

## The Impact of your Investment in Compassionate Relief

Lifewater Canada is a charity incorporated under the Canada Not-for-Profit Corporations Act. We depend on the support of donors like you. We want you to feel confident in giving us your financial support. Once we have earned your trust, we can work together to make sustainable change take place.

**Help Needed:** Countless lives in developing countries are lost to diarrhea. Most cases of diarrhea are caused by poor hygiene and unsafe drinking water. Hundreds of millions of people use disease-filled water for cooking, cleaning, drinking, and washing. Tens of thousands die every year from preventable, water-related disease. Sadly, children are the most vulnerable, making up to 90% of the deaths.

**Vision:** Gandhi said "*Be the change you want to see in the world*". We want to see world where children do not get sick and die because they have no safe drinking water. Our vision is a world where girls don't have to spend hours walking to distant water holes and instead gain access to the same educational opportunity as boys. A world where girls no longer have to stay home from school when they start menstruating because there is no place for them to toilet with dignity. Our vision is a world where the place you are born does not determine whether you live or die!

**Mission:** Lifewater Canada trains and equips people in Developing Countries to provide safe drinking water and improve sanitation. Lifewater arranges project sponsorships which saves children's lives and increases educational opportunities for girls.

**Goals:** Our goal is to provide safe water for everyone. Lifewater was founded on the belief that all lives are created equal and we are passionately driven to do everything in our power to save as many lives as possible. To do this, Lifewater is structured to minimize overhead and maximize impact. As a result, every \$1 provides someone with safe drinking water for a year! We want to ensure that projects are sustainable by keeping projects affordable rather than free, encouraging volunteerism, and using donations efficiently. Effective sustainable development requires having a long-term local presence. This includes the training and equipping of local teams and the mobilization of communities to ensure on-going project maintenance.

Thank-you for joining us in this crucial work. Your support and encouragement is a critical part of why Lifewater is able to have a positive impact in this world! We invite you to investigate our performance to assure yourself that we are worthy of your support. To help you confidently make an informed choice, we have summarized key charity information below:

### **Charity Intelligence Ranking**

Lifewater Canada's work has been independently analyzed by Charity Intelligence (CI). They independently conduct rigorous analysis to measure the impact that charities actually make. Based on their evaluation, Lifewater is one of Canada's top 10 impact charities with demonstrated social impact returns averaging 7 times for every \$1 donated. This is well above the average return of 1-2 times on the dollar. We encourage you to visit <https://www.charityintelligence.ca/charity-profiles/top-10-impact-charities-of-2019> to learn more.

## COVID-19 Response

This pandemic and its global impact is unprecedented in living memory. The global linkages remind us that we are truly living in a global village. Our “neighbour” is no longer just the person living next door, but includes everyone, everywhere..

We are bombarded with the simple steps to take to stay safe: maintain physical distance from others and wash hands frequently. Simple right? But in many places of the world this message has not been given. And when it is given, people have to walk long distances to get water. They have to walk in a group to stay safe, and when they arrive at the well they have to wait in crowds until it is their turn to get water. Water comes from repeatedly pumping the handle. The same handle that has been grasped by dozens and dozens of people that same day. The longer people have to walk, the more physical contact they have with one another and the poorer their hygiene when they do get the water home since they need to conserve water.

Lifewater Canada’s response to the COVID-19 outbreak started in early March, 2020. The response is focused in Liberia, Kenya and Haiti and it included:

- **Education Workshops:** Hygiene education material was updated to include information on Covid-19. Large workshops with meals were replaced with social distant small-group training of locally influential men and women. People are taught how to effectively wash their hands, how to disinfect pump handles and buckets, and how to maintain 2 metre distances whenever possible. This teaching is relatively simple in Liberia where memory of the world’s worse Ebola epidemic is still strong.
- **Sewing Masks:** Patterns for Surgical Masks provided by Canadian Nurses were given to Lifewater teams overseas. Local Tailors and Seamstresses are sewing masks for the teams to distribute and patterns to make more masks are being shared throughout program areas.
- **Super chlorinated Water & Soap:** Teams are helping supply soap to rural villages in need. In Kenya, 13 elevated tanks were installed next to high use wells. Superchlorinated water is batched in these tanks, enabling people coming to draw water to take a small container of disinfectant water home to clean their kitchens and disinfect toilet facilities. Many smaller tanks are being positioned in schools where children continue to attend.
- **Repairing Pumps:** The biggest impact can be achieved for relatively low cost by fixing pumps. Repairing a broken handpump can cost as little as \$5, and putting a pump back in service reduces crowding and wait times at neighbouring wells. The team in Haiti continues its active pilot project, repairing an average of 2 pumps per day – safe water restored to 6,000 people per week!
- **New Wells:** We continue to closely monitor the situation in our project areas and ensure that the teams comply with all directions from local government and health officials. The team in Liberia stopped working for one week as the country was told to isolate. The government then deemed the work of Lifewater as an essential service and asked the teams to resume work. Teams in all our project countries continue to drill wells to reduce the number of people gathering at any one water supply, to reduce wait times and to maximize the amount of water available for handwashing and household sanitation. Safe water also helps people avoid complications arising from preventable water-borne disease.

To stay safe while working, teams are maintaining community involvement without direct contact. Local communities must still take care of providing site access & drilling site clearing, hauling water for drilling, and providing materials for building pump pads. However, during the pandemic local people do not provide meals & housing for the drillers or work alongside the teams digging pits and clearing cuttings during drilling.

**Progress Towards Goals:** *Lifewater Canada has a proven record, actively working overseas since 1997.*

- ✓ We are not just a fundraising organization - we are active in needy communities.
- ✓ During the 2019/2020 fiscal year, Lifewater teams drilled 93 wells and built 17 water catchment systems. We counted an average of 765 beneficiaries per water supply. That means that 84,000 men, women and children were supplied with abundant, local supplies of safe drinking water this past year!
- ✓ In 23% of the communities, families could buy water, either in plastic sacs or in bulk from trucks or donkey barrels. Households were paying \$1-\$3 USD/day for this water (median cost is \$1/day). With the provision of safe water supplies in their communities, households now only need to contribute \$1/month towards the maintenance of the handpump. The significant amount of money saved can now be used to cover school fees, buying seed to expand gardens, or other pressing needs.
- ✓ Since Lifewater began operations, a total of 1,894 new water projects have been completed in Sub-Saharan Africa and Haiti. Using a long-term average beneficiaries of 500 people/project, that is safe drinking water for 947,000 people! You can visit each of these projects to look at project details, see photos of the people and their communities, and read letters of thanks by visiting <https://www.lifewater.ca/?ID=3>
- ✓ Old water projects are not forgotten and are revisited. ***Over the past 4 years, a total of 2,132 broken pumps have been repaired.*** That is safe water restored for over 1 million people!
  - Perhaps the biggest development aid failure in history is the hundreds of thousands of wells that are drilled around the world that sit unused because their pumps are broken. The scope of this issue and challenges faced are well summed up in this article: [https://en.wikipedia.org/wiki/Failures\\_of\\_water\\_supply\\_and\\_sanitation\\_systems](https://en.wikipedia.org/wiki/Failures_of_water_supply_and_sanitation_systems)
  - Lifewater is trying to not add to these statistics:
    - Each new project includes a workshop educating people on how diseases are transmitted and how safe water is critical to helping break those disease transmission pathways. If people understand the health implications, they are more likely to take action when a pump breaks.
    - Caretakers are trained so that each project has a responsible person. This is to counteract the well-known group inertia phenomena such as a crowd of people watching a crime but no one phones 911 – everyone rationalizes that it is not their responsibility and assumes someone else must have acted.
    - Every time a pump is installed, a local handyman is trained on how to repair the pump. Village level operation and maintenance pumps, like the Afridev, are installed which can be quickly and easily taken apart using minimal tools to conduct routine maintenance.
  - In the past year, hundreds of broken wells were visited by Lifewater volunteers and workers. They found that:

- In most cases, the visit was initiated by local Pump Caretaker. Some wells were found sitting broken without calls for assistance because the Caretaker felt disempowered or was no longer there. In other cases, the wells needing repair were installed by groups who did not provide on-going support.
  - ***On average, pumps had sat broken for 15 weeks.*** The main reason pumps were not repaired right away was that there is a lack of locally available parts or they are not affordably priced. In other cases, the local repair Technician had tried and failed to do the work or lacked the confidence to try. In some cases repairs were delayed because pumps are grouped into repair districts which are each visited twice a year to maximize the efficiency of repair work. This is particularly critical in places like Haiti where prolonged fuel shortages have a profound impact on costs and ability to move from place to place. Lifewater is looking at ways to address these issues moving forward. Options being considered include “Guided Repair” where a Lifewater Technician provides advice over the phone or in person and providing “Part-Swap” depots at local health clinics where old parts are exchanged for new at no cost. These are to minimize the complex issues that surround money changing hands in countries where embezzlement is rampant.
  - When pumps were broken, people had to walk an average of 50 minutes round-trip to an alternate water source. With two trips per day, that works out to an ***EXTRA 6 hours per week for each woman or girl responsible for fetching water.***
  - ***Over the course of a year, a repaired pump saves each woman or girl 1.8 million steps!*** For any of us who have tried to walk 10,000 steps per day, we know what a huge effort that was... without having a heavy 40 pound bucket of water balanced on our heads!!!! That is time and steps that can be used going to school, walking to the market, or tending to a much needed garden.
- ✓ Lifewater teams respond to community requests, and help repair pumps regardless of who originally installed the wells or when they were installed. But sometimes pumps are too old or too broken to be fixed. In these cases, Lifewater replaces the entire handpump. Since initiating this work 11 years ago, ***Lifewater has rehabilitated 259 wells, restoring safe drinking water supplies for 130,000 people.***
  - ✓ We work by building the capacity of local people. Trained teams are registered as non-profits, and are governed, managed & staffed by local people.
  - ✓ Dozens of volunteers have gone overseas to help train workers and effectively equip teams with trucks, drill rigs and supplies in Liberia, Haiti, and Kenya.
  - ✓ We recognize that implementing partners require suitable facilities where they can have office space, secure parking and storage for drilling supplies, mechanic shop to repair equipment etc. Work continues on operation compounds but they are already functioning in these three countries.
  - ✓ We have developed a 7-phase approach to mobilize and train communities to ensure long-term project maintenance (see: <https://www.lifewater.ca/?ID=51>).

### **Anecdotal Impacts**

- ✓ By observation and conversation, it is clear that provision of hygiene education and safe water improve the lives of the beneficiaries. In November 2019, interviews with three school Principals in Liberia revealed that after wells were drilled nearby, more girls were attending school and their performance was markedly improved. Lack of records prevented these observations from being quantified.
- ✓ Similarly, when Haiti was hit by the major cholera epidemic after the 2010 earthquake, Lifewater volunteers noticed that there were less incidents of cholera and fewer cholera tents in areas that had wells spaced 1 Km apart. This observation is in keeping with past findings that water use for good hygiene is optimized where there are safe drinking water supplies within 1 km.
- ✓ Doctors in many clinics in different countries have all told Lifewater volunteers the same thing: the number of clinic admissions, especially for diarrhea drops dramatically after wells are drilled in the area. However, we are not comfortable quantifying this drop in admissions as being just due to the improved water supply since other factors can affect clinic admissions such as season, access to nutritious food, incidents of other diseases like Malaria etc.
- ✓ Over and over again, villages are grateful and write of the positive impact that Lifewater projects have on their families and communities. You can read some of these letters here: <https://www.lifewater.ca/?ID=44>

### **Financial Efficiency: *Every \$1 provides a person with safe drinking water for a year!***

- ✓ **Program Expenses:** In fiscal 2019, 94.1% of our total expenses were spent on the programs we exist to deliver. This includes drilling wells, building water catchment tanks, rehabilitating wells & repairing handpumps, building washrooms and providing hygiene workshops, and building the capacity of local people through training and infrastructure development.
- ✓ **Administrative Expenses:** In fiscal 2019, Administrative expenses were just 2.7% of total expenditures. This is possible because Lifewater is powered by volunteers working from home. Even the CEO is not paid. A part-time Administrator and a part-time Program Coordinator have been hired to ensure continuity of basic operations... but even these people are passionate volunteers, donating much time and energy!
- ✓ **Fundraising Expenses:** Last fiscal, just 3.2% of Lifewater Canada's expenses were for fundraising. This is because Lifewater relies on grass-roots local fundraising initiatives and does not pay professional fundraisers who take a significant percentage of what they raise. We benefit from media interviews rather than paid ads.
- ✓ **Fundraising Efficiency:** Lifewater Canada is among the best in the industry, raising over \$34 for every dollar it spends on fundraising!

### **Financial Capacity: *Lifewater Canada's work continues to grow!***

- ✓ **Program Expenses Growth:** Over the past 5 years, Lifewater Canada's expenses have grown by an average of 8.2 percent per year
- ✓ **Working Capital Ratio (Years):** Lifewater Canada's assets exceed its liabilities. However, Lifewater can currently sustain its level of spending for just 2 months using only its net available assets. The long-term goal is to build a reserve fund equal to one year's operating budget. This is so that firm financial commitments can be made to overseas partners at the start of the fiscal

year without the risk of having to shut-down drilling operations part-way through the year if fundraising does not meet expectations. Financial reserves also allow for careful management of designated funds and enable Lifewater.ca to assist overseas teams with significant capital expenditures in a timely manner.

- ✓ Liabilities to Assets Ratio: Donors should be mindful of an organization's long-term sustainability. Lifewater Canada is totally solvent, having a liability to asset ratio of 0%

**Accountability & Transparency Practices:** Lifewater Canada is accountable to its supporters and ensures that they can easily find all the information needed to remain assured that we are responsible, honest and well-managed. We follow a framework for Fiscal Responsibility & Accountability that is outlined on our web site. We demonstrate our commitment to transparency by updating our web site and making available critical data about our organization:

- ✓ **On-Line Project Listing:** When the projects are completed, Lifewater Canada documents all completed projects by providing GPS coordinates, photos, notes from the beneficiaries, and technical projects details. Donations are linked directly to specific projects posted on-line, with sponsors being listed by name or anonymously as per their direction!
- ✓ **Training Materials:** Training materials are provided on-line free for download. Our focus is helping as many people as possible and believe that true empowerment comes from sharing knowledge as much as possible.
- ✓ **Board of Director Information** *(see below)*.
- ✓ **Audited Financials** *(see below)*

#### **Board of Directors**

- ✓ Lifewater Canada has an independent governing body of 7 people to allow for full deliberation and decision making. The current board and key staff are listed on our web site.
- ✓ CEO (President) is Jim Gehrels, P.Geo. His annual compensation is \$0 because he lives his belief that every dollar possible should be directed to helping children get the safe water they need to stay healthy
- ✓ None of the Board members are financially compensated.
- ✓ In Fiscal 2019, Board donations totaled \$72,262.60.
- ✓ Minutes are kept for Board meetings to ensure that decisions are documented for future reference.
- ✓ Financials are reviewed by the Board in advance of regulatory filing.

#### **Audited Financials**

- ✓ Audited financials are prepared by BDO Canada LLP and posted on our web site.
- ✓ There has been no unauthorized conversion or use of the organization's assets.
- ✓ There are no loans to related parties such as key officers, staff, or Board members.
- ✓ We follow a framework for Fiscal Responsibility & Accountability.

**Governing Policies.** Lifewater Canada has the following Policies:

- ✓ Donor privacy policy indicating that Lifewater will not share or sell a donor's information with anyone else, nor send donor mailings on behalf of other organizations. It also indicates how

donors can ask to be listed as “Anonymous” on the sponsorship listings. This policy is published on the Lifewater website.

- ✓ Conflict of interest policy to guide deliberations when making decisions that may benefit the private interest of an officer or director of the organization.
- ✓ Whistleblower policy to handle employee complaints or concerns from overseas partners regarding financial mismanagement.
- ✓ Records retention and destruction policy to foster good record keeping procedures. It guides the handling and destruction of documents in order to promote data integrity and security.
- ✓ CEO Compensation Policy: The policy outlines an objective and independent review process to determine the CEO's compensation. This includes benchmarking against comparable organizations.

For more information, contact Lifewater Canada by visiting [www.lifewater.ca](http://www.lifewater.ca), emailing [info@lifewater.ca](mailto:info@lifewater.ca), or phoning 807-622-4848

With thanks,

Jim Gehrels, P. Geo  
President & Founder  
Lifewater Canada