FACTSHEET

Sanitation Marketing Scale-Up Phase 3 (SMSU3)

Sanitation Market Scale-Up (SMSU) was the first sanitation marketing program to reach scale in the developing world. The program has maintained its impact, and since 2009 has facilitated the sale of over 325,000 affordable latrines to those who had no sanitation before. Other actors, taking advantage of the new marketplace, have also stepped in to sell sanitation, contributing to an increase in latrine coverage from 29% to over 67% in program areas. Now in its third phase, SMSU is focusing on achieving open defecation free status (>85% latrine coverage) for over 1,800 villages by targeting the most vulnerable, marginalized populations who are still without a toilet.

The Basics

SMSU works by building markets for sanitation. By focusing on the private sector and resolving barriers and constraints, businesses can serve customers with sanitation products at the last mile. The program began by talking with those customers and business owners to determine their interests and ambitions for sanitation. With these insights, SMSU designs new products that address customer and business needs while remaining aspirational, affordable, and market viable. The program trains local, small businesses to manufacture, deliver, and install these products, while developing an efficient and reliable supply chain and business plan. Finally, SMSU recruits, trains, and manages sales agents to generate sanitation demand by conducting door-to-door sales presentations, focusing their messaging around the households’ unique problems and financial situations.
Testing and Scaling-up

The World Bank’s Water and Sanitation Program (WSP) and USAID funded a pilot project (2009-2011) to explore rural sanitation marketing in Cambodia. To begin the project, iDE collaborated with non-governmental organizations (NGOs) and government partners, applying a Human-Centered Design approach to redesign the typical household latrine. This resulted in the Easy Latrine, an affordable, accessible, and aspirational latrine design that made use of commonly available materials and local construction capabilities. The pilot program also identified local concrete fabricators as the most likely businesses to become Latrine Business Owners (LBOs). By 2011, working through these local LBOs, iDE had facilitated the sale of more than 10,000 latrines and proved that the rural poor would purchase a latrine that was available, desirable, and affordable.

Based on the proof of concept being successful, iDE obtained funding from the Bill & Melinda Gates Foundation, the Stone Family Foundation, and WSP to begin scaling-up the pilot through the Sanitation Marketing Scale-Up (SMSU) program. This program expanded the operating area of the pilot, recruiting, and training LBOs across seven provinces in Cambodia: Svay Rieng, Kandal, Prey Veng, Kampong Thom, Siem Reap, Oddar Meanchey, and Banteay Meanchey.

As part of the business model, sanitation sales agents connected to the LBOs received training from iDE’s partner, Whitten & Roy Partnership, that taught them to focus their pitch on the customer’s problems related to their lack of sanitation: privacy, health, and feces in the environment. In the first three years of SMSU, over 300 LBOs received support from iDE and sold more than 140,000 latrines.

With funding from Australian Aid, the Stone Family Foundation, and the Tripadvisor Foundation, SMSU2 continued to scale the program by expanding product offerings and deepening its focus on correcting market failures. During SMSU2, the project team learned that while households may purchase the latrine, they will not start using it until installing a shelter, which tends to cost roughly six times the cost of the latrine itself. To accelerate the time between purchasing and using a latrine, SMSU began to design lower-cost, latrine shelter products.

Another key component of SMSU2 was the implementation of an cloud-based management information system (MIS). The initial purpose for the MIS was to capture key business metrics from LBOs, including latrine sales and delivery data, in order to better streamline operations and the supply chain. By the end of SMSU2 in 2018, an additional 146,000 latrines had been sold and the program had added three latrine shelter models to its product offerings, and latrine coverage in project areas had increased to 67%.
Today (SMSU3)

The challenge for the most recent iteration of SMSU is how to address the last segment of the market without latrines, while simultaneously serving those who already have latrines with products that enable more sustainable sanitation management. The population remaining without a latrine includes some of the most marginalized, hard-to-reach, and vulnerable members of the community (i.e., disabled, very poor, women). Creative methods of financing, targeted subsidies, and other types of product and market development work will be necessary to reach this last market segment.

As most households in the program provinces have by now purchased a latrine, the next step is to support these households to prioritize and invest in upgrade products and services that allow for safe containment, emptying, and disposal of the waste that accumulates in their pits. To meet this aim, SMSU3 is scaling sales and distribution of an alternating dual pit product, which includes chemical treatment of the old, full pit.

Another issue to be addressed includes the need for a new latrine design to meet challenging environments, such as areas with a high water table or flood-prone areas. SMSU3 is also continuing its focus on developing an aspirational, low cost latrine shelter. By addressing these issues, and working with local community actors to address remaining barriers to sanitation, iDE is supporting communities to confidently reach and claim open defecation free (ODF) status with the Cambodia government.

Thus, SMSU3 set its goals ambitiously:

- Facilitate the sale of 100,000 latrines, 40,000 alternating dual pit upgrades, and 7,500 latrine shelters
- Increase sanitation coverage in project areas from 67% (as of 2018) to 85% (by 2023)
- Identify and assist 1,800 villages in applying for ODF status

Funding for SMSU3 is being provided by a diverse group of stakeholders, including the world’s first Development Impact Bond in WASH.
In late 2019, USAID and the Stone Family Foundation partnered with iDE to create the Cambodia Rural Sanitation DIB, a social impact bond where the Stone Family Foundation acts as the investor, providing up to $9,999,999 of funding at risk to be repaid by USAID based on iDE’s ability to deliver pre-agreed outcomes—in this case, evidence of 1,600 villages claiming ODF status.

Initial funding of USD$6 million (starting in June 2018) came from the Australian Department of Foreign Affairs and Trade’s Water for Women fund. Additionally, UNICEF provided USD$235,000 to support SMSU3 to deploy targeted subsidies for the poorest households to purchase latrines in Svay Rieng Province.

iDE Global WASH Initiative

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