

# LESSONS FROM COVID-19 THE RESILIENCE OF INNOVATIVE SANITATION AND HYGIENE VENTURES

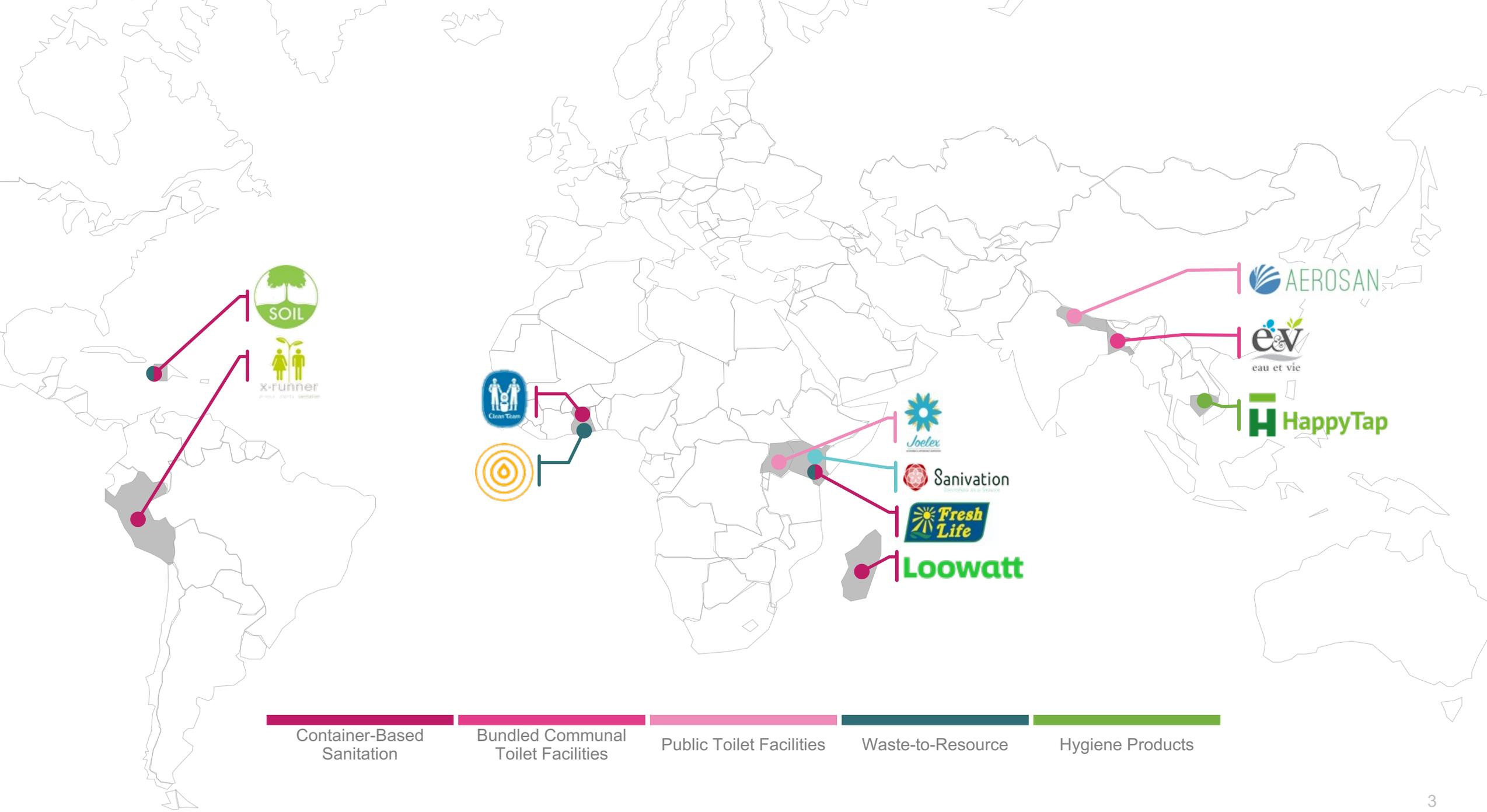
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# FOCUS

1. Shocks and stresses pre-COVID-19
2. Impact of COVID-19 on ventures and response
3. What COVID-19 teaches us about resilience
4. Where do we go from here?
5. How investors can support venture resilience





# 1 | SHOCKS AND STRESSES



Limited Access to Resources



Natural Disasters



Economic



Poor Governance



Socio-Political



## 2 | IMPACT OF COVID-19 ON VENTURES

### COVID-19 substantially impacted **operations and growth**

- **restrictions on movement** suppressed demand for services and limited operations
- **public sanitation facilities** (Aerosan, Joelex) particularly impacted by shut downs
- international and local **supply chains** severely disrupted



Joelex shut down its public sanitation facilities



supply of waste stopped to Safisana



# 2 | IMPACT OF COVID-19 ON VENTURES

## VENTURES' RESPONSE

### Ventures quickly adapted

- Ventures had a foundational level of preparedness
- For SOIL and Fresh Life, COVID-19 triggered increased automation and integration
- HappyTap delivered a boom in sales



of CBS ventures continued core operations



increase in HappyTap's sales revenue in 2020 over 2019



## 2 | IMPACT OF COVID-19 ON VENTURES

### Significant financial impact, squeeze between increase cost and loss of revenue

- customers were severely impacted, resulting in substantial drop in revenues
- variety of new expenditures emerged



drop in revenue for X-Runner in 2020 compared to 2019



of Clean Team's customers in arrears in 2020



facilities temporarily closed by Fresh Life in 2020



## 2 | IMPACT OF COVID-19 ON VENTURES VENTURES' RESPONSE

- several ventures introduced across-the-board discounts to customers
- some ventures focused on maximising revenue collection, introducing payment plans and financial tracking software
- existing investors supported the financial challenges



discount offered to  
customers of LooWatt  
for 1 month



discount offered to  
customers of Eau et Vie  
for 4 months



# 3 | WHAT COVID-19 TEACHES US ABOUT VENTURE RESILIENCE

## 1 Designing, constructing and managing resilient assets and services

2. Building a financial last line of defence

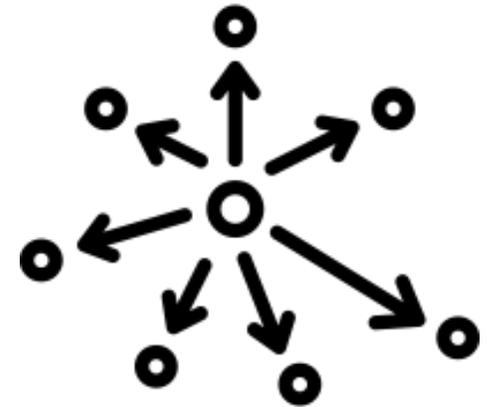
3. Maintaining an effective risk management strategy

4. Developing strong local and international partnerships

5. Integrating processes, procedures, and practices

6. Incorporating flexibility and diversification

- **Modular products and decentralised services** are more resilient
- Waste-to-resource ventures with **centralised infrastructure** often less resilient



# 3 | WHAT COVID-19 TEACHES US ABOUT VENTURE RESILIENCE

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## 2 Building a financial last line of defence

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- Fresh Life and SOIL built **reserve funds** before COVID-19
- Some ventures were exposed to short runways and a **challenging funding environment**



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- Ventures (SOIL and Fresh Life) that maintained effective risk management strategies **responded more quickly and effectively**



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- Strong relationships with **local government** were critical for operations
- **CBS ventures** designated essential services
- Some **existing investors** provided vital financial buffer



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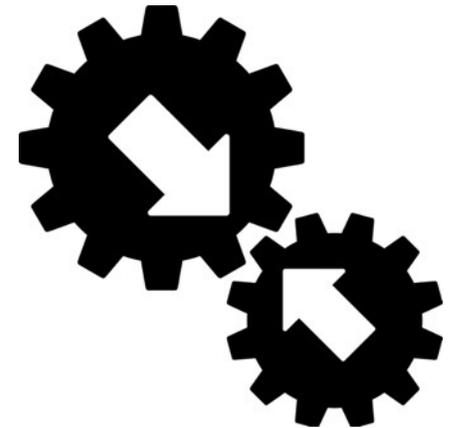
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**5** Integrating processes, procedures, and practices

6. Incorporating flexibility and diversification

- **Integrating systems and embracing automation** can increase resilience
- COVID-19 triggered positive change in this area



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**6** Incorporating flexibility and diversification

- HappyTap's flexible structure enabled exponential growth in 2020
- Waste-to-resource ventures were often highly dependent on sets of services and customers



# 3 | WHAT COVID-19 TEACHES US ABOUT VENTURE RESILIENCE

## CASE STUDY – SOIL, HAITI

- **Services:** container-based sanitation and waste-to-resource
- **Pre-Pandemic Resilience:** Significant investment in all resilience qualities



- **Results:** Achieved scaling targets for 2020 in a challenging context



# 4 | WHERE DO WE GO FROM HERE?

## **A potentially slow COVID-19 recovery...**

Target customers are likely to continue to struggle to pay the full cost.

## **Current and looming impacts of climate change...**

Likely to have severe, uneven and direct and indirect impacts.

## **‘Resilience is a journey, not a destination’...**

Continuous investment is required, which is challenging for smaller ventures.

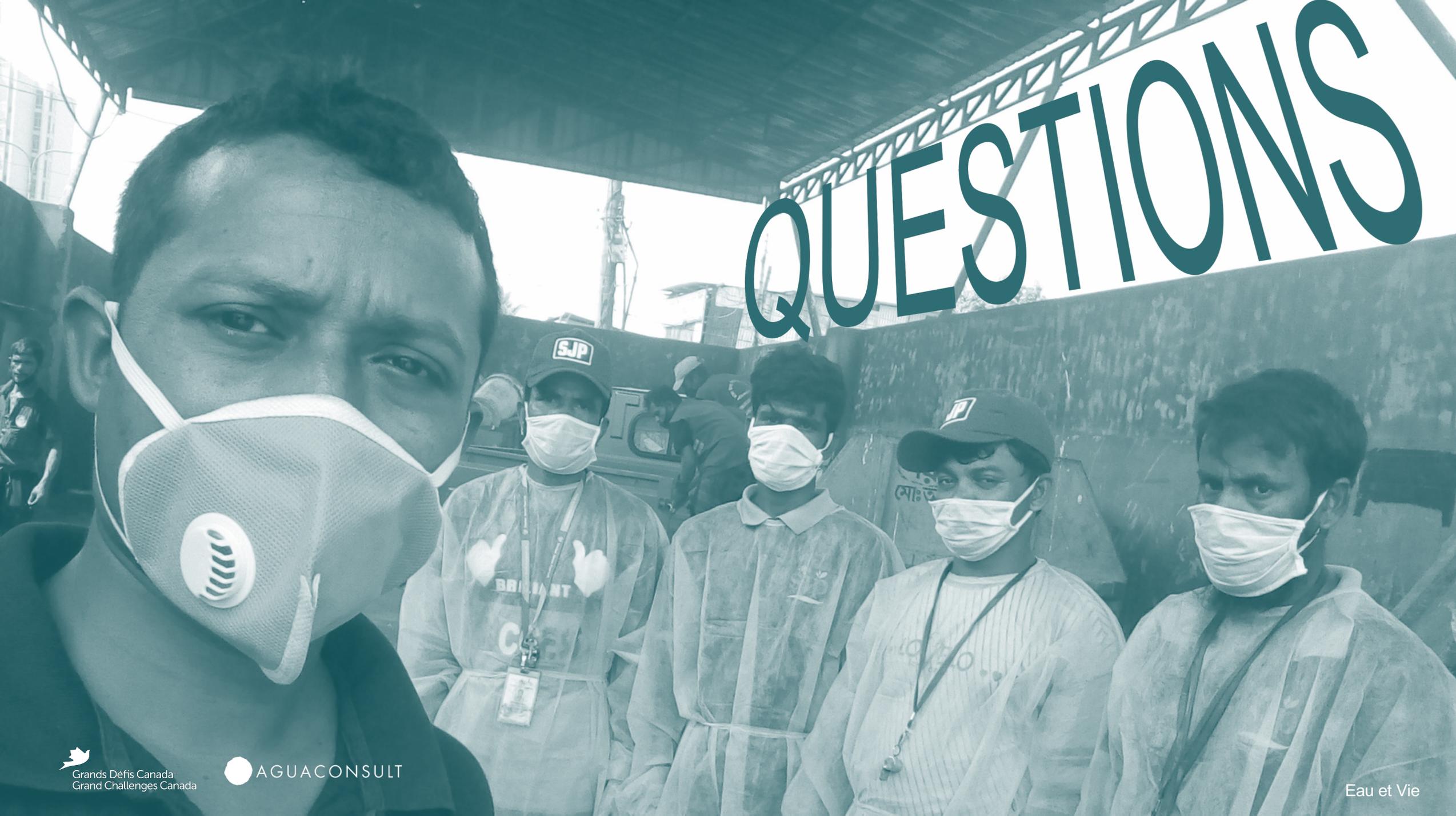


# 5 | RECOMMENDATIONS TO INVESTORS

1. **incentivise ventures** to build their resilience
2. **coordinate** with other investors
3. **invest in research** to better understand resilient services
4. **seek partnerships** for resilience



# QUESTIONS



# BREAKOUT SESSION

## ODD TABLES

What are the top three things **sanitation ventures** can do to strengthen their resilience?

## EVEN TABLES

What are the top three things **your organisation** can do to support the resilience of sanitation ventures?





2



# WASH enterprises: The resilience of sanitation and hygiene enterprises to shocks

Workshop 8

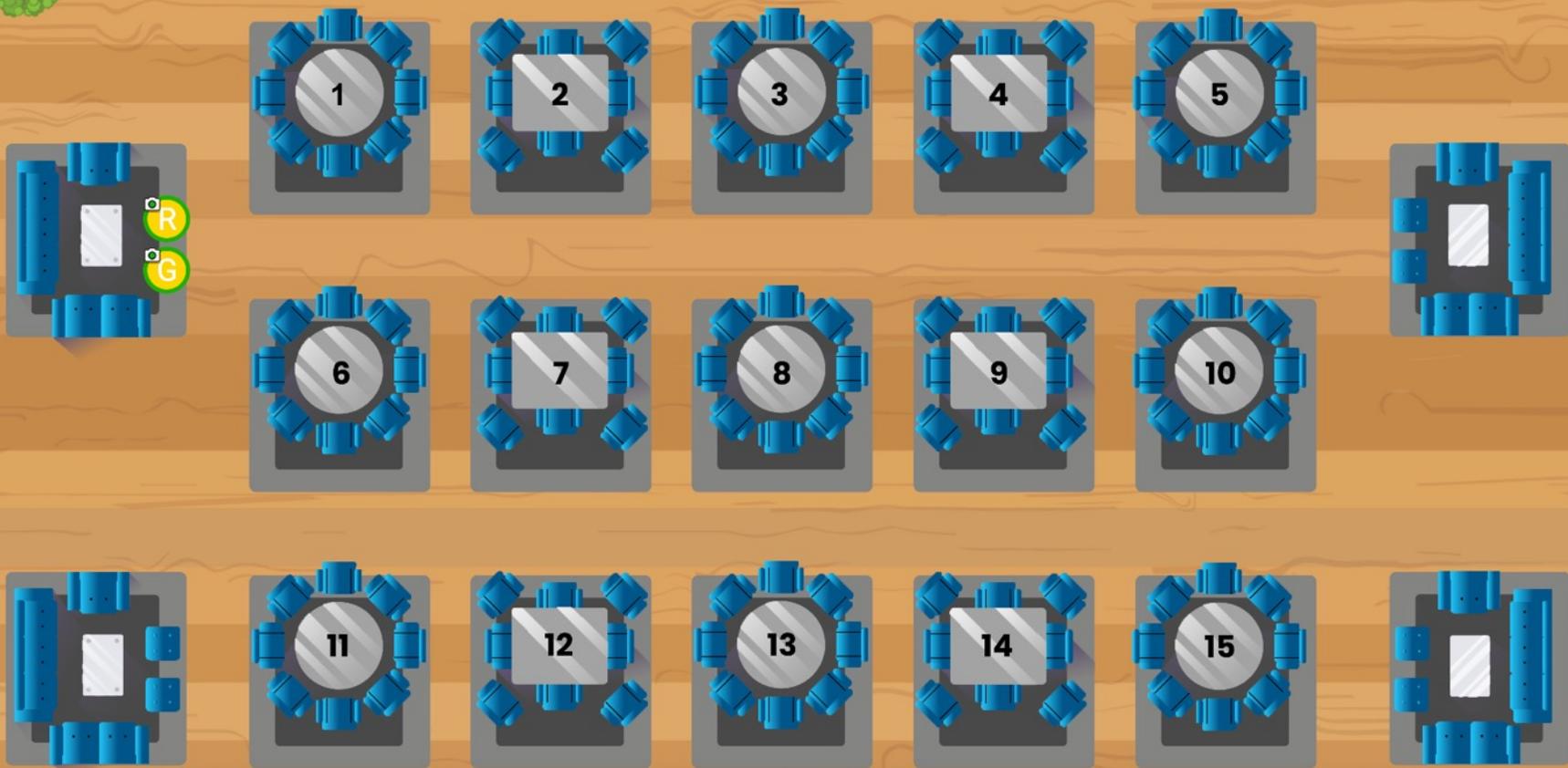
Georges Mikhael

Regina Souter

RETURN TO FOYER

Floor

- 9 10
- 7 8
- 5 6
- 3 4
- 1 2



Need Help?



Tile View

Cam On

Mic On

Chat

Share

Whiteboard

Quit Event



# ODD TABLES

What are the top three things sanitation ventures can do to strengthen their resilience?

Floor

RETURN

7

5 6

3 4

1 2

Need Help?

Tile View Cam On Mic On Chat Share Whiteboard Quit Event

1 2 3 4 5

6 7 8 9 10

11 12 13 14 15

# EVEN TABLES

What are the top three things **your organisation** can do to support the resilience of sanitation ventures?

The image shows a virtual meeting interface with a grid of 15 numbered gear icons. The numbers 2, 4, 6, 8, 10, 12, and 14 are highlighted with red circles. The interface includes a 'RETURN' button, a numeric keypad, and a bottom navigation bar with icons for Tile View, Cam On, Mic On, Chat, Share, Whiteboard, and Quit Event.

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