

Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by smunyana - 26 Mar 2012 11:37

Sanitation as a Business (SAAB) is intended to explore different methodologies for catalyzing and facilitating sanitation businesses targeting low-income markets of developing countries. Operationally, SAAB will be implemented through local Business Development Service (BDS) providers. These BDS will be the primary actors and program implementers, serving as the main point of contact and support to sanitation entrepreneurs. The main rationale for choosing to partner directly with BDS is to involve the private sector more directly in sanitation business support and ultimately create more sustainable sanitation solutions that can last without external grant support. How does this BDS approach work? BDS providers advertise for local entrepreneurs interested in working in the sanitation sector and request them to submit proposals on their intended sanitation business and areas of operation. Applications are accepted from all categories of entrepreneurs – small, medium and large scale entrepreneurs to work in the sanitation sector. At the very least, entrepreneurs must demonstrate basic business acumen and commitment to working in the sanitation sector. Once selected, entrepreneurs will receive capacity building from the BDS, who will work closely with them in the business planning and implementation process. Entrepreneurs under SAAB are real businesses and not case studies.

So far, this approach has been employed in three countries – Rwanda, Malawi and Uganda, with each country having a BDS provider responsible for working with the entrepreneurs. The entrepreneurs are currently at a point where they are working with the BDS to finalize their business plans and get working! The main businesses being focused on at the moment are pit latrine construction and pit latrine emptying. Please share your thoughts on what you think of the initiative.

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Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by dorothee.spuhler - 14 Feb 2013 15:25

Dear Sherina

Thank you for this short introduction.

Your post lies over 1 year back – can you give us more background information and an update on this initiative?

Best regards,

Dorothee

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Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by smunyana - 20 Feb 2013 08:54

Dear Dorothee,

Thanks so much for your comments. Please see below a bit more background information and an update on our activities.

Short description of the project

With funding from the Bill & Melinda Gates Foundation, Water For People is implementing Sanitation as a Business (SAAB), a market-based approach to sanitation intended to explore different methodologies for catalyzing and facilitating sanitation businesses in developing countries. It is a **4-year project ending July 2014** under

which Water For People is working through

Business Development Service (BDS) firms

. BDS are for-profit, private sector firms, who serve as the primary program implementers and are the main point of contact for sanitation entrepreneurs receiving support in business planning and expansion.

SAAB is currently being

implemented in seven different countries

: Malawi, Rwanda and Uganda in Africa; Bolivia, Peru and Ecuador in South America; and Bihar and West Bengal in India. Currently, Water For People is working with these BDS

partners

:

Uganda – Captiva Communications

Malawi – Tools for Enterprise and Education Consultants (TEECS)

Rwanda – Boundless Consultancy Group

India – BASIX

Bolivia - IMG

Goal and objectives:

The overriding goal under SAAB is developing a methodology for supporting sanitation businesses that, if successful, could provide an alternative to conventional sanitation approaches and lead to the significant expansion of sanitation services to poor people by the local private sector. The BDS firms are responsible for identifying profitable business models for sustainable sanitation service delivery that

benefit the poor (drawn on market research and through testing in different contexts in several countries). They then recruit entrepreneurs under these business models and will be responsible for providing ongoing business support to these entrepreneurs to strengthen the managerial and technical capacity of sanitation businesses.

Progress to date and main findings:

Business models:

Depending on the specific country situation, BDS providers are using different business models to implement the SAAB program. The business models that have been identified are:

- Pit latrine construction
- Pit latrine emptying using a tanker
- Pit latrine emptying using a manual emptying device referred to as a Gulper

Africa:

By January 2013, there were 24 entrepreneurs supported under the SAAB program in Africa - 8 in Malawi, 11 in Uganda and 5 in Rwanda. The entrepreneurs in Malawi (8) and Uganda (4) that are currently operational are mainly under the Gulper pit latrine emptying model, which requires much smaller start-up costs in comparison to pit latrine emptying using a tanker and pit latrine construction.

Main challenge:

For the sanitation businesses that require bank financing, acquisition of loans from the banks has been a very slow process and this has stalled commencement of operations by a number of the entrepreneurs supported under SAAB.

India:

BASIX, the BDS in India is focusing on a strategy to sell better quality toilets to customers in Sheohar. BASIX has developed a product catalogue of different toilet options and employed their own sales team to market these products to potential customers in an effort to promote quality toilet options and at the same time find opportunities for sanitation businesses. BASIX is also working with a sanitation entrepreneur to sell cement rings for leach pit toilets. Under this arrangement, they have been able to link entrepreneurs to customers that prefer this toilet option. To date, BASIX has sold 30 toilets through market approach without any government subsidy and assisted 40 households with toilet construction and they are slowly gaining credibility in the community.

South America:

South America has completed sanitation market assessments in Peru and Bolivia and is currently in the process of finalizing their strategy under SAAB and recruiting sanitation entrepreneurs to work with under the market-based model. More updates of this will be provided as the strategy develops.

Find enclosed some further readings.

Looking forward to receiving your feedback,

Kind regards

Sherina

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Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by dorothee.spuhler - 22 Feb 2013 14:42

Dear Sherina

Thank you for this detailed summary.

Would you mind to shortly introduce yourself to those of the community who don't know you and your organization yet? What is your role in this project?

I then have few more specific questions on SAAB:

- Where are the opportunities and where the limitations of supporting the private sector as the main driver in the sanitation service providers?

- Objectives/methodology: What are the main objectives of your project? What are the working steps to achieve your goal? How and who does choose the business models and what is your role in this task?

- Could you give some more details on what a BDS is exactly, its size, organisational structure etc. (e.g. they are privat and for-profit, but have up to know support from you and duties to the project – e.g. "BDS firms are responsible for identifying profitable business models for sustainable sanitation service delivery that benefit the poor ")?

- Who is bearing the financial risk when a entrepreneur launches his new business, the entrepreneur, the BDS, the banks, etc.?

- How do the different business model look like? Can you share more details for India, Africa and LA? Do you have pictures of the projects?

Many thanks,

Dorothee

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Re: Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by humcaceres - 25 Feb 2013 15:32

Dear Sherina and Dorothee:

I'm Humberto Caceres from La Paz, Bolivia. Right now I am involved in two initiatives too much closely to BDS and I would like to comment you.

The first initiative, is regardless Modeling Faecal Sludge Management (FSM) for Urban Areas in Bolivia. This task is undertaken with Water and Sanitation Program of the World Bank. With this program, we had already identified the private firms participation in FSM in Santa Cruz City since 20 years ago. There are also some experiences in other cities as: Cochabamba and El Alto. I guess, it could be an important feedback for Sherina.

The second initiative is referred to the Sustainability of Ecological Sanitation Service. The Sumaj Huasi Foundation (a Bolivian NGO) is working in periurban area in "El Alto" City since 2008. They already built 1.050 ecosan baths and support two micro-enterprises to collect, transport and treat the faecal waste and urine. At present, I'm studying the economic and financial actors and factors to become a sustainable service because, the beneficiaries are poor people and they can't pay the entire tariff. What do you think about this point? Do you know other sustainable ecosan services?

My best regards

Humberto

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Re: Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by CAGIEA - 26 Feb 2013 06:23

Dear Smuyani,

Thanks for this information. I am from Uganda and would to know if our company can join the BDS in Uganda

Deo

Technical Director

www.cagiea.com

This e-mail address is being protected from spambots. You need JavaScript enabled to view it

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Re: Catalyzing Sanitation Businesses (Water for People, Malawi, Uganda, India, South America)

Posted by smunyana - 26 Feb 2013 10:36

Hi All,

Thanks so much for your feedback and comments.

I will start by introducing myself and my role in the SAAB project. My name is Sherina Munyana and I handle the communications function for the SAAB project, particularly reporting, sharing stories, experiences and lessons learnt. Dorothee, I will handle the information requested shortly in my next post.

Deo, since you are in Uganda, I will send you a separate email and we can set up a meeting to discuss possible BDS partnerships.

Humberto, I would love to hear some more about the work you are doing in Bolivia, especially since we are working to implement SAAB in Bolivia and are currently at a stage where we are reviewing business plans and developing viable business models so it would be great to get some feedback on your experiences. You rightly mention the affordability element for the poor regarding the tariff and this is a similar situation we are facing so what we are attempting to do is work through Micro Finance Institutions that can link households with financing for sanitation services (such as Ecosan baths) and then they can repay this loan over a more flexible time period. I am very keen discuss more on how we could learn from each others' experiences and also link you up with our South America and Bolivia team so I would be happy to discuss this further on email. My email address is

This e-mail address is being protected from spambots. You need JavaScript enabled to view it

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Re: Catalyzing Sanitation Businesses (Water for People, Malawi, Uganda, India, South America)

Posted by smunyana - 26 Feb 2013 14:30

Dear Dorothee,

Please see below responses to the information requested:

- Where are the opportunities and where the limitations of supporting the private sector as the main driver in the sanitation service providers?

Supporting the private sector as the main driver in provision of sanitation services presents a number of opportunities - there are more options available for customers as different products are available to different market segments depending on what they can afford - for example in India, BASIX, the BDS provider has developed a product catalogue detailing different toilet options and providing price ranges so customers can select what is most affordable or desirable. In addition, sanitation service provision through the private sector also ensures a better level of quality for customers since elements like competition and the need to guarantee customer satisfaction will come into play with private sector involvement.

However there are limitations particularly when it comes to financing - this is twofold - private sector sanitation entrepreneurs require financing to start up or expand their sanitation businesses and the experience in Africa has shown that with bank lending rates as high as 24% per annum, bank financing has not been easy to access.

On the other side, financing is also a challenge for customers - what is required is a way for households to access affordable loans for sanitation products with flexible repayment plans - for example through Savings and Lending Associations. SAAB is trying to work through such local existing frameworks to link households to financing options but these too will require capitalization when demand levels increase.

- Objectives/methodology: What are the main objectives of your project? What are the working steps to achieve your goal? How and who does choose the business models and what is your role in this task?

The overall goal of SAAB is to develop a methodology for supporting sanitation businesses that, if successful, could provide an alternative to conventional sanitation approaches and lead to the significant expansion of sanitation services to poor people by the local private sector. The main objectives under this are:

1. Market analysis: market segmentation and research to scope the potential for on-site sanitation business models in a range of urban and peri-urban contexts.
2. Business model development: identifying profitable business models for sustainable sanitation service delivery that benefit the poor (drawn on market research and through testing in different contexts in several countries). Clear examples of successful businesses will be developed, which extend sanitation coverage to the poor. Recruitment of new sanitation entrepreneurs will be done through selected local marketing companies.

3. Business support: strengthening managerial and technical capacity of sanitation businesses for ongoing support to entrepreneurs in the development of their sanitation businesses through recruited local marketing companies.

4. Building an evidence base: Documenting where businesses make a clear case to customers, sharing of lessons learned, strengthening existing monitoring and evaluation systems, developing private sector management systems, and partnerships with local governments, regulators, local investors, development organizations and to address sanitation needs in poor areas.

To achieve this, we are working through local Business Development Service firms that are the primary implementer of this market-based approach. The BDS conducts market assessments to establish the viability of sanitation businesses and it is on the basis of these that they develop the business models.

Water For People play more of a facilitative role in this process with the emphasis more on the BDS and private sanitation entrepreneur(s) to do the actual provision of sanitation products and services (with the BDS providing business support to the entrepreneurs).

- Could you give some more details on what a BDS is exactly, its size, organisational structure etc. (e.g. they are private and for-profit, but have up to know support from you and duties to the project – e.g. “BDS firms are responsible for identifying profitable business models for sustainable sanitation service delivery that benefit the poor”)?

A BDS is intended to be the private sector face of SAAB. Water For People is implementing SAAB through the BDS and therefore Water For People's role is merely to facilitate the BDS to conduct market assessments, identify viable sanitation business models, recruit and support sanitation entrepreneurs to implement these business models. Therefore, the BDS will be the primary implementers and aside from its facilitation role, Water For People will also play an active role in monitoring and sharing experiences and lessons learnt among the different BDS in the different countries. The following document can provide some more insight into what to look out for when selecting a BDS:

tap.waterforpeople.org/usercontent/1/3/3...tion%2BGuideline.pdf

- Who is bearing the financial risk when an entrepreneur launches his new business, the entrepreneur, the BDS, the banks, etc.?

The entrepreneur bears the financial risk when he launches his business. Having received business support from the BDS including drawing up a business plan, the entrepreneur will find financing either through the bank or their own capital to start the sanitation business, basing on the projected profitability, just as they would for any other potentially profitable business.

- How do the different business models look like? Can you share more details for India, Africa and LA? Do you have pictures of the projects?

The main business models are around toilet / latrine construction and pit emptying. A detailed report on the progress of each is currently being finalized (containing pictures of the projects and I will be share this soon.

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Captiva Africa-Water for People Launch Gulper Technology

Posted by captiva - 21 Mar 2013 19:56

(Note from the moderator: this message was moved from the topic ' [Pit emptying \(Gulper and others\)](#) '

Press Release

Captiva Africa Unveils the Gulper

Kampala, 18th March 2013: In a first for the Uganda sanitation market, Captiva Africa Ltd, a business advisory firm has announced the unveiling of an innovative pit latrine emptying technology dubbed The Gulper". This is set to benefit thousands of households in informal settlements that have hitherto not been able to access these sanitation services.

Speaking during the launch, Senior Business Development Advisor Saidi Bukenya explained that The Gulper can be carried by hand and has proven to be effective in getting waste out of latrines. He noted that the device caters for households that may not afford bulk emptying and enables them to only empty the waste that they can pay for at a given time.

"The Gulper has already made a significant impact in the areas where it has been used. So far latrines for 42 households have been emptied using the new technology in such areas as Kawempe, Kyebando and Bweyogerere. Four businesses in sanitation in Kampala have deployed the equipment." Said Mr Bukenya.

The Gulper is not only of value to households that cannot be accessed by the Cesspool trucks but will create jobs and opportunities for entrepreneurs in the untapped sanitation sector which has high growth potential.

Captiva Africa Ltd has since 2011 partnered with a leading international development agency to implement the Sanitation Solutions program which seeks to make the private sector the driver for improving access to sanitation in Uganda. Under the Sanitation Solutions program, Captiva Africa has provided a range of business development support services which include access to innovative technologies for entrepreneurs in the sanitation sector.

This comes from the realisation that there is untapped market potential in the sanitation sector which has not yet been exploited by the private sector.

A recent market study by Captiva Africa Ltd indicated that the sanitation sector can generate up to Uganda shillings 130 billion annually in revenues from latrine construction, emptying and waste reuse. The study revealed that in Kampala alone, the market potential for emptying pit latrines is in the range of UGX 31.2 billion annually.

“We have collaborated with our client on the Sanitation Solutions program to bring this new technology to the market and are excited at the prospect of supporting local businesses exploit the market opportunities that will arise from the use of The Gulper” said Joan Asiimwe a Business Development Advisor at Captiva Africa.

Mr Bukenya explained that thousands of latrines within Kampala fill up and need to be emptied on a daily basis. In the past, those who could not afford to pay for the emptying services simply dug a new pit after the old one filled up. This is not sustainable in the densely populated areas.

“The Government and the local authorities should consider more bold incentives for businesses to invest in the nascent sanitation sector in order to reduce reliance on the public sector and development agencies”. Bukenya concluded.

Ends.../

For more information, please contact;

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This e-mail address is being protected from spambots. You need JavaScript enabled to view it

www.captivafrica.com

www.sanitationsolutions.ug

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Re: Catalyzing Sanitation Businesses (Water for People, Malawi, Uganda, India, South America)

Posted by smunyana - 22 Mar 2013 13:32

This week the SAAB BDS partner in Uganda, Captiva Communications held a press conference on 18th

March 2013 officially launching the Gulper in Uganda. The objective of the press conference was to increase awareness on the business opportunities in the sanitation sector including the Gulper, a technology that will help to provide a solution to emptying latrines particularly in slum areas that cannot be accessed by a tanker. Aside from increasing awareness of the business opportunity for potential entrepreneurs and the business support that they can receive from the BDS partner, it also provided awareness about the technology for so many households in slum areas in Uganda that need this service and have previously not been aware of its existence. It is therefore a chance for these households to get a more affordable latrine emptying service through the market, which will greatly contribute to improved sanitation services for them.

This link below shows one of the excerpts shown on one of the local TV stations following the conference and this kind of media buzz is expected to facilitate increased interest in the sanitation businesses, as well as increased opportunities for households to get links to these affordable services through SAAB.

Video:

www.monitor.co.ug/News/National/Affordab.../2to2x1/-/index.html

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Re: Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by smunyana - 25 Mar 2013 08:12

"Public sanitation is the new goldmine" - An article about Vision 10, one of the Gulper entrepreneurs in Uganda. The sanitation pit-emptying business is starting to gain ground in Kampala, as illustrated by this entrepreneur's experience

www.newvision.co.ug/news/640975-public-s...he-new-goldmine.html

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Re: Catalyzing Sanitation Businesses (Water for People, USA, Malawi, Uganda, India)

Posted by smunyana - 09 Apr 2013 13:30

TV footage - excerpt from press conference launching the gulper in Uganda

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