

# Quenching the Global Thirst: Challenges and Opportunities in Improving Access to Water and Sanitation

## Speakers:

The Honorable Johnny Isakson  
Member, United States Senate

The Honorable Earl Blumenauer  
Member, United States House of Representatives

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YOHANNES: Good morning. Welcome to the Millennium Challenge Corporation for what promises to be a robust discussion on the link between MCC's mission to reduce poverty through economic growth and our commitment to expand access to water and sanitation for the world's poorest.

I thank you all for joining us to mark this year's "World Water Day" with a timely conversation about what is working and what challenges remain in bringing basic water and sanitation to communities around the world.

We're especially pleased that Senator Johnny Isakson of Georgia joins us today. We benefit from his steady and strong leadership on the Africa subcommittee as the ranking member. The senator has been to a number of MCC countries—most recently, to Benin and Ghana—and we value his advice and counsel on how to make development even more effective.

Congressman Earl Blumenauer of Oregon will join us shortly. As you know, the congressman has been an advocate for stronger U.S. leadership in partnering with developing countries worldwide to provide them with the drinking water and sanitation their citizens need.

I'm going to ask Senator Isakson to share his thoughts in a moment, but let me start by framing why this discussion is very important. I see two reasons. First, providing clean drinking water and reliable sanitation saves lives, improves health, and increases productivity. Second, unsafe drinking water and unreliable sanitation create real roadblocks to sustainable economic growth and development.

We all know just how acute the problem is. Nearly one billion people worldwide do not have access to clean water. 2.5 billion people lack basic sanitation. A child dies every 20 seconds from water-related disease. The United Nations estimates that more people die from contaminated and polluted water than from all forms of violence, including wars.

The search for water falls mainly on the shoulders of women and girls, who often are the ones to miss school as they walk long distances to find water for their families. In some developing countries, women can spend fifteen to seventeen hours per week trying to find water for their families.

I have been to a number of those countries. I have seen women in their seventies and I've seen young girls—as young as six, seven, eight years old—looking out for water for their families. It doesn't matter whether it's hot, cold, and rainy. They're out there. It is heartbreaking.

By 2025, 1.8 billion people will be living in countries or regions with absolute water scarcity that could lead to greater poverty, instability, and conflict. Making smart investments in water security changes all of this for the better.

The bottom line is that improved access to clean water improves lives.

Imagine the girls who could stay in school. Imagine less disease, leading to fewer days of work and school lost to sickness. Imagine the businesses that can thrive and great jobs.

Research by the World Health Organization confirms what MCC economists have found. Well-designed investments in water supply and distribution can be a cost-effective way of raising the incomes of low-income households.

Ladies and gentlemen, in other words, we cannot afford not to invest in water and sanitation.

Through the projects designed by our partner countries, the Millennium Challenge Corporation is investing close to \$800 million just in water and sanitation projects worldwide.

This reflects the global drive toward greater water security. Ultimately, with clean water, prosperity follows. Given our mission of global poverty reduction through economic growth, MCC will continue to work with partners committed to expanding access to water and sanitation.

Brainstorming and collaborating with governments, the private sector, and NGOs will spark the ideas and innovation needed to optimize water security.

Our panel will offer their insights into how we are making the promise of safe and clean water, as well as reliable sanitation, a reality.

Steve Kaufmann, MCC's chief of staff, will moderate the panel discussion and introduce the congressman when he arrives. Before turning the program over to Steve, I'd like to invite Senator Isakson to share his thoughts on development.

Ladies and gentlemen, please join me in welcoming Senator Isakson to the podium. Senator? Let's give him a big hand.

(APPLAUSE)

ISAKSON: Well, thank you very much, Mr. Yohannes. I appreciate so much what you and MCC do. This is a great privilege for me to be here today.

William Asiko—where's William? Right there. It's a great privilege to be with my friends from Coca-Cola. If you represent Georgia and don't brag about Coca-Cola, you're dead. So I have that as my first footnote. Be sure and say good things about Coke. So—and things do go better with Coke; I have to admit that.

I am honored to be here today. I'm a big fan of MCC. I've told people—in fact, I was talking to some of the members in the anteroom that, if we appropriated all of our money conditionally in foreign assistance like we invest our money at MCC, we'd have much improved accountability in terms of foreign assistance and we'd have even better results. It's a great, great program and I'm glad to work with them anywhere I can, particularly on the continent of Africa.

I'll begin my remarks by (inaudible) people say, "How in the world did this guy get interested in Africa?" Well, that's a good question.

My second year in the Senate, the leader called me up and said, "I've got a vacancy on Foreign Relations. You've helped me out with some things. Would you like to serve there?"

And I said, "Well, if you need somebody to be there—but I don't have a big interest in foreign relations. But I'll do it."

About a week later, Dick Lugar called me up and said, "Nobody will take the Africa subcommittee ranking member position. Will you take it?"

And I said, "Well, I don't know anything about Africa, except I know, Andy Young, my good friend, has Good Works International over there. But I'll be more than happy to do it," and I did it.

Then I felt compelled to go on a trip to Africa, and I did one trip, and fell in love with the continent and the tremendous opportunity that the United States and Africa have to be partners together, which is really what the African people are looking for.

I've watched the Chinese and the investment that they're making in Africa, but they make a fatal mistake. They invest a lot of money, but they bring Chinese workers to build the buildings and they all leave. And the African people are very intuitive, and they understand full well that it'd be a lot better if that money was being invested in jobs for Africans and an improvement in their quality of life.

And when you combine the PEPFAR initiative that President Bush started and then President Obama has continued, it's worked primarily through USAID and through the—the CDC in Atlanta, we've done made tremendous gains on the continent in terms of fighting and reducing the infection of AIDS.

And because of what Rotary International has done with the net programs, we're actually reducing malaria, and less children are dying every year from malaria infection. With the exception of Nigeria, we've eradicated polio, but they now are allowing vaccinations and hopefully polio will be totally eradicated when we finish with the vaccinations that are taking place.

And measles, as well, which are very prevalent in—in Nigeria and some other countries, we're making great progress.

But water is the big issue and clean water is the thing they need the most. The CEO was absolutely right. I was in Darfur for two days and I've been in the Sudan. I've been to a lot of places where, from the minute they wake up to the minute they go to bed, the women of Africa are looking for clean water for their children and for their family and it's very difficult to find.

I once had the privilege of going to Adeiso (ph), Ghana, last May and visited with the Coca-Cola Company. The Coca-Cola Clean Water Project, put in by the RAIN Foundation—which is Coca-Cola's African initiative, which William is in charge of—and I went through a remarkable experience. Adeiso (ph) is a village outside of—outside of Accra, Ghana, which is the capital, which has abject poverty. There's no infrastructure whatsoever. Their source of water is a river, which—it was absolutely the nastiest thing I've ever seen in all my life.

And Coca-Cola went there with their \$30 million initiative, which they've been doing in Africa the last six years, to provide clean water and created a compact themselves with this village.

So when we arrived—and Senator Coons from Delaware went with me on the trip. He's the chairman of the Africa subcommittee. I'm the ranking member, but this is a trip that I initiated because of what I had heard Coca-Cola was doing. And the village had put a—kind of made a makeshift stage beside the treatment plant which was right in the middle of the village.

And I've been—I was a developer and I did a lot of land application wastewater treatment plants. I put in a lot of sewer lines and water lines. I know a good bit about infrastructure. But I saw this package plant was the most modern package plant you could possibly see. It was a plant that filtered the water first through gravel and through sand and through charcoal and other things like that, but, ultimately, treated the water with ultraviolet light, which is the maximum way that you kill bacteria and make water sanitary.

In fact, it was a remarkable process to see terrible water go from the river, up to the top of the hill, into the plant, and come out of a tap just crystal clear. In fact, the only thing the water lacked was a little bit of oxygen. It was very flat, but it was because of the treatment. It was made to make it safe.

So we sat there and watched a demonstration, William, of how the water was processed and then we had a Coca-Cola gentleman there who was helping walking through. The chief came up, and when the presentation was over, I looked over on the table—and I saw some plastic cups with Coca-Cola's logo on them.

And I wondered if we wouldn't have Coke. And they took the cup and they went over to where the effluent comes out of the treatment plant and they turned the spigot on and filled the water and said, "Here, try it."

That was the ultimate test. And I drank the water and it was fantastic and I'm here today to live to tell you it is the healthiest water you can possibly have. In fact, William, I installed an ultraviolet treatment in the mountains where I'm on a well. I've always worried about the water, have it tested every now and then.

When I saw that plant and saw the effectiveness of UV light in terms of sanitizing water, I put one in my own lake house, so I took that from Adeiso (ph), Ghana, and brought it home to—to—to Lake Rabun, Georgia, just to have better, cleaner water.

But the interesting thing about what Coke has done with their foundation is they've not just provided people with a plant that provides clean water. They provide it in the way to maintain and sustain the plant when Coca-Cola's gone.

The people pay seven cents a day for five gallons of clean water. That's the amount of money it takes when the whole village participates to maintain and upkeep and to keep that plant running for years to come.

So they're not just drinking water. It's like the Bible—you teach a man to fish and he can feed himself for a lifetime. They're teaching them how to maintain a treatment plant so they can drink clean water for a lifetime. It is an investment not just in today, but in the future.

And it's the kind of thing that I'm glad MCC is really focusing on because MCC is exactly that attitude. When we make a compact with another country through the Millennium Challenge Corporation, in return for the money that we invest, there are measurements of accountability in that country to help it to be a better country for America to do business in and a better country for democracy to flourish.

We don't tolerate corruption. We set goals. We measure future renewals of contracts based on meeting those measurements in the past. And it's a great way to invest taxpayer money in the United States in the future.

If it's true that Europe was the continent of the first half of the 20th century for America, and Asia was the continent of the second half of the 20th century in America, then it's no question Africa is the continent of the 21st century. And it's a very important to the country that we be a great partner with Africa.

For business, there are a lot of mouths to feed. For energy, there's a lot of energy. But for people who want to grow and prosper and make their lives better, Africa's there ripe for the taking of investment by the United States to help them lift the tide of all boats and make the African countries even better than they are today.

So, Director Yohannes, I appreciate all that you're doing and your leadership. And, William, I appreciate what Coca-Cola—I'm so proud they're from my home state of Georgia and of the investment that they're making in Africa. And I'll be leaving on April second to go to Uganda, which will be my latest visit to that continent to try and see where America's helping in other ways.

But I am so glad this focuses on the number one need that Africa has, which is water, and it's on the best way to deliver it, which is partnership—public-private partnership through the government and the private sector to make life better for the people around the world, but, in particular, on this focus, on the continent of Africa.

And I'm very grateful that MCC gave me a few moments to come and talk to you about my experiences in Africa.

William, thank you, Coca-Cola makes us proud.

(APPLAUSE)

KAUFMANN: Thank you, Senator Isakson, for your time and for sharing your perspective with us today. We know that you have to leave now for an important hearing, but you've really given us a good starting point for today's seminar and some wonderful ideas to help springboard us going forward. So we really appreciate it.

I'd like to invite our panelists to come forward. Thank you, and Daniel, thank you very much.

So we have an impressive panel of experts with us today and I'd like to give you introductions for all three of them. I'll start with MCC's own Dr. Omar Hopkins, who's seated in the middle.

Dr. Hopkins is a director in our infrastructure team. He leads the technical development and implementation of many of MCC's water and sanitation projects, currently focusing on Mozambique and Cape Verde, on opposite side of the African continent.

Dr. Hopkins has 15 years of professional experience working overseas in Latin America, Asia, and Africa, as well as in the United States. He began his career as a Peace Corps volunteer in Mali working on hand-pump maintenance. He has since worked for non-profit organizations, the private sector firms, and government agencies, including being sponsored by the American Association for the Advancement of Science as a diplomacy fellow at USAID.

Just this weekend, Dr. Hopkins returned from Mozambique where he is advising the government on implementing MCC's compact.

You've heard a little bit about our second panelist, William Asiko. Since 2007, Mr. Asiko has been the president of the Coca-Cola Africa Foundation. He began his career at Coca-Cola in 1995 as a corporate attorney in his home country of Kenya. After assignments in the United States, Morocco, and the U.K., Mr. Asiko became Coca-Cola's general counsel for Africa in 2001. He sits on a number of boards, including HIV-Free Generation, the Discovery Channel's Global Education Project, and Students In Free Enterprises as well a number of entities associated with Coca-Cola.

Through the development of manual distribution centers which Senator Isakson described, the Coca-Cola Company has cultivated entrepreneurship and revolutionized franchising in Africa and the Coca-Cola Foundation's Replenishing Africa Initiative, or the RAIN Project, strives to provide over 2 million people in Africa with clean water and sanitation by 2015.

Mr. Asiko, thank you for being here today.

Finally, it's my honor to introduce Mr. Ned Breslin. Mr. Breslin is chief executive officer of Water For People, an innovative Denver-based non-profit—although they operate throughout the world, including significantly in Africa—that focuses on creative, collaborative, and sustainable solutions to challenges in water and sanitation.

Mr. Breslin joined Water For People as its director for international programs in January 2006 and was appointed chief executive officer in 2009. Before joining Water For People, Mr. Breslin worked on water supply projects for a range of local and international NGOs in Kenya, South Africa, Zimbabwe, and Mozambique. Water For People's business-oriented approach works to establish partnerships among local and national government institutions, NGOs, private firms, and entrepreneurs to enable local communities to plan, build, finance, maintain, and operate their own safe-water and sanitation services.

You will hear a lot, I'm sure, today about local approaches to dealing with water and sanitation issues.

In 2011, Mr. Breslin received a prestigious Skoll Award for social entrepreneurship for his innovative work with Water For People.

Mr. Breslin, thank you for being here today with us.

So the way we're going to move forward, in terms of format, is—I will pose some questions to the panelists and we will invite the audience to also ask questions and we'll see how that goes, trying to alternate back and forth.



As Daniel mentioned, we are expecting Congressman Blumenauer to join us, so we'll stop in the middle when he's able to make it.

Let's get started with our panelists.

I'd like them each to provide some brief opening comments, focusing on the issue of innovation. We hear the word innovation tossed around frequently in international development and I'd like each of our panelists to give an example or think about what are new or best practices their organization is applying and how development can be implemented innovatively in the water space.

So why don't we start with Dr. Hopkins since it's MCC, and we'll then move through the panelists?

HOPKINS: Great, thanks, Steve.

So a couple of thoughts on innovation and the water practice at MCC. Let's just start with the premise that where there's great need and resources are constrained, there's really a requirement for some kind of creative and innovative thinking about how to resolve those problems.

And, within MCC, we have some—the model itself will lend itself to certain constraints that are quite challenging for us and those are noted, especially the twin constraints of time. We have a firm five-year clock, so our projects need to be developed and designed and then implemented during that five-year period and that is really quite a challenge for us.

And we also have a kind of a firm, fixed budget without a possibility of extension. So those are—the institutional environment in which MCC is operating forces us to really think about how we develop and implement projects in the field.

Let me talk a little bit about an activity that we're doing in Mozambique which is an institutional reform and development project. In Mozambique, when we were discussing with the government many years ago—six or so years ago—the development of water projects in Mozambique, one of the areas in which they approached us was to help them support bringing water and sanitation services to small and medium-sized towns.

So they had large towns which were economically viable, and they had rural water programs which were more or less well established, but there was this kind of donut hole, if you will, in the sector.

And so we worked with our counterparts to identify strategies that would work in their context, that they had the political will and drive to kind of make the necessary changes. There was a great deal of discussion internally among the Mozambicans and within the larger donor community, their larger stakeholder partners.

And it was not an easy discussion. But I have to say that after four years of implementation, four-and-a-half years of implementation, we're really kind of turning the corner on that institutional development, and I think we're now in a position—it took a lot longer than perhaps all of us would have thought or would have liked—but we're really now at a point where we have an institutional framework, and donor buy-in, and government commitments to solving this very particular problem that had been longstanding in Mozambique.

So I think that's the example of how MCC can partner with our country counterparts to really identify areas that have been persistent problems and try to develop solutions to address those issues.

KAUFMANN: Mr. Asiko, why don't we turn to you for some opening remarks, particularly on innovation?

ASIKO: All right. Thank you very much, Steve, for that generous introduction. I'd also like to thank MCC for this opportunity to come speak, but I especially want to thank Senator Isakson for his very generous remarks about Coca-Cola and about me.

Just a very brief anecdote about Senator Isakson. I'm from Africa. I was born in Kenya, as you heard in the introduction, and recently we had the very sad news of the passing of Congressman Payne. And I was at an event when this news came. And one person said, "Well, you know, Congressman Payne has been a very good friend of Africa. At least we still have Senator Isakson."

So I—you know, you can hear that the remarks that he made today really reflect that and all the way out in Africa people appreciate the work that he's doing for us and for the people of the United States.

On innovation, again, I'll tell a small anecdote. When I was growing up, my father helped out a little in a community near the village where he was born, and—you know, the women would walk for miles to go and get water. And he put in a well.

This was in the sixties. He put in a well with a hand-pump, and it worked very well for the first six weeks. And as soon as we left and went back to the city after our holidays, we got word that the pump wasn't working.

And so my father traveled back to the village, did what was necessary to get the pump working again, and it worked. And, again, after a short period of time, the pump never worked.

And, after a while—I remember going past this village many years later and seeing the site of this hand-pump rusting away, and the villagers had gone back to what they were used to doing.

My father meant very well, but it was clear that infrastructure alone was not the solution to the problem. There were issues around sustainability—and those who know me, working in this space, and our partners, GETF and Monica (ph) and Tom (ph) are here—they know that I am passionate about sustainability.

You know: How do we ensure that this infrastructure is going to work after we have implemented the program, and what have we done to prepare the community to understand their role in ensuring the sustainability of the project?

You heard Senator Isakson speak about a project in Ghana. I'll just tell you a little bit more about that because I think that's an innovative solution to sustainability.

This project in Ghana is part of a program we call Safe Water for Africa, and it uses a—we use a partner called Water Health International. The Water Health International concept is to use a mini-filtration plant, as you heard the senator describe, to filter water that is from a local water source that may be contaminated to produce clean and safe water for the community.

Now, that is the infrastructure side. What we also do with this project is to prepare the community before any work is done on the infrastructure to understand their role in the sustainability of the project. They donate the land locally where the mini-filtration plant will be built. They set up water committees to run the plant, to access the seven cents the senator spoke about. And to use that for the maintenance of the plant.

The other innovative thing about this particular project, Safe Water for Africa, is a partnership between Coca-Cola and a number of other partners that include Diageo. Now—now, some of you may not know Diageo. It's a multi-national, principally alcoholic beverage company, but they also make soft drinks which compete with Coca-Cola in a number of countries in Africa.



But we put our commercial differences aside to come together to solve what is a significant issue in Africa. You heard Daniel Yohannes talk about the statistics, about the stark problem of water access and sanitation. Africa bears the brunt of that, the only continent that will not meet the Millennium Development Goals. In fact, Africa, in water access and sanitation, is going backwards.

And we thought we had to think innovatively about bringing partners together who had a common vision about solving this problem. It wasn't easy to sell this to business managers in Coca-Cola, I tell you. It took a lot of selling because they were focused on the commercial differences and I said, "Here is a partner that is prepared to put skin in the game. They share a common vision about solving Africa's water crisis." And, in the end, I'm pleased to say that our business folk agreed to it.

And we have this partnership, Safe Water for Africa. It's in four countries today in Africa and we plan to roll it out to other countries as well. And the statistics are very, very positive. We expect two million people to benefit from this program over the next five years.

So I'm really pleased to be part of this panel. Thank you for that generous introduction and we'll talk some more with the questions. Thank you.

KAUFMANN: Great, thank you. Mr. Breslin?

BRESLIN: Yes, thank you very much.

I think what William says is absolutely spot on, that the key to this actually the long-term functionality and sustainability of whatever investments we make.

And I think one of the challenges in the water and sanitation sector, in general, is that the market, if you will, the philanthropic market, the USAID market, the entire kind of ecosystem of water and sanitation actually inhibits innovation and I think it inhibits long-term results and this is why.

The senator from Georgia made a really nice introduction about girls walking to fetch water all day. The reality in most parts of the world is they're walking past a broken hand-pump or previous infrastructure that's been put in by some organization.

The reason that happens is because success—what we call success is putting in a project, completing a grant, signing off on it, saying it's done, hoping it's sustainable, but not really going back and checking.

And so Water For People is considered innovative not because we have lots of cool gadgets. I mean, we do have some cool gadgets, but we're—I think we're innovative because we basically have said, organizationally, let's turn this on its head. Because the market's wrong, so let's switch the market a little bit.

The whole point of philanthropic giving, the whole point of USAID investment, MCC investment, donor investment, corporate investment, anything like that is to do an investment in a way that water flows forever, right? That's the point.

So let's put that as the goal and the outcome of our particular program and drive towards that. And so we've developed a program called Everyone Forever. It's very simple. It's very, very simple. It's got five components and it's where all of our innovation comes from.

So the principles are that we work in districts and municipalities around the world—so geographically defined spaces—and right now we're in 30 in ten countries. And we say that the goal of the program—we challenge our staff—is to get every family, every school, and every clinic in those districts with water and sanitation over time.

Sanitation takes a very different path. It's a lot harder. It's a lot longer. But that's the goal. So you will be judged whether you get every family, every school, and every clinic covered.

That forces you to deal with poverty. That forces you to deal with people with disabilities. That forces you to deal with all those things, but we don't tell you, "You have to do that." We just say the goal is every family, every school, and every clinic.

The second is that we say that Water For People is not going to pay 100 percent of that cost. So every country we work in has a water budget in government. Government has a responsibility to pay, so let's work with these districts and municipalities to help them draw money down from national government to invest in water and sanitation because then they have some skin in the game.

We also say that every community has to put money up front because they're going to have to pay—as William so eloquently stated—they're going to have to pay over time to keep that system going and to eventually replace it. So let's get them up front.

So what that looks like is often we start out with a very heavy investment. In India we started with 80, 85 percent of costs associated with all projects. We're now down to ten percent because we've got money moving through the Indian government which is right—India's got money.

In Bolivia we are now—every district, every municipality we're working in is paying at least 50 percent of all costs. They call it their own because they're investing, and they're exactly right.

So every family, every school, and every clinic; and our money used as a catalyst for getting money flowing in the area.

Third outcome is ten years post-project monitoring, no questions asked. So we basically say that once those investments are made we will guarantee during the height of the dry season before the rains come, when water's under greatest stress, we will go back and monitor the results and see what's going well and what's not going well.

Fourth part of this is—these are the two forever pieces. So the outcome of our work has to be that every district and municipality we're working in never needs another international water NGO ever again. That's what we're supposed to be doing, so let's hold us to that outcome and let's track it over time so if they ever have to call CARE, CRS—great organizations—but if they ever have to call them in to sort it out, then we failed and let's—let's say that.

And then the fifth is, if these districts and municipalities become islands on their own—let's say we get to full coverage. Let's say that coverage continues. Let's say everyone is still in place over time. One of the key outcomes is that systems are replaced and systems expand as populations expand because then if—if they don't then everyone's not covered, right?

But if they become islands on their own, if they don't spring off into other areas without us, then we've also failed. So what that means is in Honduras right now we're working in four municipalities. Ten other municipalities have come forward and said, hey, we want to do this as well.

In Bolivia we just had a couple of municipalities come to us and say, we'd really like to do this program. Everyone Forever makes perfect sense. It's clear. We've got one municipality basically at full coverage. Another one that's really close. So that it's created this kind of momentum and drive and basically what these municipalities said is, you know, can we do Everyone Forever in our municipalities as well.

And we said, well, you know, we don't really have the budgets. We're not going to be one of those organizations that hops from municipality to municipality and keeps ourselves alive.

And they said, no, no, no. You don't understand. We'll pay 100 percent. We just want you to show us how to do it.

In Rwanda the national government wants to take our program and make it a national program. They have a goal of—by 2020—full water and sanitation coverage. They think Everyone Forever is the framework for doing that.

And so innovation for us is not about a cool, new technology, a kind of interesting widget or anything like that, although we do that. Innovation for us comes from putting the goal out there. Stop worrying about little projects and kind of, you know, calling it a good thing that you've finished a grant. But drive towards Everyone and Forever.

Trust our staff and our partners, our government partners, to figure out that the path to that success will be different from place to place. We're not going to pre-judge it. We're just going to hold you to those outcomes and that's, in our opinion, where innovation comes from.

All of our interesting ideas have come from us sitting back, our teams, our partners sitting back and saying, who have we forgotten? Who isn't part of this right yet now? Who's the "everyone" we're missing?

Or if we're going to monitor for ten years, how do we do this in a way that's creative? How do we develop things using technology and all that so that we can actually do—because it could cost us a bazillion dollars just to monitor, so let's be creative about it?

It's forced us—like Water Health International, I think, is a great example—forced us to think of business models that keep water flowing and moving away from kind of community-managed water supply, frankly, which is bankrupt in Africa and Asia, in particular.

It's easy to do. We could still do it. We could probably raise a lot of funds doing that, but it's not very effective. And so all of our innovations have come from holding our staff and our goals—our programs—to those five outcomes through the framework of Everyone Forever. And that's where it's fun.

KAUFMANN: Thank you very much.

I think we have a number of common themes that we're hearing. In particular I was taken by the fact that innovation seems to come from all three of you in your approach to doing business, as opposed to some technology.

We heard a lot about institutional development. Sustainability seems to be the key for everyone. There is a great focus on local ownership and accountability and so, you know, those are common themes.

I'd like to move to a somewhat different subject that we've heard a little bit about and then we'll turn to audience questions.

MCC has prioritized gender integration in all stages of its programs from program development to implementation to monitoring and evaluation. We all know that women are affected disproportionately from lack of access to water.

In your view, panelists, how is this problem improved at all as awareness grows, and can you share an example of a project that has successfully bridged gender inequalities?

Mr. Asiko, why don't we start with you on this?

ASIKO: Thank you very much, Steve. You know I think you asked a question which in the question itself, you kind of answered it, because you said women and girls are disproportionately disadvantaged by water access issues in Africa.

The flipside of that is that when you invest in water access programs in Africa, women and girls are disproportionate beneficiaries of those programs. And here's why.

When we set out to do our RAIN program that the senator mentioned, the Replenish Africa program, we had some bold goals. We said two million people by 2015. You know, the company committed \$30 million and we had a strategic plan that we wanted to be in every country in Africa with a project by 2015.

When we announced this commitment, there was no mention about gender. We didn't say that we are going out to disproportionately invest in women and girls. However, two years into the program, we decided to measure how many women and girls were being positively impacted by these programs and we were blown away.

A quarter of a million women and girls were benefiting from these programs. And their lives were changed forever with—with no special focus. We were just going out into communities and looking at which were the most needy and putting in the infrastructure, working with the community to make—to ensure sustainability.

And when we counted it, it was amazing. School enrollment up. Incomes increased. You know, real tangible benefits.

And so there is something to be said in over-emphasizing and focusing on women and girls, because when women and girls benefit, I think everybody knows that the entire community benefits.

And gender now plays a significant part in how we design our programs. And we've decided that we're going to measure in every program how many women and girls are being affected. It's not going to be a "by the way" kind of thing that it started out to, because we've seen that the effect is phenomenal right across the community when women and girls are positively affected with a water program.

Thank you.

KAUFMANN: Mr. Breslin?

BRESLIN: So my daughters were raised in rural Mozambique. And when we got there, my youngest daughter was 14 months and my oldest daughter was just under three and they—as you know in Africa, right, girls and boys, they kind of move in packs.

So my daughters were part of a group of 12 girls from Lichinga, ranging in age from Gemma (ph) at the time, my youngest, was the youngest in the group, up to about 12, 13 years old.

And so my daughters were really excited as, they got to know their friends, so they went—the first day that we were there, they went with them to fetch water, right, and they carried little buckets and it was all very sweet.

Then they came back, and they said, "This stinks. This is the worst." And I said, "Exactly. It's the worst." And they did it one more time in the seven years we were in Mozambique, and they hated it beyond belief. Their friends missed an enormous amount of school because they were fetching water.

So I always say water and sanitation are absolutely women's issues, absolutely girls' issues. If you care about it, you care about it—you care about water and sanitation.

And what I like about some of the work that's happening around the world is—some of the most interesting work is where, as William said, where you recognize gender as a huge issue, but you don't kind of—over-program for it, right? But you create the space for women to thrive.

Because that's what it's all about, right? If girls actually have their water-carrying burden reduced, they go to school and then they have opportunities that they didn't have otherwise. They can actually start to get control of their lives, which is great.

One of the things that I really like is, a lot of the entrepreneurs that we're starting to support are women. We're creating space for women to solve these problems. There's a group in Uganda, in Kampala. Two women who are running a company that we're supporting that is into de-sludging, right?

So they go around to houses and they say, hey, I'll come over and, you know, you've got a full toilet, and for this amount of money I'll kind of clean out your—escroto (ph) in Portuguese, right? Your—your sludge.

And they're making a ton of money and they're doing really, really well because of it and they're providing a service.

In (inaudible) we work with a bunch of water-user associations and these associations are really interesting because they're run on a private-operator model. They're called associations totally for political reasons, right? Because private operators, that's kind of a bad name.

So they're run as a water-user association, but one of them in Kolokoti (ph) has created over 80 jobs, has mass amounts of money in their bank account, they're extending services without any additional support from us. Time—time water's available has increased dramatically. Collection time's way down. All good.

The one thing they will tell you is that every single kiosk operator in this area's a woman. And when we said, you know, why is that? I mean, is that a kind of strategy? And they said, yes, of course, it's a strategy. Because the women will not give—if there is a man there, then a lot of people will come and convince those men to give them water for free, but the women won't do that.

We're creating jobs for women. We're making sure water's accountable. We're making sure water's flowing. And we're not letting indirect corruption happen by pretty girls coming over and convincing guys to give them free water. It was absolutely fascinating.

So what's starting to happen in our work is that if you can kind of—I think what you're seeing is there's all kinds of incentives to provide a good service and make money as a result of that. That's a good good. Those are good goods.

And if you create the space for women to fill those positions, we're finding over and over again across the continent that they do an exceptional job. So it's not just about reducing the burden, but it's also about looking at water and sanitation as an opportunity for women to actually thrive economically as well.

KAUFMANN: Omar?

HOPKINS: So let me just me just talk a little bit about a compact that we just signed in Cape Verde.

It's primarily an institutional reform and utility reform project, and we had some very intense discussions internally in MCC and with our country counterparts about what was the right space for social and gender integration within that project—and how to build it in in a way that was permanent, and would last beyond the life of the project.

So we began with a top-down approach. Our assumption was that if you did not have social and gender implications in the forefront of your mind at the very beginning part of the planning process within the sector, that doing a lot of effort down at the bottom of the pyramid, you put yourself at risk of the sustainability of those outcomes.

So in Cape Verde we worked extensively with our counterparts—and when I say we worked extensively with our counterparts, there was a lot of education in both directions about the role of gender and social analysis and what was feasible and not feasible in the context.

But we now have a program in which we will have, at the national level, within the sector planning institutions, gender and social components and expertise to make sure that the planning at the very top level has that as part of its vision and objectives.

Within the utility, we expect a strong, customer-service orientation, again, with a focus not on women, per se, but understanding that women are often heads of households, and very often heads of poor households. And so that understanding their needs and developing a utility that is—has service orientation and wants to provide those customers with the service is critical.

And then and only then does it start to make sense about trying to understand, you know—how do you direct specific investment resources to make sure that we're investing in the right neighborhoods, and so on and so forth, with the right levels of subsidies or other kinds of mechanisms to make sure that there are no kind of unanticipated barriers to service for these households.

So that was the strategy that we used in Cape Verde. It was really just, again, to start from the top and work our way down.

KAUFMANN: Great. So why don't we try to take some questions from the audience? I know we've got some microphones that are coming around and why don't we just take one or two and we'll pose it to the panel.

QUESTION: I'd like to (inaudible) one of the topics (inaudible) the Paris Declaration (inaudible) MCC, but I'd like to hear the views of Coca-Cola and Water For People.

How do they manage with, say, harmonization with other donor partners, whether government or private or NGOs firms, and what are the challenges in implementing water projects so that your project doesn't get trampled by other projects and your results are not removed?

KAUFMANN: Would you like to take that first?

ASIKO: Thank you. Thank you very much.

I think when Daniel Yohannes made his remarks he talked in stark terms about how serious the problem is about water access and sanitation in Africa. Now, he talked globally and I said in my opening remarks that Africa bears the largest brunt of that.

There is plenty of space for everyone. We are talking about over 350 million people today in Africa who do not have access to clean water.

Even our own program, RAIN, Replenish Africa Initiative, is targeting two million people by 2015. It's miniscule compared to the problem.

So there is plenty of space. I want more partners, not less. I'm trying to bring more people into this space, because the problem is massive. And the partners that I'm really looking to work with are governments.



I'm really looking to work with governments. We've got a big partnership with USAID that's been going since 2003, and we want to bring more onboard, because governments can bring scale. They can bring resources that perhaps the private sector is unable to bring.

But the private sector can bring—and civil society can bring—things that perhaps government doesn't have. And that's the community connection that ensures the sustainability that Ned talked about earlier.

So I think there is space for everyone as long as everybody's bringing to the table what their special capability is, and I think that you can see on this table that we have representation from civil society, from government, and from the private sector and that there is a very happy balance between those three interest groups, OK?

And there's plenty of space. We want more, not less.

KAUFMANN: Mr. Breslin, anything to add on that?

BRESLIN: Yes—if you look at polio, right? Why did polio succeed? Polio succeeded because everyone got behind a big goal. That didn't sit back and say, oh, we're going to do 50,000 vaccinations this year and get a grant for that, and once we take pictures of all those vaccinations happening, and then we close out the grant and call it a day, and we did a good job.

And that's not why polio worked. Polio set a big goal and everyone in the sector got behind that. And what they did is they not only set that big goal, but they monitored it unrelentingly.

So I think that the water sector and the sanitation sector—first of all, everybody talks about sector coordination. Nobody likes doing it, right? We've got our own projects. We've got our own things. This is about us. We've got to account to our donors. Blah, blah, blah.

I think that if the water sector set a big goal to eradicate water and sanitation poverty—really. Really, not just talk about, but really did it—I think you would open up fundamentally new partnerships with corporations, with institutions like MCC and USAID and all that kind of stuff, that was driving towards that goal.

Once that happens I think we'll get there. Until that happens it will continue to be competitive. It'll continue to be people tripping all over each other. It'll continue to be uncoordinated.

And I think William's absolutely right. The key to that is to back governments around the world, to think of corporations not just as places where we get money for philanthropy, but how do we use the unique skill set of corporations towards this goal? And how do we combine drive towards the eradication of water poverty?

Until we do that it's still going to be a mess, even though we'll all talk nicely.

KAUFMANN: So, Omar—at this point I want to put the discussion on hold for a moment to introduce someone who has had a profound impact on United States' efforts to improve access to water and sanitation.

I'd like to introduce Congressman Earl Blumenauer of Oregon. He is a champion for U.S. foreign assistance in water and sanitation. He was the lead sponsor of the 2005 Water for the Poor Act, a bipartisan bill that firmly established access to water and sanitation as a key priority of U.S. foreign assistance.

Congressman Blumenauer has served in the House of Representatives since 1996. Before that he was commissioner of public works for the city of Portland, Oregon, so he brings to this discussion not only a Washington political perspective, but also on-the-ground experience.

Most recently Congressman Blumenauer has sponsored the 2012 Water for the World Act, bipartisan legislation that seeks to strengthen U.S. contributions to water and sanitation by leveraging innovation, strengthening partnerships, and improving transparency and accountability.

Congressman Blumenauer, we're honored to have you here with us today. Please, the floor is yours.

(APPLAUSE)

BLUMENAUER: Well, thank you very much. And I apologize for sort of—parachuting in. I enjoyed the last few minutes of conversation and I wish that the powers that be would permit just kind of hang around here with you and soak this in and become further energized and enlightened.

Unfortunately, I'm on the budget committee these days and there's some weird things happening on Capitol Hill, and my team thinks I should be back there, but I did want to spend a moment.

Deeply appreciate your investment of time and energy here today and what you do around the world.

I appreciate the Millennium Challenge Corporation for allowing me to be a brief part of this effort.

I wanted to if I could touch briefly on the background of some of our efforts in Congress, how our efforts are complementary to what is being discussed here, and why very simply the United States needs to be doing more.

We all celebrate Thursday as World Water Day, but how many of us truly outside this room get it? How effective are we at driving the facts home, that in the course of the ten minutes I'll be privileged to interrupt this panel, that there will be, what, 30 children who will die needlessly? A couple hundred million hours women will be spending today collecting water.

Being able to take these statistics and really make them come alive in terms of what it means for men and women around the planet, the children who are not going to be in school—the costs to developing countries in an economic sense, as well as the human sense.

Well, our job, those on the panel, those in this room, in this year is to make sure that we use World Water Day this year and every year as a tool to increase the number of people who understand how pressing the global water challenge is.

And I truly believe that the United States needs to face up to its opportunities and responsibility, finding itself as the richest and most powerful nation in the world to understand the power that comes from being able to deal with meaningfully with this challenge. It's in our self-interest as it is in terms of our humanitarian concerns.

I'm excited, having worked in this arena for more than a decade now—not much by the likes of some of you in this room, but it's a significant part of my professional career—watching the awareness growing.

Just the testimony earlier this year from the U.S. director of National Intelligence, giving an entire section of his speech to global water security. We had a similar briefing on Capitol Hill in a classified briefing a couple of weeks ago.

We know the United States in and of itself is not going to solve this problem, although the irony is that the United States in and of itself could solve the problem in terms of the resource allocation.

It is an area that I am impressed that people know what to do. You in this room know what to do. Girl Scout troops and churches know what to do. We have the technology. We have the expertise. It's how we are going to put these pieces together.

I've reintroduced the Water for the World Act. It's HR 3658, for those of you keeping score, with my friend Congressman Ted Poe from Texas as the leading Republican cosponsor. We also have Mr. Berman, the ranking member on—of the Democrats on foreign affairs.

Great NGO support, I think there are 52 organizations at last count—and there may be some here in the room that want to get aboard. We would welcome it. Ranging from faith-based implementers, people who are concerned primarily with poverty reduction, women's health, it's a wide range that's helping us build momentum.

The legislation would complement much of the work that your panelists do on a daily basis. It would encourage leveraging the private-local partnerships. I understand my friend, Johnny Isakson, was here, talking about the Coca-Cola Africa Foundation. Having a few global players—Coke's a great example—that have a global supply chain capacity—there are a variety of reasons for them to be involved. This is terrific.

As Ned knows through his leadership at Water For People, the WASH [water, sanitation and hygiene] community has been doing, again, just extraordinary work. People are—we're learning from past experience that there is—sustainability of projects needs to be the watchword.

Broken pumps, filled latrines, no funding or expertise for repair is worse than wasted money. It's a lost opportunity. It discourages people. It sets us back. And with your help being able to focus on what works and avoid failed experiments, I'm—I'm convinced [ph] assumes a much greater role than I have appreciated before.

Our legislation focuses on sub-Saharan Africa in particular. I mean, this is an area that has haunted me since I was in South Africa, what, 2002, and sort of started this journey that led to the legislation today.

It's exciting that the Millennium Challenge Corporation is negotiating this water compact with Zambia. The order of magnitude is, I think, really significant, not just for that nation, but what, a 10-year [sic] commitment, 355 million—I mean, that's what I'm fighting, for the appropriation this year out of the House appropriations committee. Making a 10-year commitment like this, being able to make a difference on the ground, and for others to be able to watch what a difference it makes, I think, is going to be profound.

Our legislation focuses on greater monitoring and evaluation. I mean, this—some of this recordkeeping, you know, and some of the stuff that gets in the way, people want to do real work. Well, we've really got to know what's going on. We really have to track this. We've got to be able to make a compelling case, to document it, and hold people accountable.

It's something that the Millennium Challenge Corporation, I think, is predicated on, and I appreciate it. It's what I think we're seeing at USAID today. Secretary Clinton and her leadership and the leadership at AID, there's—I think there's more focus on that as well.

But we need to continue to have an ongoing learning process. We need to be a part of this cycle, learning from one another, sharing it, long after leaders like Secretary Clinton have gone on. Not let them go, keep them engaged with their credibility.

It's important from my vantage point that we're able to have people understand how—what role water plays in our global assistance effort. If I had my way, we would be shifting dramatically from military to civil society and nothing, I think, is more important than water.

We're working to integrate the sanitation, water into a key component of the Water for the World Act.

We want to make sure that people understand how the dirty water and lack of sanitation directly affects all areas of development. The retroviral drugs undercut by the diseases that result from dirty water. The children that are

not going to be attending school. This is the cycle, you know, but I think we have been not entirely compelling in making the case that water is central to the other challenges that we are committed to.

I note the passing of my colleague, Don Payne, who was a partner on the foreign affairs committee with me, a deep, deep personal concern, particularly about sub-Saharan Africa, but he'd traveled the world, had seen the impacts of inadequate water and sanitation.

And it was, I think, perhaps fitting that on the day of his passing the United Nations reported that the world had met a target that was codified in the legislation that Don passed with me to cut in half the proportion of people without safe drinking water by 2015.

A terrific accomplishment, but we've got a long way to go. The goal when you think about, when we think about what's left over after we've accomplished it, and it is dwarfed by the problems of sanitation. We can feel, I think, good about the attention, the direction, and the progress in the last decade, but compared to the need and compared to what we could do it's a little wanting.

I would welcome support of any of you with any of the groups that you're associated with on the Water for the World Act. I look forward to working with you to help raise the awareness so that the children and women in these areas soon will be actually in school or involved in productive activity, not wasting millions of hours in the pursuit of dirty water or suffering from its consequences.

Again, I appreciate your allowing me to fumble my way in. I do apologize, but it was important for me to express my appreciation to you, talk about what we're doing, and hope that there'll be an opportunity for us in a Congress that hasn't yet been characterized by cooperation, peace, and tranquility.

But with your help we can help them achieve something that actually will not cost money, but save it. Will not create conflict, but reduce it. Not only abroad, but I think with your help we can help Congress maybe do something constructive, feel better about itself, and—who knows—might solve some of the other pressing problems that it faces.

Thank you very much.

(APPLAUSE)

KAUFMANN: Thank you, Congressman. Appreciate your stopping in.

BLUMENAUER: Thank you.

KAUFMANN: Thank you.

Unfortunately, as well, Congressman Blumenauer's schedule is fairly tight and he won't be able to stay with us.

I'd like to go back to the panel and, Ned, I'd like to start a question with you this time.

Water For People prioritizes monitoring and evaluation, something that MCC also believes is critical, and we just heard the congressman talking about its importance.

M&E, however, is much easier said than done. It's a challenge that we all face in doing. Can you talk a little bit about some of the challenges that you've faced with monitoring your work, and how you've overcome those?

BRESLIN: Sure.

KAUFMANN: And then like to again ask the rest of the panel to address that.

BRESLIN: Well, I think—again, I think William made a great point about the importance of looking back. Congressman Blumenauer made a great comment about the importance of looking back because at the end of the day water and sanitation's just not that easy, right? It's just—if it was, we'd be done by now.

And I think what we've tried to do at Water For People is we've said that we're investing in people's lives, we're telling their stories, we're raising funds on their account, right, and that carries huge responsibility, you know?

And it's not responsibility really to the donor. It's really responsibility to the communities and the governments that we're working with who are putting money on the table and betting on us.

And so to be a better organization we've felt it's absolutely essential to constantly go back and learn and be willing to ask hard questions. Now, the hard thing about monitoring is at the end of the day it's laborious, right?

You go in the field. You drive around in a car. You have a clipboard. You check off things. You interview people. You go back. You stick it into an Excel spreadsheet. Maybe you stick it into SPSS or something. You analyze the results. You say, wow, we kind of stink at this and we're pretty good at this and six months have passed, right, because it's not very easy.

So what I get great hope from now is the kind of explosion of technology that's allowing us to actually do this much better. So, Water For People developed one technology. It's called "FLOW." And it was really developed because we committed to ten years post-project monitoring and we said, if we're going to go back for ten years, we've got to make this as easy and as quick as possible. We need results fast. We need to be able to look and say, wow, we're not—we're off-track here. Let's intervene. We can't let the data be dead.

And so we took the advantage of emerging technology, and it's very simple, and we're not alone in this. But "FLOW" is—works basically like an app. It's an app on your phone and what it does is it collects GPS coordinates, takes photos of video, and you can ask questions—and it does questions—and then you can analyze the results and it all puts it together on Google Maps.

What I think the real innovation of it is we're really working towards creating a platform so you can see the results in intuitively clear ways, so you don't need to be a bunch of statisticians. You can look and see what's on-track and what's off-track and you can get it quite quickly.

I think it's a good example of saying monitoring matters, learning from what you do in the past and incorporating changes into your program based on those learnings will make you a better organization, and in the end it's really people on the ground who we care about. And donors matter. Of course, donors matter, but we owe it to them because we're intervening in their lives to do.

And so we've just found a very simple way to move forward, to make it visual, to make it public, to hold ourselves accountable.

The last thing I'd say really quickly is the one experience I got from Africa, when I lived in South Africa, was the more public you make the data the better you become. So, we used to do—in South Africa, we used to put up these huge billboards. We had a partnership with a billboard company. It's a great example of thinking of philanthropy slightly differently.

We had a partnership with a billboard company and they put up these huge billboards at the entrance and exit of every village we worked in in four provinces. And on it were the data results.



And what it did was it spurred this incredible discussion around those results because everybody coming in and out of the town would see. And actually people in the area would fill in the results.

So, it's all—it was all around, you know, downtime. How many days was the system off? How long did it take to respond to a problem at a household level? Are they on-track to replacing their water system in terms of finances?

Really simple things, but it generated debate and it allowed people to sit back and say, hey, we're off-track here. We maybe need to rethink our tariffs. Or we—or the response time is still so slow that actually we need to rethink the O&M system here because it's not working.

And I think that's where monitoring's really powerful. So there are a lot of technologies that are making it easier. The excuses for not monitoring are gone. We should do it and you actually become a better organization as a result.

KAUFMANN: Omar, do you have anything to add?

HOPKINS: Sure, let me just build on some of the comments that Ned has made.

Obviously, MCC is built around the concept of looking at our projects through an economic lens. So right from the very beginning we're making judgments about a range of possible investments within the sector. Not all of them can be equally good, and so we work diligently internally and with our counterparts to develop packages that are optimal in some sense, given the constraints that we face.

And we use—and we build in monitoring and evaluation from the beginning, based on our assumptions and our models so that we can track progress as we go forward through the implementation.

That said, it's a lot easier to say than it is to actually do. And I think this issue of getting the data in time to really affect kind of programmatic decisions is really a challenge.

Again, on the Cape Verde example, we were developing the compact and we were challenged by Steve, among others, to really think about how we could forward the economic analysis piece in the design process so that the economic analysis and the generation of the indicators that flow out of that analysis are really built into our project.

And I think, at least from my experience, we really learned a lot in the six or seven years that MCC has been in business, and how we used economic analysis to do the design—and what that means in terms of the kinds of indicators that we're looking for.

Have we gotten it 100 percent right? I'm sure the answer is no to that, but I think we are doing better and we're learning from our past experience.

KAUFMANN: William?

ASIKO: Thank you, Steve. You know, it amazes me at many water events that we still ask the question how important M&E is.

Let me just ask a question of you. Would you ever invest in a company because of a commercial they produced? You know, we—and Coke certainly makes some great commercials, but you don't go out and buy Coke stock because you saw a commercial that you liked.



If you want to invest in Coke stock, you go and look at the financial statements. In development, M&E are the financial statements of your projects. They tell you whether you're doing well or whether you're meeting your targets or whether you're getting a return on your money.

There is nothing else you can use except your M&E. And if it's done properly, you do a baseline to begin with before your intervention, you measure the right things throughout the life of the project. At the end of a fixed period of time, you will know whether you have a good investment or not.

And, yet, in development, we often invest in projects based on the commercials we see. We invest in them based on the pictures we see and the stories that we are told about these projects rather than look—asking, what are you going to measure? What are the expected outcomes? What is supposed to be the impact of this program? At the end of the day, so what? What was the difference with your intervention?

So to my mind, M&E is essential. It is absolutely—the starting point, your baseline, and your key indicators have to be the key ingredients you use to make your decision about investments.

So absolutely, M&E is essential, certainly from where we're sitting and how we look at our projects.

KAUFMANN: Thank you. Ned, you had something to say.

BRESLIN: I absolutely love what William is saying. So here's a really simple M&E question that you can always ask. So the common currency in the water sector is numbers of beneficiaries helped every year, right? So that is an indicator of level of effort. That's how much work we did in a given year.

But everybody has—every organization has an annual report that says in 1998 we helped 200,000 people and in 2004 we helped 6,000 people and all that. So the best question I think you can ask is what percentage of the beneficiaries you counted in 2006 still have water today? And if they can't answer that then they're not actually, really, a good organization.

Then, as William said, I wouldn't really invest in them, would you? Because they don't know.

KAUFMANN: So a good challenge for all of us. Thank you.

Why don't we turn it back over to questions from the audience?

Why don't we, in fact—William just made a good suggestion to me as we were talking—why don't we take a couple of questions and then let the panelists do that and then we can try to close it out. So, sir, please?

QUESTION: We're one of the supporters of the Water for the World Act that the congressman just spoke of and a lot of our work is focused not only on water, but also on sanitation and hygiene and it—sanitation and hygiene hasn't been spoken about a lot here.

Certainly, we've found that having women in leadership positions, decision-making positions advances that agenda because, at least we've found economically, the investments needed on water are far greater than the financial investments needed on sanitation and hygiene if you do the social development.

And I was wondering how in the programs you've discussed you're integrating sanitation and hygiene?

KAUFMANN: So why don't we get a couple more and then ...

QUESTION: In my many years of experience in infrastructure development in Africa, one thing that I have noticed and that's been touched on here, that there's been a tremendous amount of investment made in

infrastructure, but there's an irony that's involved that many countries would never have developed that infrastructure if they hadn't received foreign aid because they couldn't afford the systems that were being introduced to their countries.

I had a question for you, Mr. Breslin. Just in the sense of—I work very closely with a lot of women who've been involved and I applaud the idea that women are the leaders in African development, can you tell us some of the innovative experiences that you've observed or that have given an indication of how women have raised the funding the communities to be able to afford this infrastructure? Because when it's top-down often when the developer or the funder goes away that's the end of the program. And if it's not supported by the community, it's just not going anywhere.

Thank you.

KAUFMANN: Why don't we take one—one more if we could?

QUESTION: With a lot of immediate issues—you talked about the staggering numbers out there—but for some people, climate change could affect water going forward. How is that something you actually factor into development projects today? It is a far-off concern and perhaps we don't know how it might affect water resources. How do you account for that in dollar-and-cents in investment perspective?

KAUFMANN: OK, Ned, why don't we start with you? We've had three questions.

BRESLIN: All right, I'll go real quickly. So one of the cornerstones of Forever is that waters are always flowing, so our program spends an enormous amount of time looking at water quality and water quantity, both of which are under threat.

And so what it's done—because we've set that goal of creating districts that are at full coverage, that are water-secure, and don't need another international NGO—is we've forced ourselves into IWRM (ph), right?

So aquifer recharge, we've actually gotten into Central America and reforestation, spring protection, a whole range of things because the outcome is not “finish the project.” The outcome is “you're going to be judged on whether water's flowing.” So it forces that question.

Are you from South Africa? Ah, I love that. Fantastic.

Real quickly—in South Africa one of my favorite schemes was using women saving schemes to do exactly what you're saying, so there's really interesting networks in South Africa around women at local level who will share money around and one woman gets it, right, and then she can go buy a refrigerator or something like that.

Some of the most interesting ones that I've seen—parts of Kwazulu-Natal in particular were doing—using that mechanism to actually come up with enough money for not only repairs, but also replacement of water points.

So I think it's a good example. And those are women-run. So that's a really quick example.

And then lastly on sanitation, I'm actually much more of a sanitation guy than a water guy and I think again the challenge with sanitation is we're counting toilets, right? So how many toilets did you build this year? Ten thousand? Great. And, sure, we are.

And what we're really trying to do is say, use a bit of a cell phone analogy. So we call it “sanitation as a business.” So I have an HTC phone. I go to Verizon and my wife goes to Verizon. She has an iPhone. People might have a Samsung. It doesn't matter. Verizon couldn't care less about the phone, right? They want you in that unbreakable two year contract, that ongoing relationship.

And so what we've done is we've developed a sanitation program that basically says, can we figure out what that ongoing relationship is, because if we just train a bunch of masons and give them enough money to build a thousand toilets they'll build a thousand toilets? They may do it in—you know, maybe next time, they'll build 2,000 toilets, but at some point that market will die and those masons will go away.

And so what we've really done is, can we figure out the economic incentive to keep people engaged? In urban areas, what that generally looks is the example I gave—de-sludging, right? So I got a deal for you. I'll get you a toilet, right? And every three months I'm going to come and I'm going to clean that toilet and you're going to pay me a little bit for that service.

And you'll say, wow, that's a great deal because I actually am tired of going to the bathroom outside, and it's an urban area, and I'd like a little privacy, and all that kind of stuff.

And then I'll take money that I earned from you and I'll go you and I'll say, hey, I got a great deal. You want a toilet? Good. Let's have a toilet.

And then the business is really keeping that relationship going. Anybody who comes into the area, right, I'm going to target as a customer. I'm going to target as somebody who needs a toilet. I'm going to develop that relationship.

So what we've done is stop thinking about the toilets. We love toilets. I've got toilets in my backyard. My daughters are totally embarrassed. It's horrible. But at the end of the day, stop thinking about the toilet. Think about the business and the service. It's based on Coke-models. It's based on cell phone-models and all that kind of stuff.

KAUFMANN: Omar, do you want to take on the three questions?

HOPKINS: Three questions. So let's start with climate change. So one of the challenges—so MCC works a lot with urban utilities of various sizes. A lot of those utilities have, you know, major, major problems, particularly financial problems, the consequence of which is low levels of service and intermittent supply and—the whole litany.

So one of our goals in designing projects is to help make these utilities more resilient, right? So resilience means that not only are they financially sustainable, but they have a planning process in place to be able to anticipate possible changes in their operating environment and so on and so forth, and basically give them the tools and the wherewithal to be able to do that.

And then forward-look and anticipate what kind of impacts—it might be climate change, but it could be any number of issues that are coming down the road.

And to really kind of give them the tools, and by tools I don't just mean, you know, computer software or something like that, but the human capital to be able to manage those issues going forward. That's key.

The—sorry—the other issue was in terms of gender and women raising funds, and sanitation.

So we have a project in Mozambique, a rural water program where there's—we're just financing the government program. That program—there's probably somebody in the audience from Cowater. There you are.

You're implementing that program in partnership with the government. And there, we're really working with the communities to self-finance their own onsite sanitation systems. I mean, in rural areas, it's pretty straightforward.

And we've actually had quite a bit of success in terms of uptake. So this is not something that MCC is financing, but it's part of the package of water supply, training, and social organization in communities to move them from, you know, open defecation to open-defecation-free environments.

So we have a number of those.

On the sanitation question—in rural areas it's quite a bit different than in urban areas. I think it kind of goes without saying that when our counterparts are, you know, when push comes to shove and they're trying to make decisions about the last dollar, does it go for water supply or for sanitation, the instinct is definitely for water supply.

And so we definitely have a dialogue with them about the importance of sanitation. It's built in to our early stages from our planning models. So we've put a premium on that aspect.

But, again, in Jordan we just signed a compact that states there's a lot of problems, but one of the big problems is a lack of access to sanitation services. And all the more tragic because they actually have a number of fairly advanced and sizable waste water treatment plants. The issue is the last mile of connection to the system. So, again, each place has its own particular issues that we endeavor to resolve, but it's definitely on our radar screen.

KAUFMANN: William, please?

ASIKO: I'm conscious of time and I think that my two panelists have answered these questions in some depth. I think I'll just focus on the sanitation and hygiene really quickly. You know, every time you have a new phone or a new appliance, you go through a process of change management.

So, if you use a phone that has a keyboard and you get a phone that has a touch screen, you have to learn how to use the new instrument.

It's a process of change management. Sometimes, if you're like me and you have teenage children, they help you and they laugh at you as they help you out with this change management process until you get proficient.

And, you know, the thing is for me, when you have a water access program and you are providing access to clean water to a community that hasn't had it, there's a change management process associated with how to use that water and how to make it impactful for the community.

For me, sanitation and hygiene is an integral part of water access. It's that change management that teaches your community how to wash hands. You know, all of a sudden, they've got this new thing that they didn't have before, they don't have to conserve it as much as they did. They don't just keep it for cooking and drinking. Now they can do a lot of other things, they can wash their clothes. They can do a lot of other things that they weren't able to do before.

So sanitation and hygiene to me is the software part of the hardware and infrastructure part of giving water access and it's absolutely integral. In over 90 percent of the projects that we do, it's change management, it's a process, it's not an event, you have to go through it as you're implementing the project and have a plan for what you do once your implementation goes, because you are changing behavior. That takes time and effort.

KAUFMANN: Do you want to take a couple of minutes to sum up? We'll just go down the row. So?

ASIKO: Do you want me to start?

KAUFMANN: Yes, please go ahead.

ASIKO: Well, thank you, once again, everybody, for taking the time to listen. I think that the one point that I did want to leave with everybody is something that's often said, but difficult to do and that's the idea of partnership.

You know, the challenge that we have with water access is huge. For us, to be very honest, we have an interest in water access in places like Africa. It's an ingredient in our business, we use it in our production process, but we also share it with communities.

So when you hear these stark statistics about communities that do not have access in water-stressed areas, particularly in Africa, it's not just a threat to those communities, it's a threat to our business. But we can't solve the problem by ourselves. This is why, for us, partnership is important. Like I said earlier in my remarks, we will partner with people who share a common vision, whether they are competitors or not.

We will get together if they share a common vision about solving the water crisis, then we will partner with them, we will put the competition aside, for purposes of focusing on this.

So partnership is important to us. We are already working with Water For People, so we look forward to seeing what we can do with the Millennium Challenge Corporation. Thank you very much, everybody.

KAUFMANN: Thank you. Omar?

HOPKINS: Sure. Just to build on William's points, a few words on country ownership and what that means to MCC in terms of rolling out, designing projects and implementing them.

You'll see that during our design process, we place a lot of emphasis on planning and we really—a critical ingredient to the success of our projects is that our country counterparts really have a vision of where they are, a clear understanding of where they are and a vision of where they would like to go.

It's a challenging process, because you get a lot of professionals in a room and there are a lot of different opinions. We have our opinions, they have their opinions, even our side was not necessarily uniform at the beginning in our viewpoints.

The engineers, myself included, have one perspective, the environmental people, the social gender people, all have their different kind of viewpoints that they bring to the issues.

Our counterparts, also, themselves have a range of issues that they are trying to manage in designing the vision and the roadmap to that vision. They have their own development agenda, they have political issues that they need to manage, stakeholder—a wider range of stakeholder management issues, other donors.

These are very complicated projects to develop and design, but I think our most successful compacts have been based on—have developed where we have a kind of organic development of a partnership between our MCC teams and our country counterpart teams.

Partnership does not necessarily mean that we agree on everything, but that we have ways of disagreeing in gentlemanly ways, and finding ways to keep the projects moving forward within the constraints that we have. One of those key constraints on the MCC side is this five year time horizon, which really imposes a very severe, if you will, discipline on project implementation. So under those difficult working conditions—challenging working conditions, if you will—this concept of partnership and country ownership are really key assets to how we do business in the water sector.

KAUFMANN: Great. Thanks. Ned?

BRESLIN: I think we have to go big. So let's try something different. If we accept, like I said, that projectizing every single initiative that we do is going to continue us doing lots of projects, then we'll be here 20 years from now, we'll be here 30 years from now. Or, what we can do is we can sit here and say the government of Liberia has said that within ten years, they want to be independent of all foreign aid.

We should go, great, and here's the role the water and sanitation sector will play. We'll drive towards full national coverage in water and sanitation in ten years. We'll combine the forces of corporations, of institutions like MCC, you guys can come in for five years, right? For that initiative we'll drive towards full coverage and let's back Liberia's desire to be foreign-aid free.

Let's show, instead of constantly talking about that poor girl, walking down the street, walking in the bush, fetching water, missing school. Let's turn it into a positive. Let's start talking about those girls going to school, those people, because water is flowing. So let's focus on those outcomes. Rwanda wants to be fully covered by 2020, let's back it. Let's back it.

Let's not projectize this forever. What if we got MCC, US Aid, Coca-Cola, a whole range of companies and donors and implementing agencies to say, we back that. We're going to do that, and we're going to help you get there.

If you succeed in Rwanda, if you succeed in Liberia, it's going to boil over. Tanzania is going to say "I want this." Kenya is going to say "I want this." All of a sudden, you've turned from little bitty projects and programs that get done well and closed nicely to a movement, to a movement to eradicate water and sanitation poverty.

So let's back some low hanging fruit, let's change the paradigm from lots of projects to full coverage, never needing other foreign assistance or NGOs ever again. Let's show that the water sector can do exactly what polio did to polio, what malaria is trying to do, what HIV and AIDS is trying to do, and that's wipe out the problem.

Because if we do that, water and sanitation sector is a success story and is not constantly talking about that girl in the bush.

KAUFMANN: Thank you all. I want to thank everyone here for joining us at the Millennium Challenge Corporation. Lots of food for thought moving into World Water Day. I'd like to thank our panelists, Ned Breslin, William Asiko and Omar Hopkins. Enjoy the rest of your day.

[APPLAUSE]

END