In 2016 the Toilet Board Coalition and the Confederation of Indian Industry were asking the question – what define the business sector of sanitation focused on low-income markets globally? Who are the key players and how is the sector evolving in key markets such as India and globally?

To better understand the business of sanitation for all – and ultimately how to support the acceleration of pioneering businesses, business model innovation and investor interest – we had the vision to convene the global sector as it stands today with key business and investment enablers and to seek inspiration from other sectors with success in similar markets.

We called it the 1st Toilet Business, Innovation & Investment Summit, held in Mumbai, India 15-17 November 2016, hosting over 250 business and investment leaders demonstrating striking momentum for a new and exciting business sector leaping into the future.

Our objectives were the following:

• For businesses operating in sanitation focused product and service businesses (i.e. toilets, waste management, toilet resources) in low income markets to meet each other, assess the current state of the art of different business models and explore partnerships for growth
• For large and multinational businesses with a business interest in accelerating sanitation through the market to meet existing SME businesses, and to understand opportunities for large-business-small-business collaboration for mutual business benefit
• For sanitation businesses to meet and learn from businesses from other sectors also delivering basic needs products and services to similar consumer segments (such as PAYG-solar; cookstoves; water; mobile)
• To invite the impact investment community to a “sneak peek” into a new and growing sanitation business sector and to understand key criteria to be met by sanitation businesses to attract all stages of capital to accelerate growth
• To discuss how to better support the sector with key business enablers

In the 3 days of the Toilet Business Summit we are very proud to say that we experienced incredible energy and momentum. The Toilet Board Coalition, the Confederation of Indian Industry and key partners are committed to supporting and accelerating this sector to assist in the achievement of the global goal to deliver universal access to sanitation by 2030.

Our Summit culminated in the Global Citizen India Festival on World Toilet Day 2016 where the TBC highlighted private sector commitments of 15 million USD serving over 130 million people by 2020. As a start!

More successful sanitation businesses = more toilets, less waste, more resources = universal access to smart, sustainable and resilient sanitation for all.

We thank all participants for helping us to launch this business platform for sanitation.

CHERYL HICKS
SHEFALI CHATURVEDI
Executive Director & CEO - CII Foundation & Senior Director
Toilet Board Coalition  Confederation of Indian Industry

ABOUT THE TOILET BOARD COALITION

The Toilet Board Coalition (TBC) is a business-led platform for private sector engagement, investment, and the co-creation of business solutions for future sanitation systems. Founded by Unilever, Kimberly-Clark, Firmenich and LIXIL Corporation and working together with international development banks, pioneering NGOs and key thought leaders in the sanitation sector, we are catalyzing a robust business ecosystem to deliver aspirational sanitation to all, at speed, at scale, and at a level of profit which ensures sustainability across the value chain. The TBC provides bespoke support to a range of promising sanitation businesses in low income markets that have the potential to deliver smart, sustainable and resilient sanitation for all through our Toilet Accelerator programme.

ABOUT THE CONFEDERATION OF INDIAN INDUSTRY

CII as the apex industry body in India which works towards inclusive development sees a natural ally in the TBC. CII, like the TBC, strongly believes that development of business for sanitation is critical for achieving sanitation for all, especially for building on the Swachh Bharat movement.

CII has stayed committed to the Mission and through the CII Foundation, a number of interventions have been undertaken to galvanize industry support, undertake projects and pilots towards construction of toilets, induce behavior change and cleanliness drives pan India.

OUR VISION FOR THE BUSINESS OF SANITATION

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IN THIS REPORT

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   3 Big Ideas for Toilet Business, Innovation & Investment Opportunities
   The Energy in the Room
   Highlights from the Oodi International Dialogue

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   Sanitation Sector Business Model Evolution
   Evolution from Community-Led to Business-Led

3. THE MOVERS & SHAKERS
   Exciting Sanitation Businesses Today
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4. THE TOILET ACCELERATOR 2016 & 2017 COHORTS

5. THE GAME CHANGERS
   New Markets of Sanitation Business Opportunity
   Sustainable Business —— Sanitation in the Circular Economy
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6. COUPLES THERAPY
   Partnering to Win!

7. NAVIGATING THE VALLEY OF DEATH WITH INVESTORS & ENABLERS

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EXECUTIVE SUMMARY

This Summit brought together the universe of global sanitation businesses, operating in low-income markets, as a sector for the first time. This included the small enterprise innovators of sanitation products and services as well as large companies with a business interest in sanitation from a risk or opportunity perspective. Added to this a cross-section of important stakeholders from the broader ecosystem of sanitation systems including investors, business enabling and support organisations, municipal governments and cities, governments and NGOs. And a selection of relevant development related sectors successfully operating in similar markets to draw inspiration from. The differentiating factor was the focus on the business of sanitation and a bias for actions and transactions.

Amongst the buzz of networking, ideation and partnership brokering we found 3 big ideas emerging from the Summit impulses, interventions and informal chats:

**1. SWEET SPOT IN LARGE BUSINESS-SMALL BUSINESS COLLABORATIONS**

We could be on the verge of a new business relationship imperative. From B2B to B2C to “MNC-SME”. Clear synergies emerged from the needs and offers expressed by businesses large and small. Large small businesses need to professionalise and grow, large businesses can offer. And vice versa, small businesses hold important keys to the future growth and relevance of large markets. These were identified in two categories: best in class business operations; and new markets for innovation. This Summit helped to unlock deeper understanding of the potential for closer collaborations between small and large companies to achieve respective business interests.

**2. DIGITAL & CIRCULAR REVOLUTIONS EXTEND TO TOILETS AND THE LOW-INCOME CONSUMER**

New technologies have been changing lives and businesses for decades. This global mega-trend had not been visible in the sanitation sector… until now! Technology giants like IBM and GE, digital titans such as Google, Salesforce and Autodesk, fast moving consumer goods companies like Kimberly-Clark and Firmenich, and digital enabling start-ups shared ideas on a future of digital applications for sanitation. Many participants remarked that this “blew them away” and generated much excitement for development into the near future.

The value in our waste, or the circular economy, is a newer concept but generally accepted as an essential cost or resource-saving (and revenue generating) practice in most large businesses. The potential for “toilet resources” to become valuable raw materials for supply chains large and small, or household applications, was evidenced by several small companies already demonstrating markets for energy, agricultural products and proteins - local circular economies - operational today. This is a key turning point for sanitation systems to become self-sustaining.

**3. INVESTORS & ENABLERS HELP NAVIGATE THE VALLEY OF DEATH**

Both trends became even more relevant when looking through the eyes of the low-income consumer. Digital applications can drive demand, usage and behaviour change while demand for toilet resources could address the customer’s concerns about waste management. Insights from other sectors also selling products or services to similar consumer segments (such as Pay-as-you-go solar, cookstoves, and water) shone a light on the opportunity to bundle products and services for the same customers.

Investors and enablers help to navigate through the valley of death

Going into the Summit there was much uncertainty in terms of investment vista in the sanitation sector - and on the other hand, where capital is available. Coming out of the Summit we can say that not only was investment interest confirmed but there were also offers from investors to work collaboratively with the sector to co-innovate new investment mechanisms. The interpretative horizon was on sharing learning and insights on how we can ensure that sanitation businesses move successfully through the ‘valley of death’.

It was agreed that it is in the interest of everyone. Business enablers will play an important role in building this capacity. Many existing support programmes were identified for sanitation businesses to tap into.
THE ENERGY IN THE ROOM

Shout Outs For The Business Of Sanitation

1st Global Toilet Business, Innovation & Investment Summit Report
HIGHLIGHTS NOVEMBER 2016

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“Choosing the path with the most value creates the future of sanitation amongst governments, business and academia.”
— Pete Dulcamara, Kimberly-Clark Corporation

“The diversity of the crowd at the Toilet Business Summit was very refreshing. It is really encouraging to see entrepreneurs on the ground doing things, and academics thinking about sanitation for poor people. What you are trying to do everyday, someone else is trying to do at some level. It is heartening to see people doing things in new ways.”
— Patrick Mullen, Former Head of WaterAid and Independent Director TBC

There are two strong messages of the conference: simplicity and innovation. We need to think outside the box and through innovation. Innovation needs to be part of the conversation generated by businesses gathered through the Toilets and the Toilet Board Coalition.

From the Dialogue

There is a need in the sector to better understand the global landscape of regional and global policies, legislation and investments and the need for more partners who can help push the sector in this direction.
— Saurab Jain, Ministry of Urban Development, India

“The Circular Economy is completely aligned with the Sustainable Development Goals (SDGs). We need to run circular solutions to constitute a new economic model to keep our ecosystems going.”
— Bradley Heslop, Roots

“Selling carbon credits could be a valuable opportunity by bringing together some big utilities to work with players like us, who are ready to scale and seeking partners who can accelerate that scale. The Toilet Board Coalition can help in that process.”
— Swapnil Chaturvedi, Samagra

“Social impact entrepreneurship may be better suited to tech or creative ventures, but for an investment institution we are not looking at doing good, the purpose has to be about generating good.”
— Noshir Colah, Aavishkaar

“Having sensors placed in toilets means you know how many users have used a flushing system and hygiene practices of the community.”
— Satish Rao, Firmenich

“Information - the toilet has something to offer. There are two strong messages for certification and process efficiencies.”
— Bradley Heslop, Roots

“One of the biggest drivers of success for partnerships is that you need to go out of the partnership, understand the environment and your partner. For the people from the Unilever side who are involved in mentorship, it is very rewarding to make a difference with someone who is the smallest market, by asking the smallest question. I have immense respect for the smallest techniques, or just by asking the smallest question. I have immense respect for the smallest techniques, or just by asking the smallest question. I have immense respect for the smallest techniques.”
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THE GOOD NEWS STORY


In 2016, the Toilet Board Coalition worked with 30 pioneering sanitation businesses to understand the current state of the art in sanitation businesses models operating in low-income markets and to identify where we could best provide support for growth. We found an evolution of sanitation business models from their beginnings as impact first (social businesses started to address societal challenges) and technology first (businesses started with a technological innovation for a new toilet design or waste management solution) to more consumer driven, finance first commercial businesses (source: Business Model Analysis by Aqua for All/AfricaFunded for Toilet Board Coalition July 2016).

At the Summit, one clear point of energy for businesses models was the opportunity in franchising. The franchising break-out and workshop was fully subscribed by toilet entrepreneurs. It is clear that franchising is something small business owners are considering, but want to understand how it works, how they could transform their business models and use it to expand into new geographies. Digital platforms, systems thinking and finance innovation at scale were highlighted as essential tools to activate a thriving toilet franchising market place. The Innovators Marketplace revealed an exciting demonstration of this evolution of business models - we have attempted to characterise them into product and service offerings on page 15.

SANITATION SECTOR BUSINESS MODEL EVOLUTION

The Toilet Business Summit brought together over 250 sanitation entrepreneurs, multinationals, investment managers and business enablers from all parts of Asia, Africa, the Americas and Europe. In the Toilet Innovators Marketplace, 54 small to medium sized businesses showcased their business models, products and services.

In breakout rooms, workshop spaces and across the venue businesses discussed common challenges and current needs and offered in the interest of building a robust sanitation business ecosystem. The focus was on enabling “actions & transactions” between businesses, and learning from across the sector, to evolve and grow.

The evolution of the sector and current state of the art in sanitation business models today.

In 2012 Unilever and the London School of Hygiene, commissioned by the Toilet Board Coalition, mapped the existing global universe of sanitation solutions and business models for low-income markets (see map on page 14 from the report: Mapping Sanitation Solutions, available for download at www.toiletboard.org/knowledgecentre). At that time public sector approaches (such as Community-Led Total Sanitation, UNICEF’s Community Approaches to Total Sanitation and Community Health Clubs) were dominant with only a few business models starting to emerge. This is evidenced on the map on the following page and the markets with the numbers 3 (CATS UNICEF), 5 (CLTS) and 6 (Community Health Clubs).


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**EVOLUTION FROM COMMUNITY-LED TO BUSINESS-LED**

*This map shows a dominance of community-led sanitation in 2012*

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**THE GROWTH IN BUSINESS-LED SANITATION IN 2016**

**SHELTER & PORTABLE TOILETS**
- Banar (Kenya)
- Caya Constructs (India)
- Earth Auger (UK)
- GAMI (India)
- Looswett (UK & Madagascar)
- Mosan Mobile Sanitation (Global)
- Sanitation Africa Limited
- Sanitation Solutions Group (Uganda)
- Temaiko (Indonesia)
- Watermark (Cambodia)
- Wuman Ensafotech (India)

**TOILET RESOURCE PRODUCTS / WASTE MANAGEMENT**
- The BioCycle - Protein meal, biochar
- Biogaz
- Biogaz, Liquid Fertiliser
- Biochar
- Compost
- Sanergy
- Organic fertiliser, protein meal
- Seedlings
- Biogas, Seedlings
- Soil Saver
- Biogaz
- Sewage
- Sanitation
- Biochar
- Biochar
- Biogaz
- Compost
- Biogas
- Seedlings
- Protein meal
- Biogas, Seedlings
- Biogaz
- Compost
- Biogas
- Fertiliser
- Seedlings
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MAKING CONNECTIONS

Participants were asked to define what they need from other actors in the ecosystem, and to share what they can offer as well.

**TOILET BUSINESS INNOVATORS NEEDS**
- access to finance: CAPEX, working capital, hardware & bridge funding
- capacity building on business model scalability and replicability, marketing & logistics
- product and quality standards for large buyers
- large volume sales agreements vs. many local arrangements
- better linkages to reliable and sustainable waste treatment
- better linkages to municipalities / utilities

**OFFERS**
- test beds for business opportunities of other companies (i.e., larger businesses testing in new markets - consumer insights)
- high traffic advertising space, toilets as billboards
- bundling of other products for low-income consumers
- licensing / franchising of new technologies / business models
- consumer / market knowledge
- access to communities

**TOILET RESOURCES** (FORMERLY WASTE MANAGEMENT) INNOVATORS NEEDS
- collective assurance in building a market for toilet resources
- assistance with government relations - assurance of safe, valuable resources
- product and quality standards - for large buyers & to guide regulation
- independent audits / independent testing of product quality assurance
- ecosystem / marketplace for shared testing
- R&D partnerships and joint-funding proposals
- customer involvement in design process of products - to meet customer needs (i.e., energy / fuel requirements)
- health impact / improvements monitoring & evaluation
- consumer insights / behavioural insights to optimise product quality and collection

**OFFERS**
- data on organic waste across different communities
- licensing / franchising of new technologies / business models
- value added products from the circular economy
- energy (charcoal, biogas)
- soil conditioner
- animal feed

**DIGITAL INNOVATORS NEEDS**
- designing consumer demand
- design thinking, design for smart cities
- innovation guidance on how to leverage mobile channels (mobile money, M2M, mobile application) & implement mobile / digital solutions for sanitation
- test bed - sanitation business or utilities willing to test new digital technologies
- business model innovation guidance to incorporate digital / mobile - i.e., data

**EMERGING MARKET UTILITIES / MUNICIPALITIES NEEDS**
- circular economy concept needs to include space for public sector players who need to amend regulations and policies to permit the introduction of new products and processes
- enabling legislation needs to be in place to create a degree of certainty in the market if it is to secure investments to launch and then expand businesses
- the financial viability of these new products needs to be understood vis-a-vis what degree of subsidy will be needed
- ideal sanitation solution for poor families does not yet exist - ideal means a sanitation solution that is affordable, safe to use and a pleasant experience
- some process will need to be in place to allocate contract areas and service level standards where there are competing service providers
- ensuring the safety of products produced by the new circular economy
- social marketing - making toilets sexy

**OFFERS**
- GSMA knowledge sharing and potential financial support to test mobile technologies for sanitation businesses
- Laran & Turdon on smart cities
- Genser on design thinking
- Laguna Water on test beds

**CORPORATE & STAKEHOLDER ENABLERS NEEDS**
- government engagement with businesses with solutions to evolve joint vision & understanding
- systems approach to investment in the full sanitation value chain & ecosystem (vs. fragments)
- using CSR approaches as a stepping stone to market-based approaches

**OFFERS**
- GSMA knowledge sharing and potential financial support to test mobile technologies for sanitation businesses
- Laran & Turdon on smart cities
- Genser on design thinking
- Laguna Water on test beds

**THE MOVERS & SHAKERS**


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In 2016 the Toilet Board Coalition launched the Toilet Accelerator. It is an annual programme dedicated to supporting and accelerating sanitation sector businesses operating in low-income markets - addressing the global sanitation crisis with business solutions. Large and small businesses work together intensively towards specific business interests.

SVADHA (India): www.svadha.com

"If you go to a village today, there is a consumer who wants a toilet, but there are many questions. Where do I get the materials? How do I install it? Is there financial support? Svadha answers all these questions. End-to-end sanitation value chain, supply chain efficiencies. We have 300 ‘Sanipreneurs’ working with us. They are our partners, we train them and provide access to microfinance, materials, production services, etc. The Accelerator programme that we work with KCB from Access Kenyan Bank. Co-Working this year we doubled the number of units sold and significantly increased our visibility."

Garima Sahai, CEO
SVADHA

"Engagement with Svadha has been very meaningful for the business. It has given us an opportunity to scale, marketing and supply chain to help a smaller business thrive. In exchange, we get an in-depth, in-country engagement and gain new insights into local markets that we can't get any other way. This leads to success as our leadership environment on both sides along with scale and specificity from the mentors company on whom we need help most."

Peter Oubowin, VP
KEDRISO (LEAD MENTOR)

CLEAN TEAM (Ghana): www洁净teamtoilets.com

"We are a toilet service business. Our product is a container-based toilet with a chemical fill. We are contractors for the toilets for our customers. We have worked hand-in-hand with Clean Team this year. With hefty growth come many challenges: customer service could not keep up with the demand, high exponential cost of the business. In our next phase we are transforming the business operations for scale."

Peter Townsley, CEO
CLEAN TEAM GHANA

"One of the biggest drivers of success and learning from the partnership is being very clear on what you want to get out of the partnership and understanding the motivations of your partners; understanding where you can support and how. We worked with Clean Team on consumer insights; understanding which are the primary drivers for this product...."

Charlie Brown, VP
SIVERAS (LEAD MENTOR)

LAGUNA WATER (Philippines): www.lagunawater.com.ph

"We have developed a business model to provide a sanitation solution for the base of the pyramid. Your role as a mentor is to understand it. It is quite challenging. You need to help the Sanitation entrepreneur in what they do. We worked with Laguna Water for the Toilet Accelerator. We have access to capital needed to finance all of these risks. It is not just how to commercialize the service. Scale opportunity: 8% of the population of the country."

Melvin Tan, Managing Director
LAGUNA WATER

"It is a blessing to work with young people full of energy. Through this program, in a structured manner, we could build the business model to deliver. Partnerships with LIXIL, Unilever, Kimberly-Clark and Firmenich are extremely valuable."

Perry Rivera, COO
MANILA WATER (LEAD MENTOR)

LIXIL Portable Toilet Solutions (PTS) (Japan): www.lixil.com

"Our portable toilet solution has no chemicals and no additives and comes with an acceptance station with a ‘no touch’ cleaning system. We are now planning for the sanitation systems of the future. The Toilet Accelerator is doing this in Japan and cannot walk with the toilet. The solutions we are creating for low-income markets are also good for developed markets. During the programme we received actionable information and intelligence from the mentors of the TBC."

Imai Shigeo, R&D
LIXIL

"The world wants a new toilet. This one has the markings to be truly aspirational, and something that people want. I was extremely happy to support its development and to work with the inspiring team."

Neil Macleod, Independent Director
TBC AND FORMER HEAD OF WATER AND SANITATION OF THE ETHEKWINI MUNICIPALITY, DURBAN S. AFRICA (LEAD MENTOR)
“We are creating new markets for toilet resources. The task now is to verify benefits at scale. This accelerator programme will help us achieve our goals a lot quicker.”
Marc Lewis, CEO
THE BIOCYCLE

“At Sanivation we take the carbon from toilet resources and turn it into fuel. We are looking at meeting an entire community’s needs for onsite sanitation and working on the TBC can help us broker relationships so we can help sell fuel to large companies.”
Andrew Foote, CEO
SANIVATION

“We collect the valuable resource and convert it to an organic, nutrient-rich fertilizer. We are at the exciting point where we sell the fertilizer we produce and we want to scale rapidly. We want to work with bigger farms and with the network the TBC brings. We could then service hundreds of thousands of people.”
David Auerbach, Co-Founder
SANERGY

“Our challenge is going from monetising the toilet resources to monetising the engagement model: how to create life-improving products for so many people. For that, Samagra changes the meaning of the toilet space itself. It is a centre of commerce.”
Swapnil Chaturvedi, CEO
SAMAGRA

“At Safi Sana we can already cover the operational expenses of our waste treatment and up-cycling processes through the sale of compost and power. In the future we would like to have closer partnerships with large companies to increase efficiencies and innovate further the waste treatment models to be self-sustaining and resilient. We want to work on the input side and the output side.”
Aart van den Beukel, CEO
SAFI SANA

2016 COHORT
IN 2016 THE TOILET ACCELERATOR WORKED WITH 4 EXCITING SANITATION BUSINESSES. AT THE SUMMIT THE COHORT SHARED THEIR ACHIEVEMENTS AND GRADUATED FROM THE PROGRAMME.
The Summit aimed to flush out business opportunity spaces in toilets, toilet resources and more. Three main themes were explored in terms of current and future business opportunity spaces: Sanitation in the Circular Economy; the Digitisation of Sanitation for all; and harnessing bundling opportunities for the low-income consumer.

The Toilet Board Coalition launched two reports during the Summit:

Find links to the reports here: [http://www.toiletboard.org/knowledge-centre](http://www.toiletboard.org/knowledge-centre)

“Malodour is a key issue for sanitation. People will not use a toilet that smells bad even if it’s clean. At Firmenich we have leveraged our fundamental science in cellular biology to understand how humans perceive malodors. We developed affordable fragrance prototypes that combined, with cleaning products, will potentially improve toilet adoption and hygiene and consequently reduce open defecation,” explains Marco Pacchiani of FIRMENICH, speaking at the Summit.

“Sewage is a particularly silly material to regard as waste. It can yield soil enhancers and fertilisers, which increase crop yields. It contains water which can be treated to a usable standard. It allows energy recovery. And there are innovative products which can be derived from sewage – plastics, pharmaceuticals, and pet food for a start. And it can be safe, if managed properly.” Sandy Rodger, Circular Economy Expert

Areas of common interest that emerged from our discussions on Sanitation in the Circular Economy at the Summit:

- Connecting to local government and utilities as service providers
- Technical standards and quality assurance mechanisms
- Community and consumer engagement locally
- Proving the economics
- Addressing malodour throughout the value chain
- Digitisation – evolving the toilet resources of health data and information
- Circular Economy models for equipment and facilities

THE GAME CHANGERS

- TRENDY BUSINESS - THE DIGITAL FUTURE OF SANITATION BUSINESS
- SUSTAINABLE BUSINESS - SANITATION IN THE CIRCULAR ECONOMY
- EVERYONE’S BUSINESS - WHAT THE LOW-INCOME CONSUMER WANTS

NEW MARKETS OF SANITATION BUSINESS OPPORTUNITY

SUSTAINABLE BUSINESS: SANITATION IN THE CIRCULAR ECONOMY

WE HAVE REFRAMED HUMAN WASTE AS TOILET RESOURCES AS A STRONG SIGNAL OF A NEW INTENT TO REALISE THEIR TRUE VALUE

WE HAVE SELECTED A CONSORIUM OF COMPANIES, AND A WIDER INTEREST GROUP TO ESTABLISH THE CIRCULAR ECONOMY FOR SANITATION

The Toilet Board Coalition’s work on the Circular Economy has been set up to champion a different approach – making sanitation a business proposition, and ultimately a self-sustaining system. If sanitation is profitable, it is investable. It creates profits and jobs, local people will play a part in providing an essential service for their own community.

From the start, the Toilet Board asked us to stop using the phrase “human waste” and instead call it “toilet resources” in order to acknowledge poop as a valuable fertiliser, protein, and energy source. Changing your language can change what kind of future you get and bring more people on board with your vision.”

Sarah Smith
INSTITUTE FOR THE FUTURE

Quotes from the Summit participants
In nature, one species’ waste is another species’ food. The aim of the circular economy is to do the same for industry. We see an opportunity to use output from toilet resources as inputs to our system as fertilizer to grow our fibers, as water for our processes and energy for our operations." Pete Dobson

“Additional benefits exist for low-income economies as they avoid the high cost of the transition to the Circular Economy that high income countries face.”

Anina Henggeler

"India is facing a fertilizer deficit - currently only 40% of nutrient needs are covered. If toilet resources can be collected, this has the potential to satisfy 10% of demand in nitrogen. There is therefore an enormous value in CE sanitation models." Alexia Michels

"Additional toilets planned to be installed in India will potentially increase gas emissions by 7%. If toilet resources are used, this can actually create a reduction of emissions and therefore enable carbon positivity." Miller Evans

"BlueDegree is an innovative system which allows us to measure and reuse the heat capacity contained in waste water. By installing a heat exchanger on the sewage pipes, we use the heat-cooling capacity of the fluid circulating in these pipes. By using this technology, buildings can reduce up to 40% of their GHG emissions generated by heating and cooling needs. This is an example of the huge potential of resource revolution we are undertaking at Suez.”

Alexia Michels

Source: Toilet Board Coalition Feasibility Study 2016 - www.toiletboard.org
TRENDY BUSINESS:
THE DIGITAL FUTURE OF SANITATION BUSINESS

DIGITALLY DELIVERED INCENTIVES ARE HIGHLY SCALABLE, POWERFUL BEHAVIOUR CHANGE ENGINES AND AN EXCELLENT SOURCE OF PROFITABLE REVENUES

SMART TOILET NETWORKS CAN PRODUCE BIG HEALTH & CONSUMER & LOGISTICS DATA & INSIGHTS

“Today, products from KCC are designed to collect bodily fluids (mucus, menses, urine, feces), contain them hygienically so they may be disposed of properly. We see an opportunity to understand a person’s health and nutrition to create ‘smart products’ that can extract data from the toilets. Our service team have maps on their phones. All information goes to a web platform. Managers can distribute information and track assets one place helps you control your business. Business intelligence and CRM tools help,” says Francis Clausen, COO, 3S-Saraplast.

“Having sensors placed in toilets so you know how many users have used a flushing system & hygiene practices of the community to be able to design a behaviour change and communications plans.”

“Online platforms can give the customer in consumer behaviour that they could have to earlier in the cycle that they think. We want to provide that information with the services we have and enabling the people in remote areas to create their own infrastructure without needing to wait for someone to come and do it all for them.”

“Information - the toilet has something you can extract information from and act on it. We want to provide that information with the services we have and enabling the people in remote areas to create their own infrastructure without needing to wait for someone to come and do it all for them.”

“It’s not just about the toilet, it’s about the digital ecosystem in which the toilet sits.”

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WHAT THE LOW-INCOME CONSUMER WANTS

CUSTOMER ACQUISITION IS EXPENSIVE. CROSS PROMOTION AND CHANNEL PARTNERSHIPS CAN DRAMATICALLY DROP THE COST OF ACQUISITION AND SIGNIFICANTLY ACCELERATE THE DELIVERY OF LIFE CHANGING ASPIRATIONAL OFFERINGS.

BUNDLING GOES BEYOND PRODUCT PROMOTION, PHYSICAL AND DIGITAL REAL ESTATE IS A PLACE TO LOOK AT FOR BUNDLING.

SUSTAINABILITY BUNDLING OPPORTUNITIES - FOR EXAMPLE NATIONAL MULTIS LICENSING IF AS A SPACE FOR BUNDLING.

We sought to understand the collective intelligence around the low-income consumer that sanitation businesses serve. We invited businesses from across sectors, such as pay-as-you-go solar, cold-stores, water, digital, large and small businesses, who are selling to the low-income consumer to share their insights on what we want, and opportunities to bundle product and service offerings.

“Toilets bundled into a micro-real estate and retail solution is a major growth opportunity and could be highly scalable.”
Pete Dulcamara
KIMBERLY-CLARK

“We tell stories. Consumers don’t talk about spending more money but getting value. What we can do, on our end, nothing gets wasted.”
Sourav Ray
HIMU

“Sometimes innovative isn’t necessarily mobile banking. It can be learning to consumers, human centered design, sometimes consumers need simple solutions. We need to take a more systems level approach. Existing financial products can go on a long way under a systems approach. Sometimes we need to go behind what it is they are buying, it turns out to be far from what we understood. “what do you mean by handwashing?” for example. Human centered design can get to the core of what should be delivered but we need to listen to consumers.”
Sumeet Jikaria
UNICEF

“People see them as banking centres, or service centres.”
Swapnil Chaturvedi
SAMAGRA

“We have been working in India for 40 years. We provide awesome experience community service centres. If you pay for these services, you get a personal suite which will be limited.”
Stefan Reuter
BORDA

“We have learned a lot from Ebola in West Af-rica: on providing free stuff in hospitals (chlorine). We try and see what water resources are coming in, what kind of messaging is going on. The top team between health and sanitation: thinking of the toilet as a medical device has incredible potential.”
Ray Kera
BLA

“We tell stories. Consumers don’t talk about spending more money but getting value. What we can do, on our end, nothing gets wasted.”
Sourav Ray
HIMU

“We provide awesome experience community toilets. Experience centres! If you pay for these toilets, you get ‘too awesome’ and you can pay for your electricity bills, for instance. We change the meaning of the space. Everybody looks at it as a sanitation space. But we create an engagement. People see them as banking centres, or service centres.”
Sumeet Jikaria
UNICEF

“Sometimes innovative isn’t necessarily mobile banking. It can be learning to consumers, human centered design, sometimes consumers need simple solutions. We need to take a more systems level approach. Existing financial products can go on a long way under a systems approach. Sometimes we need to go behind what it is they are buying, it turns out to be far from what we understood. “what do you mean by handwashing?” for example. Human centered design can get to the core of what should be delivered but we need to listen to consumers.”
Sumeet Jikaria
UNICEF

“Education and skills can be imported easily, sanitation is not so individualistic as one thinks. In rural India, the idea of community is dying, we will have a direct challenge in the hospital. The sanitation is about thinking of having an issue of the commons. But more and more people are talking to us, we want toilets but we must consider that it is not possible to have individual toilets in homes in India.”
Maoi Kurni
NIAMOS FOUNDATION

Samagra will have a total of 300+ locations in 2017 serving over 350000 users. Garv will be building 50 new locations in 2017. Both will be collaborating with Genser to think through the power of design to attract bundled opportunities in retail.
COUPLES THERAPY

“You cannot solve the problem with one company, you need an ecosystem where each organisation brings to the table what they are good at.”

Satish Rao
FIRMENICH INDIA

PARTNERING TO WIN

“We have been working with water stakeholders since 1980 at the African Water Association and played a role of Water Operative Partnerships since 2004 (WOP). Partnerships between water utilities is having a mentor and a mentee. It is a win win relationship.”

Sylvain Usher
AFRICAN WATER ASSOCIATION

“Leadership is critical, you must have champions working on both sides. And we need a shared agenda, joint research and advocacy and shared values.”

James Coleman
LARSEN & TOUBRO

“First we need to make sure all parties really want it, have a long term perspective. Development issues in India are so big that no one partner can do it. A beneficiary comes forward to pay, ITC gives a soft loan through an NGO, we then pitch for them, it creates a sanitation fund, the money starts coming back.”

Amarnath Prasad, ITC

“Creation of an enabling environment for PPPs to happen.”

Maurice Tecson
Vice President & Managing Director, Western Europe at KIMBERLY-CLARK
Chairman of the TOILET BOARD COALITION

TIPS ON KEEPING YOUR PARTNER HAPPY:

- “Have accountability for results.” - Perry Bowen, MANILA WATER
- “Make sure all partners really want it.” - Mubadala Rotterdam, ITC
- “Common goals are needed but that does not necessarily imply common interests” - Bérangère Magarinos-Ruchat, FIRMENICH
- “Make sure all partners really want it” - Perry Bowen, MANILA WATER

“At the Toilet Board, we believe that there is so much untapped value in the partnerships we are building between large and small businesses. This model works because it is about mutual benefit. Large companies can learn about new markets working with emerging national young businesses and we can help to provide expertise that still helps us build our businesses grow faster. I believe it is the future not because it is just about doing good but also because the business opportunities for all those involved are massive.”

Maurice Tecson
Vice President & Managing Director Western Europe at KIMBERLY-CLARK
Chairman of the TOILET BOARD COALITION
Enabling the business of sanitation for all will require significant investments over the next decade—it has been estimated at a $1 trillion investment opportunity over the next 15 years. The pool of impact investment dollars is large and growing. How can pioneering sanitation businesses tap into available capital?

The impact investment community joined our Summit for a sneak peek into exciting new business models in the sanitation sector. Sanitation businesses wanted to know, what do investors look for?

“Social impact entrepreneurs may be hesitant to look at commercial returns, but as an investment institution we are not looking at doing good, the purpose has to be about making money, the outcome can be doing good. For businesses that have been grant-funded and are transitioning to commercial investment to succeed, a mindset change is needed.”

Noshir Colah
AAVISHKAAR IMPACT INVESTORS

“As impact investors we look for strong local team members, knowledge on the ground, not just technical expertise but business acumen, transparent and effective communication, due diligence, and the right priorities.”

Patrick Mullen
SORENSON GLOBAL IMPACT INVESTING CENTER

Each stage of the Sanitation Investing Value Chain requires different impact and financial investment criteria and metrics. Summit attendees graphed themselves along the chain and then had the opportunity to sit down with the investors of their choice, to learn more.

**KEY SUMMIT OUTCOME:**
Launch of the Sanitation Impact Finance Initiative: an initiative between Sorenson Impact Center, Borda, TATA Trusts with support from the TBC was launched at the Summit. It is a taskforce with the single purpose to mobilise sanitation finance at scale. Three big potentials were identified: an International Finance Facility for Immunisation like instrument, micro-finance and innovative municipal finance.

Sanitation businesses & the ‘Valley of Death’
It was identified that most sanitation businesses today find themselves in the ‘valley of death’ in terms of their stage and pathways to scale. This term is used by investors to refer to the period of time from when a startup firm receives an initial capital contribution to when it begins generating revenues.

What makes this stage so difficult? After a firm receives its first round of financing, it incurs a lot of initial costs: offices, staff and general operating costs; meanwhile, the business is not yet earning significant income to cover those costs and therefore burns through capital. The ability of a business to effectively manage its cash flows will make or break the business.

Sanitation Impact Finance Instruments (‘SIFI’) have the potential to mobilise capital at scale for private enterprises and public agencies. These range from early stage finance that can help entrepreneurs cross the valley of death to super scaled instruments that could unlock the potential of municipalities to work with private enterprises at scale.

Jeremy Keele
SORENSON IMPACT INVESTING CENTER

“We have used a fund of funds approach to activate 50% of the MFI actors in Bihar to engage in toilet loans. The average repayment rate is 98%.”
John Sauer
PSI

Water.org launched WaterEquity to raise and deploy social impact investment capital to enterprises serving water supply and sanitation needs at the base of the economic pyramid. An influx of new social impact capital will not only expand access to sanitation among the BOP, but also enable enterprises to grow and become more attractive to commercial investors.

John Moyer
WATER.ORG

“One of the first commercial investments in sanitation was Aavishkaar’s early stage investment in Saraplast. ‘Saraplast is currently a 3 million revenue business. This is an example of a successful investment, but we believe that it is just the tip of the iceberg. With the government focus on sanitation, the business models have evolved and business is now rolling in.’”
Noshir Colah
AAVISHKAAR IMPACT INVESTORS

“We need to play a role in strengthening the government machinery. In 25 districts we have Swachh fellows from TATA providing monitoring and capacity building for social entrepreneurs. We think that’s the most effective way to support governments.”
Prabhat Pani
WATER MISSION, TATA TRUSTS

“We believe strongly in impact investing. The right type of capital with the right type of entrepreneur. But there’s a communications gap between investors and entrepreneurs. Due diligence is expensive. Sorenson helps to support this process by working closely with Universities for a cost effective model.”
Patrick Mullen
SORENSON IMPACT INVESTING CENTER

“Grand Challenges Canada invests up to $1M in patient capital in sanitation start-ups that are transitioning to scale. We consider these impact investments critical in addressing the pioneer gap many social enterprises still face when raising capital at the early stages of their company’s growth. We’re excited to be part of the Toilet Board Coalition.”
Leeat Weinstock
GRAND CHALLENGES CANADA

“Microfinance and other forms of customer financing are important to enable low income customers to pay for water and sanitation products and services over time.”
John Moyer
WATER.ORG

“Cities are, the do good factor is a huge growth opportunity. We have interacted with Aavishkaar to look at their portfolio. We would be happy to talk to Indian companies.”
Bina Trivedi
IL&FS INVESTMENT MANAGEMENT

“The do-good factor is a huge growth opportunity. We have interacted with Aavishkaar to look at their portfolio. We would be happy to talk to Indian companies.”
Bina Trivedi
IL&FS INVESTMENT MANAGEMENT

“I was skeptical about the sector initially but I did get very excited about some very promising businesses that are here at the Summit.”
Vincent Kouwenhoven
EVENTURES VENTURE CAPITAL

“We have made a $1.5 billion commitment focusing on usage of toilets and sustainability of the toilet usage. One of the major challenges has been that the customer (governments through their subsidy scheme) is not the user. This is not helping, we need the users to be the customers. Micro-finance has tremendous upside potential to unlock household construction of toilets.”
Mathews Mullakul
WORLD BANK

“We can collaborate with global and local investors on due diligence to mitigate the high costs - we can send them on the ground and work with African Universities.”
Patrick Kridal
BANJIR TOILET
The Summit aimed to facilitate increased partner and members’ engagement on the development of innovative, business-oriented sanitation solutions, an improved understanding of the work of the TBC and the Toilet Accelerator, and a broadened view of the business opportunity and existing solutions to complex sanitation challenges.

Throughout the event, moderators and facilitators drew attention to ‘Needs & Offers’ that were put on the table by participants. The final moment of the Summit was an open mic for participants to share the new collaborations, partnerships and deals that had been birthed over the past few days.

More than 30 new collaborations were initiated at the Summit!
The TBC was invited by Global Citizen to close out the week at their festival on World Toilet Day. In front of 80,000 people in central Mumbai, the commitments made by TBC Members via the Toilet Accelerator, into business solutions for SDG6 were highlighted.

Are you interested in getting more engaged with the Toilet Board Coalition? There are membership opportunities for multinationals looking to support business growth in developing markets, the selection process begins now for the 2018 Toilet Accelerator, and we’re launching Fast Forward in Q1 of 2017 - please email secretariat@toiletboard.org to express your interest.

WE BELIEVE THAT ACHIEVING SUSTAINABLE DEVELOPMENT GOAL 6, UNIVERSAL ACCESS TO SANITATION OR “TOILETS FOR 2.4 BILLION” IS THE BUSINESS OPPORTUNITY OF THE DECADE!