

Presentation

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WORLD
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WEEK

Market-Based Mechanisms and the Sanitation Access Challenge

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Sanitation: The Access Challenge

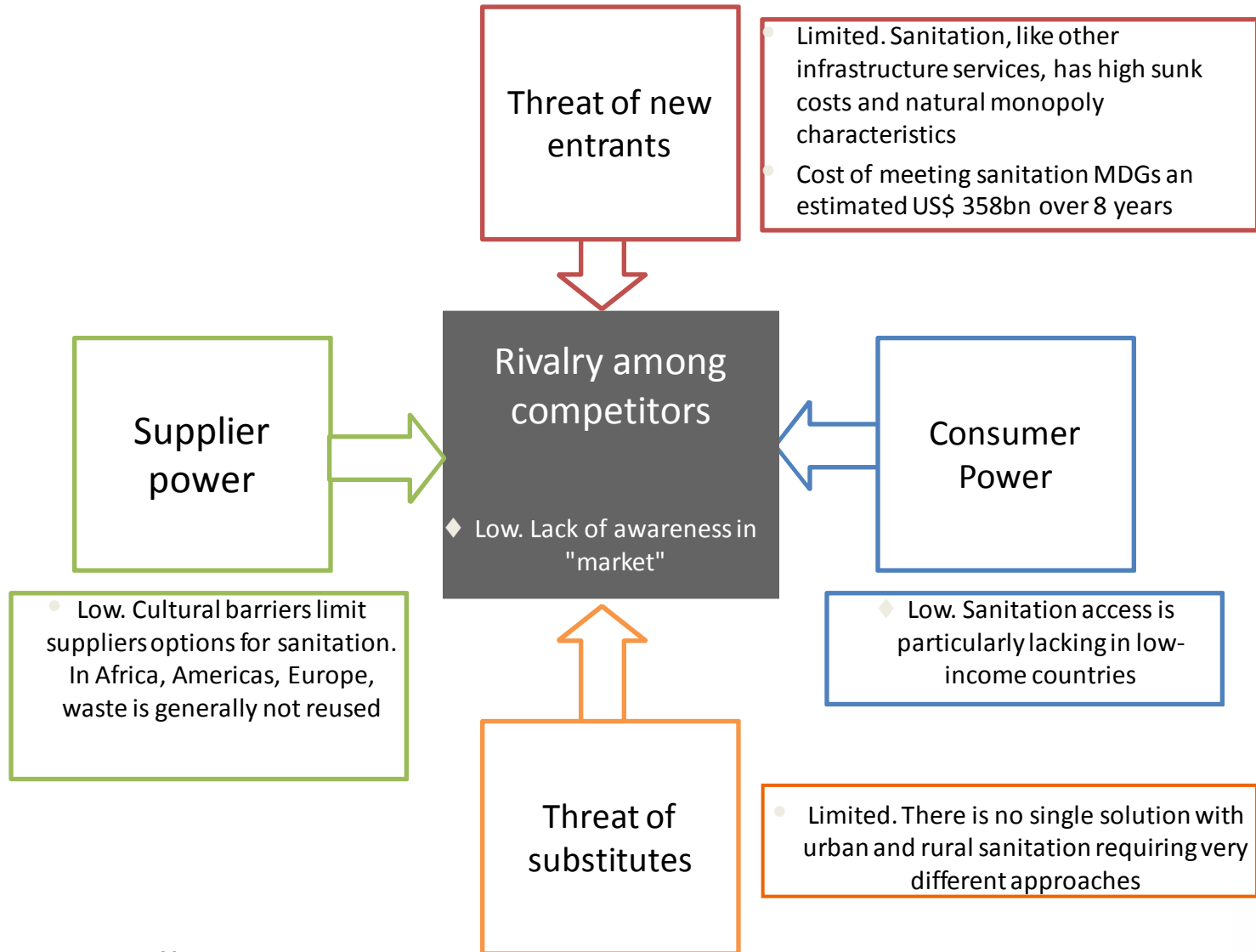
We need to get improved sanitation facilities to 173m people p.a.

How much of the solution can be delivered via market-based mechanisms...?

- On the current path, 2.4 billion people will not have access to improved sanitation in 2015
- This means a shortfall of 700 million people regarding the MDG sanitation target
- In 2003 1.6 million deaths could be attributed to unsafe water and sanitation, and globally, US\$ 552 million in direct treatment costs could be avoided by meeting the MDG target
- To meet MDG, annual cost of new services in water and sanitation estimated at US\$ 18 billion annually (64% rural), and maintaining existing services US\$ 54 billion (73% urban)

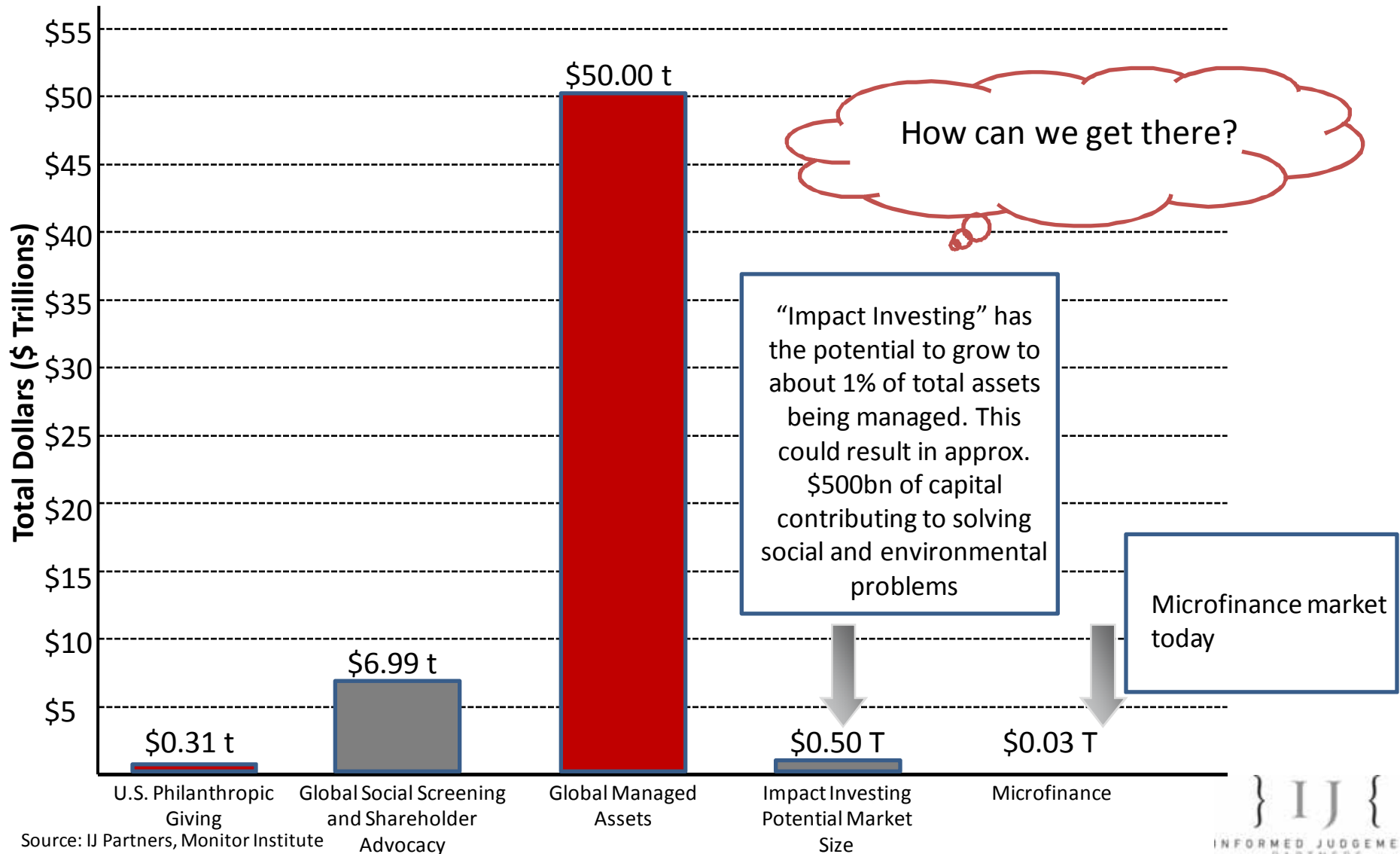
Adopting a Strategic Approach

Bringing commercial capital to a weak market is not a given



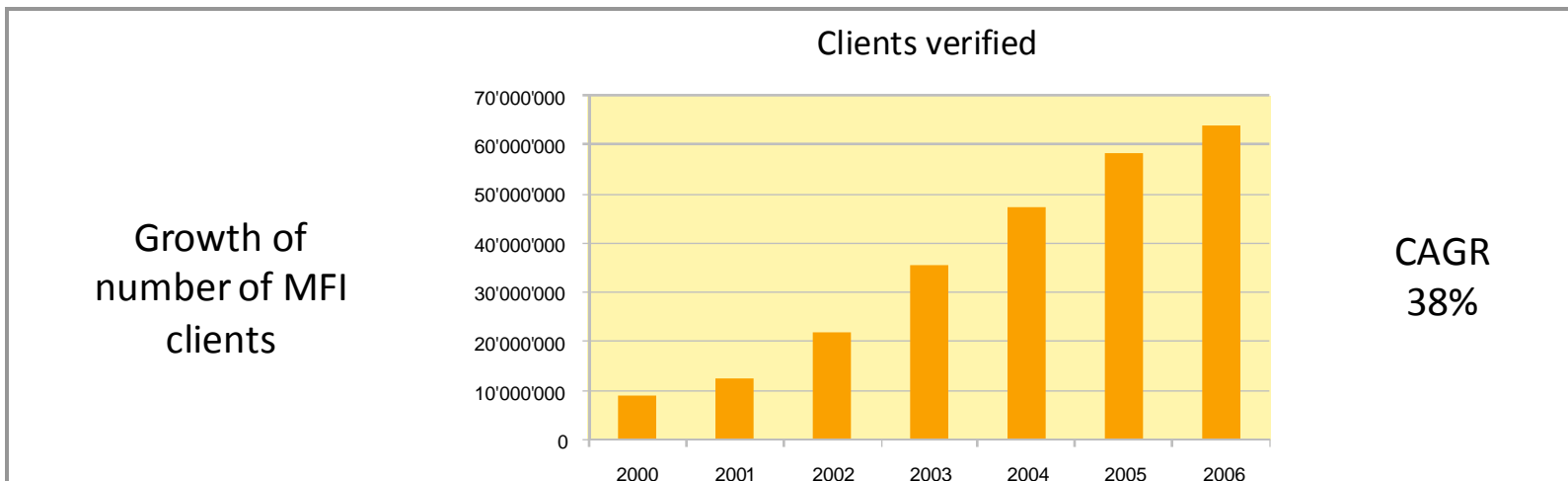
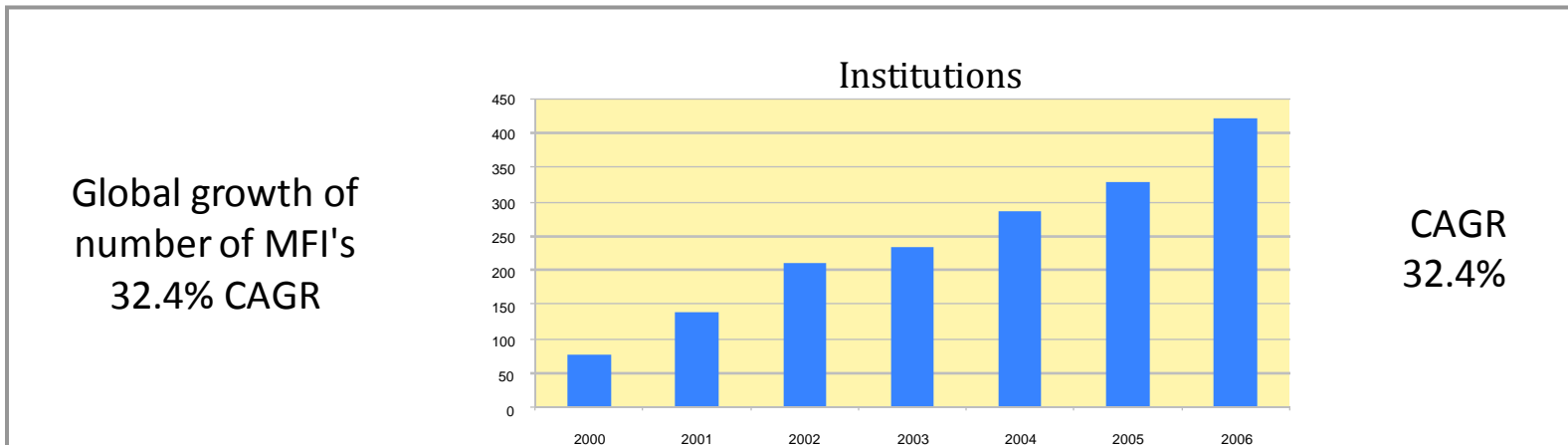
Sizing the Market

Which volumes of market financing should we aim for?



Learning from Success: Microfinance

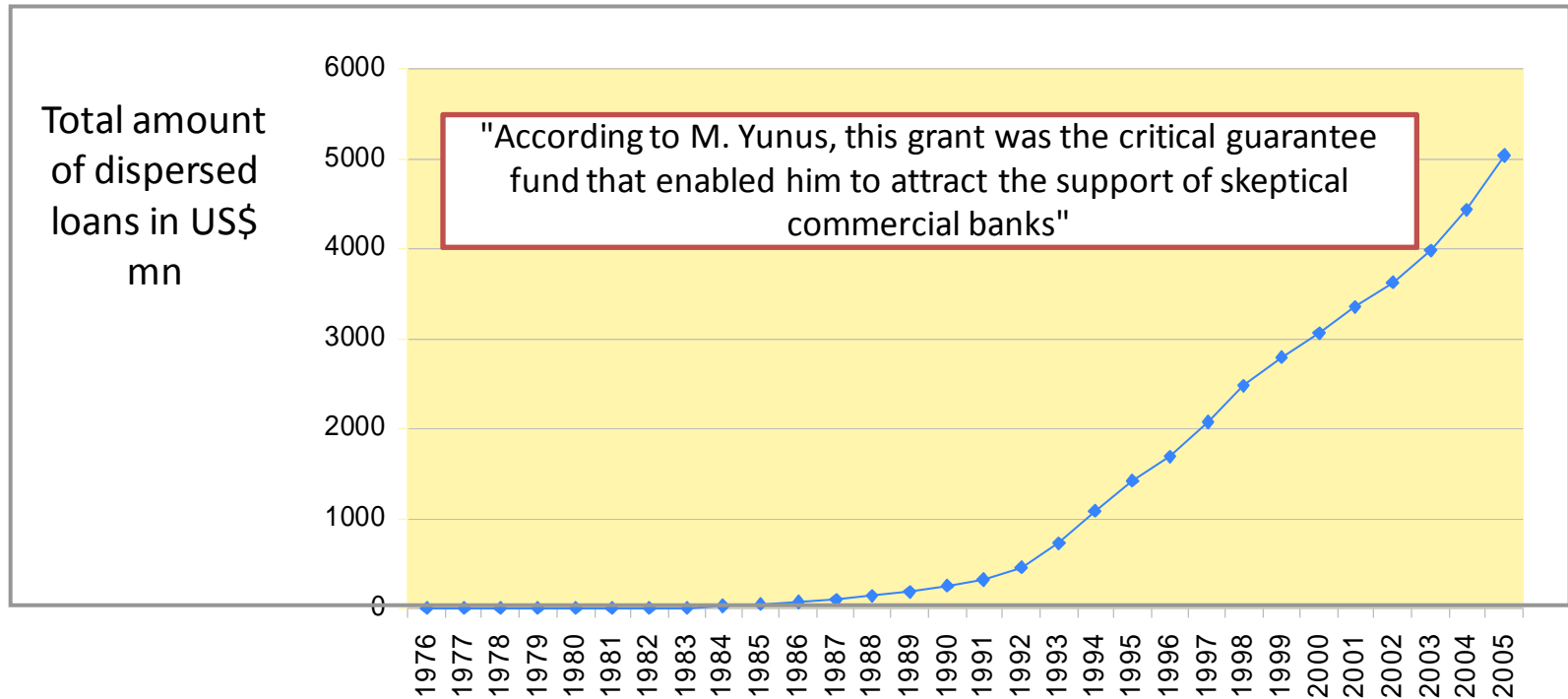
The field has managed the scale hurdle for commercial finance



But... the journey was long and rocky

Looking for the Inflection Point

Some approaches have the potential to change the game. Grameen did

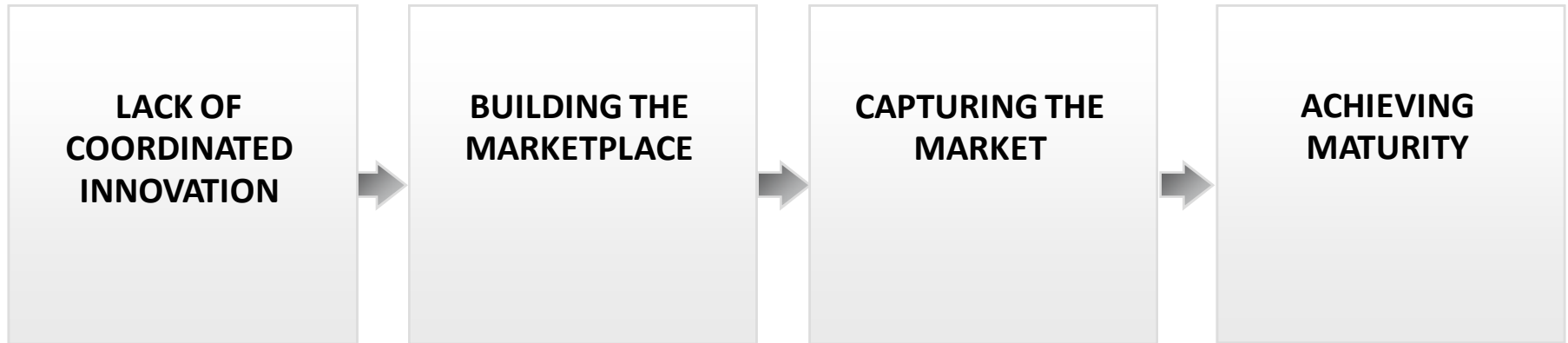


Ford Foundation US\$ 800,000 grant in 1976

Recipe: Intervention model, timing, available philanthropic resources to kick start initiative, and enabling environment

Needed: Building an Industry

Industries serve as an enabling and coordinating frame of action



Microfinance

1970s 1990s

Community Development Finance

1900s 1990s 2000

Venture Capital/Private Equity

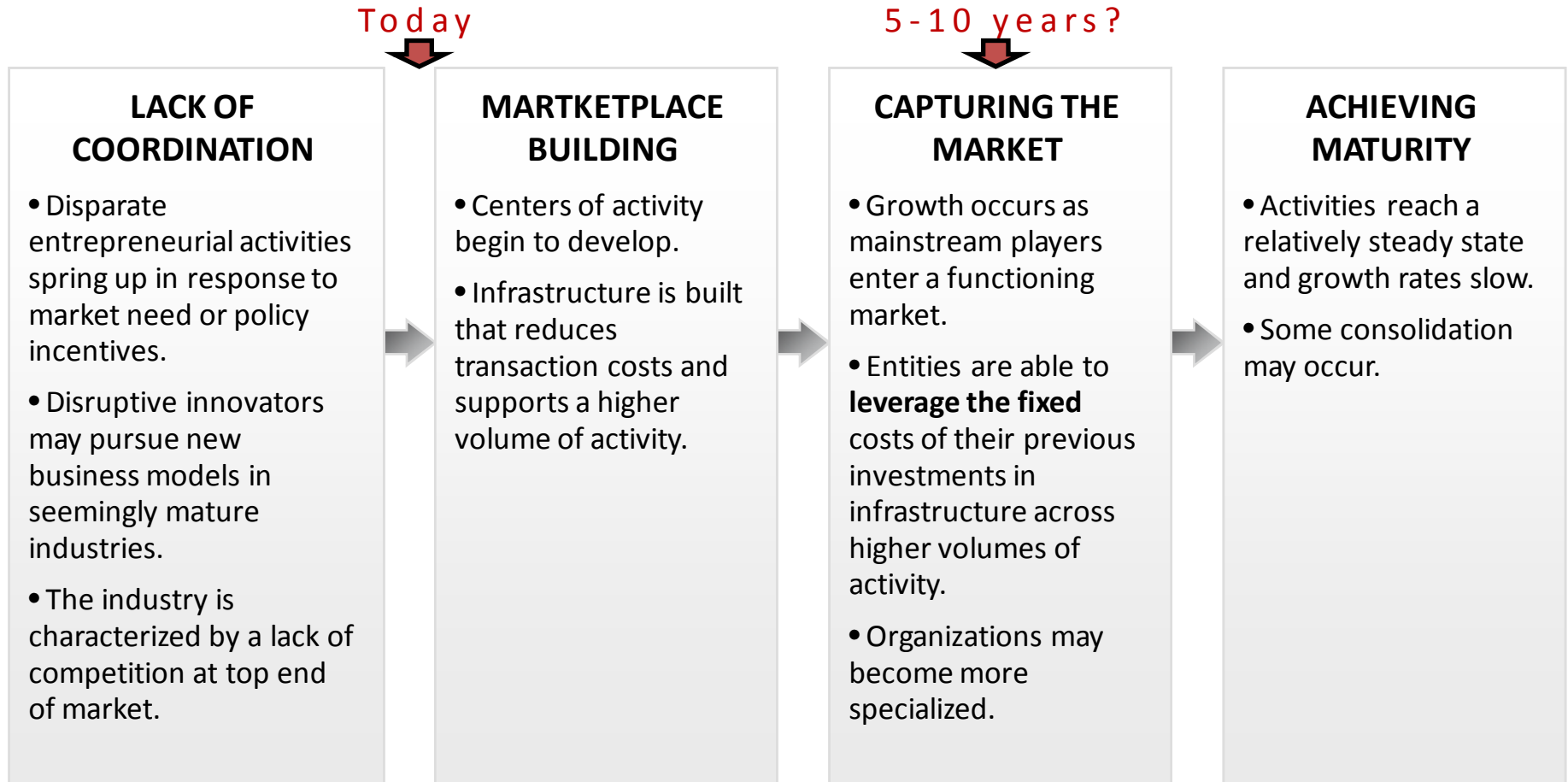
1946 1978 1984

Impact Investment and Sanitation

2003

Critical Success Factors

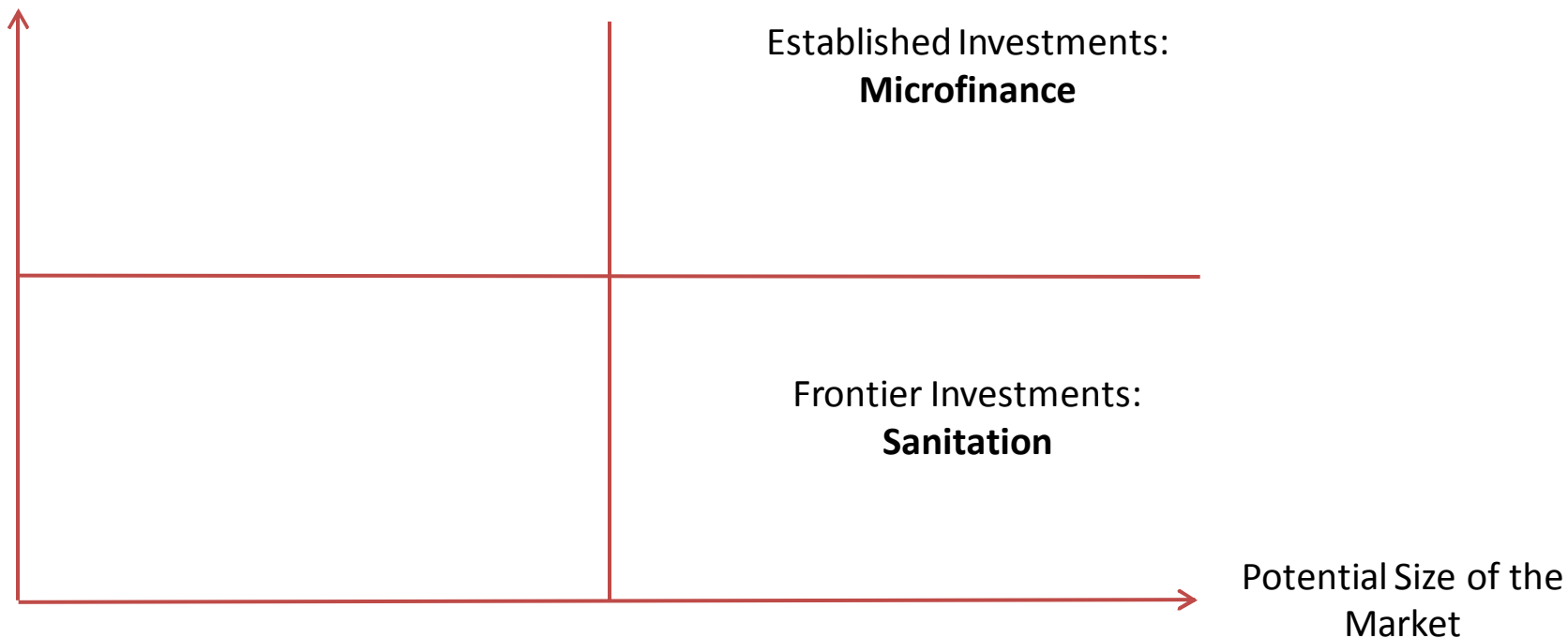
Moving capital in scale requires a sanitation marketplace



Bottom Up: Finding Investable Projects

We need to decide where and how to invest. Ideas welcome

Ripening
Infrastructure



Viability drivers:

- Breakthrough technologies
- Economies of scale
- Internalization of externalities

Market-based Solutions: Potential Examples

Which ideas can achieve scale?



- Peepoo offer portable toilet disposals
- Odor-free
- Self-sanitizing
- Tied disposable Peepoo bag is a fertilizer hence has a value
- Projected to produce 150,000,000 bags per day



- DMT Mobile Toilets provide and maintain 3,500 public toilets in populated areas such as bus stops
- Charging a small fee that people are willing to pay
- Street kids manage the toilets
- Companies can place commercials on toilets, for a fee

What next?

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