Market-based sanitation approaches in South-East Asia: Why and how
Keynote, 12 July 2016
What the sanitation issue in the region?

Source: JMP 2015
There has been definite progress…

There was a 24% increase in sanitation coverage in South-East Asia

The sanitation MDG target for South-East Asia was ALMOST met

Source: JMP 2015
But inequalities remain…

Source: JMP 2015
So **why** are we talking about the role of private sector and market-based approaches to sanitation?

- To increase local supply and availability of latrines
- To meet consumer aspirations and needs
- To ensure durability of latrines

“better quality latrines with more durable materials were associated with households remaining ODF” (Tyndale-Biscoe et al, 2013)

Common motivational drivers include comfort, privacy, convenience, safety, pride and many more (Jenkins and Pedi, 2013)
And what is the typical starting point to develop rural sanitation markets? Generally not easy!

- Limited private sector activity
- Limited expressed demand from consumers
- Public sector generally not focused on ‘supply-side’ of sanitation
- Public sector capacity low, absence of quality standards and related monitoring
However there is much that can be done, and many actors that can play roles…

Sanitation enterprise
Dien Bien
Vietnam

Sanitation entrepreneur and sanitation association leader
APPSANI, Java, Indonesia

Sanitation entrepreneur, Flores, NTT, Indonesia

Concrete block maker,
Kefamenanu,
Indonesia

Transport provider,
Kupang,
Indonesia

Hardware shops, in
Indonesia and elsewhere
So what can we do? Here are three core messages:

1. We need to take a middle path

2. To develop sanitation markets we need increased cooperation between public, private and community or non-government sectors

3. Special attention is needed to reach the poor and disadvantaged
1. We need to take a middle path

Subsidies are the answer!

Subsidies are the forbidden!
1. We need to take a middle path

Sanitation problems and solutions are technical

Sanitation problems and solutions are behavioural
1. We need to take a middle path

The public sector should be responsible to provide access

The private sector will solve our sanitation problems
1. We need to take a middle path

The public sector AND private sector both have roles

Targeted subsidies are possible and needed

Sanitation problems and solutions are BOTH technical and behavioural
2. To develop sanitation markets we need increased cooperation between public sector, private sector and community/non-government sectors
How can public sector support development of sanitation markets?

A helping hand…
- Linking demand and supply
- Supporting training
- Providing market assessment

Monitor and oversee…(sticks and carrots!)
- Accredit products
- Regulate quality
- Ensure consumer protection

Ensure equality of access and benefits
- Identify who needs support
- Provide targeted subsidies
How can Civil Society Organisations (CSOs) support cooperation across all actors?

CSO roles brokering, facilitating and influencing the links between government and enterprises.

- CSO roles in contributing to the evidence base.
- CSO roles to facilitate links between community/users/customers and ensure accountability of enterprises.
- CSO roles to support development and on-going viability of private and social enterprises.

Diagram:

- Knowledge sector
- Government
- Community/customers
- Social enterprises
- Private enterprises
- CSO roles brokering, facilitating and influencing the links between government and enterprises.
- CSO roles to support development and on-going viability of private and social enterprises.
3. Special attention is needed to reach the poor and disadvantaged

Systematic review of the literature demonstrates little evidence that private sector approaches have benefitted the poor (Gero et al., 2014)

Value-chain study in Indonesia and Vietnam shows major cost increases in remote locations – up to 250% higher costs for sanitation materials (Willetts et al., 2016)

Only some countries in South-East Asia recognise the sanitation as a human right, and gaps remain in establishing equity measures to reach disadvantaged populations (WHO/UN Water, 2014)
Many solutions are under current trials and pilots...

- ‘Smart’ subsidies
- Cheaper (yet desirable) products
- Transport subsidies
- Rotating funds
- Consumer rebates
- Flexible payment options
- Facilitation of loans

... and further evidence is needed to clarify the most effective and cost-effective approaches
Key messages for addressing sanitation through private sector and market-based approaches

1. We need to take a middle path – how is your work contributing to this path?

2. To develop sanitation markets we need increased cooperation between public, private and community or non-government sectors – are you maximising how you are playing roles to do this?

3. Special attention is needed to reach the poor and disadvantaged – how are your contributing to action and evidence on the best approaches?
THANK YOU