

AVPN South Asia Social Investment Summit 2022

Panel Discussion on **Building a Thriving Ecosystem for Social Entrepreneurship in WASH**

Key Takeaways



Session Rapporteur
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Moderator – Natasha Patel, CEO, Indian Sanitation Coalition

- While **Swachch Bharat Mission 1** brought in the private sector through the CSR route to build hygiene habits by building infrastructure, Swachch Bharat Mission 2 revolves around making the same sustainable for private sector through technology and process.
- There is a burgeoning need for private sector financing in the urban sector to make **cities zero-waste**
- **Waste to Wealth** – Despite the continuing grim challenges around administrative delays the government's focus on zero-waste cities gives hope. While government has the will and understanding of the issue, the process and technology must come from the private sector
- The **focus is on technology** to make it sustainable and that is cause for optimism as this is where the private sector can really add value.

Speaker – Royston Braganza, CEO, Grameen Capital India

- To commercialize the WASH Sector there must be a way to include micro-financing within the bracket of **Priority Sector Lending (PSL)** in addition to guarantees to remove risks for bank and other investors in addition to opening up foreign borrowings
- **SDG Impact Bonds** should be made a part of kosher CSR
- **Uniform taxonomy** across policies should be implemented to ease burden on the social entrepreneur. The nomenclature could be standardized by harmonizing the same with SDG nomenclature.
- There could be a separate segment in PSL, like there is in agriculture

Speaker – Jesse Shapiro, Environmental Health Team Lead, Senior WASH Advisor, and Sanitation Focal Point Bureau for Global Health, Office of Maternal and Child Health and Nutrition (MCHN) USAID

- WASH is not one but **multiple-sectors** which complicates addressing the financing needs
- **Challenges:** While in case of Water there exists lack of assets and diversification but with some cash flow in sanitation there is not even cash flow. The situation for sanitation is further worsened by the fact that it is **taboo** and it requires **long runways** after initial capital injection before private sector can enter
- In the WASH sector, it's not sustainable or equitable to take it to the extreme to shift the burden to the consumers as in telecom sector hence **de-centralised evidence based contextual approaches** are required in as key in Rural WASH sector is less infrastructural and more behavioural.

Speaker – Ragini Chaudhary, Director – Investments, Caspian Debt

- Challenge of Investing in WASH Sector is that the **Government** (Centre/State/Municipal) **is the primary customer** and the same causes uncertainty of payment
- Existence of Bank lenders coupled with the fact that organisations are yet to figure out if they would like to be B2B or B2C, do not make the sector lucrative for other lenders to come in
- **Revolving fund** involving credit and CSR is a possible solution
- Financing, capacity building, converting passive consumers to customers i.e., the **Telecom sector's model of incentive flow** through a pull effect rather than push effect could be another solution
- Private sector needs patient equity infusion and hence **blended equity capital** could pave the way forward



Disclaimer:

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Panel Discussion on Opportunities for Private Sector for Transforming Primary Healthcare to Leave No One Behind

Key Takeaways



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Session Rapporteur
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Moderator – Dr Amit Shah (Deputy Director, Health Office, USAID)

- The Covid-19 pandemic has exposed gaps in the country's healthcare system and reinforced the need for strong foundations in the form of comprehensive primary healthcare
- There is also significant political will in enhancing primary healthcare infrastructure. This has led to increased budgetary allocation for healthcare and the introduction of new schemes by the Government.
- There is also a realisation that the gravity of the challenge is such that the Government cannot address it by itself and that it will require private sector participation
- Despite this, there is a disconnect between the public sector and the private sector, primarily because of a lack of understanding of (i) available opportunities for the private sector and (ii) pathways of partnership between the public sector and the private sector
- This sets context for the members of the panel to speak about their experiences on (i) the opportunities and challenges with the public-private partnership model in primary healthcare and (ii) the various financial and non-financial models that may be adopted by them

Speaker – Mr Ram Kumar IAS, Mission Director of National Health

Mission, Government of India

- There is a lot of mystery around healthcare, particularly in rural and underserved parts of the country. Healthcare in these areas is thought of by the common man as English-based, non local, and non-approachable.
- Therefore, there is a need to demystify healthcare, which can only be done through primary healthcare. This demystification is important since it creates trust in healthcare in the eyes of the common man. Only then would they engage in health seeking behaviour.
- This can be achieved by adopting unique models such as that adopted by the Government of Meghalaya with a private entity, Grameen Healthcare. Grameen Healthcare engages in various activities aimed at demystifying healthcare, such as outreach, tele-medicine, provision of free consultation, provision of medication at affordable rates. These methods are key in building the common person's confidence in primary healthcare.
- Important for private companies to change and think of similar innovative business models . They must recognize the huge market opportunity that lies at the bottom of the pyramid.

Speaker – Ms Gayatri M. Oleti, Head, L&T Charitable Trust

- To address the issue of primary healthcare, it is important for the private sector to work in a collaborative manner with the government.
- The private sector must work as a partner to the government, not antagonise them.
- In the case of the L&T Charitable Trust, this is done by identifying small areas that the government may not be able to reach and adopting a targeted approach at achieving improved primary healthcare in these areas. This is important in ensuring that the government buys into how the Trust works. Critically, an attempt is made to examine the social and other factors to understand why certain key health metrics are at certain levels. This is, then, relied on to understand how primary health can address these challenges.

Speaker – Mr Sunil Thakur, Partner, Quadria Capital

- There is a large commercial opportunity for for-profit organisations and models in the primary health sector. Their success depends on (i) how the market is organised, (ii) how pricing is done, and (iii) who pays for it.
- India currently lags behind even other developing markets on global health benchmarks. Due to this, there is currently an unmet need in the market.
- This unmet need, along with the increasing policy importance around primary healthcare, new models around finance of primary healthcare, and adoption of technology has created an opportunity for the private sector and investors.
- The commercial opportunity exists across the entire value chain healthcare, i.e., drug availability, treatment, prevention, education, water and sanitation, nutrition, mental health, and prevention of illness.
- Government (by way of budgetary allocation) and private sector (by way of CSR allocation etc) can create a large financing pool for addressing these issues and make it it attractive for entrepreneurs to step in
- Government and private sector must also work together on capacity building
- Believes that the PPP model is key for primary healthcare, subject to taking the right approach on pricing and financing.

Speaker – Ms Jayeeta Chowdhury, Director, India Health Fund

- To realise the goal of universal health coverage, we must bring innovative technologies and healthcare together.
- Technology is key in bridging the large gaps that exist in primary healthcare. It plays an important role in underserved areas where there is a chronic lack of access.
- Bringing innovation requires working collaboratively with all stakeholders, including the Government, bilaterals, donors, and the rest of the not-for-profit community. All stakeholders must work together in bringing technology to the last mile.
- Technology is an enabler, not the end. Therefore, technology and digital and AI-solutions must be customised, affordable, and should ultimately lead to better health outcomes (whether in the form of better results, better reports, better decision making by administrators, or better patient experiences).

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