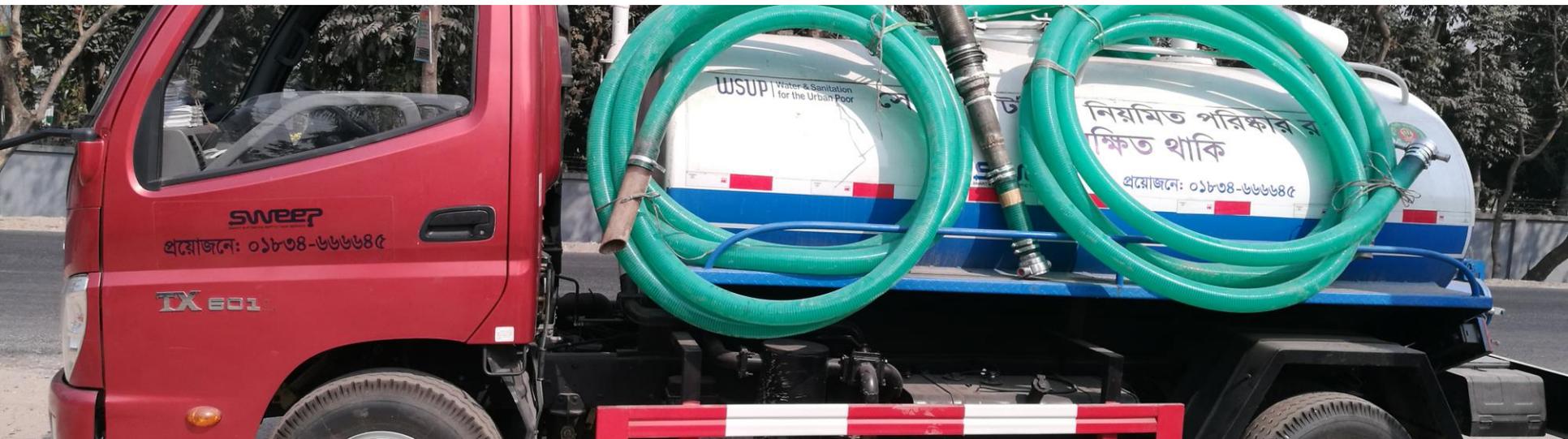


Embedding and scaling an innovative PPP model for citywide services in Dhaka, Bangladesh

Presented by

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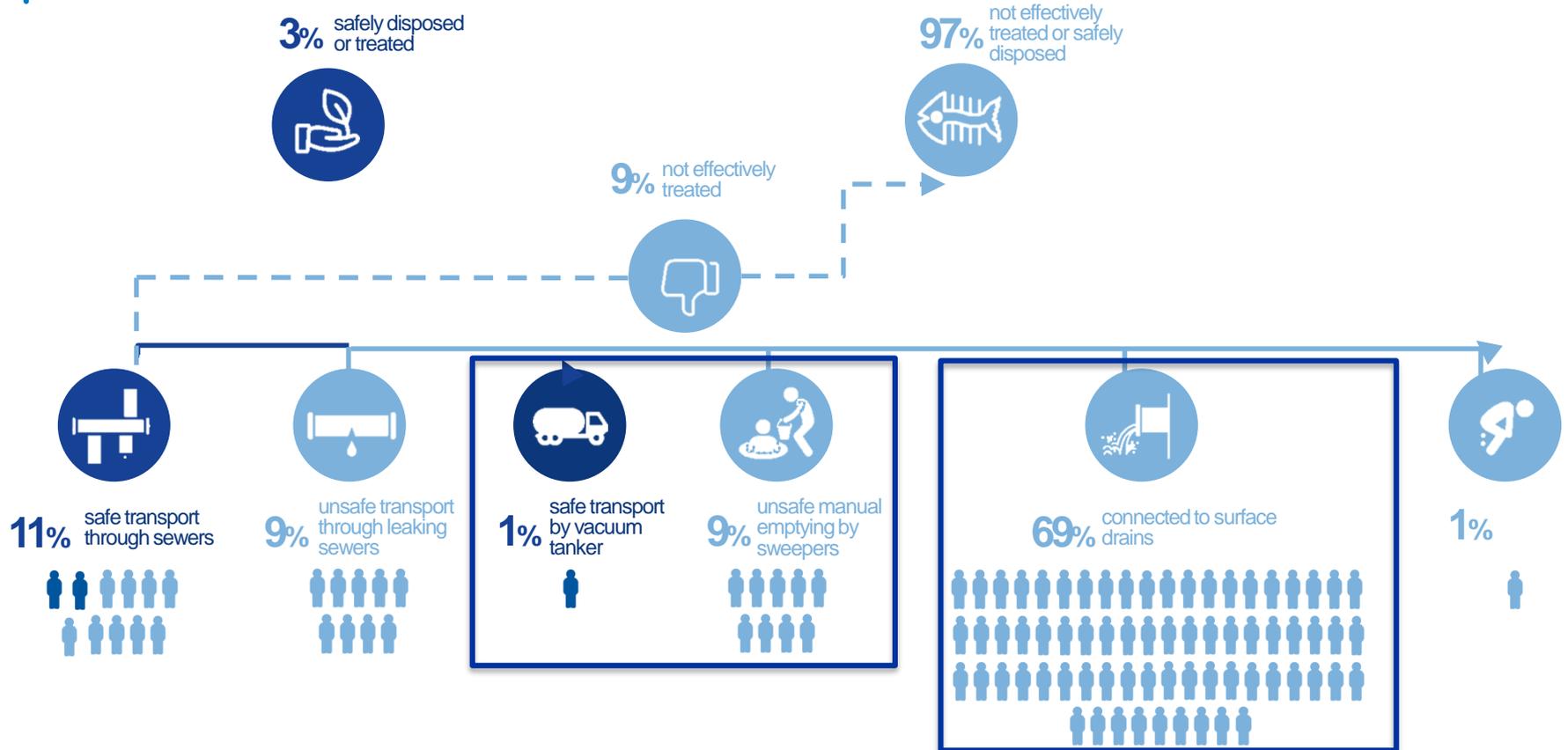


Urban Sanitation in Bangladesh

- Bangladesh is one of the most **densely populated** countries in the world
- Almost no OD but only 60% of pop. **use an improved sanitation facility**
- Very little **sewerage** in Dhaka
- **69%** of human waste in Dhaka is **discharged directly into surface drains**
- Households, businesses and institutions **rely on OSS (mainly pits and septic tanks)**
- **Traditional pit emptiers provide emptying services** - a high proportion of which **discharge directly** to the open environment



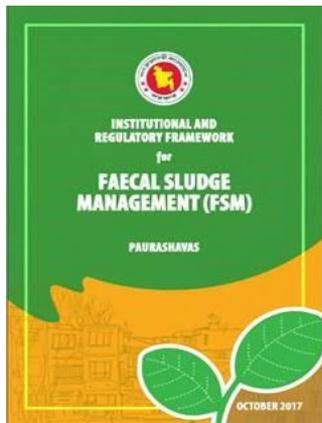
Opportunities and Challenges: Flow of Human Waste in Dhaka



Launching & Embedding an Urban Sanitation PPP

The Building Blocks

- Clarity of public sector mandates
- Legal and regulatory framework for involvement of the private sector
- Well-defined division of roles and responsibilities embedded in precise contract terms
- Enabling environment for private sector engagement / investment
- Transparency in procurement



Launching & Embedding an Urban Sanitation PPP

The Model

Customers:

- Low-income
- High-income
- Institution



SERVICE FEE



LESSEE: PRIVATE OPERATOR

- Safe emptying service provided by private sector
- Min % of low-income customers

DEPOSIT

LEASE FEE

LEASE AGREEMENT

LICENCE

DISPOSAL



LESSOR: PUBLIC AUTHORITY

- Lease of vehicle reduces up front risk
- Licence to dump



Launching & Embedding an Urban Sanitation PPP

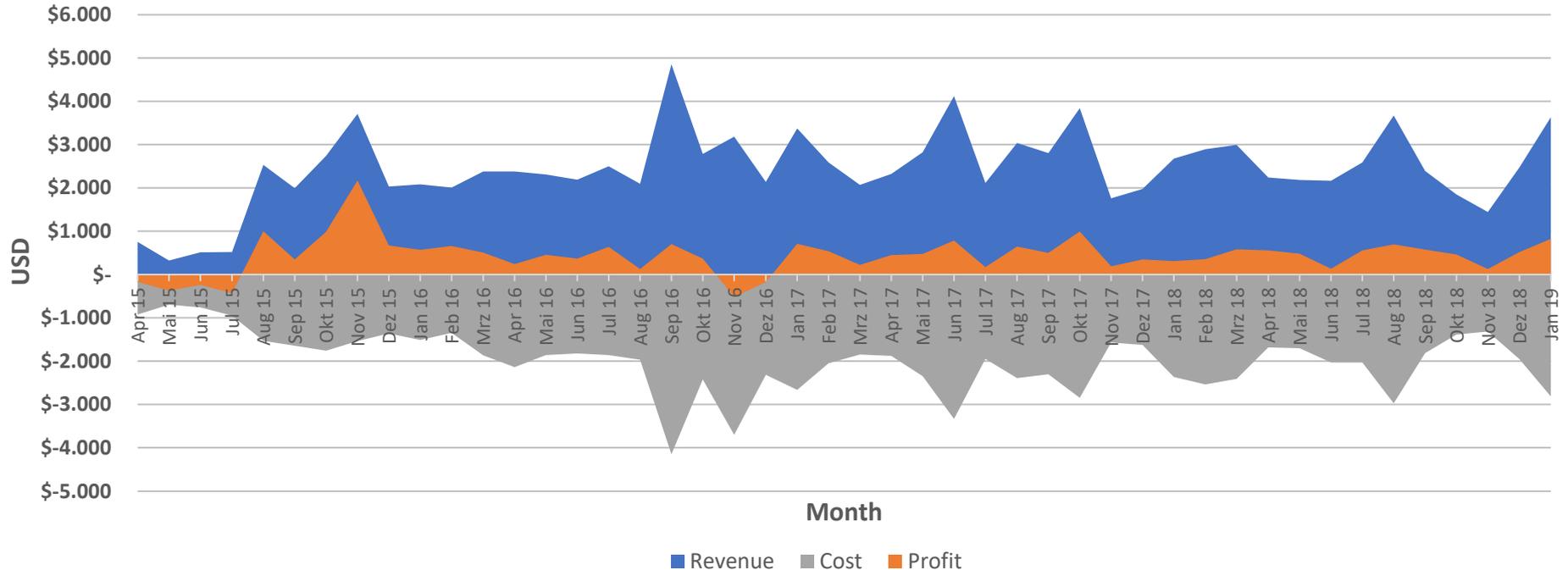
The Intervention

- Safe, affordable & mechanical emptying service
- PPP arrangement with well-defined roles & responsibilities



SWEEP in Dhaka: Business Performance

Gulshan Clean & Care- Top Level Data (Lifetime)



SWEEP in Dhaka: Business Performance

Key characteristics of the model & performance over 45 months

1. Focus on **medium and large customers** to establish commercial viability
2. **Differential pricing model** to facilitate service offering to low-income customers
3. Clause introduced mid-2017 mandating GCC to ensure **30% of customers are lower-income**
4. Entrepreneurs have **flexibility to set price and respond to the market** accordingly



11,122m³ FS
safely managed



257,011
customers served



US \$ 112,064
revenue earned



US \$ 20,121
profit generated

Scaling the Model & Enterprise Development

Engaging the Private Sector

- Harnessing commercial expertise
- De-risking entry
- Generating competition
- Stakeholder management
- Considering new types of model

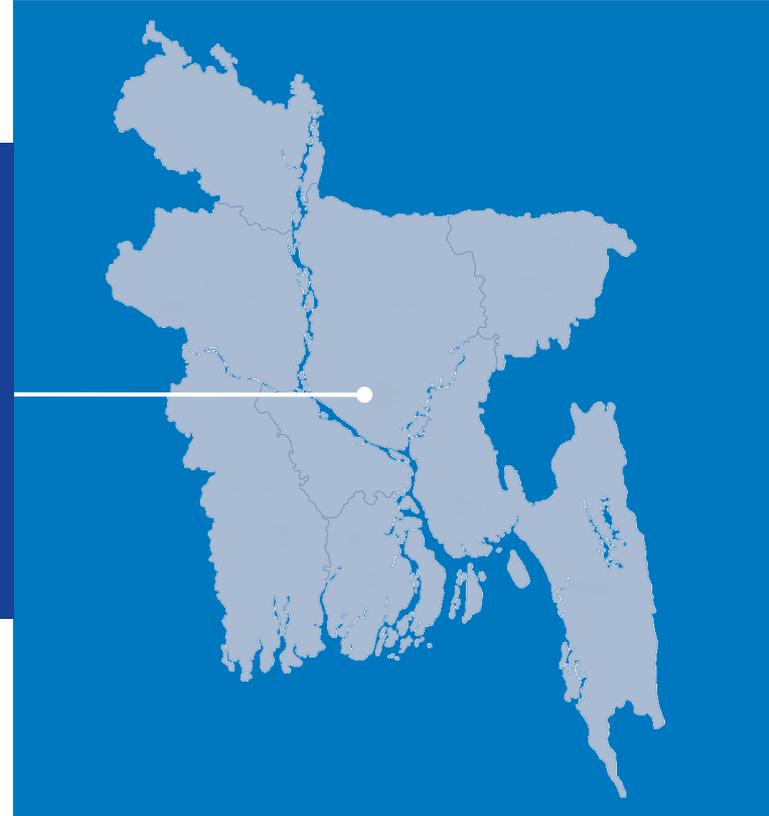
Dhaka

16m

population

Annual Market
Size: **US \$ 17m**

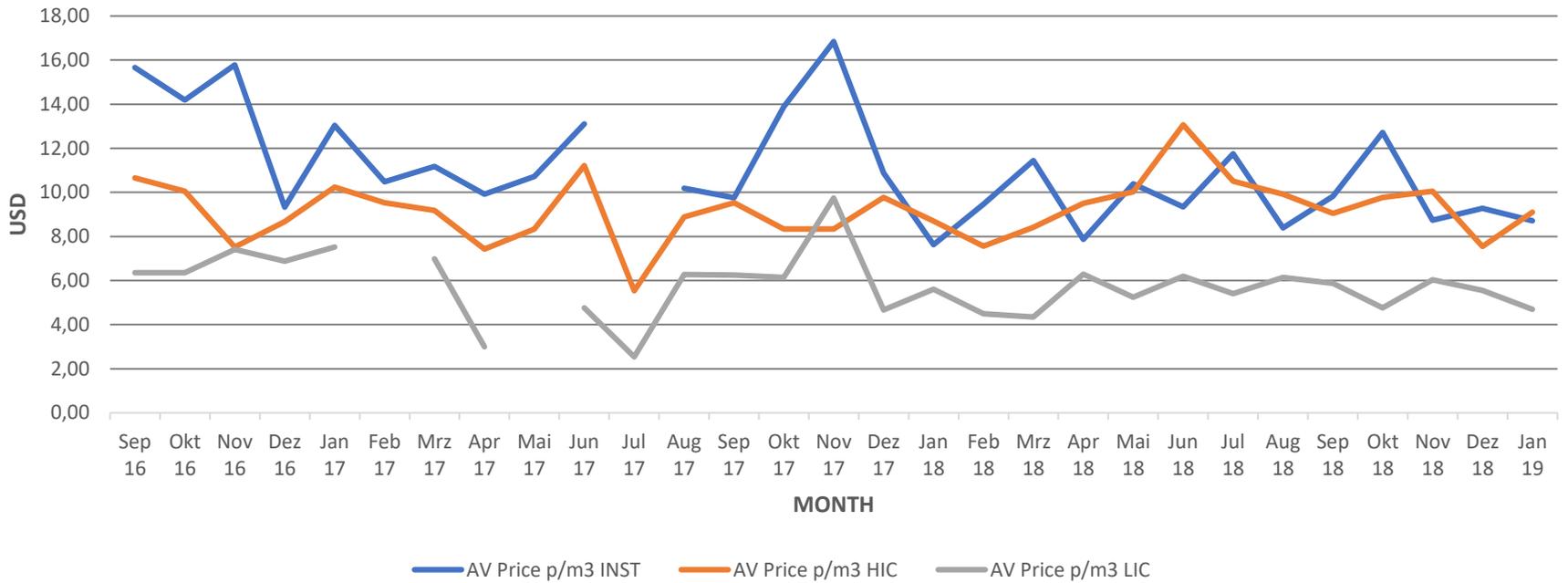
Sewerage Coverage:
20%



Scaling: Managing price across market segments

Average monthly price per m3 sludge emptied in different market segments

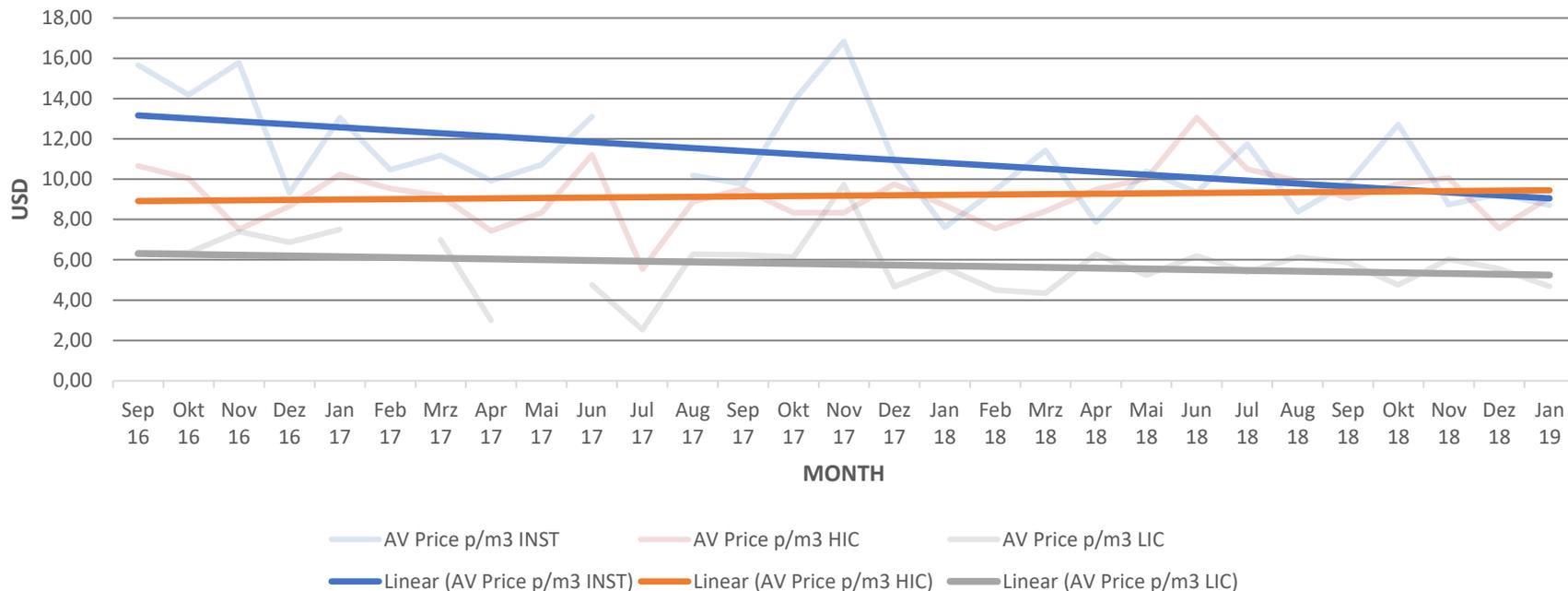
Gulshan Clean & Care
Average monthly price per m3 sludge emptied



Scaling: Managing price across market segments

Average monthly price per m3 sludge emptied in different market segments

Gulshan Clean & Care
Average monthly price per m3 sludge emptied



Enterprise Development

Where can we assist to build capacity?

- Utilisation within portfolios
- Segment targeting
- Service differentiation
- Training and technical support
- Financing for expansion



Summary & Conclusions

The SWEEP model has been successfully embedded through...

- well-defined division of public and private sector roles and responsibilities
- focus on medium and large customers to establish commercial viability
- differential pricing model and contractual requirement to serve LICs

...there are considerable opportunities and challenges for scaling...

- with 69% of human waste entering surface drains
- as the business continues to mature and capacity is increased

... and new frontiers which must be further explored...

- to consider new financing mechanisms
- to activate further the FSM institutional and regulatory framework