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REAL IMPACT: LOWER MEKONG WATER, SANITATION, AND HYGIENE ENTERPRISE DEVELOPMENT

USAID's **Real Impact** series highlights examples of water sector projects around the world. Each case example provides from-the-field insights about successful approaches, challenges faced, and lessons learned.

CHALLENGE

In Cambodia, where 77 percent of the rural population lacks access to improved sanitation, people often think they cannot afford toilets. Providing access to affordable water, sanitation, and hygiene (WASH) products and services is critical in this country where, according to UNICEF and WHO, 8.6 million people practice open defecation, and research has shown that less than 10 percent of rural households properly wash their hands. However, equally as significant is maintaining these improvements for the long term. Providing subsidies or simply giving away goods or services is not always sustainable and may not instill the willingness of people to want or use these products. And successful projects are not always easily replicated outside of the target area. Finding sustainable solutions that can be brought to scale is an

essential goal to meeting and maintaining the advances to health, poverty, and other factors that come into play when WASH access is improved.

APPROACH

To USAID's Water, Sanitation, and Hygiene Enterprise Development (WaterSHED) project, locals were not seen as beneficiaries, but as consumers. Starting in 2008, this public-private partnership, led by the University of North Carolina at Chapel Hill, promoted market-based approaches to increase access to affordable WASH products to low-income households. Working across the Lower Mekong region (Cambodia, Laos, and Vietnam), WaterSHED aimed to develop products and messaging that could be scaled-up and replicated across the region, while also cultivating sustainable commercial enterprises.

In Cambodia, WaterSHED's tactic was a groundbreaking *Hands-Off* approach to sanitation marketing, which involved stimulating growth within local markets and then leaving to

WaterSHED



LOCATION: Cambodia, Vietnam, Laos
DURATION: 2008-2012
FUNDING: \$7.5 million
IMPLEMENTING PARTNER:
 University of North Carolina at Chapel Hill

allow the market to run itself. WaterSHED did this by supporting local businesses, initiating social marketing activities, and fostering partnerships between the public and private sector in order to build demand for change and increase the locally-designed and produced supply of affordable, attractive household toilets.

Supporting Businesses: While research showed that businesses were capable of being successful, they just needed some help in getting off the ground. Working with local entrepreneurs, WaterSHED helped these local enterprises strengthen their business plans, gain access to financing, and identify sales and distribution channels. WaterSHED helped them develop and promote a number of innovative WASH technologies, priced according to different income levels and preferences. The project supported local businesses to make low cost toilets and worked to help them establish a network of sales agents to sell the toilets at village-level sales events and door-to-door.

“After learning how to increase production, sell effectively, and work with the local government, I sold 300 (toilets) in the last three months.”

Nov Sensren, latrine producer and salesman

Building Demand: WaterSHED built consumer demand for these new products by focusing on the four key themes of sanitation marketing: product, place, promotion, and price. Market research undertaken by WaterSHED helped determine marketing messages and new products that would prove successful in increasing demand. WaterSHED and its partners worked with local designers to help tailor the design of products to local tastes. The project then helped consumers gain access to financing opportunities, such as microcredit loans, to aid in the

purchase of improved WASH products and services. In addition, sales agents were trained to use behavior change messages to stimulate demand for latrines and to encourage open defecation free communities in support of efforts by local government and organizations implementing community-led total sanitation (CLTS).

Engaging Government: Finally, government support was a critical factor in ensuring the success of the *Hands-Off* approach and improving sanitation rates. WaterSHED built the capacity of local governments to partner with local businesses. Government officials served as important connections between consumers and producers and strengthened support for products and services. The project engaged with local village chiefs to invest in their own toilets to help promote messaging and trained and supported sub-national officials in the promotion of improved sanitation, monitoring of coverage, and regulation of local businesses.



Photo Credit: WaterSHED

IMPACT

Now, banners reading “You can afford a toilet for your family” can be found across shops and council offices in Cambodia. And through a partnership with International Development Enterprises-Cambodia, Lien Aid, the World Toilet Organization, and the Ministry of Rural Development, WaterSHED helped develop, produce, and market a new low-cost toilet design that allowed families to do just that. With an average household cost of \$42, these toilets, sold as one easy do-it-yourself kit, were seen as more attractive by locals and cost approximately 40 to 60 percent less than traditional models.

To help improve supply, WaterSHED trained and supported 154 local sanitation enterprises and worked with 620 sales agents. In all, more than 42,000 toilets, benefitting over 200,000 people, have been sold since January 2011. Nov Sensren, a latrine producer and salesman in Kampong Cham Province, said, “Before cooperating with WaterSHED in July 2012, I was selling around three toilets per month maximum. After learning how to increase production, sell effectively, and work with the local government, I sold 300 in the last three months. Now I focus entirely on sales and have hired 14 people to do the labor.”

Through the increased sale of WASH products, the private sector in Cambodia is growing. As businesses sell more, they are able to expand their inventory, providing additional WASH products and services for their customers. Offering an array of affordable options allows low-income consumers to start off with cheaper options and then upgrade at their own pace.

KEYWORDS

Financing **Innovation**
Governance **Marketing**
Water **WASH**
Partnerships **Sanitation**



WaterSHED is also scaling up its activities across the region, proposing to expand its sanitation marketing work in Cambodia from six to 13 provinces and also to Laos. A national “Stop the Diarrhea” social marketing campaign in Cambodia has also helped increase demand by demonstrating the importance of three key behaviors: using a latrine, washing hands with soap, and drinking treated water. Furthermore, WaterSHED’s partnership with Hydrologic Inc. and its parent company International Development Enterprises, has resulted in a new ceramic water filter factory being built in Cambodia and more than 60,000 water filters sold. Additional

activities under WaterSHED included the implementation of an output-based aid sanitation model in Vietnam and the development of an innovative hand-washing product, called the Happy Tap, which was awarded an USAID Development Innovation Ventures grant in 2012 to help with its launch, also in Vietnam. Certain WaterSHED activities are now being replicated on a large scale by other donors, such as the Bill & Melinda Gates Foundation and the World Bank. While USAID’s support for WaterSHED ended in 2012, the project has resulted in the creation of a non-governmental organization bearing the same name to carry on its work.



Photo Credit: WaterSHED

LESSONS LEARNED

WaterSHED's effort to boost the supply and demand of WASH products in a supportive, enabling environment has seen a number of innovative options emerge for consumers, while businesses across the region are flourishing. As it expands to new areas and products, WaterSHED's approach is continuing to demonstrate the power market forces can have for change. Some lessons learned include:

- ◆ A thriving sanitation market can be developed at-scale with relatively low donor investment.
- ◆ Social marketing is an important complement to developing new products for sustainable use.
- ◆ Selecting knowledgeable staff with the right attitude and skills to work on the ground in target areas is critical for successful management of the project.
- ◆ Helping established manufacturers see the benefits in investing in WASH products is often the best course of action.
- ◆ Building the capacity of local businesses helps expand the coverage of essential WASH products and services.
- ◆ Developing good quality, affordable products and tailoring them to local tastes can help boost sales and usage.
- ◆ Providing financing support can help overcome barriers to consumer demand and enable a quicker scale-up of activities.
- ◆ Incorporating public and private partnerships through the inclusion of government into project activities encourages their continuation.
- ◆ Strengthening the capability of businesses to sell WASH products helps build the overall capacity of businesses to run more efficiently.
- ◆ Involving local officials, including village chiefs, in activities helps reinforce messaging and increase adoption rates.

ADDITIONAL RESOURCES

To learn more about the WaterSHED project, contact: **USAID/RDMA** or **WaterSHED staff**

WaterSHED Website:
<http://www.watershedasia.org/>

WaterSHED Video:
<http://www.youtube.com/watch?v=QJcIPZQM5tk>

WaterSHED on Twitter:
<https://twitter.com/watershedasia>

WaterSHED on Facebook:
<https://www.facebook.com/watershedasia>