

Annual Report 2011

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IRC International Water and Sanitation Centre is a knowledge broker, innovator and catalyst of change within the water, sanitation and hygiene (WASH) sector working internationally and in selected focus countries and regions. IRC seeks to extend WASH services to the less privileged, while ensuring that services are based on the sustainable use of water resources, are appropriately managed, and are better governed. IRC works in partnership with governments, the public and private sector, Dutch and international organisations, UN institutions, development banks and non-governmental networks and organisations.

IRC Annual Report 2011

Contents

Acronyms	3
Chairperson's Message	4
Director's Message	5
Executive Summary	7
Regional Programmes	9
Global Programme.....	11
Thematic Innovation Programme.....	12
WASHCost.....	14
Sustainable Services at Scale (Triple-S)	15
Organisational Development and IRC Staff.....	17
Finance	19

Figures

Figure 1	Employee Nationality	17
Figure 2	Number of Employees in Salary Scale	18
Figure 3	Gender Balance (end of 2011).....	18
Figure 4	Age	18
Figure 5	IRC Income 2007 – 2011 (000's of Euros)	20
Figure 6	Income by Donor (%).....	20
Figure 7	IRC Expenditure 2007 - 2011 (000's of Euro).....	21
Figure 8	Expenditure across Focus Countries (%).....	21
Figure 9	Expenditure across Themes (%).....	22

Acronyms

AusAid	Australian Government Overseas Program
AWIS	Annotated Water Integrity Scan
CapManEx	capital maintenance expenditure
CERI	Community Emergency Response Initiative (Nigeria)
CHAI	Corruption, Honesty, Accountability and Integrity (IRC thematic focus)
CWSA	Community Water and Sanitation Agency (Ghana)
DGIS	Netherlands Ministry of Foreign Affairs – Directorate General for International Cooperation of the Netherlands
DiMES	District Monitoring and Evaluation System
FLOW	Field Level Operations Watch
Gol	Government of India
HIF	Humanitarian Innovation Fund
HR	Human Resources
IADB	Inter-American Development Bank
IWMI	International Water Management Institute
JWP	Joint Water Programme (SNV and IRC collaborative programme in Uganda)
LCCA	life-cycle costs approach
LOGWASH	Local Government Water, Sanitation and Hygiene Services (IRC project)
MDGs	Millennium Development Goals
MoU	Memorandum of Understanding
NEWSAN	Society for Water and Sanitation (Nigeria)
NGOs	non-governmental organisations
PRONASAR	National Water and Sanitation Programme (<i>Programa Nacional de Abastecimento de Água e Saneamento Rural</i> , Mozambique)
QIS	Qualitative Information System
SHAW	Sanitation, Hygiene and Water project (IRC-SIMAVI joint project in Indonesia)
SIAS	Social Impact Assessment Survey
SNV	Netherlands Development Organisation (<i>Stichting Nederlandse Vrijwilligers</i> , Netherlands)
SWA	Sanitation and Water for All
SWITCH	Sustainable Water Management Improves Tomorrow's Cities' Health (consortium project with IRC participation)
TOP	Thematic Overview Paper (IRC publication)
Triple-S	Sustainable Services at Scale (IRC project)
UCLGA	United Cities and Local Governments of Africa
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USDP	Urban Sanitation Development Project (Indonesia)
WASHTech	Water, Sanitation and Hygiene Technologies (consortium research project coordinated by IRC)
WA-WASH	West Africa Water Supply, Sanitation and Hygiene Initiatives (IRC project)
WIN	Water Integrity Network
WSSC	Water Supply and Sanitation Collaborative Council
WSUP	Water and Sanitation for the Urban Poor

Chairperson's Message

During 2011, IRC staff once again demonstrated their commitment to ensuring that marginalised communities gain access to water, sanitation, and hygiene services that last. Ranking fourth on Philanthropedia's 2011 list of top non-profits in the water, sanitation, and hygiene sector indicates IRC's outstanding competence in facilitating positive changes and helping to realise development goals.

The end of 2011 marked the conclusion of the previous five-year business plan period. The year provided opportunities for IRC to reflect on their past successes, and also plan for new ways to grow as a top-notch learning and knowledge centre. Embarking into a new business plan period for 2012-2016 gives IRC a fresh opportunity to strategise how to help deliver sustainable services to the poor. The Supervisory Board remains confident in and fully supports IRC's future strategies for improving the water, sanitation, and hygiene sector in rural and urban areas.

IRC's work remains possible through donor funding and investments from the Dutch government. IRC and the Supervisory Board greatly appreciate the Dutch government's continued support—thanks to it, IRC can remain a strategic player in the global water, sanitation, and hygiene sector.

All members of the Supervisory Board also extend their sincerest gratitude to all IRC staff for their dedicated efforts. On behalf of the Supervisory Board, I wish the entire IRC staff continued success in leading innovative approaches for addressing sustainability challenges facing water, sanitation, and hygiene services worldwide.

Lodewijk de Waal

Chairperson – IRC Supervisory Board

Director's Message

"From charitable giving to sustainable services that last 24/7/52"

The IRC International Water and Sanitation Centre's vision is a world where everyone has access to water, sanitation and hygiene (WASH) services that are appropriate, safe and sustained. Service providers operate to high professional standards in an open market. Costing and financing in the WASH sector take into account the full life-cycle costs of service provision, and costs are balanced by expected income.

To help realise this vision, it is our mission to facilitate the sharing, promotion and use of knowledge so that governments, professionals and organisations can better support all men, women and children in developing countries to obtain water and sanitation services they will use and maintain.

The above mission statement reflects how IRC sees its role as an international knowledge and innovation centre in the WASH sector. As we strive for effecting changes towards achieving the sustainable delivery of water and sanitation services that last, in collaboration with our partners, we stay firmly committed in our contribution to the achievement of the Millennium Development Goals (MDG's) for 2015 and beyond.

For IRC, 2011 represented the final implementation year of our Five-Year Business Plan (2007-2011). Looking back, we made great strides in reinventing ourselves strategically and operationally, concluding 2011 with heightened international recognition of the contributions we can make in the WASH sector.

During the five years of the Business Plan 2007-2011, it became clear to us that delivering services through stand-alone projects was incapable of bringing innovation at scale, let alone achieving sustainability. We realised that a greater degree of collaboration, joint learning and fact-finding was necessary in order to achieve our goals of innovation and sustainability. As a result, we started working more intensively in a reduced number of focus countries to become a more effective actor in-country, and tackling these challenges directly with our partners. These shifts were driven by a desire to obtain greater understanding of the challenges ahead of us, and as such, to achieve more lasting impact.

There were many reasons for us to celebrate the year 2011. Our profile was boosted by the international Philanthropedia Review's listing of IRC as the 4th top international non-profit organisation for WASH in 2011 for our ability to achieve impact (see: <http://www.myphilanthropedia.org/top-nonprofits/international/water-sanitation-hygiene>). In an independent evaluation of our work commissioned by the Dutch Government, we gained further recognition. According to the evaluation,

"there is little doubt that IRC's core competences (innovation, knowledge management, advocacy and capacity building) are highly relevant" and that "the IRC goes well beyond... simplistic water supply targets that only attempt to measure access to services while completely ignoring the quality and sustainability of the services".

The increased scope of our operations resulted in a significant increase in staff over the last five years. We concluded 2011 with a 61 member staff base, and some 40 local staff in our focus-country programmes and projects.

The investment and treasury policy, which was initiated in 2008, continued in 2011. Despite the financial crisis, which started to show its effects in 2010 and continued in 2011, IRC remained having a stable liquidity balance.

During 2011, we evaluated the change process, which started in 2009 and used its recommendations to guide the alignment of our organisational model with the strategy of our forthcoming business plan. As a result of this process, we decided to operate increasingly within a decentralised model. In this model, each country team develops a country specific programme and strategy and sets its own targets, guided by IRC's programmatic framework. We continued diversifying our staff composition by more actively recruiting staff for core positions in the countries we work in. In parallel to expanding our staff base in-country, we also agreed to look for long-term relationships with professionals as part of our associate programme. The Business Plan 2012-2016 will comprise of four outcomes-based programmes (Global, Africa, South Asia and Latin America), supported by functional cross-cutting teams that will provide communications, innovation, monitoring and learning, and programme management support. Still headquartered in The Hague in The Netherlands and with a branch office in Accra, Ghana, we will seek to establish our local presence in Mozambique, Uganda, Burkina Faso, Ethiopia and India. These are all exciting developments that reveal a maturing organisation which continuously innovates itself in the face of change.

Heading into the future of IRC and the WASH sector, our profound gratitude goes to our partners in government, international organisations, academic institutes, charitable institutes and the private sector for collaborating with us in our vision for sector change. We are especially indebted to the people we work with for putting their trust and confidence in us. Our utmost thanks go to the Dutch government, the Netherlands Ministry of Foreign Affairs – Directorate General for International Cooperation of the Netherlands (DGIS) and the Ministry of Infrastructure and Environment (I&M) for their partnership through the years. Their collective support has made it possible for us to attain the unique position we now occupy in the sector, forging long lasting partnerships with various WASH stakeholders in transforming *charitable giving to sustainable services that last 24/7/52!*

Last but not least, I would like to thank, also on behalf of the Supervisory Board, the international and local staff of IRC, for their great commitment with which they again dedicated themselves in 2011.

Nico Terra
Director

Executive Summary

2011 was an important year for IRC as it marked the conclusion of IRC's Business Plan 2007-2011. In this summary, we provide a brief glimpse into the main chapters of IRC's Annual Report 2011: Regional Programmes, Global Programme, Thematic Innovation Programme, WASHCost, Sustainable Services at Scale (Triple-S), Organisational Development and IRC staff, and Finance.

Overall, our **Regional Programmes** saw great progress in further internationalising and embedding our work in various countries in Sub-Saharan Africa, Asia (South Asia, Indonesia and countries in the Mekong region), and Latin America. Our vision to set up IRC branch offices in Sub-Saharan Africa was moved forward in 2011, culminating in the official opening of our first-ever branch office outside of The Netherlands (in Accra, Ghana). Increased trust and confidence in our expertise was manifested primarily in two ways: i) our involvement in large-scale WASH implementation programmes, carried out in partnership with government and/ or development organisations in parts of Asia (e.g. BRAC II WASH, Sustainable Sanitation and Hygiene for All [SSH4All], etc.) and ii) our involvement in guiding local and national policy making (e.g. collaboration with the Government of India (GoI), UNICEF and the advisory group on Water and Sanitation of the Indian Planning Commission, contribution towards the formulation of Honduras' new WASH policy, etc.).

Within our **Global Programme**, the increasing importance of our role as a knowledge and information broker was validated by non-focus country partners' use of our materials for capacity building (e.g. China and Nigeria), and high participation/turnout in IRC's exploratory training workshops (e.g. life-cycle costs approach). Taking cognisance of the changes in communications and information sharing as well as the inevitable departure of Water Supply & Sanitation Collaborative Council (WSSCC) funding for hard copies of the Source Bulletin, in 2011, we: i) revamped our website; ii) diversified electronic communications and social media use in IRC through the launch of four new blogs, taking the total of IRC-managed blogs to 21; and iii) produced 37 IRC peer-reviewed publications, all of which were made available online through the IRC website and My WASH library (in addition to project websites such as WASHCost, Triple-S and SWITCH). Our efforts to explore the demand for IRC-organised training workshops were successful, resulting in a decision to introduce an IRC training programme as part of our core work for the next Business Plan (2012-2016).

For the **Thematic Innovation Programme**, our work mainly focused on the production of information and knowledge products that were aimed at consolidating our research findings and lessons learnt. The focus on production resulted in two main outcomes: i) through the IRC publication *Scanning the 2020 horizon: an analysis of trends and scenarios in the WASH sector*, organic links were created between IRC's Business Plans 2007-2011 and 2012-2016; and ii) through our WASH governance-related work (e.g. local governance toolbox adopted by the UCLGA, guidelines on Multiple Use of Water Services [MUS] planning and implementation developed for Zimbabwe and Honduras, etc.), we contributed towards improving WASH governance systems and practice. In addition to producing informative research and materials in different formats, we revisited our thematic work and restructured our list of thematic interventions, in our attempts to reorganise our work in line with the goals of IRC's next Business Plan 2012-2016.

Entering into its fourth implementation year, 2011 was an exciting year for **WASHCost** as the project's reach was observed to have begun scaling up, with changes in the practice of implementing partners

and government was observed. During 2011, qualitatively sound WASHCost data, benchmarking criteria and knowledge generated from WASHCost's four focus countries became readily available, published in six newsletters, over 100 news articles, 35 peer-reviewed research publications and consolidated into a training package. The use of WASHCost concepts by national and international decision makers for the WASH sector was observed to have significantly increased with at least 27 organisations/governments found to already been using components of the life-cycle costs approach, and some 28 organisations/governments intending to employ the approach.

Our **Sustainable Services at Scale (Triple-S)** project, which seeks to promote a re-appraisal of how development assistance to the rural water supply sector is designed and implemented, also made good progress in 2011. At the international level, a range of development partners such as AusAid and USAID have begun using the Triple-S' promoted concept of a service delivery approach (SDA) in their communications and documentation, revealing encouraging signs of buy-in to, and demand for SDA in the practice of various development partners. In the Triple-S focus countries of Ghana and Uganda, our involvement in revising a wide body of policy documentation and designing/implementing various field research methods were sought, indicating increased confidence and trust on our work. During 2011, our Triple-S team produced several publications and launched its website.

Organisationally and financially, significant progress was made in realigning our internal operations with our vision of increasing our (international) presence beyond The Netherlands. In the sections **Organisational Development and IRC Staff and Finance**, the increasing significance of our work outside the Netherlands was established by i) HR-led efforts to facilitate the establishment of the IRC branch office in Accra, Ghana, and ii) significant investments (over half of all IRC funding) made towards programme/project implementation in our focus countries. During 2011, we also welcomed the newest member of IRC's Supervisory Board - Dr Gerhard van den Top. Dr Gerhard van den Top currently serves as the Chief Executive Officer of Vitens Evides International and has over 20 years of international experience in the field of sustainable water and resource management.

Overall, our Annual Report 2011 documents the extent of progress we had achieved in positioning our team, comprising of professionals based in The Hague and in our focus countries, as reliable WASH experts at the international and local/national levels. In a nutshell, this was evidenced by: i) our active involvement in policy-setting circles in-district/country and within the international WASH development sector, and ii) high interest rates on IRC's research work and knowledge and information materials. For IRC's next Five-Year Business Plan (2012-2016), while fundamental changes in our programmatic and thematic foci are foreseen, we will consistently endeavour to work towards enlarging the sector's focus on learning and partnership-building.

The following highlights activities that were implemented and planned by IRC during 2011. In the following sections, we discuss our main achievements, as well as the main internal changes that had taken place within the organisation to better fit IRC's role in and contributions to the WASH sector¹.

Regional Programmes

Our regional programme contributed to making concrete improvements in governance and service delivery. In 2011, we focused on embedding selected IRC concepts, monitoring WASH service delivery in-country, and expanding our network base.

The availability of resources, the size and complexity of our in-country programmes, socio-political and economic conditions, as well as the networks we have established, have served as important drivers that determine the extent and relevance of our development interventions. In Sub-Saharan Africa, for example (which received some 50% of all of IRC's funding and where several implementing partners and projects of IRC cross-cutting programmes are based), the need to set up physical offices/desks in-country were found to be greater in comparison to our other regional programmes. In 2011, our vision to set up an IRC branch office in Accra, Ghana was realised, mainly comprising of 'local' professionals and with the directorship handed over to Ms Vida Duti at the start of 2012. Ms Vida Duti first joined IRC through its Triple-S initiative as Triple-S country director in Ghana. Similar preparations towards establishing an office in Ouagadougou, Burkina Faso, were also made where IRC will be registered as an NGO. In contrast, different modalities were chosen for Uganda and Mozambique. Recognising the established presence of SNV in Uganda and in our commitment towards harmonising/aligning our work with that of others, we chose to collaborate with the SNV in Uganda in developing a countrywide Joint Water Programme (JWP). In Mozambique, we decided to first station a country programme coordinator in South Africa to further explore the possibilities and need to expand our programmes in the sub-region.

Our regional work in Asia is centred in South Asia, with a number of sanitation and water governance-related projects implemented in Southeast Asia, such as in the Mekong region and Indonesia. For Asia, our physical presence in 2011 was limited to regular field visits and facilitation of and participation in regional meetings. During this period, Dr Veetal Kurian Baby joined the Asia team as Senior Programme Officer. Prior to joining IRC, Dr Veetal Kurian Baby was Managing Director of the Kerala Water Authority, Government of Kerala, and Executive Director of the Kerala Rural Water Supply and Sanitation Agency, based in Jalanhidhi.

In Latin America, our development intervention was mostly focused on carrying out activities related to sustainable service delivery, in collaboration with governments and organisations.

In addition to the presence of major IRC (collaborative) programmes in the Africa region (e.g. WASHCost, Triple-S, WASHTech and WA-WASH), IRC Ghana was invited to temporarily lead the country's development partners' coordination platform in 2011. In South Africa, we partnered with the United

¹ Further information on IRC's work, outputs and achievements in 2011 may be drawn from IRC's Monitoring Protocol Report 2011. Visit IRC's Annual Reporting page at: <http://www.reporting.irc.nl/page/5973>

Cities and Local Governments of Africa (UCLGA) to develop a WASH support programme for local government under the project Local Government Water, Sanitation and Hygiene Services (LOGWASH). LOGWASH paved the way for a process of embedding IRC's WASH governance approach in the form of an official WASH training for local governance, with UCGLA endorsement. In Asia, we supported various large-scale implementation programmes, such as BRAC WASH II in Bangladesh, reaching over 37 million people; the Urban Sanitation Development Programme (USDP) benefitting 330 cities all over Indonesia; the Sanitation, Hygiene and Water project (SHAW) – a project that aims to strengthen municipal governance in East Indonesia; and Sustainable Sanitation and Hygiene for All (SSH4All), a five-country programme implemented in collaboration with local governments and SNV. During 2011, we were also invited by the Government of India (GoI) and UNICEF to contribute towards the implementation of a capacity development programme for the GoI's senior government officials. At the request of the Commission, our WASHCost India team participated as a member of the advisory group on Water and Sanitation of the Indian Planning Commission. In Latin America, we facilitated and made contributions towards the formulation of Honduras' new WASH policy. Our work in Honduras set the stage for the country's adoption of sustainable service provisioning as a central theme in its policy document. In Colombia, we produced a study on the impact of post-construction support. In Colombia we provided, for the first time, quantitative insights into the relationship between post-construction support and the performance of service providers and service levels. Finally, our Triple-S work resulted in an Inter-American Development Bank (IADB)-commissioned IRC assignment on monitoring WASH service delivery that started in 2011.

Monitoring WASH service delivery also formed a significant part of our work in 2011, as evidenced by our work in Latin America and our collaboration with the IADB in developing indicators in support of institutionalising a process of monitoring rural service delivery in Honduras, El Salvador and Paraguay. Working with new technologies and monitoring methodologies in Ethiopia, action research started around the use of mobile phones to monitor the WASH sector; we also provided support to sector monitoring in Mozambique using social impact assessment surveys (SIAS); and in Ghana, field level operations watch (FLOW) was introduced by the Triple-S programme to monitor service delivery. Resulting in cutting-edge findings, Triple-S's experience with FLOW in Ghana inspired methodological adoption and replication in Burkina Faso and Uganda. In Asia, we simplified the survey monitoring tool (i.e. Environmental Risk Assessment) of the Ministry of Health of Indonesia as part of our work in USDP, and completed phase 1 of the SSH4All programme in collaboration with the governments of Bhutan, Cambodia, Lao PDR, Nepal and Vietnam.

Good progress was made in expanding our network of partners. In Africa, Burkina Faso became the largest benefactor of IRC funding next to Ghana and Uganda, thanks to funding secured from the United States Agency for International Development (USAID) for the West Africa WA-WASH project. At the request of AusAid, work started on preparing a joint funding proposal for the LOGWASH programme in the Southern African Development Community (SADC). In 2011, a qualitative information system (QIS) developed by our Asia team was singled out by AusAid as 'monitoring best practice'. Furthermore, during 2011, we were awarded BRAC funding for technical support towards the implementation of the BRAC WASH II programme. In Latin America, we won a new partner in development – the IADB.

Global Programme

Our global programme ensured the regular and timely production of our products for WASH sector learning, helped monitor learning and discursive change in the sector, and supported the organisation in its advocacy and PR work during 2011.

Feedback received on our website and during WASH events highlighted the importance of IRC's role as a knowledge and information broker. From information brokering (*Water Aid Australia's inclusive WASH gender programme*); to educating/building the capacity of students (*College of Environmental and Municipal Engineers, Lanzhou Jiatong University of China*) and practitioners (*Community Emergency Response Initiative, CERI and The Society for Water and Sanitation, NEWSAN in Nigeria*); to informing policy and decision-making amongst donors (*Triple-S presentation at the World Bank Headquarters*) and in government (*Ministry of Water Resources and Irrigation, Republic of South Sudan*), IRC's products were perceived by many as reliable and reputable sources of information and guidance². In 2011, IRC started organising mini-training workshops as a means of exploring the potential of developing a full-scale training programme. During this exploratory period, we organised workshops on the life-cycle costs approach, sanitation and sustainability/service delivery model in Brisbane, Australia, Chapel Hill in Colorado, USA and Kigali, Rwanda.

In 2011, we were well on track with overseeing and implementing IRC's information-related services, despite some stumbling blocks encountered in our information dissemination activities. Primarily motivated by a sharp reduction in funding from the Water Supply & Sanitation Collaborative Council (WSSCC) in 2011 (with a complete end to funding scheduled for 2012), we were compelled to publish the final hardcopy version of the Source Bulletin in 2011. This disappointment was, however, mitigated by a strong growth in the number and use of IRC's electronic information products (with over 1 million individual page views on IRC's family of websites, both in news features and publications). Employing both traditional and innovative communications methods, we sought to further diversify the communication platforms used by IRC. Our new WASH blogs were viewed 546,000 times in 2011, 146,000 hits more than in 2010. In addition to these, we launched four new blogs, taking the total of IRC-managed blogs to 21. In 2011, our subscribers doubled in number, from some 3,000 in 2010 to 6,800 in 2011. The 6,700 blogs posted since our first blogs were set up in 2008 resulted in a total of 2,500 comments. We ended the year with implementation plans for the launch of three new thematic blogs. We also developed a more structured process of promoting social media use within the sector and amongst staff members. Thirteen regional and thematic WASH news feeds were made available on IRC and partner websites. At the end of the year, 930 individuals were regularly receiving updates from us via *Twitter* and our Source website.

The IRC website was also revamped, with the portal moving to a new server and IRC's news items and library section migrating to different IRC-managed and maintained websites – the *E-Source* (<http://www.source.irc.nl/>) and the *IRC WASH Library* (<http://www.washdoc.info/page/53887>) respectively. The consequences of these moves resulted in achieving largely positive outcomes. Among these was the creation of a portal entry for the *Ghana Resource Centre Network* – allowing the network access to a wealth of information in our electronic library. These moves, however, were not without

² Refer to Annex 7 in IRC's Monitoring Protocol 2011 for further information.

their own set of challenges. The migration of materials resulted in reduced IRC website page views, and uptake of the E-Source and WASH Library understandably took some time. With regard to the server change, an IRC database that monitored web-related statistics was compromised, resulting in statistics that were indicative at best. As information dissemination remains core to IRC's business and much of our work is promoted on the world-wide web, our experience with portal migration taught us to step up efforts to protect the integrity of our web platforms and web-based monitoring tools.

During 2011 we also saw an unprecedented number of publications produced by the organisation, six times the original target projection. A total of 37 peer-reviewed publications were published, including two major books: *SWITCH in the city: putting urban water management to the test* (<http://www.irc.nl/page/66812>), produced by IRC on behalf of the SWITCH consortium, and *Supporting rural water supply: moving towards a service delivery approach*, co-produced by IRC and Aguaconsult and published by Practical Action (<http://www.waterservicesthatlast.org/Resources/Multi-country-synthesis>). We concluded the year with two Thematic Overview Papers (TOP), whose themes have now become more focal in IRC's new Business Plan; TOP 25: *Sanitation financing models for the urban poor* (<http://www.irc.nl/top25>) and TOP 26: *Aid effectiveness in the water and sanitation sector: policies, practices and perspectives* (<http://www.irc.nl/top26>). To summarise, the thematic foci tackled by most of our publications in 2011 were: urbanisation, life-cycle costs approach, climate change and rainwater harvesting, process documentation, sanitation (and financing), aid effectiveness and harmonisation, and service delivery approach and concepts.

Our Knowledge Point project also made important progress during 2011 with the signing of a Memorandum of Understanding (MoU) between KnowledgePoint members IRC, RedR, WaterAid, EngineAid and Practical Action. The finalisation of the MoU was indicative of a strong commitment to work together to establish a high quality question and answer platform for the WASH sector, which also won us a small funding grant from the Humanitarian Innovation Fund (HIF) for the development of the beta version of the KnowledgePoint platform. In terms of implementation, a comprehensive specification and review was developed for the technical platform. A number of stakeholder meetings, including potential future members such as the India Water Portal, validated these specifications and the findings of the review process. External interest in KnowledgePoint has grown substantially, and its significance reaffirmed at sector meetings such as the Stockholm World Water Week.

Thematic Innovation Programme

The main strategic choice for this year was to capitalise on our work, producing a number of concrete information and knowledge products (as overviews, synthesis publications, guidelines and training materials) that consolidated our research findings and lessons learnt. Bringing our thinking into publication allowed us to broadly disseminate and share our work within and beyond the sector. These materials also facilitated a process of reflection within IRC and allowed us to engage in a strategic review of our work, and how we should move forward in the coming years.

One particular IRC publication that was helpful in bringing together our overall work and analysis of the WASH sector was IRC's Occasional Paper 45: *Scanning the 2020 horizon: an analysis of trends and*

*scenarios in the water, sanitation and hygiene sector*³. Mapping out how the landscape of the WASH sector has changed in the last five years, the paper also classified themes and trends based on the time required for implementation and uptake of each, and developed scenarios on how select thematic issues may evolve or impact upon the sector in the future. Peer reviewed and published for an external audience of WASH sector professionals involved in mid- and long-term strategy development, our analysis was used to inform IRC's business plan development for the years 2012-2016, was presented during the Stockholm World Water Week during a session by the Sanitation and Water for All (SWA), and served as an important tool in reviewing the relevance of, and reorganising, the themes we work on.

Our achievements in 2011 helped strengthen IRC's profile as a reputable sector expert in facilitating country-led sector processes. During 2011, we were elected as a member of the SWA Steering Committee, boosting our international profile. Forty-five external assignments, reaching a total of € 6,542,359.88, were awarded to IRC. Ten modules on WASH governance were developed under the auspices of the local governance thematic programme. A soft launch of all modules took place in Tanzania, resulting in the UCGLA's adoption of our materials in its official training programme, and our involvement in reviewing the planning and implementation of a local governance portal for WASH governance tools in Tanzania. Within our Corruption, Honesty, Accountability and Integrity (CHAI) thematic programme, we contributed to finalising the annotated water integrity scan (AWIS) guideline, as well as the water integrity training modules – both published by the Water Integrity Network (WIN). Towards the end of the year (November 2011), we also began developing an anti-corruption strategy for Mozambique. Finally, we developed guidelines on MUS planning and implementation for two of our focus countries: Zimbabwe and Honduras. Research on MUS in Ethiopia, Ghana and India was also conducted in collaboration with the International Water Management Institute (IWMI), with funding from the Rockefeller Foundation.

Our leadership in designing/conceptualising background papers, meeting/conference programmes, etc., was sought by our peers, suggesting a high degree of respect and trust in the potential and impact of our contributions to the sector. At the request of the organisers of the World Water Forum, we were requested to lead and conceptualise, together with the Water & Sanitation for the Urban Poor (WSUP), a session on financing the poor. For the World Water Forum, we developed a background paper on pro-poor finance solutions for water and sanitation, which provided background material for a charter on commitments towards achieving sustainable pro-poor finance solutions. Our focus on sector learning/learning alliances remained firmly embedded in all of our projects and continued to serve as a core approach applied by the organisation.

Towards the end of the year, a significant amount of our energy went towards evaluating our thematic work. This process resulted in restructuring the list of thematic interventions made by the organisation. For some themes, such as CHAI and local governance, the capability of producing training materials suggested that both have reached a certain degree of consolidation. Having reached this stage of 'thematic programme maturation', we decided to refocus our work on these themes by paying less attention to conceptualisation/research work and increasing our dissemination/information

³ For further reading, see: Smits, S., Dietvorst, C., Verhoeven, J. and Butterworth, J., 2011. *Scanning the 2020 horizon: an analysis of trends and scenarios in the water, sanitation and hygiene sector*. (IRC Occasional Paper 45) [online] The Hague: IRC International Water and Sanitation Centre. Available at: <<http://www.source.irc.nl/page/66826>> [Accessed last 7 May 2012].

sharing/education work (as part of our training programme). The themes referred to as innovative communication and impact assessment were reconceptualised to serve as innovative methodologies to evaluate and monitor service delivery. This movement has resulted in the creation of a new thematic interest – service delivery monitoring.

WASHCost

WASHCost is a five-year action research project investigating the costs of providing water, sanitation and hygiene services to rural and peri-urban areas in Ghana, Burkina Faso, Mozambique and India (Andhra Pradesh). The objectives of collecting and disaggregating cost data over the full life cycle of WASH services are to be able to analyse costs per infrastructure and by service level, and to better understand the cost drivers and through this understanding to enable more cost-effective and equitable service delivery.

Qualitatively sound WASHCost data, benchmarking criteria and knowledge generated from WASHCost's four focus countries, became readily available in 2011. The use of WASHCost concepts by national and international decision makers for the WASH sector in rural and peri-urban areas reflected clear signs of uptake and interest in the life-cycle costs approach (LCCA). Based on a scoping exercise conducted by our WASHCost research team, the outreach and use of LCCA extended well beyond our WASHCost project countries. We ended the year with strong expressions of interest in the LCCA by stakeholders in Honduras, Colombia, Bangladesh, Nepal and Uganda, supported partly by IRC Regional Programmes and the efforts of the International Work Stream of WASHCost/Triple-S. At the international level, the project has well exceeded its outreach targets. At least 27 organisations/governments worldwide were found to be using components of the life-cycle costs approach already and some 28 organisations/governments were intending to employ the approach. The majority of those already using components of the LCCA in 2011 were found to be in government and NGOs (14 out of 27), mainly in Africa (11 out of 27), and mostly in the water sub-sector (67%).

The life-cycle costs methodology was simplified to a total of some 100 indicators, comprising of 35 indicators for costs, 24 for water and sanitation service levels, and 44 to facilitate an in-depth analysis of context and poverty. These indicators can now be used to replicate the WASHCost life-cycle cost approach, following a ten-step framework for analysing costs against service levels. WASHCost global and in-country research results and uptake of the methodology have been published in six newsletters, 104 news articles (www.washcost.info), 35 peer-reviewed research publications and consolidated into a training package.

2011 was an exciting year for WASHCost, as the project's reach was observed to have begun scaling up, with changes in the practice of implementing partners and government taking place. Some concrete examples in our focus countries include:

- WASHCost Ghana's support to the country's Sector Wide Approach development process and the Sector Strategic Development Plan successfully introduced components of the LCCA in planning and budgeting for WASH. Spearheaded by the Ministry of Water Resources Works and Housing in

Ghana, our engagement in the country led to the adoption of LCCA as an approach to benchmarking the costs of water service delivery in urban water supply and small towns' water supply. Our country team's support in the development of the national monitoring system District Monitoring and Evaluation System (DiMES) was also sought. In collaboration with the Community Water and Sanitation Agency (CWSA), WASHCost started its examination of the DiMES software to ensure the inclusion of indicators on functionality and sustainability of water and sanitation facilities.

- In partnership with public and private small water providers, and in close collaboration with the government, WASHCost Burkina Faso started supporting the adoption of LCCA at scale for water in eight districts in the Sahel Region.
- WASHCost Mozambique collaborated with the *Programa Nacional de Abastecimento de Água e Saneamento Rural* (PRONASAR, the National Water and Sanitation Programme) to test the use of LCCA in planning and budgeting at central level and in four districts in two provinces. Under the PRONASAR, our country team successfully incorporated several cost and service questions in the national baseline study that was conducted in all 128 rural districts of the country. WASHCost research results on Capital Expenditure for wells and boreholes were used by the Government of Mozambique for the budgeting and planning process in all ten provinces for the period of 2012. During the national budgeting meeting held in 2011, the government formally adopted the WASHCost Mozambique C-series publication data to inform its planning. Feedback on the usefulness of WASHCost data has therefore been strong, particularly as our approach highlighted the high costs of capital maintenance expenditure (CapManEx) in some contracts.
- In 2011 senior officials in the Government of India invited our WASHCost India team to conduct an in-depth analysis of the government's guidelines and recommendations covered by India's 12th five-year WASH plan (mainly focusing on water).

Sustainable Services at Scale (Triple-S)

Triple-S is a six-year, multi-country learning initiative to improve water supply to the rural poor. The initiative is currently operating in Ghana and Uganda. Lessons learnt from work in these countries feeds into the international level where Triple-S is promoting a re-appraisal of how development assistance to the rural water supply sector is designed and implemented

In 2011, the Triple-S project made good progress overall. The International and Ghana workstreams ended the year ahead of target, while in Uganda good progress has been made, particularly in terms of generating acceptance of, and buy-in to key service delivery approach (SDA) thinking and the role of Triple-S.

At the international level, a range of development partners have embraced many of the principles of the SDA. Surprisingly perhaps, there was little resistance to our overall message that '*services are more important than new projects*'. The one question put with increasing urgency to the Triple-S team was "*How can we implement service delivery?*" In a good number of cases (e.g. AusAid, USAID), some organisations have begun using SDA in their communications and documentation. Encouraging signs of buy-in to, and demand for SDA were seen in our development partners' practice of putting SDA principles and concepts into practice through changes in their planning, how they coordinate with

government and each other, the relative importance that they give to issues such as direct support, and changes in monitoring of services/outcomes rather than outputs.

Collaboration and joint planning with colleagues working in IRC's WASHCost project provided synergy and cost savings, resulting in a series of well attended events and initiatives that contributed to uptake of key SDA/LCCA messages. A major indicator of demand for WASHCost/Triple-S concepts was having been asked to co-manage the JMP post-2015 working group on water with WaterAid. This is a once-in-a-generation opportunity that affects the global dialogue and debate on water monitoring trends – and hence, how service delivery is viewed.

Clear and vocal commitment to the objectives of the SDA in Ghana, and increasing acceptance of the role of Triple-S in Uganda – linked partly to our success in demystifying the concept of a 'learning' focused project – were achieved at both national and sub-national levels. In both countries, our involvement was sought in reforming and revising a wide body of policy documentation (including practical documents such as guidelines) in line with the SDA. In Uganda, for instance, at the request of the Ministry of Water and Environment (MWE), we led the review process of the country's District Implementation Manual for WASH, and are involved in piloting and testing a number of promising new elements of the existing community-based management model. There was also expressed demand from the MWE for the further development of the Triple-S Service Delivery Indicators to complement the existing national 'golden indicators', as well as interest from other Ministries (e.g. Health, Local Government) and official institutions (Bureau of Statistics) for the wider use of the methodology for monitoring service delivery.

The use of FLOW for functionality mapping and service monitoring has delivered two key outputs in Ghana, important for both proof of concept and demand generation. At the district level, findings generated from FLOW helped to stimulate the districts to begin taking concrete remedial actions. For example, in the Akatsi district, the assembly has asked the District Works Department to prepare an action plan and budget for remedial action. In the meantime, the district allocated funds (close to US\$ 30,000) for water quality monitoring, formation and the training of water service management committees and monitoring by the District Works Department. At the national level in Ghana, the CWSA confirmed their interest in adopting FLOW as well as the Triple-S developed methodology for functionality and service level monitoring for use in a district baseline survey in 66 districts (under the World Bank Sustainable Rural Water and Sanitation project). The information will be used to feed into a national information management system being developed for the sector.

As part of our communications initiatives, we produced several publications and officially launched the Triple-S website: *Water services that last* (<http://www.waterservicesthatlast.org/>). About 1,500 people have picked up Triple-S publications at conferences or downloaded them from the web. On average, our website received 1,000 visitors per month. Information also continued to be fed into websites and newsletters of partners and target organisations (WASH Advocates, Global Water Challenge, WFP, RWSN, World Bank). For example, work in Ghana was featured in a recent WASH Advocates newsletter. The conclusion: "After the assessment of the current situation in Ghana, CWSA, through Triple-S, is making huge improvements in sustainable rural water services." Triple-S also featured on AquaKnow, the European Commission-sponsored website on the sustainable development of the water sector.

Organisational Development and IRC Staff

In 2010, the Human Resources (HR) department of IRC focused on setting the legal foundation for further internationalising our operations. To this end, we focused on setting up IRC's first branch office in Ghana and we actively hired international staff. In terms of strengthening HR processes, we evaluated the IRC change process, updated our labour conditions (e.g. safety policy, code of conduct etc.), and supported finalising tactics for IRC's Business Plan 2012-16.

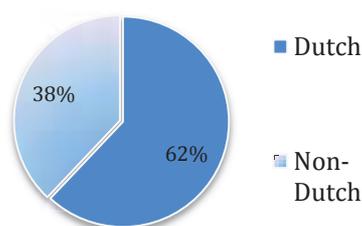


Figure 1 Employee Nationality

During this planning phase, we outlined IRC's organisational scope and the human resource-related implications of internationalising our operations. A first step in exploring these was taken in Accra, Ghana where we coped with local legislation while setting up our new branch office.

We started the year 2011 with 64 employees, and ended the year with a 61 employee count⁴. During the year, seven colleagues concluded their employment with IRC due to retirement, end of mission or new career paths. In total, IRC recruited four new colleagues; one was contracted as a programme staff, and the three others as support staff. Of the newly hired staff, one is non-Dutch. Most employees worked on full-time contracts and less than 15% of our work force worked on a part-time basis. IRC's salary scale, as in previous years, was based on the Dutch civil servants' BBRA scales, ranging from scale 6 (support facilitators) to scale 16 (director). The monthly salary (based on a 36-hour working week) for scale 6 starts at € 1,876.19, and for scale 16, at € 5,537.49.

⁴ IRC employees are staff members with an IRC contract. People working for IRC through a temporary agency are not included.

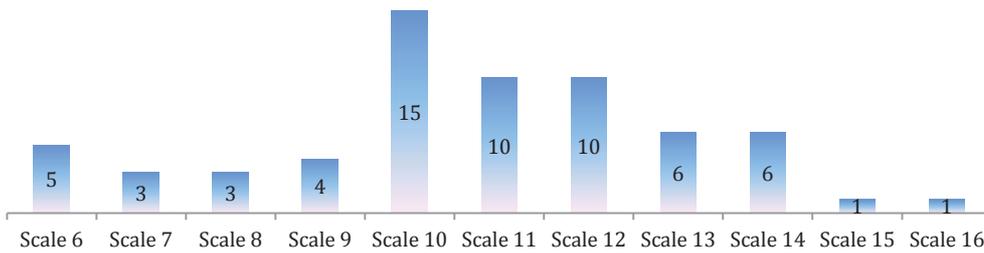


Figure 2 Number of Employees in Salary Scale

Over the years, we have consciously strived to strike a gender balance amongst our employees, but also to ensure that we hire on the basis of strong qualifications. In 2011, we recruited an equal number of women and men. Similar to 2010, the gender balance in 2011 was tipped in favour of women. The average age of our staff in 2011 was 43.4 years.

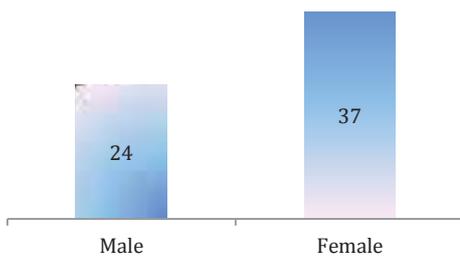


Figure 3 Gender Balance (end of 2011)

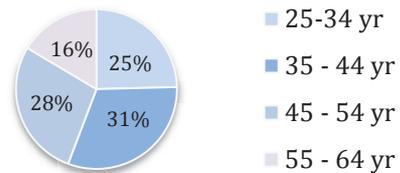


Figure 4 Age

The illness percentage of 2011 went down by 0.8% compared to last year's figure (from 5.3% in 2010 to 4.5% in 2011). A significant percentage of reported illness in IRC during the year was due to long term illness (six weeks in a row or more). Three employees in IRC were on long term sick leave during 2011.

During the year, the HR team collaborated with the Works Council and other staff members to evaluate the change process that took place between 2010 and 2011. Good cooperation within the teams was achieved, with recommendations to the management team made. We also started to work intensively on improving and modernising IRC's HR Manual to the benefit of IRC and its staff. The new HR Manual brings together collective labour practice and seeks to harmonise with common Dutch labour law. Added HR policy items proposed (pending review and approval) included: grievance and disciplinary procedures, allowance for deceased staff members, unpaid leave, diversity policy, medical checks for frequent travellers, etc.

Finance

For IRC's Five-Year Business Plan 2007-2011, Dutch government funding guaranteed a five-year core programme subsidy totalling € 12.7 million (€ 12.5 million was allocated to core activities and programmes and € 0.2 million for the execution of advisory assignments). Since 2008, the Dutch government's investment in our work was leveraged by external funding, a significant percentage of which was generated from the Bill & Melinda Gates Foundation.

Income

In comparison to last year's figures (2010), no significant changes were met in our revenue and funding streams, reflecting a stabilisation of IRC's finances in 2011. The total revenue for 2011 amounted to € 9.75 million. Programme subsidies from the Dutch government accounted for 26% of our total revenue. With 2011 serving as the third implementation year of our Bill & Melinda Gates Foundation-funded projects – WASHCost and Triple-S – these projects accounted for 50% of our overall revenue. The remaining 24% was derived from other funding sources. Other major donors for our project-based activities in 2011 included the European Union (EU) for SWITCH (FP6) and WASHTech (FP7), PSO for activities around strengthening national capacities for better learning in the WASH sector (*Vereniging voor Personele Samenwerking met Ontwikkelingslanden*, PSO) for sector learning projects, the United Nations Children's Fund (UNICEF) for capacity building projects, the United States Agency for International Development (USAID) for WA-WASH, the Australian Government Overseas Aid Program (AUSAID) for LOGWASH, and the World Bank (WB), the DHV Consultancy and Engineering Group, and SIMAVI for sanitation and hygiene-related initiatives. Contributions to our core programmes were also received from the World Health Organization (WHO). We ended 2011 with a positive balance of € 3,526. This amount was added to IRC's reserves.

	2007	2008	2009	2010	2011
DGIS/I&M funding	2.314	2.590	2.456	2.611	2.544
External income	1.613	1.885	2.327	2.662	2.797
Third party derived income	748	1.692	2.964	4.642	4.402
Total	4.675	6.167	7.747	9.915	9.743

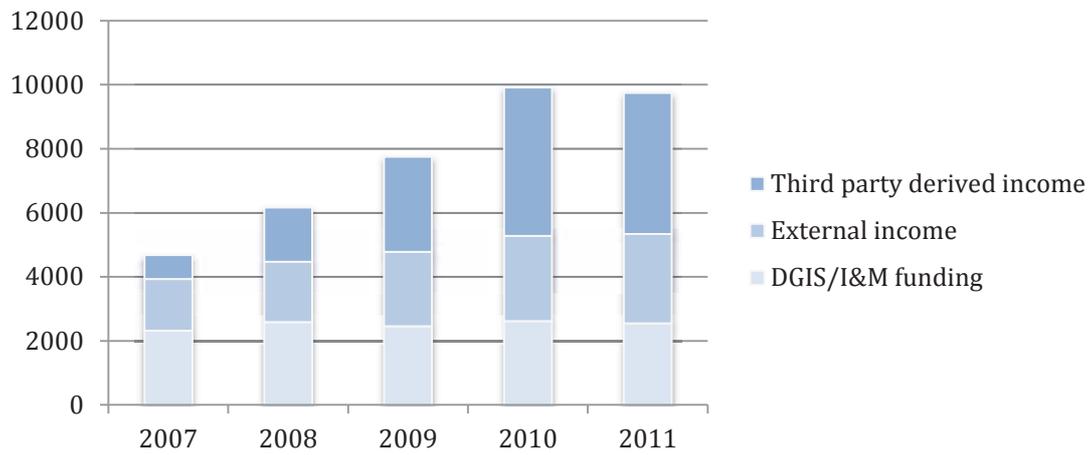


Figure 5 IRC Income 2007 – 2011 (000's of Euros)

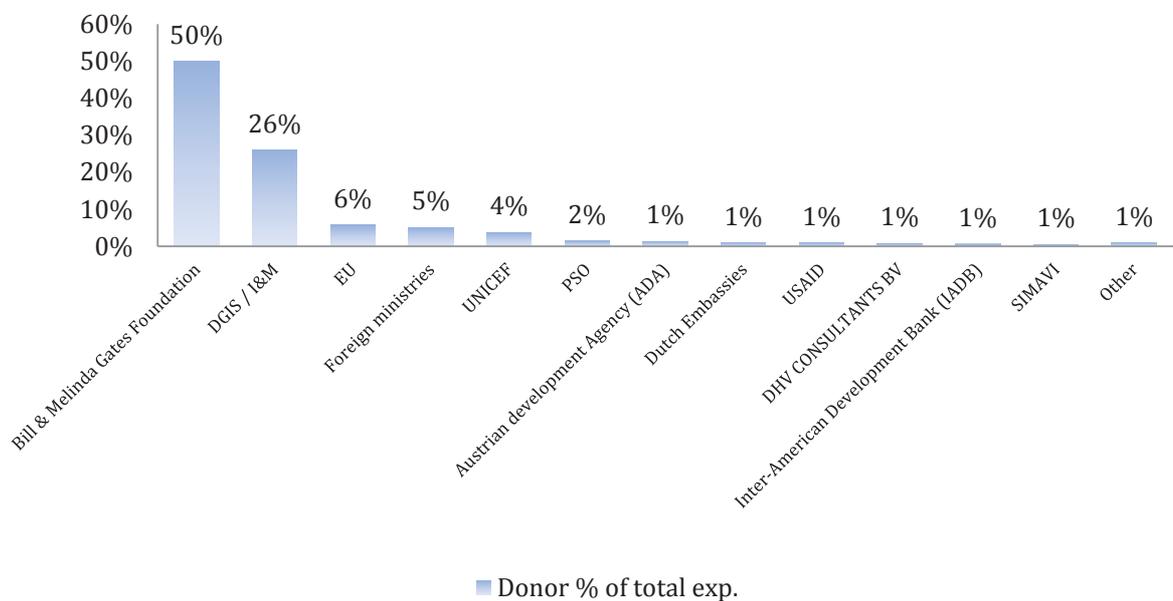


Figure 6 Income by Donor (%)

Expenditure

The remaining balance of € 2.5 million from the Dutch government's overall five-year plan funding for the duration of 2008-2011 was spent fully in line with the framework of our Annual Plan 2011.

	2007	2008	2009	2010	2011
Personnel	2.562	3.286	3.852	4.285	4.667
Third party expenses	1.190	2.206	3.465	5.269	4.678
General & administrative expenses	892	624	423	354	394
Total	4.644	6.116	7.740	9.908	9.739

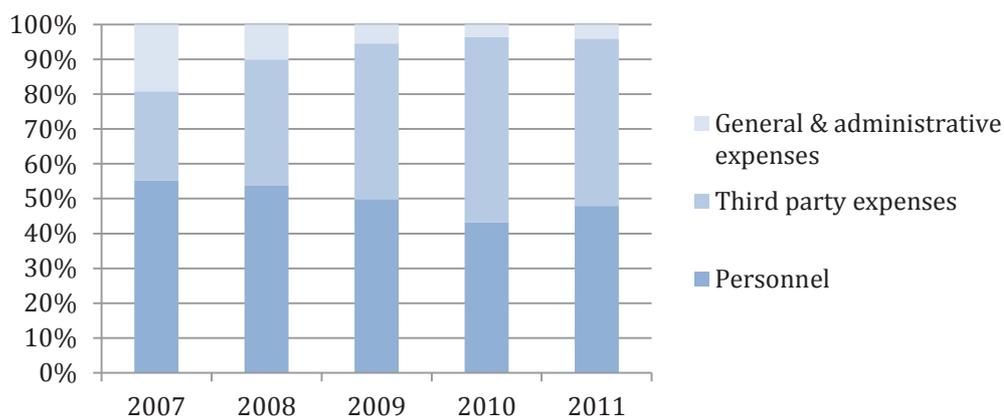
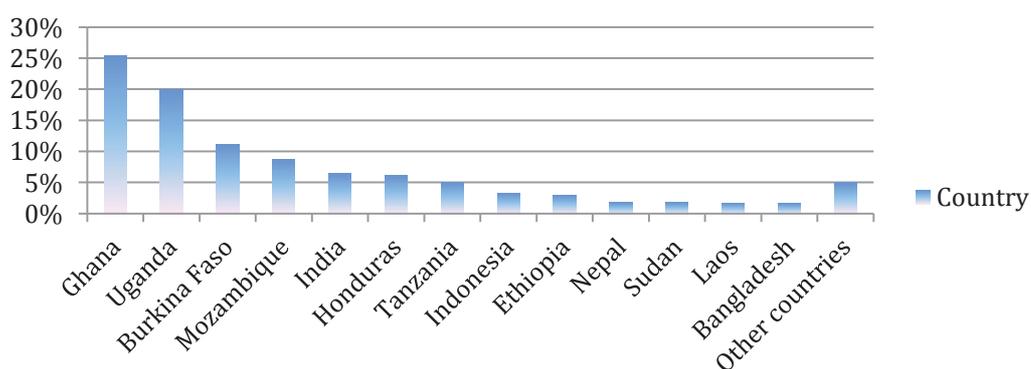


Figure 7 IRC Expenditure 2007 - 2011 (000's of Euro)

Africa remained the largest recipient of IRC funding in 2011 with over € 4.2 million spent on activities across the continent. This was closely matched by expenditure on global projects, which amounted to approximately € 3.8 million. The remaining funds were directed towards South Asia and Latin America. Breaking this down to the country level, Uganda, Ghana and Burkina Faso received the largest proportion of our project funding. The majority of our thematic-related expenditure (23%) went towards Costing Approaches and Impact Assessments in 2011. This was closely followed by funding directed towards Water Supply Service Delivery Models (20%), Sector Learning for Change (15%), Strengthening Local Governance (13%), Sanitation & Hygiene (11%) and Information and Other services (18%).



*approximately 60% of total expenditure spent in countries

Figure 8 Expenditure across Focus Countries (%)

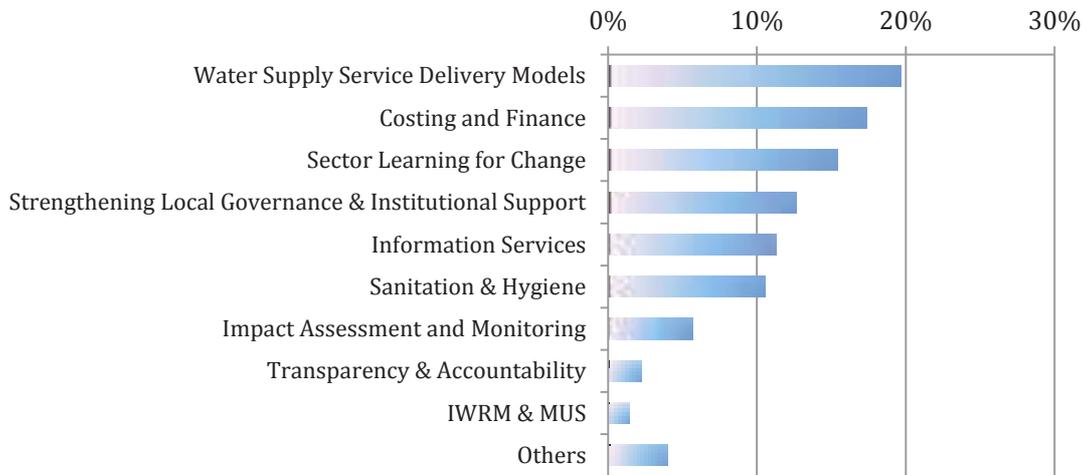


Figure 9 Expenditure across Themes (%)

Remuneration

In 2011, no changes were made in the Statutes of the Foundation, or in the by-laws of the Board of Directors and the Supervisory Board. The Supervisory Board met five times, and organised an extra meeting in 2011. The extra meeting discussed IRC's new Business Plan 2012-2016. The Director and the Works Council met quarterly in 2011, with one meeting organised with the Supervisory Board. Additional informal meetings took place to discuss and synchronise organisational issues with our work for IRC's next Five-Year Business Plan.

In 2011, our Supervisory Board was chaired by Mr L. de Waal. Other members of the Supervisory Board were Mr D.C.B den Haas, Ms R.N.M van der Sijp, Mr Hans van Dord, and Dr Gerhard van den Top⁵. Each of our Board members received a remuneration of € 1,600 in 2011, while our chairman received € 4,000. One Board member received a remuneration of € 4,000 for additional management support rendered. The remuneration of our Director totalled € 104,440 in 2011. This amount also covered the Director's pension contributions of € 15,321.

⁵ Visit: <http://www.irc.nl/page/38420> to learn more about the members of our Supervisory Board.

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