

A Meeting of Mindsets for SDG Success

How social enterprises and sustainable investors
can work together to develop market-based solutions,
inspired by best practice within the private sector



Introduction

The SDG financing gap describes the estimated shortfall in funds required to meet the Sustainable Development Goals by 2030.

Official development assistance funds, philanthropic investment and public finance are being stretched to the limit and so the rise of private financing, and the increasing number of mainstream investors prioritising sustainability initiatives, is a welcome addition to the SDG funding landscape.

However, many social enterprises, particularly SMEs in the WASH sector, are failing to attract these types of investment. Many are unable to demonstrate some of the fundamental skills, attitudes and practices required to show investor readiness, namely approaches towards financial management and customer focus. Because these markers of business maturity are so naturally adopted into the daily operations of successful enterprises across the private sector, their importance is underestimated by those attempting to tackle the world's biggest problems with market-based solutions.

In the following pages we explore this concept in more depth, as well as the role investors can play in shaping the future of social enterprise.



A Message from our CEO

At WSUP, we are committed to investing in local service providers who have the mandate to serve the needs of the city.

This means supporting businesses and institutions on a commercial basis, while also working with the regulatory environment to ensure that provision is inclusive and affordable to all inhabitants, including the poorest. It has been our privilege to work in over 20 cities across Africa and Asia to make a significant contribution towards the achievement of SDG6: 'Water and Sanitation for all by 2030'.

As part of this mission, WSUP draws together different solutions in considering how to develop inclusive business models. Our global teams bring a range of skill sets from backgrounds in enterprise development, engineering, urban planning, public services, and academic research.

To date we have reached over 20 million customers with improved water, sanitation, and hygiene services. This could not have happened without the firm belief that commercial disciplines can be utilised in the field of water and sanitation. Core to WSUP's guiding strategy is the belief that market-based solutions will contribute significantly to sustainable progress in tackling the world's biggest challenges. Our work with local service providers, social enterprises, and WASH-driven start-ups, seeks to de-risk entry into the water and sanitation market, and drive growth for the business models with the potential to create lasting change.

Through the work of our Innovation & Consumer Needs Team (ICoN), WSUP is looking to develop this thinking, share experience and best practice and pilot new approaches to service provision. We hope the ideas outlined in the following pages serve as a conversation starter; a prompt to think differently, build connections and pool resources towards new and innovative strategies for making SDG6 a reality.



Neil Jeffery

Chief Executive, WSUP



Context:

Financing the Gap in SDG Funding

The 2030 Agenda for Sustainable Development¹ provides a shared blueprint for peace and prosperity for people and the planet.

Underpinned by 17 Sustainable Development Goals (SDG), this agenda has brought structure to global efforts to end poverty and other development challenges. However, whilst the SDGs are built on decades of work by the UN and other global contributions, more work is required to determine how the goals will be financed.

Official and public SDG financing

Official and public SDG financing includes official development assistance (ODA) and all SDG-related budget or state-owned enterprise funding for capital and operating expenditures, as well as for transfers to vulnerable populations².

ODA contributions have increased over the past 50 years (see fig. 1). At the same time, global poverty rates have been falling (see fig. 2), which provides some assurance over ODA efforts. However heavy reliance on this source of finance is likely to continue. Global population growth and urbanisation is increasing pressure on infrastructure and public services³, and climate change is exacerbating inequality⁴.

The UN estimates that the world's population will be around 9.8 billion⁵ by 2050, approximately 68% of whom will be living in urban centres (see fig. 3). 90% of this urban growth will be in Africa and Asia. With this reality fast approaching, there may be even greater demand placed on official and public SDG financing as populations grow exponentially, and mainly in places occupied by the world's poorest. It is estimated that the financial needs for achieving the SDGs are between \$5 trillion and \$7 trillion per year. This means an extra \$2 trillion to \$4 trillion per year is required between now and 2030².

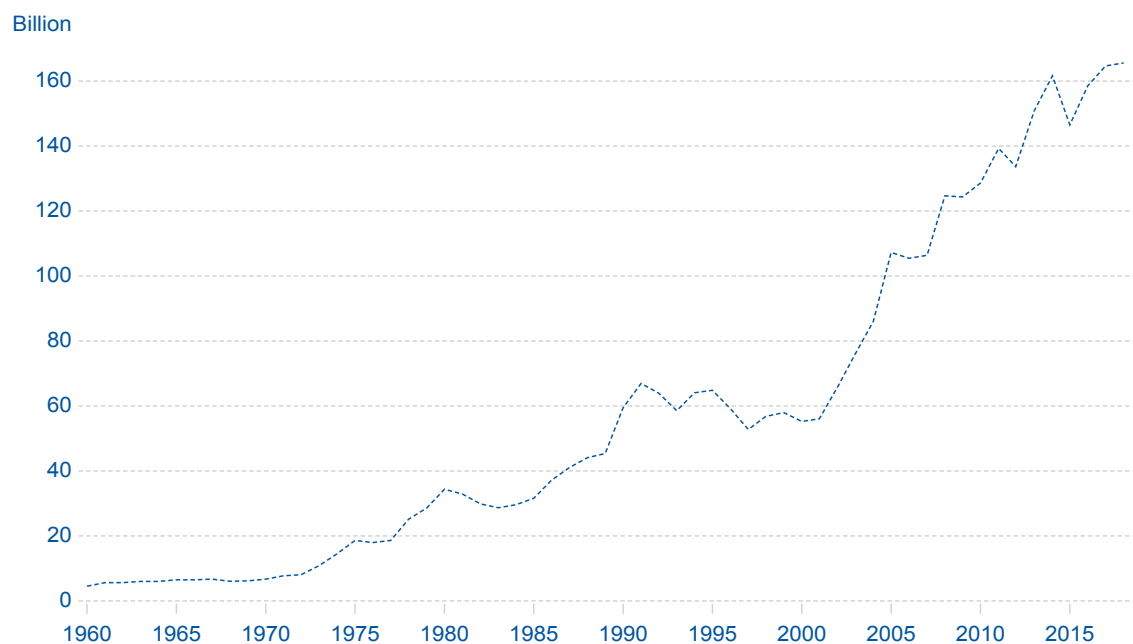
Private and blended SDG financing

Private development assistance from corporate and family foundations, as well as charities, have contributed to a blended finance approach to the SDGs. However, another area of particular interest, which has significant potential to grow, is private commercial finance. This comprises of international banks, asset management companies and other direct investment. This opportunity is particularly exciting due to challenges concerning the mobilisation of domestic public resource and the static or declining contributions from traditional aid which is restricting the impact of official, public and even blended finance options².

Many WSUP programmes⁶ are examples of a blended approach, involving a hybrid category of finance that includes philanthropic, public or official development finance, used to prove the feasibility of interventions and de-risk the later entry of fully private finance².

There is also a thriving capital market increasingly eager to invest in making the world a better place, as demonstrated by the rise of impact investing. Impact investing sees capital supplied to companies which aim to create positive social, environmental, and financial returns. The Global Impact Investing Network (GIIN) estimated the size of the impact investing market at \$502bn in 2019⁷. And in January 2020, Larry Fink, the CEO of Blackrock, the world's largest asset manager, stated that the world is on "on the edge of a fundamental reshaping of finance" and that in the near future there will be a "significant reallocation of capital"⁸ towards sustainability topics.

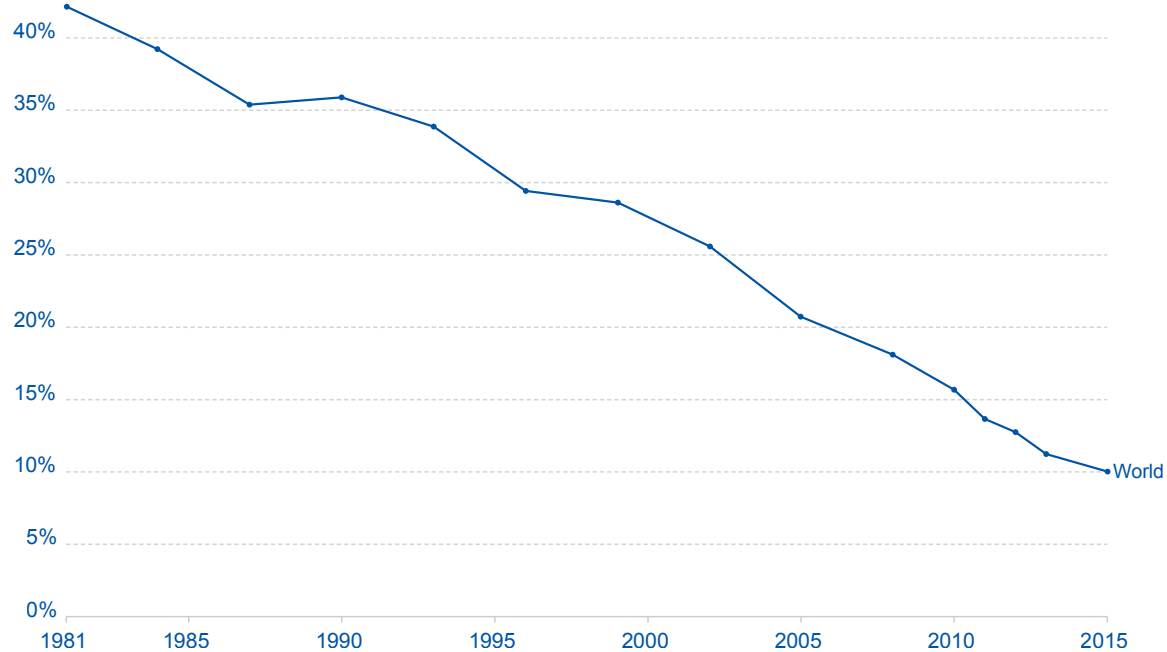
Figure 1: Net official development assistance and official aid received (current US\$)



Source: World Development Indicators

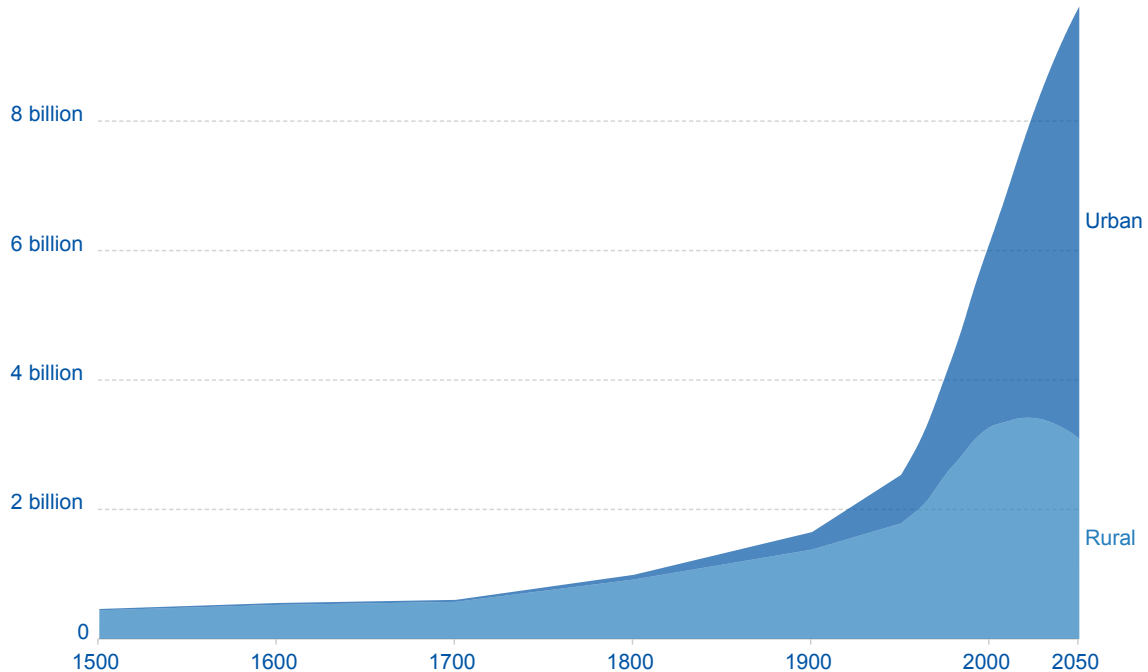
Figure 2: Share of the population living in extreme poverty

Extreme poverty is defined as living with per capita household consumption below 1.90 international dollars per day (in 2011 PPP prices). International dollars are adjusted for inflation and for price differences across countries²⁶



Source: World Bank OurWorldInData.org/extreme-poverty/ • CC BY

Figure 3: Urban and rural population projected to 2050, World
Total urban and rural population, given as estimates to 2016, and UN projections to 2050.
Projections are based on the UN World Urbanization Prospects and its median fertility scenario.²⁷



Source: OWID based on UN World Urbanization Prospects 2018 and historical sources (see Sources) CC BY

For decades traditional businesses across the private sector have seen their growth propelled by the private finance of mainstream investors. WSUP has been exploring what can be learned from these private sector norms, specifically regarding financial management and customer focus. In the following pages, we will review how commercial organisations qualify for appropriate growth finance and create and sustain consumer demand. We believe these skills are critical for market-based solutions and aspiring social enterprises to be able to demonstrate investor readiness.

This does not mean that all effort and responsibility lies with the investees. We will conclude this discussion by reflecting on a meeting of mindsets that we believe is required to unlock new finance potential. This includes greater flexibility and patience on behalf of commercial finance investors looking to step into more sustainable and impact-driven investing.

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Managing Appropriate Growth Finance

Finding the right type of private finance

Companies require finance for multiple reasons and investors seek to use their capital to produce varying types of return or impact. Broadly speaking, capital investments can be split into four categories (see fig. 4); i) traditional investing; ii) socially responsible investing; iii) environmental, social and governance investing; and iv) impact investing. When considering how these types of finance can help address the SDG financing gap, it's helpful to keep in mind the remit and aims of each approach.

Traditional investing is focused on financial returns that maximise financial profits, through whatever means necessary across any sector. Businesses and investors work together to increase commercial activity and create returns for both the company and the investor.

Socially responsible investing is similar to traditional investing but employs a screening process to filter out industries based on investor preference. This may include industries such as tobacco, alcoholic beverages, or sectors heavily dependent on fossil fuels. The primary driver behind this investment category is again financial return, although framed by social preferences.

Environment, social and governance (ESG) investing goes one step further and supplies capital to companies that adhere to high social, environmental and governance standards. Companies that fall into this category may be actively reducing their carbon footprint or committing to uphold labour rights in their supply chains. Although these companies are not defining their offering in terms of these benefits, investors know they are supporting a company that

aims to achieve financial returns while reducing negative impacts.

Finally, impact investing advances the concept of ESG. Capital is supplied to companies that explicitly aim to create positive social, environmental, and financial returns. Where ESG seeks to mitigate the negative impacts that businesses can create, impact investing seeks out those trying to actively create positive benefit. Impact investing is significantly different from philanthropy, as it aims to fund positive, domestic, social, and environmental impact, whilst realising commercial success. This sort of capital often accommodates the longer time frames required to realise these impacts.

Impact investment and sustainable investment from mainstream private finance could help bridge the SDG financing gap with market-based solutions, yet there are few examples of private commercial finance driving progress towards SDG6 (water and sanitation for all). It has been our experience that, social businesses, and small-medium enterprises, primarily in the WASH sector (Water, Sanitation and Hygiene), are struggling to access this type of finance. We believe the entrepreneurs behind these small businesses have some way to go before they are able to win the trust and interest of impact investors.





Qualifying for investment & proving you can use it

Finance sources, including impact investment, is only made available to opportunities that qualify and to businesses that prove they know how to use it. One reason the levels of financing required to meet the SDGs have not materialised, is because the investees are not always ready for investment.

Enterprises and local services providers in developing markets often struggle to qualify for investment as they fail to meet the criteria needed for a compelling business case. In short, they are deemed too risky. Mature enterprises with the capacity to attract and absorb investment finance, typically evidence the following attributes:

- An ability to demonstrate accountability between investor and investee, and any related stakeholders, through a clear governance structure and legal registration.
- A comprehensive business plan which provides the rationale for growth and demonstrates a clear understanding of the target market.
- A defensible business model built upon a clear understanding of the competitive landscape and how the company will secure long-term market share.
- An established management team who can display well-reasoned decision making and organise the company to deliver its products and services efficiently.
- A strong brand and differentiated value proposition, that will make it more difficult for new entrants to achieve the same trust, recognition, and market penetration.

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- A robust system for financial controls, monitoring how finance flows through the enterprise.
- Capacity to comply with surrounding regulatory environment and industry standards so that quality and performance can be scrutinised.
- Defined internal management structures guided by specific, pre-agreed key performance indicators (KPIs), which dictate the use of the finance for defined outcomes.

Enterprises working to achieve SDG success should reflect on these requirements and think critically about the extent to which they are fulfilling them. At WSUP, we assist organisations, enterprises, and entrepreneurs to develop and mature their respective business processes so that they can comprehensively meet the criteria above. While connecting service providers with the available streams of finance, WSUP strengthens the potential recipients through our business development programmes.



Creating and Sustaining Consumer Demand

Creating demand

Being able to qualify for investment finance whilst demonstrating how it will be used, is often only half the battle. To win over investors, enterprises must also prove market or acceptance viability. This refers to the acceptance of a product by the consumer through successfully demonstrating that it solves a problem, fills a need, or in some way will be embraced by the market. If organisations seeking market-based solutions to SDG success cannot demonstrate the necessary ability to create, fulfil and sustain consumer demand, how can a compelling case be made to private finance investors? However, it is not only potential investors that need convincing. Frequently, entrepreneurs must also convince the customers themselves.

Products and services with the power to create monumental shifts in social and economic norms, usually require significant behaviour change. In 2015, the business media agency, Raconteur, ran a survey of the greatest inventions of all time, a survey of over 400 scientists, tech journalists, academics, and authors.⁹ Critical inventions, from the printing press to the internet, have changed the productivity of our world and revolutionised the way that we live. Many of these greatest inventions were created to fill a void which was, at the time, restricting economic growth and social development. However, to achieve such success the organisations and entrepreneurs behind these inventions had to encourage consumers to make choices they never had before.

According to legend, Henry Ford was famously quoted saying “If I asked people what they wanted they would have said faster horses”. Ford was hugely successful in creating something that people needed, and then convincing them it was something they wanted. This can often be one of the toughest challenges for international development agencies



seeking to deploy market-based solutions. We’re often asking ourselves: How do we make customers want to do X or see the value in paying for Y?

The need to ‘stimulate demand’ is not a challenge unique to those who are first to market. Commercial giants like Ford still face demand creation challenges today. In 2019, Ford announced it would be investing \$11 billion in manufacturing electric vehicles (EV). However, media coverage would suggest the investors were nervous¹⁰. Despite the environmental benefits, “range anxiety” (the fear that a vehicle has insufficient range to reach its destination¹¹) is still a major barrier to market acceptance¹². Tackling range anxiety and convincing customers to trial and trust electric vehicles is perhaps Ford’s modern equivalent to asking people to leave their horses behind.

For both public and private sector driven innovation, be it the launch of a new, eco-friendly consumer product or the launch of a new public health initiative, there is a requirement for people to change their behaviour. What WSUP’s work has in common with these inventors, and entrepreneurs, is the desire to change people’s behaviour and in doing so, prove demand and create a self-sustaining market. For us, that behaviour change might be the adoption of on-site sanitation products or a household water connection that demonstrates low-income communities are a viable market for water utilities. Success isn’t easy, but the potential for impact is huge, which is why the WASH sector could be the ideal market for impact investment.

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Customer focus to sustain demand

Of course, even if investors are prepared to take a risk on early signs of consumer demand, scale relies on that demand being sustained long enough to achieve return. Customers are not always predictable, and neither are the environments in which they make choices. Adapting to changing environments, behavioural trends and disruptions from other innovators requires a commitment to customer focus and efforts to continuously reinforce demand. Product and service providers who keep abreast of customer needs and expectations to enhance customer experience, are far more likely to stand the test of time, achieve impact and prove to be a successful investment.

Jeff Bezos, Founder & CEO of Amazon has arguably become synonymous with best practice in customer focus. He claims “the number one thing that has made us successful, by far, is obsessive, compulsive focus on the customer”¹³

For monopolistic WASH businesses, like water utilities or some FSM providers (faecal sludge management) it can be tempting to assume demand creation and customer experience is unimportant because they are the only provider in the market. However, an absence of direct competition does not mean, customers have no choice. Customers can choose an illegal water connection, they can choose to purchase bottled water, they can seek an alternative source. It may not seem like a preferable choice to an observer, due to the likely compromises in price and quality¹⁴, yet it may be a worthwhile trade off in the customer's eyes. Our work in utility strengthening has a large focus on customer experience. Projects including adoption of digital payment platforms are an example of customer experience improvements. Enabling customers to manage their billing in a way that meets their expectations, makes them more likely to continue

paying for the service, and thus sustains demand.

How does this relate to WASH?

Arguably, water represents an ideal market for enterprises and investors alike because there is never going to be a shortage of demand for water. Surely WASH businesses do not need to make the same efforts to prove market or acceptance viability. However, as a commodity, water is somewhat unique and complicated because it exists as a private, marketable good, and a basic human right¹⁵. As a human right, allowing supply of water to be determined by trade markets, which would see proportional ownership transferred to those willing to pay the most, is morally unacceptable. The rivalrous characteristic of water as a finite resource would leave poorer people without access to the basic water needed to survive.

The prevalent issue of water theft, smuggling and illegal connections¹⁶ also makes water, in some forms, non-excludable. For instance, it can be difficult and expensive to ensure investment in water infrastructure only benefits those who pay for it. This reality means provision of water supply is typically left to the public sector.



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However, in many cases the public sector is not able to sufficiently satisfy demand for water. Will Sarni, CEO and Founder of Water Foundry argues that meeting the global market need for water requires “the characteristics of the business sector, such as scale, speed in decision making, communication and marketing, innovation, and large workforces”¹⁷. In this sense, businesses from small social enterprises to large corporations have both a duty and an opportunity to break into the WASH sector and work more closely with the types of investors who want to help them do so.

What about large corporations?

We cannot ignore the responsibility and potential for impact that lies with private corporations, especially brands with a global presence. Whilst much of this discussion has so far centred on helping agile and innovative start-up enterprises disrupt the WASH sector, there are a number of organisations across the world already inextricably immersed in the water crisis. Industry giants dominating the farming, textiles, beverage, and automotive markets (to name a few) are dependent on water security for survival. Whilst their operations may account for some of the biggest demand pressures placed on water as a finite resource, changes to their operations represent equally huge potential for impact – not to mention the millions of people whose lives can be influenced by improving social equality and environmental sustainability in the businesses operating in their direct supply chains”.

Unilever¹⁸ and AB InBev¹⁹ are commonly cited examples of private sector giants leading the way with placing sustainability at the heart of their business strategy. Both brands report impressive results towards their sustainability goals, often without any detriment to profitability. However, some would argue that “foot printing” and aiming for neutrality doesn’t go far enough. Many would argue that lasting change requires large private sector organisations to use their power and reach to catalyse more lasting change, by using their influence on the regulatory environment and specific business skills to achieve greater leverage.

There is also increasing evidence that firms that perform well against environmental, social and governance (ESG) metrics also produce superior financial returns. This dynamic is leading more investors to focus on ESG metrics as they make investment decisions²⁰. A rise in both ESG and impact investing could see the fight for SDG success driven by all angles of the private sector, from large, corporate giants, to small start-ups.





A Meeting of Mindsets

So far, we have focused heavily on all the ways in which aspiring entrepreneurs, social enterprises and drivers of market-based solutions need to up their game, if they're to take advantage of private finance opportunities like impact investment.

First, we looked at the qualifying criteria for accessing growth finance and demonstrating how it would be absorbed and utilised. Then we explored the importance of proving demand and optimising customer experience to sustain it.

However, it would be fair to argue that some effort should also be expected on behalf of the investors. Financiers interested in impact investment, should reflect on the extent to which their expectations have been shaped by traditional, commercial investment and private sector norms.

At a recent WSUP event in Bangladesh we were pleased to host representatives from the financial services sector to explore investment opportunities in WASH. The aim of the event was to facilitate a knowledge exchange between finance experts and socially driven WASH SMEs. Discussion revealed that despite evident excitement about investing in the WASH sector, businesses need to do more to increase the confidence of impact investors.

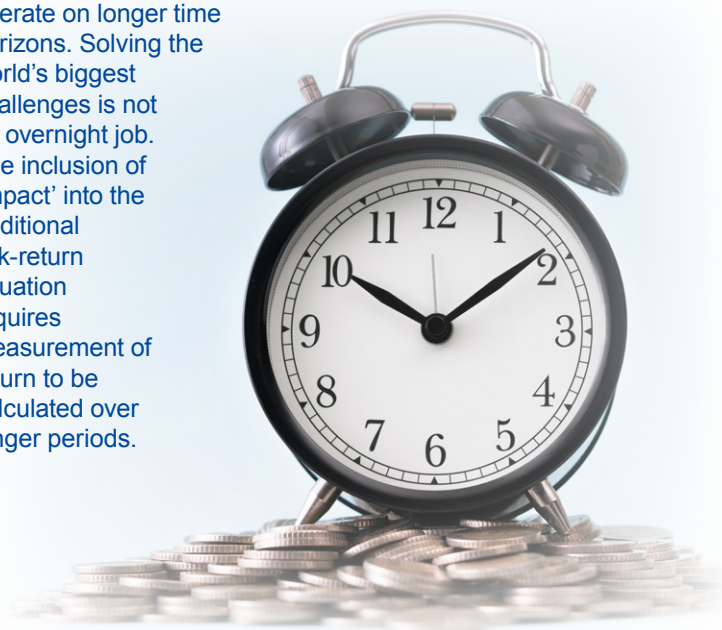
One member of the group offered these reflections: "The mindset across financial institutions is changing and there is a great interest to move into sectors which have a higher impact on low income communities. WASH is one of those key sectors, but we must learn more about the market data before we can invest".

WSUP is aware that mainstream investors are still hesitant to embrace sectors, such as WASH. A 2018 article by McKinsey²¹ suggests that many accept the conventional view that impact investments cannot be scaled adequately to create attractive returns, carry

higher risk overall, and are less liquid and thus tougher to exit. However, to impact the lives of billions of people, new accommodations on risk and other assurances for investee stability may need to be found. There is much debate on this subject, but it is fair to say that impact investing is different and requires a different mindset from the investors' perspective too. When speaking to Forbes in 2019, impact investment advisor Rachel Browning explained this shift in mindset: "While most investors are accustomed to two-dimensional risk and return assessment when considering investments, there needs to be a transition to a three-dimensional approach that evaluates risk, return and impact"²².

Patient capital to accommodate long-term impact

A frequently debated topic is the extent to which impact investment needs to be more patient. Although all sides of the debate seem to agree that social or mission driven businesses tend to operate on longer time horizons. Solving the world's biggest challenges is not an overnight job. The inclusion of 'impact' into the traditional risk-return equation requires measurement of return to be calculated over longer periods.



“While most investors are accustomed to two-dimensional risk and return assessment when considering investments, there needs to be a transition to a three-dimensional approach that evaluates risk, return and impact.”

The challenge lies in the fact that investees must be able to explain and quantify the value of impact several years into the future, to justify the investment value today. This is no mean feat, even for mature and experienced large enterprises, let alone small social businesses in the early stages of innovation. Jennifer Pryce, President and CEO of Calvert Impact Capital summarises: “The financial supply chain serving mission-driven businesses needs to be more patient, flexible, and creative than the one used by traditional capital providers. This new financial ecosystem must balance the customized needs of mission-driven businesses with a desire to, over time, grow them to conform to traditional markets so they can access capital with greater efficiency and scale. Thus, impact investors must understand the unique challenges and strengths of mission-driven markets and their barriers to accessing traditional capital so they can create an effective bridge between the two”²³.

Collaboration and in-kind support

Impact investing models can often include collaboration with diverse stakeholders, including philanthropic investors, corporations, and private individuals which investors should be open-minded to. The Urban Institute and Mission Investor Exchange outline the benefits of such partnerships in their practitioner briefing on Collaborative Place-Based Impact Investing (PBII)²⁴. Benefits include being able to achieve greater impact through larger scale investments, and access to comparative strengths, networks, skills, and experiences. This idea was also raised at the WSUP event in Bangladesh, mentioned previously. We discussed how impact investors tend to ‘go beyond the money’ to assist in the holistic development of the market opportunity. Zia Ahmed, Chairman of Venture Impact Partners Bangladesh, Ltd; provided these remarks: “When it comes to an investment, finance is not enough, you must go deeply into the venture and



form a strong relationship with constant communication which will generate impacts on a much deeper level”

Success metrics

According to Impact Investment Hub, because impact investors must balance the dual purposes of pursuing both social change and financial return, impact measurement is critical but incredibly complex. Impact investors must be flexible and accept that there is no single approach to measuring impact. Approaches can span different combinations of quantitative and qualitative measurement and it is often difficult to define impact with numerical figures alone. Investors must become more comfortable with adopting frameworks that consider the nature and complexity of the social enterprise, as well as the time, resources, and capabilities available²⁵.



WSUP's Role

WSUP's driving vision is to create a world in which all urban residents, including the poorest, informal settlement dwellers, women, and girls, enjoy affordable, safe water and sanitation services of a high standard.

Part of this vision involves connecting different actors who can create change in the WASH sector, offering space for collaborative working and drawing on the strengths of development and commercial approaches to both public sector and market-based solutions.

Having been founded by a tri-sector membership, WSUP brings together experiences from the public sector, academia, and the private sector to tackle the water and sanitation crisis. Our track record of engaging national governments to coordinate WASH investment and develop legislation has built an understanding of the systematic needs of the sector. Our membership also consists of private corporations such as Unilever, Thames Water and Borealis who also help us to stay mindful of the influence large corporations can have in furthering the SDG agenda. They also provide valuable opportunities to collaborate, share insights and where appropriate, bridge the gap between the efforts of different types of organisation, large, small, profit-driven, and non-profit-driven. Different organisations have different sets of expertise to contribute. Entrepreneurs may have speed but not scale, while the public sector has scale but not speed, and academics, multinationals, non-governmental organisations occupy an important space in between¹⁷.

In the area of commercial development, we facilitate by helping companies to grow and develop, become more resilient and reach the scale required for impact. This cannot happen without the right type of finance, or a level of corporate maturity, knowledge and behaviour that enables market-based solutions

to absorb and mobilise finance in pursuit of SDG success.

The previous chapter concluded with a quote from Jennifer Pryce, President and CEO of Calvert Impact Capital. Pryce suggests that a bridge is needed to build a better functioning link between impact investors and mission-driven businesses, allowing mutual value to be more readily created. We see a large part of WSUP's work as facilitating the discussion between these two sides. On the side of the mission-driven businesses, it is our job as an implementing partner to support organisations, enterprises, and entrepreneurs to attract and secure private SDG financing, by being able to demonstrate necessary indicators of credibility and market viability. On the side of the investors, our efforts seek to change the conversation around the risks of investment and help demonstrate the rewards of high social and environmental impact.

And when it comes to large corporations, we see a mutually beneficial relationship. WSUP can help sustainable brands to share their learnings, whilst encouraging them to think differently about partnering with innovative organisations, in and around their supply chains, and beyond their usual investor groups.

The private sector has demonstrated that if you exhibit the correct market approaches and behaviours, the necessary finance will follow. The capital market is increasingly moving towards financing sustainable solutions and the international development community must take note and respond accordingly to encourage this trajectory. In addition, the ability of private companies to connect to a wider ecosystem of development through their own social and environmental commitments, could create additional frameworks for sustainable activity that delivers positive outcomes for communities and natural resources. In this sense, market-based

“A bridge is needed to build a better functioning link between impact investors and mission-driven businesses.”

solutions can be used in a powerful way to address poverty and contribute to the SDGs.

WSUP has direct experience brokering partnerships in the WASH sector but takes this a step further by providing business advisory support to enterprises, technical advice to financiers and strategic direction to the public sector. Together we design and deliver tailored business solutions, whilst running parallel projects that encourage the necessary market conditions for those business solutions to thrive. Our SWEEP programme in Bangladesh is a prime example.

SWEEP is a market-based solution which brings together the private and public sector in Bangladeshi cities to provide inclusive, pro-poor sanitation services. WSUP assisted the public authorities in creating a tender process to select suitable enterprises able to provide faecal sludge emptying services. In return WSUP ensured that the public authorities would commit to providing treatment facilities, enabling the enterprises to discharge waste safely. This arrangement is the first of its kind in Bangladesh and has been highly successful in significantly increasing the availability of professional services, whilst demonstrating market profitability. We designed a contract between both parties that protected the enterprises' ability to make a profit, whilst containing a crucial requirement to guarantee inclusion of low-income customers. From the perspective of an investor, the SWEEP business model provides a de-risked opportunity to achieve attractive returns, whilst creating positive social and environment impact through the sanitation market.

These private sector enterprises have since attracted the attention of several impact investors keen to help scale the businesses. This is a testament to the credibility these enterprises have built in the consumer market, and the relationships held with the collaborating public sector authorities.

Experience with innovative market-based approaches like SWEEP is helping WSUP to increasingly understand what it takes to build a well-functioning, city-wide, inclusive, and sustainable water and sanitation market. When it comes to financing such market development, our work helps to de-risk investment, strengthens local service providers, and connects them to new customers, generating long-term cashflow. We are currently working with a number of investors to build financial assistance facilities to support WASH enterprises, leveraging our network of partnerships to unlock the power of innovative market-based solutions.

We believe that next steps require a meeting of mindsets and shifts in behaviour that re-focus priorities on both sides. Social enterprises and commercial actors in the development sector need to better demonstrate their ability to manage appropriate growth finance and create and sustain consumer demand. In return, investors looking to contribute to the sustainability agenda need to fully embrace the unique challenges and strengths of mission-driven markets and, commit to help navigate these challenges with support that goes 'beyond the money'.



If our thoughts,
observations and ideas
have piqued your interest,
we'd like to hear from you.

Please get in touch
and help us to start
more conversations.

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Thank you

WSUP would not have been able to carry out the work described in this publication without the support of key partners such as the Skoll Foundation, The Coca-Cola Foundation and UK aid from the UK Government.

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This publication is authored by WSUP's Innovation & Consumer Needs Team (ICoN) with the intention of stimulating cross-sector conversations. While WSUP has an inherent focus on SDG 6 ('Water and Sanitation for all'), the ideas and perspective discussed are arguably applicable across the SDGs more broadly.

If you would like to share your thoughts with us, we'd value hearing from you.
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