscaling and professionalization of the organisation. In 2020 we will therefore review the business model of WASTE and seek for additional (core) funding. We will invest in the further professionalization of the finance and control systems, in HR capacity end policy, and in expanding our program management.

#### **1.4 Risks and Risk management**

##### Corona virus and COVID-19

As the corona crisis is ongoing at time of writing and now also hitting our partners countries, its impact on the implementation of our programs and on our funding opportunities are hard to predict, but could be big. We run the risk of postponement or even cancellations of initially approved funding and of a delay of the implementation of our programs.

On the other hand, there is now more need and demand for WASH related initiatives. There is no vaccine yet, and a useful vaccine will most probably take a year. This is the reason why the support of adequate access to WASH is even more important to help in containing the virus, while not neglecting other diseases and pollutants related to lack of WASH (diarrhoea still is the 3rd biggest killer in developing countries). WASTE aims to contribute to solutions and help mitigate further risks. Projects that include desk studies and interviews will continue. The largest setbacks may come for projects where results on the ground need to be achieved, particularly the FINISH Mondial program. The following provides initial considerations and overview of possible consequences.



### Funding

No	Risk description	Impact (L, M, H)	Probability of risk occurring (L, M, H)	Mitigation strategies
1	Postponement decision DGIS to grant FINISH Mondial 2th phase	M	H	Temporarily terminating contracts employees involved in FM as per 1. July 2020
2	Decline grant DGIS for FINISH Mondial 2th phase	H	M	Terminating contracts employees concerned to FM as per 1. July 2020
3	Postponement decision SIDA grant for core funding Waste	L	M	Searching for alternative funds for strengthen the Waste organisation.
4	Decline grant SIDA core funding Waste	L	M	Searching for alternative funds for strengthen the Waste organisation.

### Programs

Event	Chance	Consequence/mitigation
Delay of implementation	Mild to high	Desk activities and remote engagement/communication with partners and stakeholders will continue in the short term. Travel is currently replaced by virtual meetings. We expect to be able to catch up if the crisis lasts for max 3 months. If the crisis lasts 3-6 months, we will be able to catch up some time but delay will be 3 months. If crisis lasts longer than 6 months, we may run into problems as described below.
Financial problems for WASTE Foundation	Low to mild	WASTE Foundation has very limited fixed costs (office costs only). All staff is outsourced to pay-roller Stichting Nedworc. A long crisis will affect our balance sheet, but the effect will be relatively mild. Due to the flexibility of the organization and the staff, most likely we will be able to pick up activities as soon as circumstances allow.
Financial problems for partners in the 'Diamond'	Mild (to high if the crisis take long)	WASTE works with a multitude and great variety of partners, all related to the Diamond model (government, communities, suppliers, financial institutions). The various roles in the Diamond structure are often taken up by var-



		ious stakeholders, in specific on the supply side and financial sector <sup>1</sup> . Loosing partners would certainly cause a setback for the local activities, but usually that role can be taken up by other stakeholders.
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### Staff

In addition to financing risks and risks associated with the implementation of the programs, there are also risks related to staff capacity. Staff is outsourced to a pay-roll organization and staff interchangeability is limited. There is no backup system if staff on key-positions is absent for longer periods or is leaving, there also is no buddy system. We need to invest in staff capacity for program management and in HR-policy for staff development.

### Procedures and systems

Last but not least, procedures and systems are up to date for the largest program Finish Mondial, but not yet fully consolidated and standardized to the other projects. This needs to be finalized in 2020.

## **1.5 Financial results**

### After closing occurred developments

After finalizing this report two developments occurred that have no consequences for the figures of 2019, but are relevant for assessing the current situation at WASTE.

1. The first development refers to the DGIS funded Finish in India program. The program was to be finalized and formally closed in 2019 but activities in India continued in 2020 because there was budget left. To cover these costs we have asked DGIS in 2019 for a no-cost-extension till the end of 2020. In our meeting with DGIS of April 23th DGIS has announced that they will agree with this extension. The remaining budget of Finish in India is sufficient to cover these costs.
2. The second development is that the planned start of the Finish Mondial program at 1st of July, back to back to the finalization of the current Finish Mondial Bridging Phase, will be delayed till January 2021. DGIS communicated that the lock-down for new commitments was extended for a longer, unknown period and proposed to go for a so called 'no-cost-extension' of the current FM Bridge program till the end of this year. This has implications for the de implementation, budgeting an allocation of staff in the rest of this year. We need to spread the current budget over a longer period of time (6 months). Although there is unspent budget, due to delays in implementation, the remaining budget is not sufficient to cover all cost of the program for 6 months. We are currently rearranging the FM budgets for around €380,000. This has consequences for the partner and staff contracts and for the WASTE budget 2020.

### Portfolio

In 2019 the WASTE Foundation portfolio increased with almost 24% from € 3,809,078 in 2018 to € 4,715,315, mainly attributable to the FINISH Mondial programme.

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<sup>1</sup> WASTE has not yet invested in SGBs, there is no portfolio at risk. In our analysis and investment process, now WASTE will take into account also the effects of COVID-19 with special attention in the analysis and selection process of SGBs, including areas to support SGBs with advice.





### Result

The gross value of the contracts in 2019 was € 4,715,315 with direct project cost of € 4,450,092 resulting in a net income of € 265,223 for the Foundation. The Foundation's income is depending on a margin made on tariffs of individual consultants that are contracted on WASTE programs. The total operating expenses were slightly higher at € 251,553 resulting in a net operating revenue from normal operations of € 13,670 (net operating profit).

Taking into consideration the balance of extra-ordinary income and expenditures (€ 41,027) and the result on the Guarantee Funds (-€ 6,072), the net operational result stands at € 48,625.

### Reserves

The result on the guarantee funds (-€ 6,072) is appropriated by the Designated Funds reducing the Designated Funds from € 387,208 in 2018 to € 381,136 at the end of 2019. The net organisational result of € 54,697 will be appropriated by the continuity reserve of the WASTE Foundation, increasing the continuity reserve from € 306,704 in 2018 to € 361,401 at the end of 2019.

### Comparison with 2018

As compared to 2018, the following stands out in 2019:

1. The increase in the operational income with nearly 24%, from € 3,809,078 in 2018 to € 4,715,315 in 2019 led to a well-filled portfolio in 2019. This increase was mainly due to the FINISH Mondial project.
2. The increase in operational expenditure was about 23% from € 3,830,583 to € 4,701,645, still resulting in a satisfactory margin for the WASTE Foundation.

### Operational income

The increase in operational income is attributable to the portfolio growth, but also to an increase in the margin on the consultants tariffs for the Foundation. WASTE Foundation improved in 2018 its budgeting and tariff model, leading to more income for the WASTE Foundation. Amongst others, a new classification of junior, medior and senior tariffs was introduced for the WASTE experts. The income model for the Foundation needs to be developed further in 2020, to ensure sufficient funds for continued professionalization and for the continuity reserves.

### Operational expenditure

The operational expenses increased in 2019 with almost 14%, mainly because of a planned increase of the expenditures for Publicity, communication and acquisition.

### Funding sources

In 2019 the distribution of our funding sources was as follows:



<b>Source of funding</b>	<b>Amount spent €<sup>2</sup></b>	<b>As percentage of total funding %</b>
1) Dutch public Funding (DGIS, RVO)	256,588	6
2) Non-Dutch public Funding (SIDA, EU, USAID)	552,392	12
3) Private Organisations (BMGF, Aqua for All)	817,518	17
4) Public Private Partnerships	3,088,817	65
<b>Total Funding</b>	<b>4,715,315</b>	<b>100</b>

The Hague,

Date 14-05-2020

Nico Terra, Director

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<sup>2</sup> Amounts as spent by WASTE Foundation on projects in 2019



## **1.6 Report of the Supervisory Board**

In 2019 the Supervisory Board met 4 times in the same composition. One of the meetings was a joint meeting with the staff of the organisation. 2019 was an important year for the Waste Foundation. Past backlogs were removed and a clear new perspective on scaling up of its interventions, meeting the needs of large numbers of often vulnerable households, emerged.

In this year the organisation succeeded in overcoming the financial administrative problems, caused by a major reorganisation in 2016/ 2017. Important improvements in the internal administrative, financial and management processes were made. Time management and compliance improved, more attention was given to risk management and institutional relations with other organisations operating under the Waste label and programmes. The Board welcomed the appointment of an interim internal controller, which has led to a significant improvement of the internal control as to improvements in the collaboration on the financial administration with NEDWORC, the administrative service provider.

In 2019 clarity was obtained on ownership of the guarantee funds that were provided by DGIS for projects and programmes implemented by the Waste Foundation to cover the risks of local banks on the loans to users for new sanitation facilities. These guarantee funds were included in WASTE's balance sheet in 2019 and will continue to be used to finance access to water, sanitation and hygiene. The improvements prepares the Waste Foundation for the implementation of large scale interventions in a number of countries. The approval of the first phase of the multi-annual and multi-country Finish Mondial programme in 2019 was an important first step in this direction. This contract will most likely be followed by contracts for second phase and other large scale programmes in 2020. Through these contracts Waste Foundation will, together with its partners, be in a strong position to realise its objectives: enabling hundreds of thousands poor families in cities and peri-urban areas in middle- and low-income countries to live a clean environment with appropriate and sustainable sanitation and waste disposal services.

The Waste Foundation has gone through difficult times, requiring a few years back major changes in the organisation that had significant impact on the organization and the staff. However staff never stopped developing and testing new innovative concepts. WASTE now has 'tested models' to provide sanitation and waste management services by empowering the poor and vulnerable to be able to organize and sustain themselves, with the theme 'waste' as the starting point.

The Board noted with great satisfaction that much 'groundwork' this year has been done, that the foundations for the successful implementation for a next phase of development with large scale implementation in collaboration with many different European, African and Asian partners has been laid. There is certainly more work to be done in 2020 among others to improve the business model but the Supervisory Board is with confidence looking forward to 2020.

Last but not least, the Board would like to thank WASTE-staff for their effort and commitment and all implementing and financing partners for their continued support.



*Role and composition*

In conformity with the Articles of Association, the Supervisory Board supervises the WASTE Board/management and acts as a sounding board and source of inspiration for the management and the WASTE experts. The Supervisory Board members receive a nominal, fixed compensation for costs incurred but no remuneration.

<i>Name</i>	<i>Position</i>	<i>Other Positions</i>
Mr. Adriaan Ferf	Chair	Chair Herdenkingscomité Eelde Treasurer Vrienden van Lemferdinge Member Stichting Project 2020-Muziek Theater Bevrijding Drenthe
Mr. Nicolaas Molenaar	Treasurer	Director Timpoc Consultants Partner/owner of Timpoc Organics VoF Chair Stichting EnterStart
Mrs. Rolien Sasse	Vice-Chair	Advisor on Water and Conflict Member of the Board of Stichting Water for Life
Mr. Adriaan Mels	Secretary	Regional Manager VEI, Dutch Water Operators

Date:

Place:

  
\_\_\_\_\_  
Adriaan Ferf  
Chair of the Supervisory Board

28-04-2020 - 12



## 2. FINANCIAL STATEMENT 2019

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**2.1 Balance per 31 December** (after appropriation of result)

<b>ASSETS</b>		31-12-2019	31-12-2018
		€	€
<b>Fixed assets</b>			
Tangible fixed assets	2.5.1	784	1,138
Financial fixed assets	2.5.2	128,153	163,934
		<u>128,937</u>	<u>165,072</u>
		-----	-----
<b>Current assets</b>			
Debtors	2.5.3	-	12,000
Receivables on projects	2.5.8	1,408,239	1,322,792
Other receivables	2.5.4	228,141	35,165
		<u>1,636,380</u>	<u>1,369,957</u>
		-----	-----
<b>Cash</b>	2.5.5	1,672,910	1,772,437
		-----	-----
<b>Total assets</b>		<u><u>3,438,227</u></u>	<u><u>3,307,466</u></u>



<b>EQUITY AND LIABILITIES</b>		31-12-2019	31-12-2018
		€	€
<b>Reserves and funds</b>			
Continuity reserve	2.5.6	361,401	306,704
Designated funds	2.5.7	381,136	387,208
		<u>742,537</u>	<u>693,912</u>
<b>Current liabilities</b>			
Creditors		202,640	223,696
Taxes and social charges		-	-
Advances on projects	2.5.8	282,728	723,102
Project liabilities	2.5.9	2,151,254	1,595,667
Other short-term liabilities		59,068	71,089
		<u>2,695,690</u>	<u>2,613,554</u>
<b>Total equity and liabilities</b>		<u><u>3,438,227</u></u>	<u><u>3,307,466</u></u>



## 2.2 Statement of income and expenditure

		Result 2019	Budget 2019	Result 2018
		€	€	€
<b><u>INCOME</u></b>				
Income from public contracts:				
-	The Netherlands	256,588	347,333	473,069
-	Other	552,392	605,545	502,271
Income from public-private partnerships (PPPs):				
-	The Netherlands	3,088,817	3,464,750	962,793
Income from private funding organizations				
		817,518	288,622	1,870,945
<b>Total income</b>	2.5.8	4,715,315	4,706,250	3,809,078
<b><u>EXPENDITURE</u></b>				
Direct programme/project expenses				
		4,450,092	4,409,814	3,609,464
	Personnel expenses 2.6.1	4,710	-	-679
	Management expenses	76,723	124,510	67,862
	Housing expenses	16,252	14,581	35,333
	Publicity, communication and acquisition	40,410	26,324	5,488
	Office and general expenses	113,104	174,287	110,415
	Depreciation	354	2,500	2,700
Total expenditure		4,701,645	4,752,116	3,830,583
<b>Result before financial income and expenses</b>		13,670	-45,866	-21,505
Financial income				
		50,826	86,000	56,505
Financial costs				
		-9,799	-	-
Result guarantee funds				
		-6,072	-	-145,506
<b>Financial result</b>		34,955	86,000	-90,001
<b>Result income and expenditure</b>		48,625	40,134	-111,506





**Appropriation of the result**

Continuity reserve  
Designated funds

	Result 2019	Budget 2019	Result 2018
	€	€	€
	54,697	40,134	35,000
	-6,072	-	-146,506
	<u>48,625</u>	<u>40,134</u>	<u>-111,506</u>
	<u><u>48,625</u></u>	<u><u>40,134</u></u>	<u><u>-111,506</u></u>



### **2.3 Cash flow statement**

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2019 and 31 December 2019 and is prepared to the indirect method.

	2019	2018
	€	€
<b>Cash flow from operational activities</b>		
Result income and expenditure	48,625	-111,506
Result guarantee funds	6,072	146,506
Differences	-	-
Depreciation	354	2,700
<b>Cash-flow</b>	<u>55,051</u>	<u>37,700</u>
<b>Changes in working capital:</b>		
Receivables	-266,423	356,751
Short term liabilities	82,136	-331,476
Total changes in working capital	<u>-184,287</u>	<u>25,725</u>
Total cash flow from operational activities	<u>-129,236</u>	<u>62,975</u>
<b>Cash flow from investments</b>		
Investments in fixed assets	-	-738
Reimbursements of closed contracts guarantee funds	29,709	129,308
Total cash flow from investment activities	<u>29,709</u>	<u>128,570</u>
<b>Total cash flow</b>	<u>-99,527</u>	<u>191,545</u>
Cash and cash equivalents 1 January	1,772,437	1,580,892
Cash and cash equivalents 31 December	<u>1,672,910</u>	<u>1,772,437</u>
<b>Changes in cash</b>	<u>-99,527</u>	<u>191,545</u>



## **2.4 Accounting principles**

### **2.4.1 General information**

The financial statements are drawn up in accordance with the Guideline C1 of the Dutch Accounting Standards Board, the guideline for "Small-not-for-profit-organizations". The financial statements are prepared in €.

### **2.4.2 Translation of foreign currency**

Transactions in foreign currency are converted into euros at the exchange rate on the transaction date. At the end of the financial year all assets and liabilities in foreign currencies are converted into euros at the final exchange rate at the balance sheet date. The ensuing exchange results are processed in the statement of income and expenditure.

### **Accounting policies in respect of the valuation of assets and liabilities**

#### **2.4.3 General**

Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

#### **2.4.4 Tangible fixed assets**

Tangible fixed assets are valued against purchase price less accumulated depreciation and, if applicable, impairments. Investments less than € 500 are not capitalized. Depreciation is based on the useful life and calculated as a fixed percentage of the acquisition price, taking into account any residual value. Depreciation starts at the moment of commissioning.

#### **2.4.5 Financial fixed assets**

The guarantee funds are presented as financial fixed assets and stated at amortized cost price at year end taking into account losses on loans (defaults), exchange rate differences and received interest. Cost of fund management is already included in the projects.

The guarantee funds were originally financed by project donors. The ownership of the funds has been formally transferred to WASTE. WASTE pledged to keep using the funds for the original objective: mobilizing (local) financing for water and sanitation. Therefore, the funds are also presented as designated funds under Reserves and Funds. Future withdrawals will be deducted from the guarantee funds through the statement of income and expenditure.

#### **2.4.6 Receivables**

Receivables are recognized at fair value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a receivable is uncollectible, it is written off against the provision for bad debts.



Cash is stated at face value.

#### **2.4.7 Reserves and funds**

The promised subsidy income and efforts for additional benefits do not prevent a certain degree of uncertainty about the continuity of the organization. The subsidy commitments assume a continuation of the Foundation and in these annual accounts the principles of valuation and determination of the result are based on the assumption of continuity of the Foundation.

The continuity reserve is created to ensure that the foundation can meet its legal and moral obligations in case of a significant fall in income in the future. The Board has the authority to remain special purpose reserves for specific projects.

The designated funds allocates the pledged funds available for guarantee funds.

#### **Accounting policies in respect of result determination**

##### **2.4.8 Income and expenditure**

Income and expenditure are recognized as they are earned or incurred and are accounted for in the financial statements in the year to which they relate. Losses are taken into account if they originate in the financial year and as soon as these are anticipated. Profit or loss is determined as the difference between the realistic value of the services delivered and the costs and other charges for the year. WASTE defines the net income as a result of realized productive hours against the tariff agreed with the funders. Direct project costs are directly made for projects such as costs of partners and travel costs.

The general and administrative expenses comprise partly costs chargeable to the year that are not directly attributable to the cost of the services rendered.

Salaries, pension and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Interest paid and received is recognized on a time-weighted basis, taken account of the effective interest rate concerned.



## **2.5 Notes to the balance sheet**

### **ASSETS**

#### **FIXED ASSETS**

##### **2.5.1 Tangible fixed assets**

	Computer	Inventory/ equipment	Total
	€	€	€
Balance as at 1 January 2019			
Purchase value	1,199	2,101	3,300
Accumulated depreciation	-761	-1,401	-2,162
	<u>438</u>	<u>700</u>	<u>1,138</u>
	<u><u>438</u></u>	<u><u>700</u></u>	<u><u>1,138</u></u>
Movements during the financial year			
Investments	-	-	-
Divestments	-	-	-
Depreciation	-175	-179	-354
Depreciation on divestments	-	-	-
	<u>-175</u>	<u>-179</u>	<u>-354</u>
	<u><u>-175</u></u>	<u><u>-179</u></u>	<u><u>-354</u></u>
Balance as at 31 December 2019			
Purchase value	1,199	2,101	3,300
Accumulated depreciation	-936	-1,580	-2,517
	<u>263</u>	<u>521</u>	<u>784</u>
	<u><u>263</u></u>	<u><u>521</u></u>	<u><u>784</u></u>
Depreciation percentage	20%	20%	



	2019	2018
	€	€
<b>2.5.2 Financial fixed assets</b>		
Guarantee funds	103,153	138,934
Investment in companies	25,000	25,000
Balance as per 31 December	<u>128,153</u>	<u>163,934</u>
<b><i>Guarantee funds (outstanding guarantees)</i></b>		
Balance as at 1 January	138,934	414,748
New issued guarantee funds	-	-
Written-off	-	-154,056
Reimbursements of closed contracts	-29,709	-129,308
Interest, provisions and exchange rate differences	-6,072	-7,550
Balance as per 31 December	<u>103,153</u>	<u>138,934</u>

WASTE is party in contracts with local partners to manage loan guarantee funds facilitating access to finance loans for third parties locally for sanitation purposes. The guarantee funds are cash collaterals deposited at local micro-finance institutions or banks for fixed periods. Common practice in these facilities is that micro-finance institutions or banks disburse and manage loans from their own funds and the deposit minus administrative expenses and amounts written-off, plus interest gained on the deposit is returned to WASTE after a certain period. The funds outstanding and funds returned to WASTE are held under the 'designated funds'. The 'designated funds' are therefore higher than the outstanding guarantee funds, as this includes all funds available at WASTE for the purpose of financing access to water, sanitation and hygiene (both outstanding guarantees as well as returned funds). At the end of 2019 the designated fund is € 381,136, which is € 277,983 higher as the outstanding guarantees. The total remaining amount for guarantee funds is presented under the Reserve and funds. These designated funds are higher than the guarantee funds deposited. The difference at 31 December 2019 was € 277,983, (2018: € 248,274).

#### ***Investment in companies***

WASTE B.V. was incorporated on 6 August 2013. Stichting WASTE as a sole shareholder has fully taken the loss in WASTE B.V. The participation is valued at € 0. WASTE BV was liquidated in 2020.

WASTE Foundation invested € 25,000 in Finish Service Management Company Ltd. in India. WASTE owns 6,118 normal shares constituting 38% of the expanded ordinary capital and 158,768 shares (100%) in the form of redeemable preference capital (6%).



	2019	2018
	€	€
<b>CURRENT ASSETS</b>		
<b>2.5.3 Debtors</b>		
Balance as per 31 December	-	12,000
There is no need for a provision for doubtful debtors.		
<b>2.5.4 Other receivables</b>		
Project Liabilities to be received	194,736	-
Guarantee fund; refunds to be received	29,709	-
Other	3,696	35,165
Balance as per 31 December	228,141	35,165
<b>2.5.5 Cash</b>		
Current bank accounts	1,502,160	1,202,186
Savings accounts	170,750	570,251
Balance as per 31 December	1,672,910	1,772,437

All cash can be withdrawn upon demand.



## EQUITY AND LIABILITIES

	2019	2018
	€	€
<b>2.5.6 Continuity reserve</b>		
Balance as at 1 January	306,704	271,704
Appropriation of result	54,697	35,000
Balance as at 31 December	<u>361,401</u>	<u>306,704</u>

The Supervisory Board decided to build up a continuity reserve to cover the annual costs. In 2020 the Supervisory Board will adapt the required continuity reserve based on an estimation of average annual costs and financial risks.

	2019	2018
	€	€
<b>2.5.7 Designated funds</b>		
Balance as at 1 January	387,208	533,714
Appropriation of result	-6,072	-146,506
Balance as at 31 December	<u>381,136</u>	<u>387,208</u>

The amount held in the designated funds is the total remaining amount available for the purpose of increasing access to water, sanitation and hygiene (including guarantee funds) which are presented under the financial fixed assets. The designated funds are higher than the guarantee funds deposited. The difference at 31 December 2019 was € 277,983, (2018: € 248,274).





## 2.5.8 Receivables and advances on projects

Project	balance 01-01-2019	received on projects	spent on projects	balance 31-12-2019
	€	€	€	€
Finish	-710,806	863,393	56,858	209,445
Finish Ink	-128,198	-	-167,892	-296,090
Malawi EU	58	-	-58	-
Malawi BMGF	426,568	-	-413,474	13,094
MDU	-19,122	9,646	9,476	-
SIDA/Sef	201,843	-3,989	-197,854	-
ICI Mali	-122,500	320,167	-162,157	35,510
A4A Finish Mondial	-53,138	400,000	-389,712	-42,850
USAID	16,091	178,644	-210,438	-15,703
SDG Wash	39,530	-	-41,547	-2,017
Clues	39,012	-	-14,333	24,679
A4A Scale	-45,001	45,001	-	-
SPA Zambia	-121,564	162,779	-45,190	-3,975
SDG Amref	-93,923	177,409	-135,592	-52,106
SDG Simavi	-28,540	79,613	-68,776	-17,703
Finish Mondial	-	2,000,000	-2,977,795	-977,795
Prior period adjustment			43,169	
	<u>-599,690</u>	<u>4,232,663</u>	<u>-4,715,315</u>	<u>-1,125,511</u>
Receivables on projects	-1,322,792			-1,408,239
Advances on projects	723,102			282,728
	<u>-599,690</u>			<u>-1,125,511</u>

The total of spent on projects include the costs which WASTE has already committed to but which have not been paid in 2019.

The total and specification of this commitment are mentioned under the project liabilities.



	2019	2018
	€	€
<b>2.5.9 Project liabilities</b>		
Finish	19,499	289,085
Finish Ink	223,287	701,909
MDU	-	8,018
SIDA/SEF	-	-4,908
ICI Mali	-	39,941
A4A Finish Mondial	63,976	377,829
USAID	42,168	5,352
SDG Wash	-	18,252
CLUES	6,000	28,807
SPA Zambia	13,797	54,235
SDG Amref	83,267	77,147
SDG Simavi	36,938	-
Finish Mondial	1,662,322	-
Balance as at 31 December	<u>2,151,254</u>	<u>1,595,667</u>



### 2.5.10 Assets and liabilities not recognized in balance sheet

WASTE received multiyear grants for projects to be executed over longer periods. The grants are subject to restrictions and could ultimately be withdrawn. As far as these grants are not yet unconditionally committed, they have not been included in the balance sheet and are considered as not recognized in the balance sheet.

The table below provide an overview of these grants:

Project	total grant amount	total received 2019	receivable amounts	total spent on projects	balance 31-12-2019
	€	€	€	€	€
Finish	5,725,000	5,600,000	125,000	5,390,555	209,445
Finish Ink	4,626,487	4,168,249	458,238	4,464,339	-296,090
Malawi EU	635,029	635,029	-	635,029	-
Malawi BMGF	2,349,361	2,349,361	-	2,336,267	13,094
MDU	147,203	147,203	-	147,203	-
SIDA/Sef	707,122	707,122	-	707,122	-
ICI Mali	998,585	537,229	461,356	501,719	35,510
A4A Finish Mondial	1,442,850	1,400,000	42,850	1,442,850	-42,850
USAID	436,000	359,620	76,380	375,323	-15,703
SDG Wash	133,134	133,134	-	135,151	-2,017
Clues	317,453	317,453	-	292,774	24,679
A4A Scale	45,001	45,001	-	45,001	-
SPA Zambia	166,754	162,779	3,975	166,754	-3,975
SDG Amref	354,818	301,595	53,223	353,701	-52,106
SDG Simavi	132,688	79,613	53,075	97,316	-17,703
Finish Mondial	4,114,755	2,000,000	2,114,755	2,977,795	-977,795
	<u>22,332,240</u>	<u>18,943,388</u>	<u>3,388,852</u>	<u>20,068,899</u>	<u>-1,125,511</u>

The yearly gross rent of the office in The Hague is € 13,500. The extension of the existing rental contract has entered into force on 01 January 2020 for the period of 1 year.



## **2.6 Notes to the statement of income and expenditure**

### **EXPENSES**

	Result 2019	Budget 2019	Result 2018
	€	€	€
<b>2.6.1 Personnel expenses</b>			
Pension charges	1,898	-	-1,857
Other personnel expenses	2,812	-	1,178
	<u>4,710</u>	<u>-</u>	<u>-679</u>
	=====	=====	=====

## **2.7 Post balance sheet events**

There have been no significant events post balance date which would materially affect the annual accounts.

Due to the current Covid-19 crisis there might be some uncertainties with regard to the activities. It is not possible yet to make an estimate of the consequences of this crisis.



## 2.8 Legislation on standards for top salaries (Wet Normering Topinkomens WNT) 2019

### 2019

#### Details of function

Name	J.W.C. Maas	V.C.K.A.M. Post
Function	Director	Director
Start of function	1-1-2019	1-1-2019
End of function	31-12-2019	30-10-2019
Extend of employment in FTE	1,0	1,0
Former director	no	no
Fictional engagement	yes	yes

	€	€
<b>Remuneration</b>		
Remuneration including taxable compensations		
- Management expenses	47,403	3,575
- Direct programme/project expenses	34,329	102,574
Provisions remuneration due	-	-
<b>Subtotal</b>	<b>81,732</b>	<b>106,149</b>
Individual applicable remuneration maximum	194,000	161,667
<b>Subtotal</b>	<b>81,732</b>	<b>106,149</b>
-/- amount paid not due	-	-
<b>Total remuneration</b>	<b>81,732</b>	<b>106,149</b>
Reason amount paid not due is allowed	N/a	N/a

'According to the law on top salaries all payments by WASTE for persons registered as directors in the Chamber of Commerce have to be provided here. It is important to note that only Hanny Maas is a fulltime director at WASTE in 2019. Valentin Post is remunerated mainly for his work as projectmanager and only for a very small part as director. '



## **2.9 Approval and adoption of the annual accounts 2019**

The Board shall approve the annual report and financial statement 2019 of the Stichting in the next meeting, including the allocation of the result of income and expenditure as presented on page 14.

The Hague,

Date 14-05-2020

A handwritten signature in black ink, appearing to be "Nico Terra", written over a horizontal line.

Nico Terra, Director



### 3. OTHER INFORMATION

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Stichting WASTE  
Binckhorstlaan 36, Unit C1 74  
2516 BE DEN HAAG

## INDEPENDENT AUDITOR'S REPORT

To: management and the supervisory board of Stichting WASTE

### Report on the audit of the financial statements 2019 included in the annual accounts 2019

#### **Our opinion**

We have audited the financial statements 2019 (page 13-30) of Stichting WASTE, based in Den Haag.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting WASTE as at 31 December 2019 and of its result for 2019 in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonderwinststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act).

The financial statements comprise:

1. the balance sheet as at 31 December 2019 (with a balance sheet total of € 3,438,227);
2. the statement of income and expenditure for the year 2019 (with a total positive result of € 48,625); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting WASTE in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Compliance with rule against overlapping pursuant to the WNT not audited in accordance with the Audit Protocol under the Standards for Remuneration Act (WNT)**

We have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT and whether the explanation required in this context is correct and complete.

#### **Report on the other information included in the annual accounts 2019**

In addition to the financial statements and our auditor's report thereon, the annual accounts 2018 contains other information that consists of:

- the board report;
- other information;
- Annex: Program Progress and Results.



Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act). We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the director's report and other information in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act).

### **Description of responsibilities regarding the financial statements**

#### ***Responsibilities of management and the supervisory board for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements. The supervisory board is responsible for overseeing the company's financial reporting process.

#### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed, Sliedrecht, 14 May 2020.

WITh accountants B.V.  
P. Alblas RA

Enclosure.

**Enclosure to our auditor's report by the accompanying financial statements 2019 of Stichting WASTE, based in Den Haag**

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, 'Controleprotocol WNT 2019' (audit protocol 2019 concerning the Standards for Remuneration Act) ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.



## **Annex: Program progress and results**

### **1 FINISH: Financial Inclusion Improves Sanitation and Health (FINISH)**

FINISH is a public-private partnership initially funded with a grant of € 4.5 M by DGIS in 2009. It was founded as an Indo-Dutch consortium spearheaded by TATA-AIG, SNS-REAAL, WASTE and UNU-Merit. FINISH applies multi-stakeholder approach involving the entire value chain. By mobilising the supply side of sanitation while integrating financial resources into the value chain, it raises awareness on, and creates a demand for, sanitation services amongst end-users. This includes improving quality and safety of sanitation services, reducing the price of these services and ensuring proper disposal of the waste produced. Main activities include:

- Sanitation awareness and demand generation process.
- Training for masons in sanitation system construction.
- Public-private partnerships leveraging grant funding through local microfinance institutions for sanitation loans, supplier's credit and other financing instruments.
- Local entrepreneur training for sanitation business development.
- Liaison with local governments.
- Safe recycling of human waste as agricultural or renewable energy input.

It has constructed over 1 million improved sanitation systems. The behaviour change component ensured usage of the same. It has mobilized well over € 180 million in local financing and created more than 10 million working days created in construction alone.

#### *FINISH India*

As an off-spring of the FINISH programme, a local organisation the Finish Society was formed. The Finish Society, recipient of the Sarphati sanitation Award in 2017, is sustainable and self-financed with 150 staff and continues the sanitation activities and supporting activities in other FINISH Mondial countries. Lastly 200,000 tonnes of faecal sludge safely contained and being naturally processed for safe reuse in agriculture. FINISH closes its activities on 31 December 2019. Remaining activities such as faecal sludge management and telemedicine are integrated into FINISH Mondial India. Its final report is due on 30 June 2020. Our long-term goal is to continue building value chains in waste and sanitation that reach scale without external funding. Therefore, FINISH Society also set up a social enterprise called the FINISH Services and Management Company (FSMC). FSMC aggregates household demand for sanitation and translates this into bulk purchases of material and actual construction. Large parts of the proceedings of this organisation directly flow back into FINISH Society to carry on activities for raising awareness and generating demand locally. This has been effective in safeguarding the sustainability of the programme in India.

#### Impact realised

- Cost of sanitation systems reduced by 15%.
- 2560 GPs Open Defecation Free (ODF) in Punjab, UP, Madhya Pradesh, Rajasthan, Maharashtra, and Odisha.
- Over 900,000 sanitation systems constructed.
- DGIS grant leveraged over 20 times with local financing (€ 140 million).
- € 55 M in microfinance used for sanitation.



FINISH is established with and owes its success to the following partners: ACTIAM, FINISH Society, Cashpor, BWDC, Gram Utthan, RDO Trust, Aqua for All, Unicef, United Nations University MERIT/Institute of Fiscal Studies, UK.

#### FINISH Kenya

The Financial Inclusion for Sanitation and Health in Kenya (FINISH INK) program is funded with € 4.58 million by the Sustainable Water Fund (FDW) and administered by RVO. It is implemented by a public private partner comprising WASTE, Actiam, Amref Flying Doctors Netherlands, AMREF Health Africa, Family Bank, Goodwell Investments, Imarika Sacco, Ministry of Health (Kenya), Sidian Bank, Take-A-Stake Fund and the United Nations University, Maastricht (UNU-MERIT). The implementation areas were Busia and Kilifi counties in Kenya. Its inception started in 2013, project implementation in September 2014 and activities ended in October 2019. Its final audit will be completed April 2020. The long-term objective of FINISH-INK was to create healthier and economically empowered communities through the proper use and maintenance of safely managed sanitation facilities. A total number of 37,441 sanitation systems were constructed inclusive of both basic and improved systems. Sanitation businesses were set up and those already in existence were supported for growth and scaling up. There was a reduction in the cost of construction of sanitation systems by 40%-70% (!) attributed to two main factors: (i) changes in sanitation system design and (ii) improvements in materials used. On the financing side, both self and loan financing was used. At the end of the programme a total of 14,948 loans, worth € 8,933,567 had been issued for sanitation entrepreneurial needs, institutional sanitation systems and household sanitation systems, with 14,686 of these loans being to households with a portfolio of € 6,803,302. It also commenced the construction of the first cost efficient decentralized faecal sludge treatment plant in Busia. FINISH INK is established with and owes its success to the following partners: Amref Health Africa, Kenyan Ministry of Health, Sidian Bank, Family Bank, Imarika Sacco, ACTIAM, Take-A-Stake Fund and United Nations University MERIT.

#### FINISH Aqua for All

To support the FINISH Mondial partnership between WASTE, Amref Flying Doctors (AFD) and Aqua for All (A4A), WASTE received a grant of € 1,435,000 from Aqua for All out of which it contracted AFD for an amount of € 560,000. Building on shared successful experiences started by WASTE with FINISH in India (2009) and FINISH in Kenya (2013), the current partners have contributed to the 2018-19 ambition of scaling the partnership for greater impact, including:

1. Kick-starting the public-private partnership (PPP) for the sanitation market development in the six Mondial countries: India and Kenya (inclusive scale), Uganda, Ethiopia, Bangladesh, Tanzania (market development).
2. Developing the FINISH Mondial PPP with a 2030 horizon to boost scale, including a roadmap for strategic partnership building and multi-annual, multi-country financing.

In terms of results the following was achieved. 11,065 and 284,363 toilets in Africa and India [respectively] were built, attracting a total counterpart contribution of about € 3.5 million in Africa and € 43,92 million in India. Significant progress has been made in positioning the model within the local governments. Through advocacy and collaboration at different levels of government, the project realized significant monetary investments directly into sanitation. This is in addition to the technical and policy support that the project continues to receive from the governments on rolling basis. During the stated period, the project successfully advocated for development and implementation of by-laws and other legal framework in support towards universal access to improved sanitation.



### FINISH Mondial

After the success of FINISH programmes in India and Kenya, *Financial Inclusion Improves Sanitation & Health* (FINISH) has scaled-up and gone 'global', aiming for: sanitation-for-all in a circular economy. FINISH Mondial is a partnership between WASTE (founder), Aqua for All (lead partner) and Amref Flying Doctors, with € 1.6 M funding from DGIS, launched in Bangladesh, Ethiopia, India, Kenya, Tanzania and Uganda.

The first phase, from 1 July 2019 till 30 June 2020, is used to get results on the ground (well over 200,000 sanitation systems in 6 countries with a leverage of more than 1:5), develop governance structures, analyse sustainability, climate risks and gender and social inclusion in order to make a long-term proposal for 2020-25. DGIS financed the first phase with € 4.1 million.

Aside from the analytical work, the work on the ground continued. Several new partnerships have been formalised with MoU's (e.g. WaterWorx and Water.org). Financial innovations have started in a pilot phase (e.g. Sanitation Impact Bond). A fund mobilising strategy has been elaborated for both additional grant money as well as leverage for the necessary investments in the sanitation systems and infrastructure and businesses. The methodology, tools and guidelines for the baseline study are developed and being implemented and reported until the 30th of June 2020.

All information gathered in the inception report (submitted 1 March, 2020) will be taken as input for the programme proposal for 2020-25 that is due on the 1st of April 2020.

## **2 The Take-a-Stake (TAS)**

Take-a-Stake is initiated by WASTE and supported the Swedish International Development Cooperation Agency (SIDA) and KIFFWA to invest in the middle segment of SMEs (called Small & Growing Businesses) in the WASH, waste and sectors linked to circular economy, health, renewable energy and agriculture. SGBs are formally registered and commercially viable businesses that have strong potential for growth - and thus for creating economic, social and environmental benefits with an investment need ranging from about EUR 100k - 3M.

The TAS project: From June 2017 until June 2019, SIDA supported the Take-a-Stake initiative with a scoping and planning grant to work on various pre-conditions to set-up the TAS Fund (starting in Kenya, Uganda and India). In 2019 TAS and its local teams (in Kenya, Uganda and India) assessed potential and investment risks of SGBs, identified an investible SGB pipeline > 100M Euro, incubated collaborations with technical partners, started fundraising including co-investors (> 20M Euro) and started the selection process for a suitable fund management partner.

A main objective of this project was to create a basis for fundraising from the private sector for TAS and its potential investees. However, for successful fundraising it is also necessary to build first a track record (getting started with investments). This is why WASTE is looking for funding and implementing partners and has submitted a proposal to SIDA for core support. We expect to get this funding in 2020.



### **3 WASH -SDG Program**

In 2019, WASTE executed within the WASH-SDG Programme activities in Tanzania and Ethiopia contracted through AMREF and in Bangladesh and Nepal, contracted through SIMAVI. These activities focus on faecal sludge management (FSM) and improvement in access to sanitation and are undertaken in conjunction with national partners and in alliance and collaboration with Dutch Partners. In Nepal, WASTE is working with ENPHO and Lumanti, whilst in Bangladesh collaboration is with Practical Action Bangladesh, Uttaram and Hope for the Poorest.

WASTE as part of the Wash Alliance International (WAI) works together with Dutch partners; RAIN/Aidenvironment, RUAF/Hivos in both Nepal and Bangladesh and with Practica in Nepal and Akvo in Bangladesh. Based on a joint technical proposal, the Dutch Partners are working on themes of Integrated WASH Planning, asset management of water supply schemes, integrated FSM through market studies, exchange visits and demo's including public toilets, WASH programmes in schools in Nepal in the western cities of Kohalpur, Bheriganga and Barahtal, and in Bangladesh in the southern cities of Sathkira, Barguna and Kalaroa.

In central Ethiopia, WASTE together with locally contracted NGO partner Bole Bible Baptist Church (BBBC) has been working in the districts of Shashemene and Arsinegele, on the building of 3000 household toilets, which would benefit 15 000 inhabitants. These toilets are financed by the users themselves, at times through micro-credit schemes. Activities in 2019 also included the assessment and design of a liquid waste treatment system for condominium houses.

In northern Tanzania, WASTE works together with Hach Ltd, in the Serengeti District focussing on single and double Ventilated Improved Pit latrines and Leach Pit Latrines, through technical training of masons in the construction of these infrastructures. Support is also given in organising of the masons in a cooperative; establishing liaisons with the local government; through business training; and enhancing financial literacy to grassroots finance institutions. Engagement activities have been undertaken with Equity Bank to link them to grass root finance as a pilot project.

### **4 EJOM**

EJOM; "L'emploi des jeunes crée des opportunités, ici au Mali" is a 4 year 20 million euro project funded by the European Union and the Dutch Embassy in Mali. The project is implemented since 2017 by a consortium of four organizations; WASTE; SNV (lead), ICCO and APEJ. It targets 8,620 youths, especially women and migrants, and aims to contribute to the development of economic opportunities and social stability in the regions of Kayes, Koulikoro, Gao and the district of Bamako through the sectors of horticulture, waste management, food and utility crafts. Within the consortium WASTE is responsible for the technical support of all project activities related to the waste management sector. The project aims to:

- contribute to the self-employment and employment of young people;
- promote the development of SMEs;
- contribute to the creation of a financial and educational environment favorable to the employment of young people.



At the end of 2019 the project output includes:

1. 6,000 youths participate in the project (70% of the target);
2. 2,736 women participate (105% of the target);
3. 411 migrants are trained (32% of the target);
4. 136 SMEs out of 400 are created or strengthened.

In 2019 WASTE was responsible for:

5. Assessment of the waste management sector;
6. Development of the training modules for the waste management sector;
7. Development of a catalogue for plastic recycling;
8. Selection and coaching of SMEs in the waste sector;
9. Value Chain Analysis for plastic recycling.

## **5 SPA Plus**

The SPA Plus project in Kabwe Zambia is a follow up to the 4 year project SPA (Sanitation in Peri-urban Areas) which ran in 2013-2016 in 6 countries. The funding came via PLAN from DGIS who allowed WASTE and PLAN to use the remaining funds from SPA to work in Kabwe, Zambia. The SPA Plus' overall objective was to improve access to improved sanitation through strengthening of the Diamond Business Approach, a system approach aimed at improving collaboration among the key players in sanitation and mainly the local authority (LA), the Commercial utility (CU), Community Based Enterprises (CBEs); the target communities, Government and other Nongovernmental actors in the sector.

The input of Plan was to realise Demand Creation, while the emphasis of WASTE was on the financing models, Engagement of Policy and Decision Makers and Low Cost toilet Designs. The local partner for WASTE was WASTE Zambia while Plan used their local office. The project last day was 31<sup>st</sup> December 2019 and the Diamond approach has been adapted by the Kabwe municipality, moreover because it fits very well the national strategy towards privatisation.

## **6 CLUES *Action research to assess the potential for Complementary Local Urban Environmental Services***

CLUES is funded by the Bill and Melinda Gates Foundation (BMGF). In rapidly urbanizing cities, the quality of the living environment is under great strain. New solutions need to be found for rapid extension of environmental services. There is potential for a new dynamic sector of the economy to grow-demand for environmental services is evident.

This action research project will assess the potential for complementary local urban environmental services (CLUES), meaning the bundling of front-line service delivery arrangements for faecal sludge management and solid waste management. The scope of the research is to assess the conceptual framework for bundling essential services under single umbrella contracts. Thereby, micro-entrepreneurs should be better able to strengthen their revenue sources, balance risks, maximize logistical synergies, attract credit and make cost savings.



Different tools are used for sanitation and solid waste management assessment to set up a questionnaire for the opportunities for CLUES. 10 Cities were selected; Dungarpur, Pune, Trichi, and Warangal (India), Dhulikhel (Nepal), Shatkira (Bangladesh), Dakar (Senegal), Kampala (Uganda), Lusaka (Zambia) and finally Nakuru (Kenya). Based on the data from the city studies two graphics have been developed the first gives an overview of the situation of sanitation and waste management in the city via a so-called spider graph as seen below in the graph. Using the same data, but combining and weighing differently a second graph has been created the so-called sunburst. The outcome of this study is a set of tools that can be used when visiting a city for the first time and in which the graphs offer a good starting point for discussing with local government on steps to improve both sectors and the options to take them on both simultaneously.

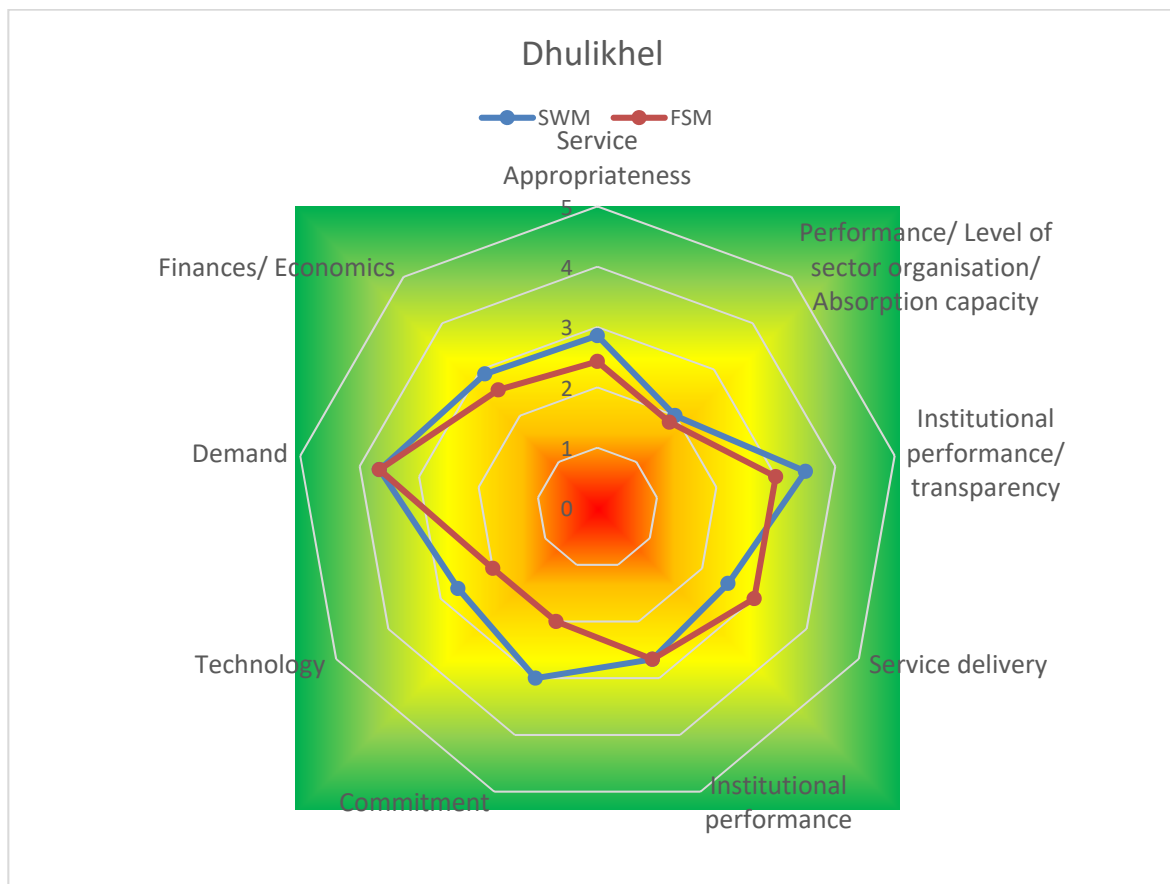


Figure 1. Spider on SWM and FSM in Dhulikhel



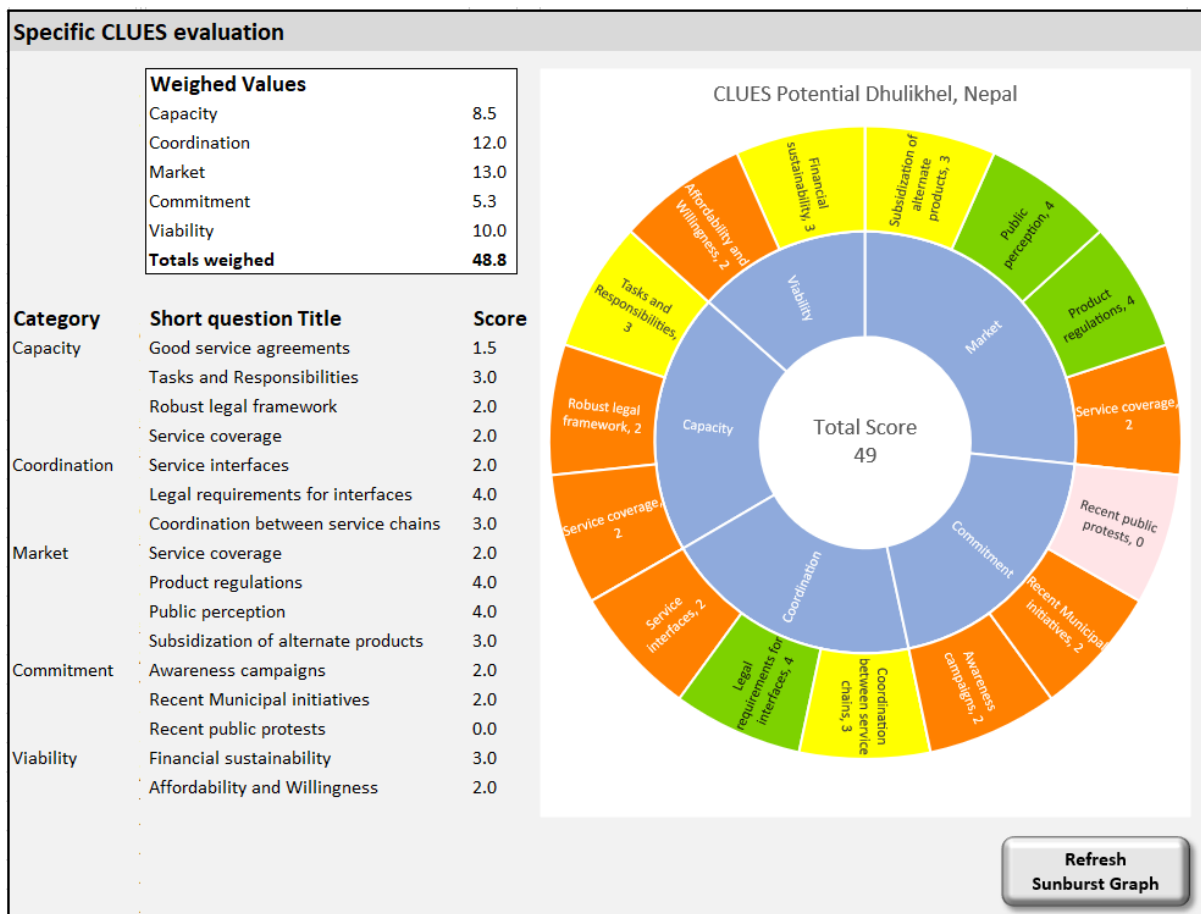


Figure 2. Sunburst for Dhulikhel giving the chance for successful CLUES

## 7 Phase 2: Sanitation Service Level Agreements Blantyre City (SSLABC) DFID-DF

The project has three primary outcomes, the progress made until November 30th (2019) to achieve them are as follows.

1. In Blantyre City the urban poor population has increased access to clean and affordable Public Toilets (PT) at markets, business centers and other public places, through:
  - a) 40 public toilets (at markets) of which were 15 new or re-constructed and 25 rehabilitations were completed. We are experiencing legal complications which is resulting that as at 30th Nov only 28 were under private sector operations. There have been numerous meetings between the National Procurement body, the local council and the private sector on how to adjust contracts. This is still an ongoing process. We are confident that at end of January all the units will be under private operatorship again.
  - b) A total of 7 usage surveys have been done to help business operators and city council understand the markets.
  - c) Over 175 Community Pay Toilets were completed and are operational.
  - d) The top 5 masons for these Community Pay Toilets has been put into a Micro-business training program which is a recognized diploma course from South Africa.



2. In Blantyre City the latrine functionality rates are improved due to fecal sludge collection services which are accessible to households and institutions with full pits though:
  - e) Legal constitution with operating standards to which all the recognized emptiers have subscribe, have been developed and formalized.
  - f) Help Desk which transfers calls to the city to the association WhatsApp group.
  - g) Enrolled 7 pit emptiers into the Micro-business training program.
  - h) Second voucher campaign to promote the sector and are in the process of executing a third in conjunction with the Poly Tech, based on the learning from a research of the Cranfield University on the previous campaigns.
  
3. In Blantyre City collected fecal sludge is safely transported to designated sites and safely disposed/treated/reused/valorized with a reduction in the reported illegal dumping of sludge, through three decentralized faecal sludge treatment plants (DEFAST) to reduce the transport cost for emptiers and improve treatment efficiency of faecal sludge.
  - i) The first DEFAST, located in Limbe, valorize treated sludge in a co-composting plant. Started in July 2018 it proves to be a successful business operation treated annually over 750 ton of sludge. The plant has sold over \$10,000 in compost sales and is currently under research of the Cranfield University and compared with other commercial plants in Kenya. We have also been awarded a contract from the EU to develop this site further through putting transfer stations for solid waste upstream to have clean organic waste come to the site. This project will include another model in Lilongwe, national association of compost producers with minimum operating standards.
  - j) The second DEFAST is located in Chirimba, where a briquette making plant is being set up as part of valorization of treated sludge. Unfortunately, after 18 months since application we still don't have electricity at this site. This should start production any moment as the transformer is on site work is 95% completed. The plant has received over 690 ton of sludge which had been treated and used to plant trees.
  - k) A third faecal sludge treatment plant is completed at Zingwangwa. This is a plant that separates liquid and solid components of faecal sludge, after separation the liquid part joins the treatment line of the wastewater treatment plant and the solid part joins the sludge digesters that finally will be dried in a bed. This plant was the only operational plant and has been receiving sludge before our intervention, but through the normal sewerage inlets which resulted in chronic block-ages.



## **8 Securing Water for Food, SWFF**

SWFF is a programme supported by USAID, Sweden through the Swedish International Development Co-operation Agency (SIDA), the Government of South Africa, and the Ministry of Foreign Affairs of the Kingdom of the Netherlands *to promote science and technology solutions that enable the production of more food with less water and/or make more water available for food production, processing, and distribution.*

Under SWFF, WASTE implements the innovation of '*Circular economy with blackwater recycling for co-compost production and greywater recycling for irrigation for cultivation of exotic vegetables by women farmers in the Nilgiris District, India*' since 2017. WASTE partners up with RDO Trust, LEAF, Borda and Canara Bank. Under SWFF, women farmers are registered under Producer Companies in which they are connected with banks and marketing partners (such as LEAF) for procurement of their crops via advance purchase order.

Towards the end of Year 3, a number of targets has been achieved: a total of 2,243 farmers to adopt the innovation; 11,215 end-users to be benefitted from the innovation where approximately 70% of them are female users; 38,089 m<sup>3</sup>/year of greywater recycled for irrigation; faecal sludge and organic solid waste has been processed for production and sales of 819 tonnes of co-compost to vegetable farmers, 961 ha of land have been impacted by the innovation; \$982,070 of matching funds leveraged from both private and public sectors (almost 2 times of grant funding leveraged locally and internationally).