



PROJECT SUMMARY

SANITATION SERVICE DELIVERY

BENIN, COTE D'IVOIRE AND GHANA

Catalyzing markets for urban sanitation in West Africa

October 2014 – September 2019



Sanitation Service Delivery (SSD) is a USAID/West Africa regional urban sanitation project that is implemented by PSI in collaboration with PATH and Water and Sanitation for the Urban Poor (WSUP). The goal of the program is to improve sanitation outcomes by developing and testing scalable business models that engage private sector service providers and by contributing to the creation of a strong enabling environment for sanitation in West Africa.

The main objectives of this 5-year, \$15.8 million program are to:

- Increase use of improved sanitation
- Increase use of safe disposal and/or reuse of fecal waste at scale
- Share learning on market-based approaches to the provision of sanitation services throughout West Africa

BACKGROUND

Benin, Cote d'Ivoire and Ghana have some of the lowest rates of access to improved sanitation in the world, at 13%, 14% and 28% respectively.¹ There are **minimal services for safe disposal and treatment of waste**, meaning that even if a household has access to a toilet, the fecal sludge is rarely disposed of appropriately; the waste soon returns to the environment, often being dumped into nearby water sources. As a result, households face poor living conditions in environments contaminated by feces, causing the spread of deadly disease.

Among the scarce options for the safe disposal and treatment of waste, most are unaffordable for low-income households. Sewage treatment plants are few and far between, and those that do exist are not running at full capacity and often deteriorating. This **situation is exacerbated by the steady growth of urban populations** of each country, which will continue to put further pressure on already strained sanitation infrastructure in the region.

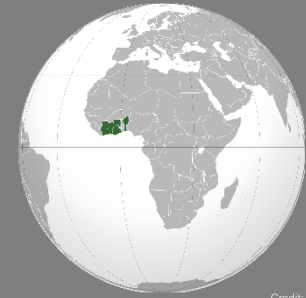
Densely populated urban areas, such as slum communities, often do not have sufficient space to construct household toilets; land disputes and a lack of urban planning further compound this problem. Space constraints also impede mechanical pumps, which need to maneuver down narrow lanes to empty toilets. In addition, city residents are frequently renters and are hesitant to make investments to upgrade land owned by private landlords.

Most urban families desire an improved toilet, particularly to protect the privacy of the women and children in the household, but there are too few affordable sanitation options that suit their needs. **The market for urban sanitation is broken**: disconnected supply chains make products expensive and difficult to acquire, and service providers often fail to provide safe disposal for fecal waste.

In addition to the health consequences, this lack of sanitation incurs further economic and time costs. In Ghana, for example, this is valued at 30% of the GDP per capita for adults and for children over five years of age.² These costs include loss of time while individuals search for a place to openly defecate and costs for treating illness. **This is not only costly, but especially harmful to women, children, the elderly and disabled**, who must risk their safety by leaving their homes to find a place for defecation at night.

¹ Progress on Sanitation and Drinking Water. 2013 Update. WHO/UNICEF, 2013.

² USAID West Africa Sanitation Service Delivery Program Request for Application (RFA). April 2, 2014, p.2.



Credit: Wikipedia.org

UNDERSTANDING THE SITUATION

Globally, some **2.5 billion** people lack access to safe sanitation. As a result, disease is spread through fecal contamination of the environment; approximately **46 % of child deaths as a result of diarrhea occur in Africa**.¹

Despite relatively higher access to toilets in urban areas, an estimated **2.1 billion** people in cities are using toilets that are not properly emptied or that flow directly into water sources and storm drains.²



BENIN

Population: 10.3 million
Urban Population: 45%
Improved sanitation: 25%



COTE D'IVOIRE

Population: 20.32 million
Urban Population: 51%
Improved sanitation: 36%



GHANA

Population: 25.9 million
Urban Population: 52%
Improved Sanitation: 19%³

¹Source: UNICEF

²Source: Bill & Melinda Gates Foundation

³Source: Progress on Sanitation and Drinking Water. 2013 Update

THE VISION

Together, **USAID** and its partners **PSI**, **PATH** and **WSUP** envision a thriving sanitation marketplace with increased capacity to deliver products and services to low-income consumers in a sustainable manner. In the process, SSD will learn and share findings, models and tools regionally that facilitate rapid expansion of successful approaches and position the project and as a regional leader in the sector.

THE APPROACH

To achieve this vision, the SSD team will serve as market facilitators for scaling high-potential solutions. This includes:

- 1) **strengthening** the enabling environment;
- 2) **linking** the public and private sectors to more efficiently and effectively provide sanitation services;
- 3) **innovating** in product and service technology by advancing creative, scalable business models that provide affordable solutions; and
- 4) **sharing** learning in new ways so that knowledge dissemination translates into action.



INCREASE USE of IMPROVED SANITATION and SAFE WASTE DISPOSAL

PRODUCT and SERVICE DESIGN

SSD will use market research to gain a deep understanding of the sanitation situation in all three countries and gather user insights to support the expansion and scale-up of access to existing and new, innovative sanitation products and services. The project will look to promote affordable and high-quality solutions to meet the needs and preferences of poor households, and deliver solutions with financial sustainability and scale in mind. Products developed by the SSD team will be incorporated into market-based models, including sales of household and compound toilets and sales of services that offer the most viable fecal sludge management (FSM) technologies for waste catchment, transport and treatment. SSD will look at the drivers and barriers to the purchase and use of toilets and FSM services identified from the market analysis to determine the best solutions for the targeted urban and peri-urban areas in each country.

BUSINESS MODEL DEVELOPMENT

The learning and insights gained from the market research and product design will become the foundation for prototyping business models, which will include sales, distribution, marketing and finance components. SSD will use a collaborative process that engages marketers and sales professionals, entrepreneurs, health and water, sanitation and hygiene (WASH) specialists, and researchers to develop business to be both attractive to consumers and to generate profit for local enterprise. Models will be tested and evaluated for their replicability and capacity to scale. The following two models for sanitation access will be tested, based on WSUP's existing sanitation programming, in addition to other models that may emerge from the market research and design process:

COMMUNITY PAY-FOR-USE TOILETS

- Private enterprises buy and maintain public toilets
- Consumers charged a small fee

COMPOUND & HOUSEHOLD TOILETS

- Landlords purchase and provide toilets for tenants
- Build government capacity to implement regulations requiring compound sanitation

In addition to using business models for increasing access for consumers to sanitation facilities, models for FSM will be tested as well. Again, building off of WSUP's promising interventions in Ghana and lessons learned globally, SSD will test the following models in addition to exploring other options:

MECHANIZED EMPTYING	PACKAGED PRODUCT and SERVICE	END to END
<ul style="list-style-type: none"> • Improve efficiency and capacity of existing FSM suppliers • Government advocacy to facilitate use of treatment facilities • Improve enabling environment and access to finance 	<ul style="list-style-type: none"> • Purchase of toilet through monthly fee • Fee includes regular emptying 	<ul style="list-style-type: none"> • Address front and back end of sanitation value chain, including potential reuse • Partial treatment of waste in communities far from existing treatment and/or micro-sewerage

GOVERNMENT PARTNERSHIPS

For market-based approaches to flourish, the public sector needs to help create demand for sanitation through effective behavior change communications, provide a link to carefully targeted subsidies specifically for the poorest consumers, create/modify laws that enforce better sanitation and develop policies that are favorable to businesses. SSD will work with governments in Benin, Cote d'Ivoire and Ghana to become change makers with respect to urban sanitation. SSD will provide technical assistance to the government in social marketing for the promotion of improved sanitation and FSM that links public and private initiatives. Additionally, SSD will work closely with government actors to find solutions that increase the availability of treatment options, including consideration of decentralized disposal.

DEMAND- AND SUPPLY-SIDE FINANCING

A key market barrier that must be overcome in all three countries is improving access to credit to facilitate the purchase of toilets by low-income households. Many households face liquidity constraints and lack the cash on hand to meet the high cost of a one-time investment in toilet construction. To address this, SSD will set up and operationalize consumer loans for sanitation that will facilitate the rapid design, testing and roll-out of finance via the most relevant channels (e.g., microfinance institutions (MFIs) and community savings and loans groups) and that provide more flexible payment terms.

On the supply side, many emerging enterprises in sanitation lack institutional access to finance, further complicating the fact that most investors consider sanitation a risky business, all but shutting out most small- and medium-sized sanitation businesses from receiving financing. Further, MFIs often cannot supply the amount of investment capital needed to properly scale these businesses in an impactful way. SSD will make sanitation loans an operational success and an attractive investment for MFIs, social investors and commercial banks. This will entail providing technical assistance to design loan products and optimize the operational model, connecting local MFIs to capital from social investors and advocating with the government.

SHARING LEARNING

Limited data in the region on urban and peri-urban sanitation have hampered efforts to coordinate and improve sanitation service delivery in West Africa. More specifically, there is little information on the effectiveness of market-based approaches and few tools that support effective engagement with the private sector.

SSD will leverage progress from and work in partnership with regional actors to disseminate actionable learning that will influence policy and practice at scale across the region. SSD will develop materials, resources and platforms tailored to the needs of stakeholders such as enterprise actors and government officials. This will include providing sanitation actors with the technical knowledge and access to expertise they need, when they need it, in the format they need it, and in the channels they prefer, so that they may do their jobs more effectively and efficiently. SSD will build on the experience of PSI, PATH and WSUP and will leverage other global efforts to present a comprehensive and user-friendly body of knowledge and tools accessible to multiple sanitation actors in the region. This will include using websites, social media, hosting forums, and conducting exposure visits to share best practices and lessons learned.