



Grameen – Veolia Water Ltd, a new company

**Water Treatment and cost recovery through social business
in Bangladesh**

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1. Grameen Bank



- **1976** Grameen Bank Project Founded by Professor Muhammad Yunus with US \$27 in Bangladesh
- **1983** Grameen Bank officially registered as Micro-credit Bank
- **1995**, the Bank decided not to receive any more donor funds

=> Today: Grameen Bank has **7.5 million** Borrowers and **97%** are **women**

Borrowers of Grameen Bank at present own **95%** of the total equity of the bank. Remaining 5% is owned by the government.

1. Grameen Bank



- Ever since Grameen Bank came into being, it **has made profit every year** except in 1983, 1991, and 1992
- Loan recovery rate: **98.03%**

Grameen Bank Key figures :

2,515 branches

82,072 villages

Total staff: **24,617**

141 partner projects

In **38** countries

Total amount of loan disbursed :

US\$ 7.04 billion

- **2006** November, Professor Yunus and the Grameen Bank were jointly awarded the **Nobel Prize for Peace**

2. Veolia Water : operator of water cycle management

A business focused on 2 segments of the same activity

- Management of water and wastewater services for municipal and industrial clients
- Design of technology solutions and construction of facilities required for these services



2007 revenue breakdown: €10.9 bn

Veolia Water, a player in sustainable development 1/2

Technological and management know-how to protect a rare and fragile resource

☑ Ensuring sustainable management of the water cycle

- ▶ Collecting and treating wastewater to protect resources and protect populations from diseases
- ▶ Raising officials' awareness on the importance of top quality sanitation
- ▶ Developing alternatives resources
 - Wastewater reuse
 - Seawater desalination



Veolia Water, a player in sustainable development 2/2

Promoting environmental citizenship

- ▶ Preventive, awareness-raising and educational actions



Supporting solidarity

- ▶ To give maximum access to water and sanitation (Morocco, Gabon, Niger, etc.)

Veolia Water, subsidiary of Veolia Environnement, signed up to the Millennium Development Goal:

“To reduce by half the number of people without access to safe water and sanitation by 2015”

Veolia Water AMI and the Millenium Development Goals

- **Public Private Partnership**
 - Optimize infrastructure
 - Promote adapted tariff policies
 - Acceptable price for new connections
 - Adapt technical and commercial solutions to the poorest populations
 - Combine various solidarity systems
- **Examples**
 - Morocco, Gabon, Niger : MDG met
 - Multi-services (water / electricity)

Mobile customer « agency »



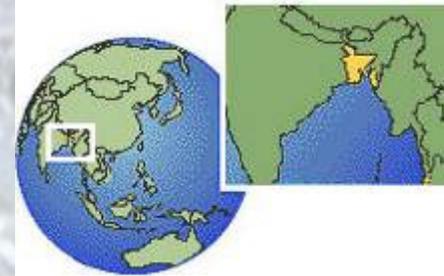
Saqayti, automatic prepaid standpipe



3. Experiencing a new approach of drinking water supply

Bangladesh

- **1971: Independence**
- **Population: 150,448,339**



Progress in Development

Life Expectancy (1970s) 44 years
(2006) 63 years

Infant Mortality (1970s) 239 per 1000
(2006) 69 per 1000

Fertility Rate (1970s) 6.4 per woman
(2006) 2.9 per woman

Bangladesh: Arsenic in water

- Up to **90%** of the population prefer drinking water from wells as it was regarded as safe for drinking until the discovery of arsenic in groundwater in **1993** (Arsenic is found naturally in Bangladesh's soil (Himalayan alluvia)).
- The health of **35 to 80 million** people is endangered due to water contaminated by arsenic.
- Already, at least **100,000** cases of skin lesions and cancers caused by arsenic.
- Due to the slow effect of arsenic poisoning which is not readily seen, rural **people are still drinking contaminated water** due to lack of information and options

Grameen Veolia Water Ltd

- 50/50 Joint Venture company between Veolia Water AMI and Grameen Healthcare services :
 - Veolia Water to provide technical know-how
 - Grameen Healthcare to provide social and local knowledge

=> Modelled on Professor Muhammad Yunus' philosophy of Social Business

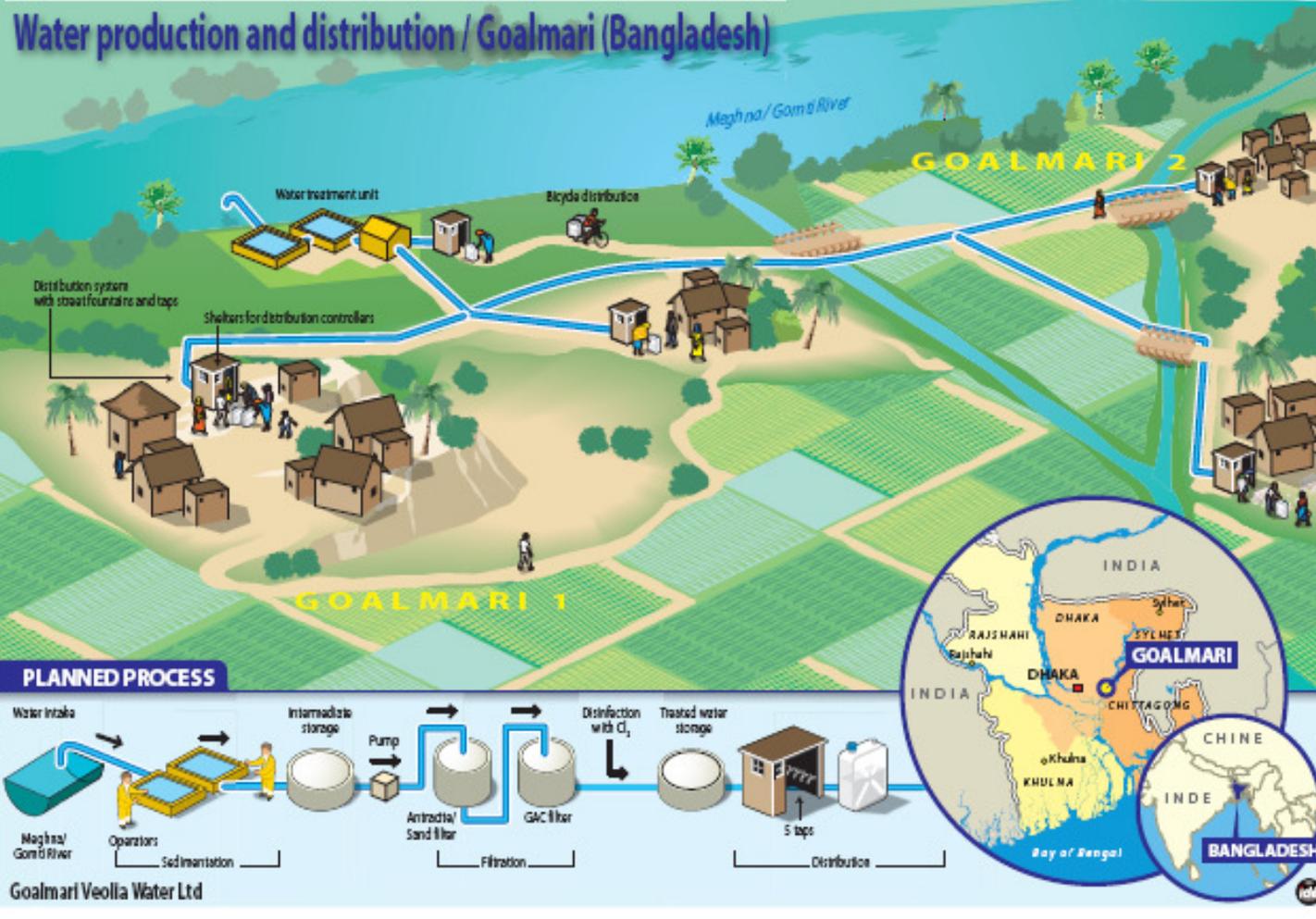
Social Business

- Self sustaining Business with the main Goal to provide a good/service for Social benefit
- Dividends/Profits are reinvested into the company for expansion and improvement
- Investor are to take back only the amount invested over a period of time as dividends but nothing beyond that
- **“Non Loss, Non Dividends”**
- Grameen also has working social businesses with other corporations such as Intel and Danone.



Project Main Characteristics

- Distribution of drinking water to 100 000 inhabitants for their essential needs (drinking, cooking)
- 5 villages included in the project
- Global investment : 800 000 US\$
- Sale price at factory Gate: 1 Taka per 10 liters (1€cent / 10 liters)



- In Goalmari 83% of groundwater pipe wells contaminated with Arsenic
- Production from surface water (leave arsenic where it is)
- Treatment plant capacity : 8 m³ / h. « Classical » process (activated carbon filtration and chlorination)
- Distribution system with Grameen ladies at stand-pipes
Private connections possible in the future
- Extension to GOALMARI ② : doubling working hours of the plant and extending the distribution network
- To target 40,000 people in Goalmari (1) & (2)

Project schedule

- GOALMARI ① starting up : end 2008
- GOALMARI starting up : end 2009
- Other villages between 2010 and 2012

... and after

- Proof of the efficiency of the business model
- Develop new partners and fundings (SRI funds, etc ...)
- ... with 250 millions US\$, arsenic problem could be solved in Bangladesh



Thank you for your attention !

