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Asia Water Forum 2022

8–11 August 2022 • Online



Focus Area: Universal water supply and sanitation services

Session Title: Achieving universal sanitation

Schedule: 10 August 2022 | 3:00pm-4:30pm (GMT+08)

Connecting the Rural Unserved to Safe Water at Home with Local Entrepreneurship

The Case of Max TapWater, a Social Safe Water Enterprise in Bangladesh



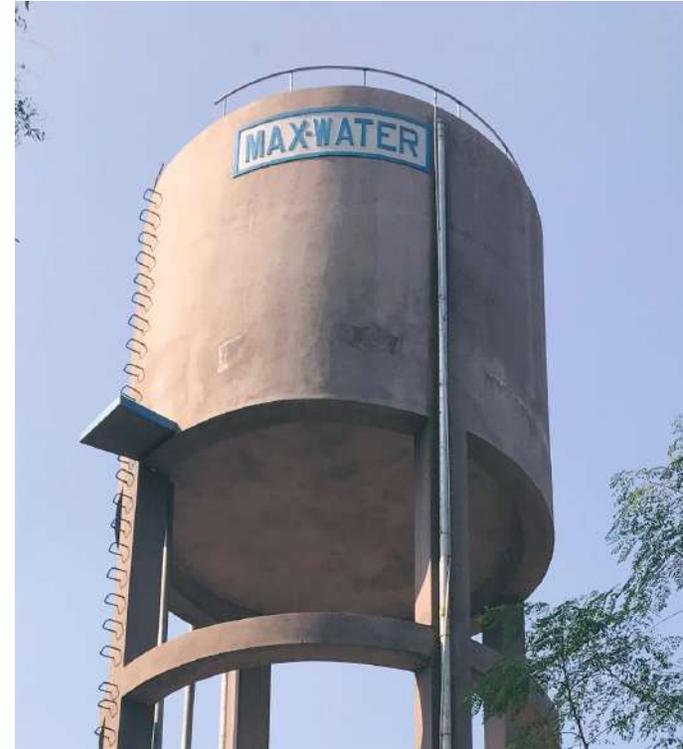
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Co-Founder and Managing Director
Max Social Enterprise Ltd,
Country Director, Max Foundation.

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Agenda

- The problem with achieving universal water services in Bangladesh
- Social business as a solution for universal water services
- The Max TapWater model
- Piped water supply for climate resilience
- Bringing in private financing through local water entrepreneurship
- Promoting women empowerment and social inclusion
- The multiplier effect on universal sanitation and Hygiene
- Closing the gap between public and private financing





Despite being one of the fastest growing economies, most households in Bangladesh still lack access to safe water

- 5% of rural households have safe piped water at home
- Reliance on tubewells and ponds
- Sources are unsafe and far away
- Women & girls bear the water burden
- 90 minutes/day spent on water collection
- Sexual harassment along the way
- NGO and public based models often fail operationally or are financially unsustainable





Social water business offers a sustainable solution for long-term safe water access

- Safe Water Enterprises (SWEs) complement public services¹
- Using a market-based approach to deliver services¹
- Able to use decentralised solutions¹
- NGOs and (some) government programmes have short-term funding cycles, business does not

Why a social business?

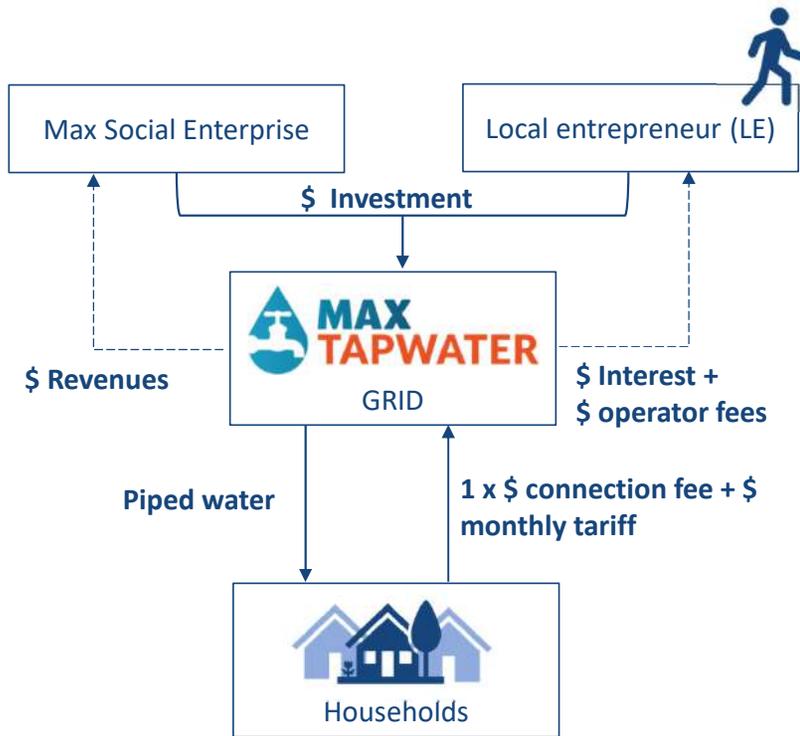
- Target financial sustainability and social impact
- Water margins are small and equitable (universal) coverage: needs patient capital
- Profit reabsorbed to scale the business and create more impact

¹Dalberg. 2017. *The Untapped Potential of Decentralized Solutions to Provide Safe, Sustainable Drinking Water at Large Scale.*





Max TapWater connects households to safe, easy and affordable water through piped water grids



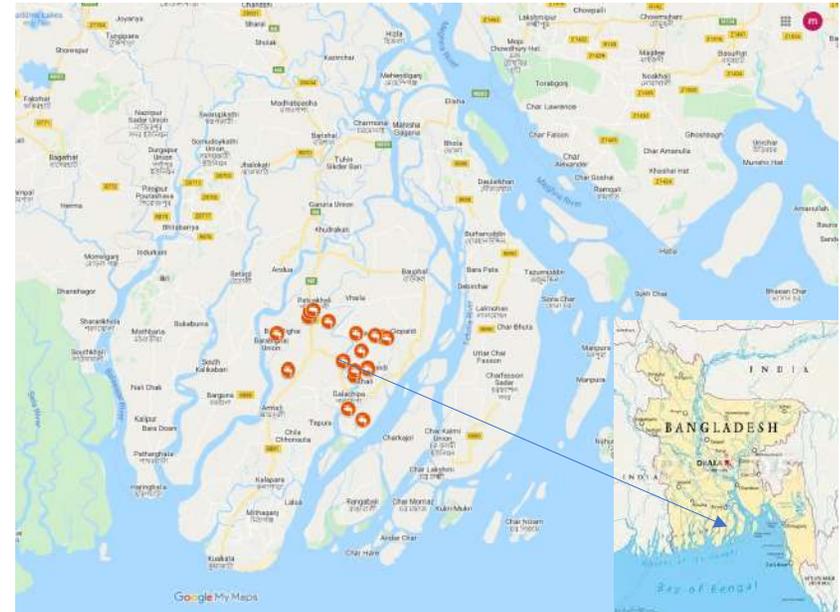
- People are willing and able to pay for piped water at home
- Max TapWater: low-tech and low-cost piped water grids
- Households pay 1x connection fee + monthly tariff (per capita)
- Small-scale grids: ~70 households are financially most attractive
- 24X7 water supply
- Customer care by skilled plumbers
- 6-7 years breakeven





Piped water services offer customers climate resilient water access in areas affected by climate change

- Raising sea levels, erosion, floods, cyclones, salinity make traditional water sources inaccessible
- Piped water allows people access even during floods
- Able to reach deep aquifers without saline water
- Flexible to adopt and upgrade with new innovative climate resilient technologies (such as, Ground water recharge, rainwater harvesting, surface water treatment)



Present locations of MaxTapWater in South Coastal Bangladesh





Piped water access has a multiplier effect on improving household sanitation

- A water connection triggers households to invest in better sanitation
- On average, additional US\$107 investment in improved household sanitation
- Creates additional business for sanitation- and micro-entrepreneurs

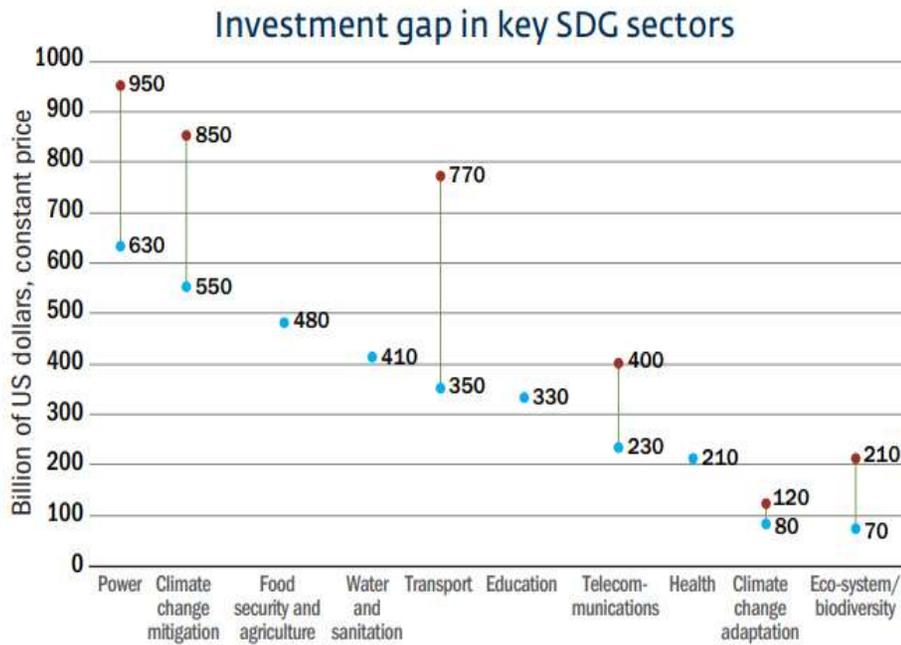
Max TapWater promotes gender equity and social inclusion

- Reducing water burden: opportunities for economic or education activities
- Safety and dignity for women
- Women operators/entrepreneurs
- Easy access for elderly, people living with disability



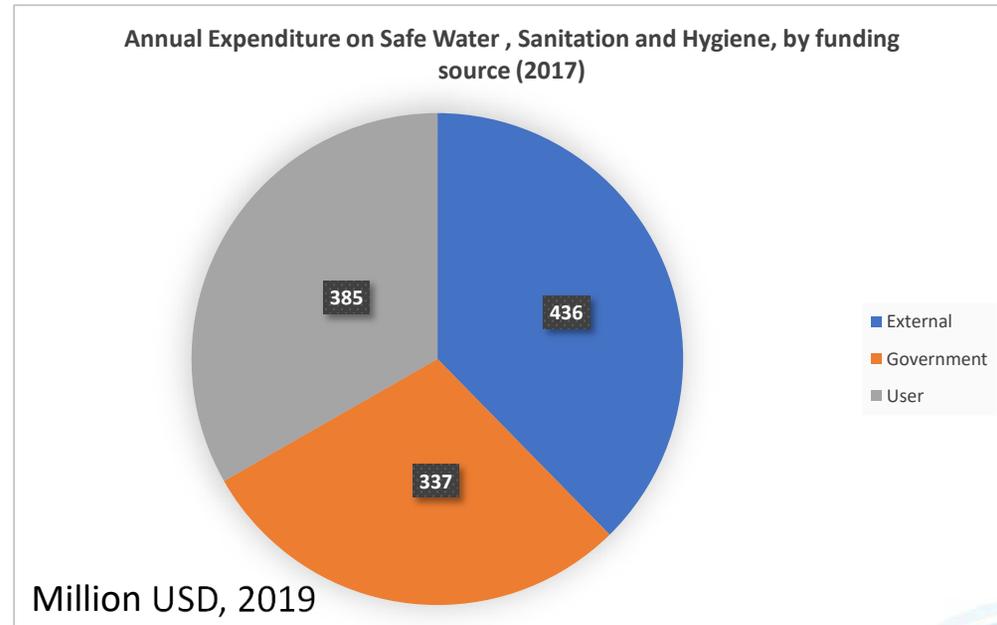


To achieve SDG6 (Safe Water for All), additional financing is needed



Source: IFC. 2019. *Closing the SDG Financing Gap—Trends and Data*

With Bangladesh graduating to middle income, external (multilateral/aid) financing will reduce. Local investment is needed to address the WASH financing gap



Source: UNWater. 2022. *Snapshots Bangladesh*



Local water entrepreneurship can close the financing gap for SDG6

- 'Local Entrepreneurs' become co-investor in Max TapWater grid
- 10-20% investment in hardware
- 5-year 18% annual return + cash payout
- Ensures local ownership

Challenges:

- Access to finance
- COVID economic shock felt by rural investors
- Women entrepreneurs

Proposed financial/institutional framework:

- Institutional support for (social) safe water enterprises
- Investment model together with local entrepreneurs
- Sub-national government could become 'local investor'





Scaling small-scale piped water can help governments to achieve universal water access

- “My Village, My Town” agenda by Government of Bangladesh: bring urban amenities to rural areas
- Customer-centric/market-based approaches can aid government initiatives towards operational and financial sustainability
- Max TapWater offers an example of how public and private financing can come together for universal WASH access



Thank You

