



Supportive Environments for Healthy Communities

Issue 52 April 20, 2012 | Focus on Small-Scale WASH Service Providers

This issue of the Weekly contains resources on small-scale providers of WASH services. It is only in recent years that partnerships with small operators have begun to receive serious attention from researchers, planners and policymakers. Several of the reports below conclude that small-scale providers can deliver dynamic and responsive services to communities. One UNDP report, however, argues that small-scale providers in Kenya are predators who charge high prices and supply poor quality water. The resources below include overviews, country studies from Benin, Cambodia, Kenya, Nigeria, Philippines and Tanzania, and videos.

Please let WASHplus know at any time if you have resources to share for future issues of WASHplus Weekly or if you have suggestions for future topics. An [archive](#) of past Weekly issues is available on the WASHplus website.

GENERAL/OVERVIEW SOURCES

- **Financing the Informal Entrepreneur: Recognizing Business Opportunities in Sanitation**, 2011. Sustainable Sanitation Alliance (SuSanA). ([Full-text](#))
 This paper provides information about risks and opportunities of financing informal entrepreneurs in the sanitation sector, based on experiences from a workshop organized in Nairobi in February 2010.
- **Lessons Learned: Small-Scale Service Providers Have a Contribution to Make**, 2012. Public-Private Infrastructure Advisory Facility (PPIAF). ([Full-text](#))
 The line between small-scale private service providers (SPSPs) and formally recognized services is gradually blurring. It is difficult to get the regulatory balance right. Outright illegal status for all but "official" services creates perversities and allows governments to divert attention from public service failures by branding alternatives as criminal. SPSPs can provide a dynamic and responsive service to communities who lack access to networked utility services.
- **On the Diffusion of Toilets as Bottom of the Pyramid Innovation: Lessons from Sanitation Entrepreneurs**, *Technological Forecasting & Social Change*, Jun

2011. S Ramania, United Nations University-MERIT. ([Full-text](#))

There is an emerging body of literature on product innovations for the poor at the bottom of the income pyramid. However, there is little on why delivery systems succeed or fail in this context and the present paper attempts to fill this void by examining why and how sanitation entrepreneurs are succeeding in India to diffuse toilets — an innovation for rural households that never had access to one before.

- **Packaged Water: Optimizing Local Processes for Sustainable Water Delivery in Developing Nations**, *Globalization and Health*, 7:24 2011. A Dada. ([Full-text](#))

As studies have shown that the standard industrialized world model for delivery of safe drinking water technology may not be affordable in much of the developing world, packaged water is suggested as a low cost, readily available alternative water provision that could help bridge the gap. Despite the established roles that this drinking water source plays in developing nations, its importance is however significantly underestimated, and the source considered unimproved going by "international standards." Rather than simply disqualifying water from this source, focus should be on identifying means of improvement.

- **Sanitation as a Business**, 2011. Sustainable Sanitation Alliance (SuSanA). ([Full-text](#))

This fact sheet discusses the role of different players in the sanitation sector, such as private businesses, governmental institutions and the non-profit sector, with a focus on developing countries. Several project examples illustrate activities that can create revenues for investors and local entrepreneurs but also highlight some of the challenges in delivering sustainable sanitation services for the poor.

- **Sanitation Markets at the Bottom of the Pyramid: A Win-Win Scenario for Government, the Private Sector, and Communities**, 2011. Water and Sanitation Program. ([Full-text](#))

Results from the Creating Sanitation Markets initiative show enormous potential for the domestic private sector to contribute to improved sanitation services for the poor. Peruvian economic growth rates highlight opportunities to identify new actors, particularly those interested in improving people's living conditions. Today, more than in the past, private sector enterprises understand that they need to satisfy consumers to survive.

- **Water Services and the Private Sector in Developing Countries: Comparative Perceptions and Discussion Dynamics**, 2012. Public-Private Infrastructure Advisory Facility (PPIAF). ([Full-text](#))

PPIAF's review of the water and sanitation sector was motivated by the difficulty of funding investments that show little profit, when compared to telecommunications or electricity for instance, and by the highly sensitive political question of access to this particularly essential good (water rights; conflicts related to water management). Cultural notions, such as water is a "gift from heaven," etc., further complicate this

field.

COUNTRY REPORTS

- **Business Models for Delegated Management of Local Water Services: Experience from Naivasha (Kenya)**, 2011. Water and Sanitation for the Urban Poor (WSUP). ([Full-text](#))

This brief describes a business model for delegated management of local water services, recently developed with WSUP support in the Kenyan Rift Valley town of Naivasha. This business model is designed to ensure affordable but high-quality services for consumers, profitability for the operators, and sufficient revenues for sustainable asset maintenance.
- **External Factors Influencing the Sustainability of Micro and Small Piped Water Enterprises in Kenya's Peri-Urban Areas**, 2011. E Mukulu, Jomo Kenyatta University Of Agriculture And Technology. ([Full-text](#))

This article examines the influence of external factors on the sustainability of micro and small piped water enterprises (MSPWEs) in peri-urban areas of Kenya. It is based on a study that examined MSPWEs in peri-urban areas of Kenyan cities – Nairobi, Mombasa and Kisumu. Sociopolitical support, regulation, forms of business organization and business development interventions were postulated and studied as factors that could render the industry conditions in which the MSPWEs operate to be favourable or unfavourable and hence influence the sustainability of the MSPWEs.
- **Experiences from Rural Benin: Sanitation Marketing At Scale**, 2011. Water and Sanitation Program. ([Full-text](#))

This field note presents the Benin story and its development of a successful national sanitation marketing program adapted to the rural African context. It provides valuable learning, lessons and innovations for other African countries seeking to develop rural sanitation marketing programs that stimulate household demand at scale and harness the potential and capacity of the local informal private sector market to supply products that respond to consumer needs.
- **Financing Small Piped Water Systems in Rural and Peri-Urban Kenya**, 2011. Water and Sanitation Program. ([Full-text](#))

Community run small-scale water systems play a critical role in supplying consumers in the peri-urban and rural areas of Kenya. The importance of these providers has been recognized in recent reforms of the sector, which provide for a legal and regulatory framework for community based organizations to engage in water service provision outside major towns and cities.
- **Opportunities and Challenges for Small Scale Private Service Providers in Electricity and Water Supply: Evidence from Bangladesh, Cambodia, Kenya, and the Philippines**. World Bank; Public-Private Infrastructure Advisory Facility

(PPIAF). ([Full-text](#))

This study provides an in-depth look at Small Scale Private Service Providers (SPSPs) of electricity and water and is based on a recent firm-level survey conducted in Bangladesh, Cambodia, Kenya, and the Philippines. On the whole, SPSPs play an important role in service provision in areas that utilities do not reach in the countries studied, and a significant proportion of these services reach the poor.

- **Services and Supply Chains: The Role of the Domestic Private Sector in Water Service Delivery in Tanzania**, 2011. UNDP. ([Full-text](#))

The document, which presents the findings from a review of the service activities of informal private water vendors operating in Dar es Salaam, first provides an overview of the current water supply situation in Tanzania's capital, before reviewing the different types of small-scale water vendors that are operating there, and their business models. The authors then turn to the buyers, the water users who generally are low-income households, to analyse the effects on the demand side of the market of informal water provision services.

- **Small-Scale Water Providers in Kenya: Pioneers or Predators?** 2011. UNDP. ([Full-text](#))

Small-scale private water providers have entered the market to fill the gap left in public service provision. This study examines what role they play in ensuring affordable, safe and reliable water supply. It finds that small-scale providers increase water supply coverage and reduce time poverty. As predicted by the "poverty penalty" concept, however, low-income households pay high prices for water of questionable quality.

- **Water Vending in Nigeria - A Case Study of Festac Town, Lagos, Nigeria**, *Mediterranean Journal of Social Sciences*, Jan 2012. **A. E Olajuyigbe**, *Federal University of Technology*. ([Full-text](#))

This paper examined the role of water vending in household water supply delivery in this community. It identified the sources of water supply by the vendors, assessed their level of patronage among households and identified the problems associated with their operations. The result showed that there are two main categories of water vending namely; formal and informal vendors. All formal vendors obtain their supplies from improved sources while most informal vendors obtain theirs from unimproved sources.

- **When Is It Appropriate to Expect Business Plans? The Conundrum of the Missing Middle**, March 28, 2012. David Schaub-Jones, BPD. ([Blog post](#))

"I just came back from Dar es Salaam, Tanzania, where an interesting experiment is going on around sanitation entrepreneurs. WaterAid is working both in Dar and in three rural districts of Tanzania to support small providers of sanitation goods and services. I say experiment partly because WaterAid are being open-minded about testing different models and approaches."

VIDEOS

- **Kibera, Kenya: Understanding Small Scale Service Providers**, World Bank. ([Video](#)) 10 min
This film follows Patrick Mburu, a small-scale provider of sanitation services in Africa's largest informal settlement.
- **WaterSHED's Hands-off Approach to Sanitation Marketing in Cambodia.** ([Video](#)) 11 min
The Hands-Off approach to sanitation marketing is building a sustainable market for toilets in Cambodia. This project, led by Cambodians, trains young entrepreneurs in sales, marketing and business management.
- **Informal Sanitation Entrepreneurs in Nairobi**, WASTE. ([Video](#)) 10 min
This video highlights the difficult working conditions of sanitation entrepreneurs in peri-urban areas and demonstrates the importance of professionalizing the work and financing this critical business sector.

Each WASHplus Weekly highlights topics such as Urban WASH, Indoor Air Pollution, Innovation, Household Water Treatment and Storage, Hand Washing, Integration, and more. If you would like to feature your organization's materials in upcoming issues, please send them to Dan Campbell, WASHplus knowledge resources specialist, at dacampbell@fhi360.org.



About WASHplus - WASHplus, a five-year project funded through USAID's Bureau for Global Health, creates supportive environments for healthy households and communities by delivering high-impact interventions in water, sanitation, hygiene (WASH) and indoor air pollution (IAP). WASHplus uses proven, at-scale interventions to reduce diarrheal diseases and acute respiratory infections, the two top killers of children under five years of age globally. For information, visit www.washplus.org or email: contact@washplus.org.

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