

Since the Foundation was founded in 2005, it has always been my ambition to identify and focus sharply on a very small portfolio of innovative, entrepreneurial initiatives which have the potential to achieve transformational impact.

This ambition reflects my business philosophy. As a family foundation with limited funds, we can best achieve transformational impact by being a niche player, providing risk capital to scale up trail-blazing, market-based developments that are potential “game-changers”.

Since our decision in 2010 to focus on the WASH sector, we have committed over \$75m to support a wide range of water and sanitation programmes; employing a great team to provide not only financial funding but also extensive technical assistance to help the enterprises succeed as financially sustainable businesses; in particular, sales and marketing expertise.

We are proud of what has been achieved so far. Successes include our support for over 10 years of the Cambodian Sanitation Marketing Programme, leading to the creation of the first ever Development Impact Bond, to achieve 100% coverage. And funding the provision of safe water to 4 million Africans every day and more recently providing around \$10m flexible finance to entrepreneurs delivering water connections to the homes of c100,000 households in rural Cambodia.

We have seen the phenomenal impact of piped water networks and household connections on low-income households. “Water at home” totally transforms the lives of families. And, of equal importance, this model is, in suitable locations, far more financially viable and sustainable than traditional solutions which require families to fetch water from water points in jerry cans.

At present this model is truly financially sustainable only in Cambodia (where operators run their businesses as profitable enterprises – generating revenue to cover opex and repay capex). However, we have learned over the past three years that this model has the potential to be equally successful in other jurisdictions, particularly in Africa.

We are convinced that the development of piped water networks and household connections is the most existing opportunity we have seen in the WASH sector. We do, of course, appreciate that it is not a panacea, but we have concluded that this is the niche opportunity for which we have been searching and on which we wish to focus.

**Our Board has therefore decided that we will in future focus our resources on the central pillar of supporting the delivery of safe water to homes of underserved customers.**

As a result, we will no longer fund new sanitation services; although we will, of course, honour all existing commitments. We appreciate this is disappointing news for some of you and want to acknowledge the importance of the dedication and progress being made in this sector.

We are very excited by this development but please do contact me or our team if you have any questions.

Kind regards.

**John Stone**  
**Chairman**  
**Stone Family Foundation**