



S A A B

sanitation as a business
clearing the path for change



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Perhaps one of the more ignored or misunderstood elements of water poverty by the general population and even the charitable sector is sanitation services. When you think about providing clean water, you conjure images of clear drinking water pouring out of a tap or buckets of well water used to water crops and serve livestock.

But then there's the other stuff—the stuff that is not as pretty to think about or even to deal with, but is just as important—like unclogging toilets, and building latrines, and providing sanitary napkin containers and services for female students. That's all sanitation.

Why We're Stuck

So when you have an industry that people struggle to understand, struggle to integrate into their communities and culture, and struggle to monetize, it's not surprising that we have significant work to do to change the way it's perceived and change the way it's executed. More importantly, we have an opportunity to change the game. That's where the first Unclogging the Blockages conference came into play, in Kampala, Uganda, earlier this year – a joint effort between Water For People, PSI, WSUP, IRC, and several other major players in the water and sanitation space.

More than 170 people from in and out of the sector and around the world came together to explore the various challenges for sanitation as a business (SAAB) and begin working on short and long-term solutions. Here's what we covered:

PUBLIC SECTOR

What can authorities and regulators do to enable sanitation as a service and as a business?

BUSINESS MODELS

What business models are working, where and why?

FINANCE

What financing solutions and mechanisms are missing from the equation?

TECHNOLOGY

What technical solutions are unclogging blockages?

What have we learned about what works, what does not work and why?

DEMAND CREATION AND BEHAVIOR CHANGE

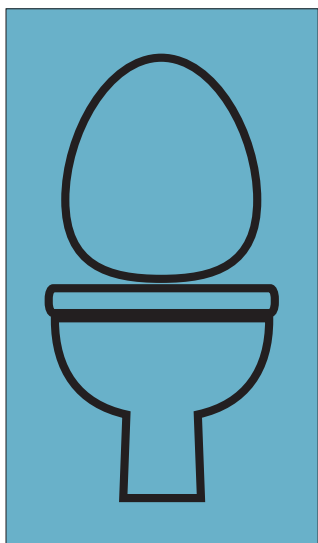
What demand creation strategies and initiatives best link up with sanitation business supply chains?

MONITORING

What are the best monitoring systems and indicators for sanitation as a business and a service?

INTERSECTORAL LINKS

How can we strengthen links with other sectors for better services and business development?



Although we've seen much progress in countries like Uganda where open defecation rates have dropped significantly since 1990, and innovative sanitation programming is being piloted to scale, there is a long way to go. We heard from NGOs, financial institutions, technology providers and more, and outlined several "blockages" to providing better sanitation services in key regions around the world. A sampling:

- Access to the poorest and hardest to reach (most rural) populations
- Inadequate human, financial, and city planning resources
- Expensive technology and equipment
- Availability of funds to put into financing options, especially for the poorest populations
- Marketability of sanitation services and impact
- Sustainable management and enforcement by communities and households

One of the biggest common themes within all of the case studies we reviewed, anecdotes, and data was that for SAAB to become a sustainable, effective component to eliminating water poverty, customer service must be comprehensively integrated into all steps in the process, from ideation and design, to financial models and maintenance, and marketing and promotion. Each community is unique, and within that, each household, so it's important to factor in the customer's needs, expectations, circumstances, and culture.

We heard from Water.org about how "local" means everything in this business—from selecting the right partners, to using the appropriate technology for the land and context, and encouraging community participation at all levels. Water For People has seen similar results in our own SAAB programming. Ultimately, investing in the personal side of SAAB and focusing on the individual customers will help the sector because we'll understand the behaviors and context that have led to the current challenges.



How Do We Unclog?

Outlining the many challenges to a smoother SAAB sector was daunting, but we're even more excited about the opportunities and solutions. After all, the name of the conference was Unclogging the Blockages, and that's what we're all striving for together.

We revisited each of the seven key components to SAAB, determined measures of success, and plotted out potential outcomes and ways forward based on our ideas and a 30-day challenge. Below are a few highlights:

BUSINESS MODELS

- **Blockage:** lack of models that are pro-poor inclusive; lack of understanding of technology
- **Desired outcome:** Consumer understanding/happiness: Families say, "The toilet is my favorite part of the house."
- **30-Day Challenge:** Know your customers deeply for better service and success—Advocacy through creative formats, get to the point and make it attractive, prove we have results

FINANCE

- **Blockage:** No dedicated funding streams for SAAB; lack of interest and experience from microfinance institutions in sanitation
- **Desired outcome:** Formation of Global Sanitation Financing Alliance (GSFA); established sanitation funding plans for donors
- **30-Day Challenge:** raise capital & solidify membership for a GSFA from banks, donors, individuals

TECHNOLOGY

- **Blockage:** lack of standard design; affordability
- **Desired outcome:** Standard technology accepted and accessible by all customers, government, etc.
- **30-Day Challenge:** Trainings across sector, SMART sanitation technology database, humans at center of design

DEMAND CREATION & BEHAVIOR CHANGE

- **Blockage:** high cost of behavior change; people are set in their ways
- **Desired outcome:** World Declared Open Defecation Free (ODF)
- **30-Day Challenge:** Support behavior change information exchange and make a priority for local, regional, and national levels

The full set of action plans with a detailed breakdown by tasks and groups responsible for each of the seven themes is in the Unclogging the Blockages report.

Between trainings, case study and data collection, concept and program ideation and execution, there is much to work on in the coming months, and every organization has an important role to play if we want to make substantial progress within the next year.

KEEPING THE MOMENTUM

As we recognize World Water Week in September 2014 and finalize 2015 planning and goals, it's important to maintain a sense of action and movement. It's easy to let the list of to-dos related to research, meetings, and discussions bog down tangible progress on the ground for sanitation as a business. This is where collaboration is paramount, extending beyond rhetoric and discussion to physical work on the ground:

- **We must emphasize the importance of entrepreneurs, sanitation authorities, regulators, implementers, and supporters working together to enable sanitation services to become viable, vibrant, and socially responsible businesses that meet both public sector targets and household expectations.**
- **We must focus on "catalytic philanthropy" that could channel donor investments into programs that support the market economy, and move away from shortsighted "beneficiary numbers."**
- **We must keep the customer in mind when it comes to design, culture, service, infrastructure, finances, and overall impact.**

The output from the Unclogging the Blockages conference was encouraging and inspiring – the future looks bright for sanitation as a business, as its own entity and as a critical piece to eliminating water poverty. It's time to get things flowing.