

# PRIVATE INVESTMENT IN WATER & SANITATION



May 2nd, 2016

responsAbility

# AGENDA



ResponsAbility

Investment need and opportunity

Case studies

Challenges and Perspectives

# RESPONSABILITY INVESTMENTS

## About us

### Key data

- Founded in April 2003
- USD 3 bn AuM
- 240 employees
- HQ in Zurich
- Invested in 95 countries
- 522 financed companies
- Regulated by CSSF & FINMA

### Sectors



#### Finance



#### Agriculture



#### Energy

### Investment need

- USD 10 bn private investments in microfinance today
- USD 14 bn investment potential by 2019
- USD 80 bn annually needed to upgrade the productivity of agricultural systems in the developing world
- USD 49 bn would ensure global access to electricity



# WATER & SANITATION SECTOR

## The investment needs

1

Clean and safe water



2

Agricultural goods



3

Energy



4

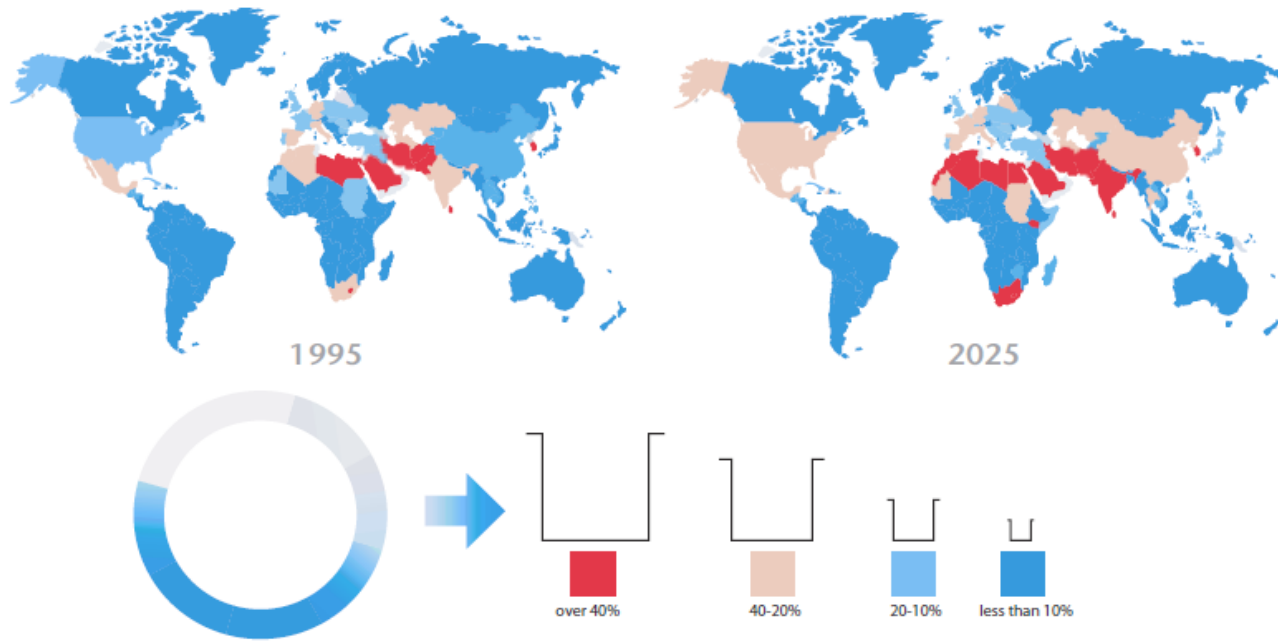
Sanitation and hygiene



# WATER & SANITATION SECTOR

## The investment needs

Over **1bn** people lack access to drinking water and **2.6bn** to basic sanitation



Unsustainable waterwithdrawal as a percentage of total available water

- Water global infrastructure investment will require spending of **USD 1 trillion in 2025** (OECD)
- **USD 15 billion per year** needed to achieve Millenium target on water and sanitation

# EXAMPLES OF INVESTMENTS

## Biodegradable water sachets, Burkina Faso

### Business case



- The company manufactures and sells over 100 million drinks per year at affordable prices
- Provides access to safe water through innovative products: oxo-biodegradable water sachets
- Sale price remains stable as SBFA focuses on BOP consumers (no fluctuations in the past 3 years)
- The company plans to increase its outreach and expand into other West African countries

### Investment solution



- In 2015, responsAbility provided adapted investment solutions:
  - USD 1.3m to finance working capital needs
  - USD 3.6m for capital expenditure
- Those investments will support product diversification and quality improvement, scale operations and increase market penetration

# EXAMPLES OF INVESTMENTS

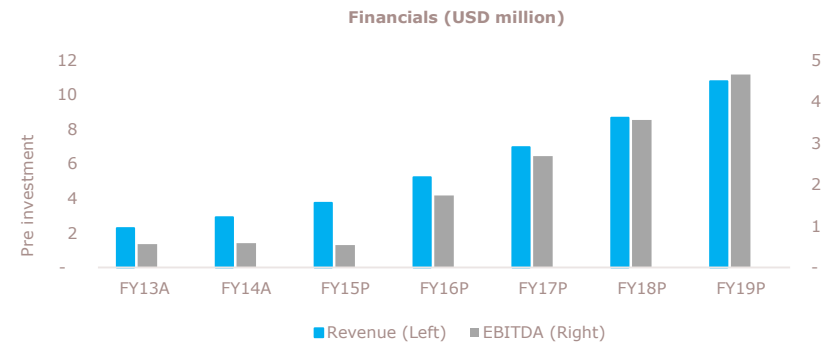
## Portable Sanitation Solution, India

### Business case



- India's leading provider of portable sanitation services with around 3,000 portable toilets across seven cities
- Serving construction sites and events
- The company addresses the lack of access to sanitary installations of 600 million Indians

### Investment solution



- responsAbility invested USD 1.5m in March 2013 to help the company scale its operations
- Stable revenue growth and scalable
- Healthy EBITDA margin and ROE



# EXAMPLES OF INVESTMENTS

## Drip Irrigation, India

### Business case



- Retail financing for farmers to adopt drip-irrigation
- 2,000 sub-loans for drip-irrigation projects so far (USD 3.2 million)
- 20,000 drip irrigation loans planned over the next 5 years
- Large reduction of water consumption, results in reduced electricity consumption
- Annual CO2 reduction: 3,500 tons

### Investment solution



- Technical Assistance Facility funded an assessment of energy savings, ensuring eligibility
- 250 kUSD equity investment in 2011, 250kUSD debt investment



# PRIVATE INVESTMENTS IN WATER

## Challenges & Perspectives



- Complexity of water management (involves waste water treatment, water reuse, desalination systems, etc.)
  - Requires knowledge & expertise
  - Regulations on water quality and safety
  - Scale and profitability
- **PPPs for long term benefits**

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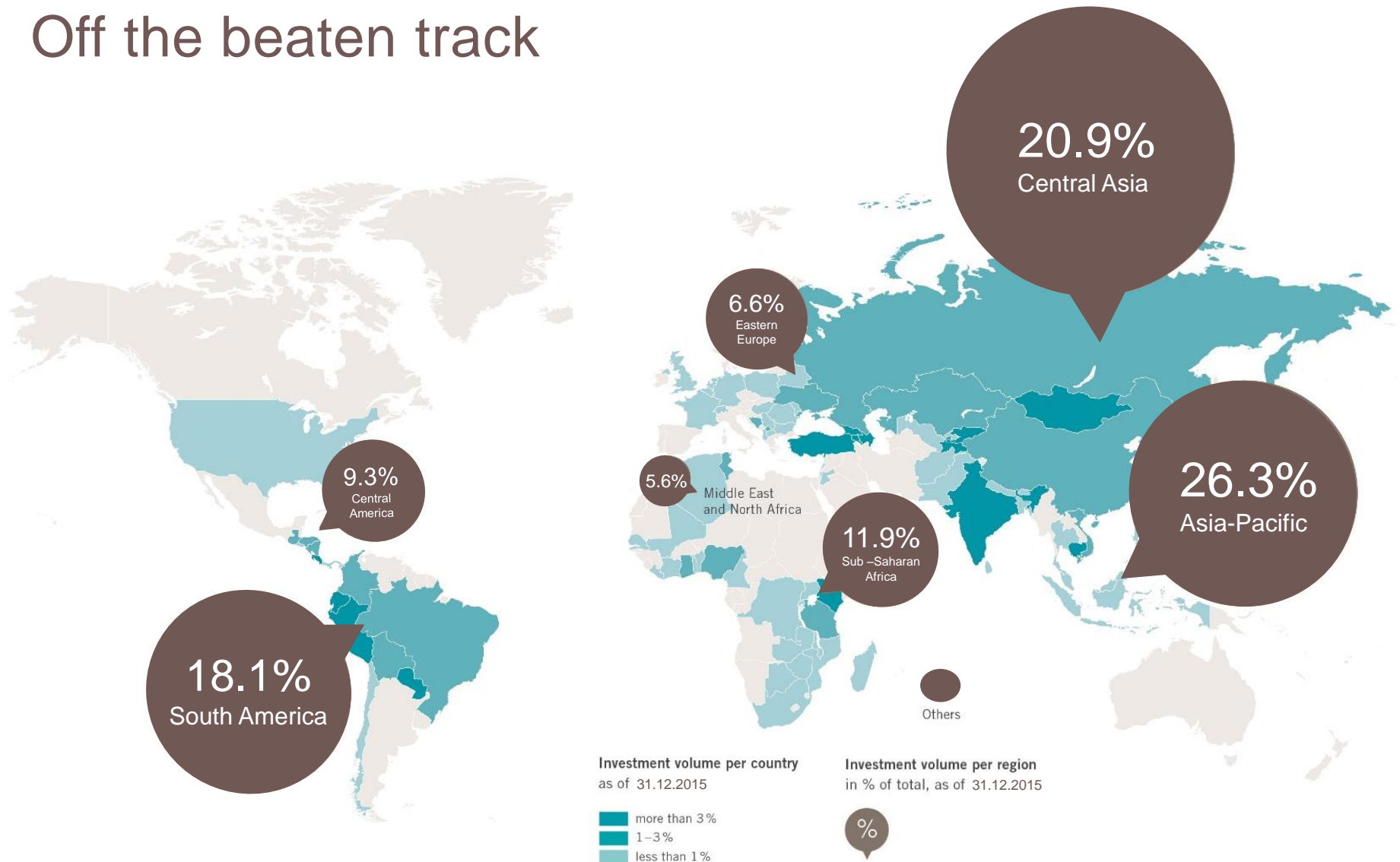
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# APPENDIX



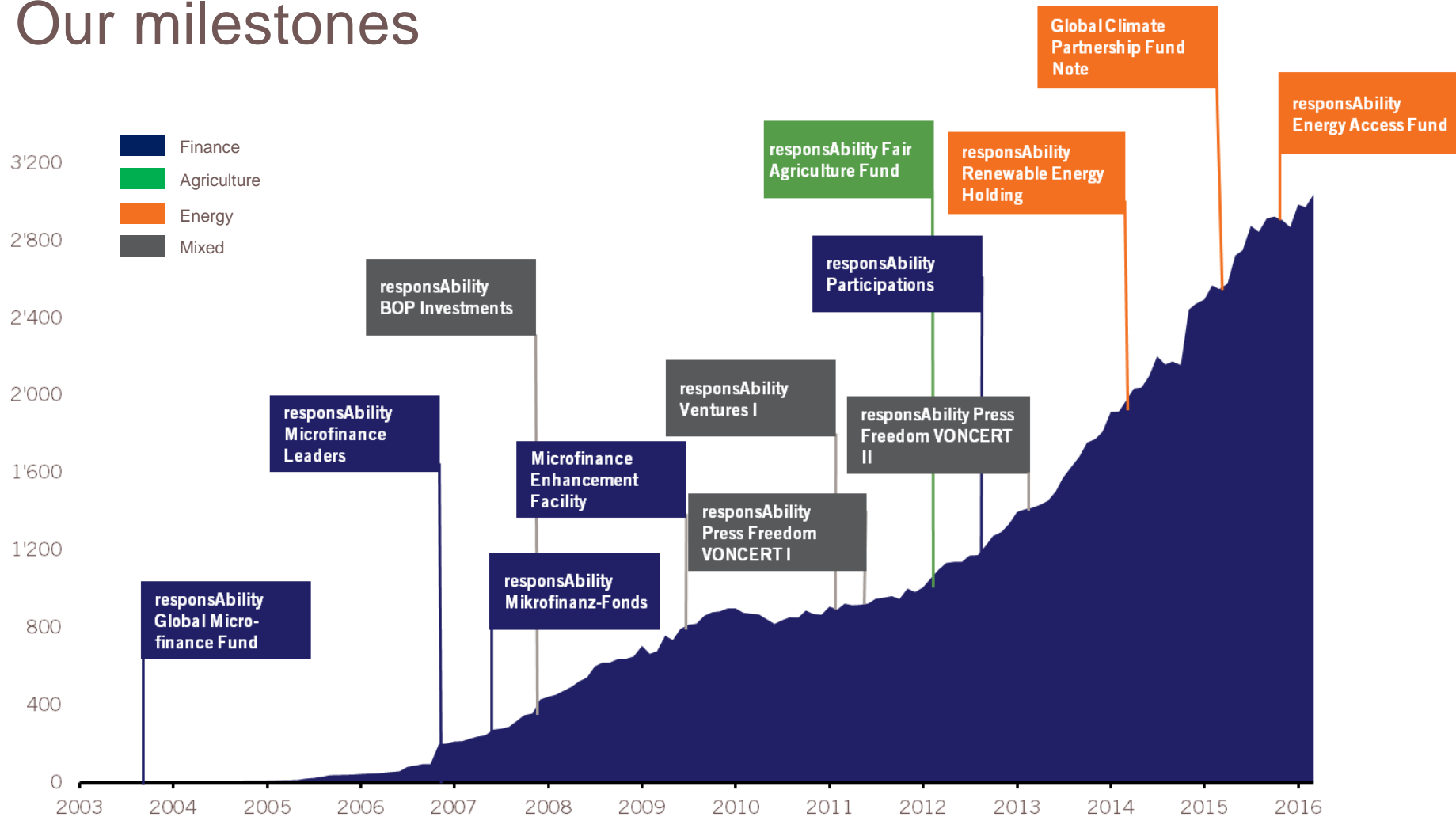
# GLOBAL PRESENCE

Off the beaten track



# LOOKING BACK IN HISTORY

## Our milestones



# INVESTMENT SOLUTIONS

## Offering



### Finance

	Investment category	Target return*	AuM	Inception	Availability
responsAbility Global Microfinance Fund	Fixed Income	3 – 5%	USD 1'123 m	11/2003	monthly
responsAbility Mikrofinanz-Fonds	Fixed Income	3 – 5%	EUR 545 m	05/2007	monthly
responsAbility Microfinance Leaders	Fixed Income	4 – 7%	USD 269 m	11/2006	monthly
responsAbility Participations AG	Equity	IRR 15%	CHF 139 m	12/2011	on request



### Agriculture

responsAbility Fair Agriculture Fund	Fixed Income	3 – 5%	USD 197 m	12/2011	monthly
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\* over a horizon of five years. The target return is not a projection, prediction, or guarantee of future performance, and there is no guarantee that the target return will be achieved.

# INVESTMENT SOLUTIONS

## Offering



### Energy

	Investment Category	Target return*	AuM	Inception	Availability
Global Climate Partnership Fund	Fixed Income	Various	USD 297 m	10/2010	On request
responsAbility Renewable Energy Holding	Equity	IRR 20%	n/a	12/2013	On request
responsAbility Energy Access Fund	Fixed Income	3 – 4.5%	USD 34 m	03/2015	Closed



### Mixed

responsAbility BOP Investmeents	Equity	15%	USD 34 m	11/2007	Closed
responsAbility Ventures I	Equity	5%	USD 17 m	12/2010	Closed
responsAbility Press Freedom Vonzert I	Fixed Income	1%	USD 2 m	05/2011	Closed
responsAbility Press Freedom Vonzert II	Fixed Income	1%	USD 5 m	11/2012	Closed

\* over a horizon of five years. The target return is not a projection, prediction, or guarantee of future performance, and there is no guarantee that the target return will be achieved.