

# **Supporting non-state providers (NSPs) in sanitation service delivery**

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## **List of acronyms**

CBO	Community Based Organization
CSO	Civil Society Organization
MoU	Memorandum of Understanding
NGO	Non-Governmental Organization
PHAST	Participatory Hygiene and Sanitation Transformation
PPP	Public-Private-Partnership
SSHE	School Sanitation and Hygiene Education
TSC	Total Sanitation Campaign

# 1. Introduction

## 1.1 Background to the study

In 2004, the then Service Delivery team of DFID Policy Division commissioned six country reports to study ways in which government and donor intervention with non-state providers (NSPs) can enhance the delivery of basic water and sanitation, education and health care services. The case studies on which these reports were based offered insight into the scale of NSP activity in each country<sup>1</sup> and some constraints facing effective partnerships between state and non-state actors, as well as opportunities for improved engagement with NSPs to achieve pro-poor service delivery.

This paper on Non-State Providers of sanitation services in developing countries is one of a series of papers that includes water, education and health services, which have been commissioned by DFID Policy Division in London. Each paper considers the following key issues:

- the scale, importance and comparative advantage of non state provider (NSP) activity in each of the sectors;
- the limits and potential for expanding state purchase of services through contracting of NSPs;
- the limits and potential for donors to directly support NSPs to deliver services to under-served groups; and
- the limits and potential for creating an enabling environment that facilitates NSPs to deliver services to the poor.

These topics are considered under the main section headings of this paper along with specific questions that were posed for the study and are addressed in each section.

This paper builds on a multi-sectoral DFID-funded study on Non-State Providers of basic services conducted in 2004 by IDD (Birmingham University), WEDC (Loughborough University), CIE (Sussex University) and LSH&TM, covering three African and three South Asian country studies.

Sectoral findings for sanitation services have been further explored, in an attempt to understand more fully how and why forms of engagement have occurred and proved successful.

## 1.2 The sanitation context

**Definition of sanitation:** For the purposes of this study, sanitation is taken as the effective and safe management and disposal of *human excreta*. Associated aspects of wastewater treatment, drainage services and solid waste management are not included, although these are acknowledged as vital components of broader environmental sanitation.

The vast majority of sanitation facilities – both in rural and peri-urban areas – are on-site solutions provided by households or local communities, supported by small scale entrepreneurs (non-state providers, NSPs) in aspects of construction (such as digging pits, making latrine slabs), operation and maintenance (emptying pits, managing and cleaning public latrines, etc.). Such non-state providers typically operate independently to the state – offering basic sanitation services where the state's limited capacity has hindered public provision. It should be noted that the provision of comprehensive sewerage systems and wastewater treatment is more expensive per capita than piped water supplies. It is for this reason that on-site sanitation is often the preferred solution.

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<sup>1</sup> Bangladesh, Malawi, Nigeria, Pakistan and South Africa reports were based on field studies, the India report on a desk-study

Public benefits are dominant in the case of sanitation. The negative external effects on other people of the unpiped and untreated disposal of waste and excreta are high in terms of public health, hygiene and quality of life (Budds and McGranahan, 2003). It is often necessary to promote these public and private sanitation benefits (e.g. through sanitation marketing, the Total Sanitation approach or PHAST) in order to persuade people to invest in on-site sanitation. In urban settings some form of regulation and perhaps subsidies are likely to be necessary to achieve an adequate level of provision.

With recent moves towards decentralisation, many local governments are taking a greater role in sanitation service delivery – either as a direct provider, or by supporting alternative service providers (increasingly NSPs) to fill the capacity gap. Clear strategies are needed to help local governments and other key stakeholders understand ways to effectively engage with NSPs, so they can provide relevant support to improve delivery of sustainable sanitation services.

In a growing number of cases, innovative engagement between the state and NSPs has enabled sanitation services to be significantly enhanced and sanitary conditions to improve. The key is identifying the appropriate role for government in partnership with these NSPs, who have been filling the service-delivery gap for years.

## **2. Who are the sanitation NSPs?**

Three broad types of non-state providers of water and sanitation services to underserved groups can be identified reflecting the type of services provided:

- informal private providers;
- civil society organizations (NGOs, CBOs, faith-based groups, etc.), supporting community-based management; and
- Public Private Partnership (PPP) operators.

Standalone household-level sanitation services have been provided with the support of *informal private providers* over many generations. The role of *civil society organizations* (CSOs) in supporting larger-scale, or public, sanitation facilities: such as in the management of communal latrine blocks, or in the promotion of hygiene-behaviours during the motivational phase of the Total Sanitation approach, are a more recent phenomenon. More formal *PPPs* tend to operate where sanitation services (typically sewered) are coupled with water supply services, such as in concession contracts for the management of urban water and sewerage.

### **2.1 Types, role and importance of sanitation NSPs**

The most common forms of sanitation services in which non-state providers are engaged are summarized in the following table. It identifies types of providers and the services they undertake for different sanitation systems in the rural or urban context.

**Table 1. Common types of providers and services, for a range of sanitation systems**

Sanitation system	Rural services	Urban services
<b>On-site sanitation</b> (private facilities)	CSOs: promote hygiene awareness and behaviours that initiate local solutions to sanitation improvements, as in the Total Sanitation approach (case study 2).	CSOs: stimulate demand for improved sanitation using marketing techniques, in collaboration with the media and marketing agencies and in association with builders (case study 1)
<ul style="list-style-type: none"> <li>Pit latrines</li> </ul>	Small scale, <b>informal private providers</b> : usually work individually to dig pits, construct latrine structures and supply component parts through sanitary marts.	Small scale, <b>informal private providers</b> : often work in groups to dig and empty pits, construct latrine structures and supply component parts through local sanitary marts.
<ul style="list-style-type: none"> <li>Pour-flush latrines with septic tank / soak-away</li> </ul>	Small scale, <b>informal private providers</b> : usually work in small groups to build the infrastructure and desludge septic tanks, often with disposal directly into the local environment	Small scale, <b>informal private providers</b> : usually work in groups to desludge septic tanks, often with disposal to drains, sewers, wastewater treatment sites or the local environment
<b>Public facilities</b>		
<ul style="list-style-type: none"> <li>Communal toilet blocks: <i>often provided where space and/or financial constraints make household provision impractical</i></li> </ul>	<b>Independent (private) providers</b> managing operation and maintenance of toilet blocks. Not very common.	<b>Private providers or CSOs</b> , often contracted-in by the local authority, managing operation and maintenance of public toilet blocks
<ul style="list-style-type: none"> <li>School and other institutional latrine blocks</li> </ul>	<b>Community-based CSOs</b> managing operation and maintenance of the facilities	<b>Private providers</b> , often contracted-in by the local authority, managing operation and maintenance of the facilities
<b>Off-site sanitation</b>		
<ul style="list-style-type: none"> <li>Conventional sewerage</li> </ul>	<i>Not applicable</i>	Concession contracts to <b>larger-scale private providers (through PPPs)</b> , usually for the provision of combined water and sewerage services
<ul style="list-style-type: none"> <li>Non-conventional (e.g. simplified or small-bore) sewerage</li> </ul>	<i>Not applicable</i>	<b>Community-based CSOs</b> responsible for operation, maintenance and repair of community-level components (e.g. house connections and small collector sewers)

### 2.1.1 Informal private providers

The provision and management of sanitation services involves a wide range of service types, as indicated in Table 1: from simple on-site latrines to extensive wastewater collection systems (possibly combined with treatment and disposal). Private providers are typically involved in aspects of the construction, maintenance and upkeep across a range of these levels of service; digging the pit of an on-site latrine, building a latrine superstructure, constructing a water closet and septic tank, operating a public latrine block.

In rural areas, the vast majority of households independently finance and manage their own sanitation facilities. A household may employ the services of a mason to help dig the pit, construct the latrine, or provide component parts (such as a pour-flush pan). Where land is not restricted, once pits are full households typically construct a new latrine, or return to traditional

practices, rather than arrange for pits to be emptied. In urban areas, where land is restricted, there are increased opportunities for the involvement of private providers to support ongoing maintenance services such as pit emptying and desludging septic tanks, as well as latrine construction.

Box 1 illustrates the extent to which NSPs support household-level sanitation provision in rural Bangladesh and a number of African cities.

### **Box 1. Extent of non-state support to household-level sanitation provision**

**Rural:** Private sector involvement in supporting sanitation provision to villages throughout Bangladesh has increased dramatically in recent years. A network of over 6,000 rural enterprises – privately-run sanitary marts – provide essential goods and services that enable families to construct their own household latrines. It is estimated that these marts account for over 65% of the sanitation market (SDC, 2004 and WSP, 2000).

**Urban:** A study of 10 African cities found that up to 90% of households, and almost all poor households, build their own sanitation facilities (latrine, septic tank, etc.), or hire others to build facilities for them (Collingnon and Vézina, 2000).

### **2.1.2 Civil society organizations<sup>2</sup>**

Civil society organizations (CSOs) are often mobilized to participate in larger-scale sanitation projects, in collaboration with external agencies. Such groups have, for example, been involved in installing and maintaining community-level components of simplified sewerage networks (such as the Orangi Pilot Project in Pakistan) and public latrines (as in the provision and management of community toilet blocks in Mumbai, India – see Section 4.1).

In the case of school sanitation facilities, community based groups (parent associations, teacher and pupil groups, etc.) are more commonly involved, albeit to a limited extent, in maintaining overall cleanliness and hygienic conditions, as well as carrying out minor repairs. This is typically supported by extensive hygiene education and awareness-raising programmes, such as the School Sanitation and Hygiene Education (SSHE) programme led by the IRC International Water and Sanitation Centre in the Netherlands.<sup>3</sup>

CSOs have contributed significantly to hygiene promotion programmes in rural communities, as demonstrated in the Community Health Clubs operating in Zimbabwe and Burkina Faso (WSP-Africa, 2002a). Such CSOs can link changes in hygiene practice with the provision of latrine components by independent providers, as well as promoting and selling soap and other cleaning materials at sanitary marts. More recently, CSOs are also playing a key role in promoting hygiene awareness and behaviour change at scale in both rural and urban settings, leading to a significant increase in demand for improved on-site sanitation (see case studies 1 and 2).

### **2.1.3 Public Private Partnerships (PPPs)**

Public Private Partnerships (PPPs) are more typically associated with the provision of combined water and sewerage services in urban areas, through formalized mechanisms such as concession contracts. The formal nature of the partnership typically requires a commitment to

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<sup>2</sup> The definition of a civil society organization is broad and includes groups such as community-based organizations (CBOs), NGOs and faith-based groups

<sup>3</sup> For further details of SSHE initiatives, see <http://www.irc.nl/page/114> (accessed Jan 2006)

manage larger-scale water services associated with networked sanitation systems, limiting its application in the provision of sanitation-only services.

The water sector NSP paper that has been commissioned along with this study, provides an overview of the different types of PPP contracts and their relative comparative advantages.

## **2.2 Comparative advantages of NSPs**

Improving sanitation services to the poor does not typically register as a priority for formal (public) service investment. Poor performance of public providers results from such constraints as limited resources (funds, staff, or equipment) affecting the capacity to deliver, government bureaucracy limiting the autonomy for public providers to adapt to local conditions, an absence of competition reducing incentives for providers to ensure cost effective services and user satisfaction, or an unwillingness to invest in costly services when demand for sanitation is low and cost recovery not guaranteed (Blokland et al, 2002). The absence of strong legal and regulatory frameworks that establish clear roles and responsibilities in service provision often hinders sanitation services being provided, or extended, to informal settlements and rural communities. Government sanitation responsibilities are often distributed amongst a number of ministries or departments, resulting in confusion and a lack of action. This is a contributory factor to the current poor performance against MDG sanitation targets.

Where public agencies fail to provide, people have to find their own solutions for managing excreta. Non-state providers (NSPs) are the primary group ensuring that some level of sanitation service, however limited, is offered. Each provider offers a comparative advantage within its particular market niche, although this is not always a simple case of providing value for money – as without the support of essential services by NSPs, the vast majority of poor households will ultimately be left to provide for themselves.

### **2.2.1 Responsiveness of service**

For many years latent demand for sanitation has suppressed the operational space for competitive service provision, restricting opportunities for households to select services on a value-for-money basis. Independent, unregulated service providers operating in an uncompetitive market have little incentive to reduce costs, leaving households no choice but to pay what the provider charges. Recent commitments to meeting national and global targets for sanitation is raising the profile of sanitation and putting pressure on governments to address the sanitation backlog. This in turn has generated new approaches to stimulating the demand for sanitation services, for which a responsiveness in supply is essential.

The advantage to the user is then the private sector's ability to adapt, matching demand with supply and maintaining a level of responsiveness and flexibility that provides a range of services to suit financial and other household constraints. This is particularly demonstrated both in sanitation marketing approaches and the Community Led Total Sanitation (CLTS) approach, as discussed in the following Case Studies.

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**Case study 1: The sanitation marketing approach**

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Achieving a balance between supply and demand is key to the sanitation marketing approach. Where sanitation marketing raises public awareness, increases demand and informs decision-making, the supply mechanisms must respond effectively to provide the public with access to the information, advice, materials and skills that enable people to act on their decision. A marketing approach is a means of closing some of these delivery gaps, that typically confront the poor when trying to access sanitation.

Where government has inadequate capacity to deliver, informal providers are increasingly seeing the business opportunity from sanitation. Adapting standard marketing techniques to stimulate demand, they are 'selling' latrines as a desirable product (rather than on promoting their health benefits, as traditionally used), offering a range of affordable options that match the spending capacity of the poor, while generating sufficient profit to stay in business.

A successful pilot in the high-density, informal settlements of Dar es Salaam, Tanzania has identified the potential for going to scale with the marketing approach. Trained masons work in partnership with marketing agencies, NGOs, local government agencies and financial institutions, in a customer-centred approach to creating demand and providing latrines. Outcomes of the pilot have been encouraging and the approach is being considered for replication to a further 31 similar urban settlements in Dar es Salaam (WELL, 2005).

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**Case study 2: The Community Led Total Sanitation (CLTS) approach**

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Stimulating and responding to demand for sanitation improvements has been achieved at an impressive scale throughout rural Bangladesh and India, by focussing on mobilizing whole communities to address the problem of open defecation. The Community Led Total Sanitation (CLTS) approach uses motivational tools to raise awareness of the problems caused by open defecation within the local environment and the resulting impacts on public health. It then mobilizes the whole community to find their own solutions to overcome the problem.

The approach works through partnerships between small scale entrepreneurs and community groups, with support from NGOs and government, who primarily support awareness-raising activities and training of service providers in place of direct subsidies to households. As the community responds to the problem, the demand for sanitation improvements grows. The active private sector in Bangladesh has sufficient flexibility and independence to allow a responsiveness to the rapidly growing and varied demands for services as yet unmatched by the public sector. The services offered are supported by provision of a range of latrine components (such as latrine slabs and pour-flush pans), which maximizes the use of local materials and sells them through local outlets – rural sanitation marts and small shops run by independent providers.

CLTS began in Bangladesh during the late 1990's. By 2004 around 6,000 small rural enterprises were reported to be producing about 1.2 million latrines each year (SDC, 2004). Only a partnership between the private and public sector has the capacity to delivery at this scale.

### **2.2.2 Value-driven provision**

The relationship that develops between provider and client can be a significant component in the perception of service quality to both players. NGOs, faith-based groups and other CSOs are more typically 'value-driven', with either a stated or implicit mandate to provide equitable services to the poor and marginalized. They often take a long-term perspective and a broader outlook of their objectives of working with communities, linking sanitation improvements with such development-based outcomes as community mobilization (as in the Total Sanitation approach in Bangladesh), enhanced wellbeing and increased livelihoods security. As mutual understanding and trust develops, CSOs have the opportunity to adapt their approaches in line with a locally-driven agenda of changing needs and aspirations of end users (Blagescu and Young, 2006).

Private providers on the other hand, while seeking to offer a satisfactory level of service to retain existing and generate new business opportunities, have to prioritize cost-effectiveness to ensure they generate sufficient profit to stay in business – especially in the face of competition (Box 2).

#### **Box 2. NSPs responding to competition and risk**

Whereas providers of rural sanitation services, such as semi-skilled masons, may operate individually to support the needs of a local community, urban providers are subject to competition from other operators. Working as a group, with a level of formal recognition, offers providers a greater degree of security, as financial risks, fluctuations in demand and variations in the type of services required can be shared.

Vulnerability to changing demand in the services they offer however means that service providers may have to adapt aspects of their services (such as cost, responsiveness, flexibility, etc.) in the face of such growing competition.

In the case of pit emptiers in Kibera informal settlement in Nairobi, this is changing the nature of the provider. Between 50 and 100 operators provide manual pit-emptying services for around 28% of Kibera's households. Given the growing number of providers, competition is building around the quality of service provided. Operators are typically joining forces, in order to purchase the equipment necessary to improve service levels – an investment that is too risky for individual operators to carry out.

Source: WSP-Africa (2005)

As no single stakeholder has complete comparative advantage in the provision of urban or rural sanitation, development programmes often pursue partnerships between local government, NGOs, CBOs and the private sector in order to provide more effective and sustainable solutions. This is apparent in the Community Led Total Sanitation approach (case study 2) and the community-managed toilets in Mumbai (case study 3). In well designed partnerships, responsibilities and risks are allocated to the stakeholders who are best able to manage them.

### 3. State purchase of basic services

With recent moves towards decentralization, local governments are increasingly looking at opportunities to engage with non-state providers. In the urban sector, interest is growing in the benefits of contracting out services to support capacity gaps within local government agencies.

#### 3.1 Contracting out services

Where capacity within government is limited, states are increasingly entering into short-term and long term partnerships with the private sector, contracting out the services to local operators, while retaining an overall regulatory role. Two cases of contracted out services for public toilet provision, in Mumbai, India and Kano, Nigeria, illustrate how advantages in the approach benefit end users, governments and providers alike.

Certain contracting out arrangements have developed where the local government body is supported by an external agency, with the provision of funds and/or technical assistance to develop appropriate management and legal frameworks. In the case of Mumbai, support has been provided by the World Bank. As management and regulatory capacity builds in the city municipality, external support can reduce.

In other cases, existing regulatory, management and technical capacity has enabled the local government body to contract out to local private providers without external support. In the case of Kano, as well as Durban municipality (see Box 4), sufficient resources and support from national bodies (private or public) has enabled the municipality to 'test-out' new forms of engagement.

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#### ***Case Study 3: Community-managed toilet blocks in Mumbai, India***

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*With reference to TARU/WEDC (2005) and WELL (2005)*

The advantages of an innovative partnership arrangement in which government contracts out appropriate services are clearly being demonstrated in the Slum Sanitation Programme (SSP) for the provision of community-managed toilet blocks in Mumbai. Initiated with World Bank assistance in 1995, SSP has led to the effective provision and management of over 300 quality community toilet blocks in its first phase, through a collaborative agreement between the Municipal Corporation of Greater Mumbai (MCGM), private sector companies, CBOs and local NGOs.

##### *Form of agreement*

MCGM awards single contracts to a contractor-NGO partnership for the provision of toilet blocks, combining both technical and community development elements. Focussing on broader contractual *outputs* (such as numbers of users) rather than the details of construction, this has enabled both faster implementation and a holistic approach to sanitation provision, with greater opportunities to respond to local demand and ultimately improve sustainability of the service.

The contractor-NGO partnership is also responsible for assisting a local CBO to collect community contributions, consult users on design aspects and eventually manage the operation and maintenance of completed toilet blocks. MCGM, whilst retaining ownership of the toilet block, signs an MoU with the CBO, to enable effective management of the facility.

### *Resources*

Financing the toilet blocks is a shared responsibility between local government and users, with MCGM financing the capital investment, together with connection charges for water and electricity (through World Bank loans). CBOs collect revenue to cover operation and maintenance costs, either through families paying an initial contribution to join the CBO followed by a flat-rate monthly pass fee (which is usually very low), or by individuals who are charged on a pay-as-you-use basis.<sup>4</sup>

### *Value added: matching supply and demand*

Community consultation through registered CBOs allows the designs to accommodate user requirements, such as privacy needs and appropriate numbers of cubicles/toilets. This has led to increased usage of the facilities. Using human resources available within the community for O&M services affords greater capacity to meet the growing demand for both the provision and sustainability of the toilet blocks.

SSP makes a radical departure from traditional urban sanitation service provision, to operate through a responsive partnership of local government, the private sector, NGOs, CBOs and users, evolving as experience develops. The project has demonstrated a financially viable demand-responsive approach, but issues of how best to ensure long term sustainable management of the toilet blocks need to be addressed, particularly where the community groups seek to contract out the daily management of the toilet blocks to the local private sector.

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### ***Case Study 4: Private operators of public latrines in Kano, Nigeria***

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*With reference to WUP (2000)*

50% of the population of Kano town lives in low-income areas. A restricted water supply results in household-level pit latrines being the predominant form of sanitation, with private operators providing pit emptying services. In addition, several public conveniences exist, consisting of latrines and bathrooms, that are located primarily in public places (such as markets) and are managed by private individuals.

### *Form of agreement*

Under the Constitution of Nigeria, it is the duty of local government councils to both provide and maintain public conveniences. Kano State Environment Planning and Protection Agency (KASEPPA) is responsible for implementing laws, regulations and guidelines affecting environmental protection. Working together with the local government in Kano State, KASEPPA assists private individuals and organizations to build and commercially-manage public latrine and bathroom facilities – giving support in leasing the site, providing building plans and supervising construction.

While management of the facilities is the full responsibility of individual operators, KASEPPA regulates key aspects of the construction, operation and maintenance of the facilities which it leases to these operators. In this way, they ensure consistent service levels and sanitary standards are achieved each time.

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<sup>4</sup> Individual users can be paying 5-10 times more than pass holders, which is causing concern over the long-term financial viability of the arrangement.

*Value added: satisfying user expectations*

The strong regulatory framework enforced by KASEPPA, working in partnership with the Ministries of Environment and Health, ensures improved services by private operators for the provision of public latrine facilities. Over 145 such latrine blocks are managed in this way across Kano. The people of the town find the services to be provided acceptable, making a significant contribution in the reduction of open defecation.

Although the operator controls the finances, charges can only be made with the approval of KASEPPA, thereby protecting users from unreasonable charges.

*Supporting factors*

The success of the form of private management of public latrines in Kano State is supported by various factors; including people's familiarity with paying to use public latrines (dating back to the early 1960s), Islamic religious practice requiring privacy during defecation, urination and bathing, together with a degree of financial buoyancy in Kano, due to its commercial and industrial base.

Replication of the practice in other locations would need to consider the supporting factors that were present or needed to be developed to enable sustainable, pro-poor service provision.

### **3.2 Key lessons of contracting out urban sanitation service provision**

Contracting-out to the local, private sector under short-term partnership arrangements offers governments a greater degree of flexibility and reduced-risk compared to municipalities managing the toilet blocks using their own staff. It also provides opportunities for government to build the regulatory and management capacity required to move towards longer-term agreements, as in the case of local government agreements with Sulabh in India (Box 3).

#### **Box 3. Public latrine provision on a large scale: the case of Sulabh, India**

An example of widespread public toilet provision in urban areas throughout India is the Sulabh approach. Typically, local government gives the 'NGO' Sulabh International long term concessions (15 to 30 years) to construct and operate toilet blocks in agreed locations, such as near markets and poor areas, where there is likely to be a high demand for services. Sulabh recoup their costs through '*pay as you enter*' charges and any grants they receive.

The local municipal authority makes the land available for the toilet block and regulates Sulabh's services. Although in practice Sulabh continues to provide clean and functioning toilet blocks, this is driven by their mission and desire to maintain their reputation, rather than through regulation. However, their charges are often higher than community-managed blocks.

Other NGOs use a similar approach to Sulabh, but on a much smaller scale.

The experiences in Mumbai, Kano and of Sulabh, together with those of the contracted-in provision of pit emptying services in informal settlements around Durban, South Africa (Box 4), highlights both constraints and opportunities for scaling-up these approaches.

#### **Box 4. Contracting-in manual pit emptying service providers, Durban**

eThekweni Municipality (EM), has recognized the important service provided by manual pit emptiers in the informal settlements around Durban, which is also supporting a capacity gap within the Municipality itself. EM is therefore seeking to scale-up a successfully piloted arrangement, in which they will employ a main contractor to franchise-out pit emptying services to local operators. Service providers will have access to appropriate equipment and tools, as well as opportunities to develop small business-enterprises. The enhanced recognition of pit emptiers should help strengthen relationships between them and local residents.

If successful, the approach is likely to influence similar operations in other cities, and shape future sanitation service provision policy, in South Africa. Source: Delay et al (2004)

#### **3.2.1 Constraints and requirements for contracting-out services**

- As demonstrated in the case of Kano, sufficient capacity is needed within local government to facilitate and regulate urban sanitation provision, to ensure adequate and equitable services. Poorer customers are less able to support the cost-recovery needs of profit-driven, private operators.<sup>5</sup>
- Influential local politicians may recognize the benefits of successful contracting out and partnership approaches. As illustrated in the case of Ghana (see footnote), there are risks associated with them becoming too involved in the letting and management of contracts for services such as the operation of toilet blocks.<sup>6</sup>
- While sanitation gains political interest, responsibility for provision typically rests within a range of government departments. Efficient at-scale service management and monitoring requires clearly defined roles and improved coordination between responsible departments.
- Clear demarcation of responsibilities between local government and NSPs for longer-term management and maintenance of toilet blocks can help to ensure that NSP-responsibilities are fairly matched by government-responsibilities in the repair and eventual replacement of facilities. Responsibilities need to be reflected in national policy, strategic plans and legislation, to enhance the degree of consistency in how public latrines are provided and managed.
- Land tenure issues need to be resolved as demand grows for facilities on private land. To date, most public toilets are sited on public land.

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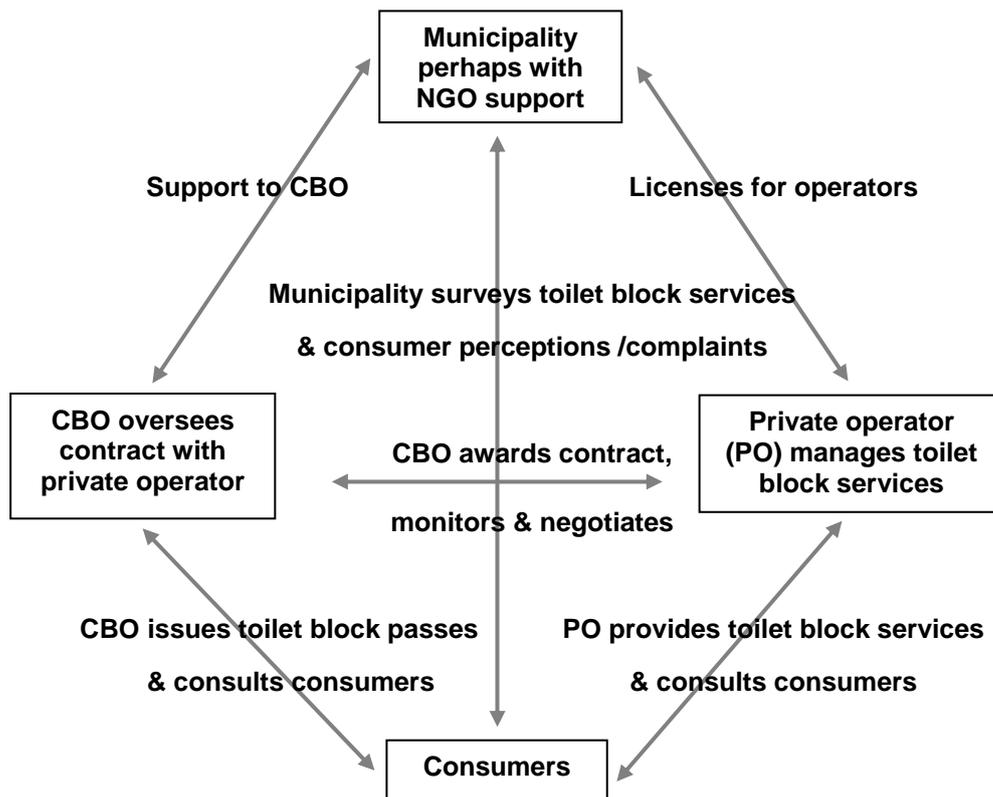
<sup>5</sup> In South Africa, municipalities are legally responsible for regulating water and sanitation services. Under a 30-year concession contract, Siza Water (a subsidiary of a French multinational) manages water and sanitation services to residents in Dolphin Coast, an area with both affluent suburbs and poor townships. An imbalance of institutional capacity between Siza Water and the Borough of Dolphin Coast has hindered the Borough's regulatory capacity to ensure equitable services are delivered to poorer residents (Delay et al, 2004).

<sup>6</sup> The wide-spread use of public toilets in Ghana makes their operation an important source of income and employment. Contractors, appointed to manage the service, often evict existing operators and appoint new ones, without formal agreements. These "contractors" tend to be a front for unregistered companies, owned by members of the local government assembly. The politics of patronage in urban government administration, poor relationships between local government and community groups and weak regulation, have led to conflicts labelled the "toilet wars" (Ayee and Crook, 2003).

### 3.2.2 Opportunities for scaling-up contracted-out services

- High usage levels and revenues from both community- and privately-managed public toilet blocks indicates good prospects for sustainability, at least in the short-term. Long-term viability for community-managed facilities requires increased capacity to effectively run customer-oriented O&M arrangements – either by CBOs themselves or, as is the growing trend, through delegating management to a local private operator.
- Contracted out services are achieving significant progress in addressing urban sanitation needs, as highlighted in the cases of Mumbai and Kano public latrine provision. To ensure sustainable benefits from scaling-up, principles of the approach should be reflected in broader government policy on urban planning and development, while longer-term needs of improved capacity within responsible institutions are also addressed.
- There is great potential to be had from local government, the private sector NGOs and CBOs working in partnership to provide more effective and sustainable solutions. The specific roles for each partner should be developed in line with the comparative advantage of each partner, such that the interests and incentives of each can be clearly identified and met. Scaling-up the role of NSPs can be supported by carefully structured incentives (financial, status, or otherwise) for private individuals, small scale private enterprises, CSOs or other partners. In the private latrine management in Kano State, operators run facilities as a profitable business.
- Balanced accountability relationships need to be developed as part of urban sanitation provision, so the accountability of each partner to the consumers is enhanced. Figure 1 shows an option for the accountability relationships envisaged for the Mumbai SSP Phase II programme (TARU/WEDC, 2005). This arrangement of providing support to the community groups to contract out toilet block maintenance was proposed because the evaluation showed that CBOs were contracting out informally in inappropriate ways in some cases.

Figure 1. CBO oversight of toilet block (TB) contract with a private operator



## 4. Donors working directly with NSPs

A key aid instrument for donor support to sanitation NSPs is routed via international and national NGOs (I/NGOs). As typically registered organisations, with a demonstrated degree of successful project outcomes, I/NGOs offer greater stability and security for donors. In contrast, uncertainties surround the sustainability and continuity of services provided by small-scale independent private operators and CBOs, which severely limits the potential for direct donor funding.

### 4.1 Support through NGOs

I/NGOs can enable funds to reach grass-roots NSPs through various innovative financing and support routes. Examples of some of the more successful innovations include:

- **support via private companies to local NGOs:** such as the DFID/Irish Aid funded UN-Habitat Vacutug project, supporting development and provision of pit latrine emptying equipment and services in Kibera slum, Nairobi (case study 5);
- **support to national, umbrella NGOs:** such as WaterAid in Bangladesh (WA-B) and the Mvula Trust in South Africa, both of whom channel funds to local implementing agents – including NGOs, private providers and small consultancy firms (case study 6); and
- **support to NGOs working with CSOs** in sanitation and health education: such as the community health clubs (CHCs) operating in rural Zimbabwe, supported by the local NGO ZimAHEAD.

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#### ***Case Study 5: Supporting technical innovation in Kibera, Kenya***

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In the case of the development of the Vacutug pit-emptying technology, donor funds were routed through a private company to a local NGO.

The Vacutug project was initiated by UN-Habitat working in partnership with a private consultancy firm in the late 1990s, to develop a technology for emptying pit latrines. The support enabled development of a more efficient means of providing pit-emptying services in high-density, low income settlements within Kibera, where traditional service tankers cannot gain access. Trials were managed by a local NGO who employed operators and maintenance staff. Although the cost of the pit emptying service increased, the improved service level and shorter response times meant that demand for the service remained steady. The technology has since been adopted in Tanzania and is being adapted for use in Bangladesh and elsewhere, with financial support from DFID and Irish Aid, working in partnership with WaterAid (UN-HABITAT, 2003).

Limitations on such technologies going-to-scale are primarily due to the institutional challenges associated with improving services for the urban poor, rather than the technology itself. Donors could target further investment to fill gaps in the development of technologies to serve the poor. Adopting change requires a commitment from governments to back the up-front investment in equipment, allowing entrepreneurs to establish an improved service and from there develop a financially viable business from serving the unserved.

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**Case Study 6: Supporting national NGOs in Bangladesh and South Africa**

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A significant component of the WaterAid-Bangladesh (WA-B) programme is their support to Community-Led Total Sanitation, in which WA-B engages national NGOs to carry out aspects of hygiene awareness and community-based promotion of defecation-free villages. WA-B also offers support to establishing private providers in the manufacture and marketing of latrine components, with donor funds from DFID and others.

Mvula Trust, the largest water/sanitation NGO in South Africa, was founded in 1993 as a means to fill the delivery gap of rural water and sanitation services. At the time, this was the responsibility of centralized government departments. Funded by the EU, DFID, AusAID, Ireland AID, DANIDA and direct government support, Mvula Trust established a means of working with local NGOs, private companies and CBOs who, as “implementing agents”, work directly with communities. The organization gained credibility as the South African constitution transferred responsibility for providing community-based services from central to local government structures. Mvula Trust developed a closer partnership with national government, enabling it to help develop local government capacity while continuing its role in supporting service delivery. By maintaining its independence, Mvula Trust has also been able to challenge government approaches, advocating for equitable services to reach the rural and urban poor (WSP-Africa, 2002b).

NGOs often have the operational space, unavailable to government, within which to test out new approaches in response to changes in the physical and political environment. This flexibility and responsiveness enables services to reach rural and urban populations with improved sanitation services who would otherwise remain unserved due to the bureaucracy of government.

NGO accountability to donors is often high, enabling donors to track funds through to measuring impact on the ground. The ability to maintain good reporting structures that reaches to the grass roots often lies with respected and established NGOs who can meet the donor’s requirements, especially in the absence of effective local government and national reporting structures, such as in the conflict-affected areas of Nepal (Box 5).

**Box 5. A respected NGO reaches those that government can’t**

The Gurkha Welfare Scheme (GWS) was established in Nepal in 1969. It has achieved a high level of tolerance from the Maoist insurgents, enabling it far greater “freedom” to operate in conflict-affected areas than almost any other organisation in Nepal.

Having developed an approach that enables with water and sanitation service delivery and monitoring to continue in the conflict-affected areas, it can support communities that are effectively “off-limits” to government agencies. Source: WELL (2006)

**4.2 Transition of support from NGOs to government**

The route for donor funds directed to non-state actors – effectively bypassing government structures – is often established where government has no capacity to fulfil obligations of service delivery, or is unprepared to for reasons such as fragility of the state, inherent corruption, misappropriation of resources, or some other cause for non-engagement. The risk for donors is that this can effectively ‘disenfranchise’ government, causing government to become rather hostile and thereby restricting opportunities for donors to influence broader government policy, strategic plans and programmes. Approaches adopted in such circumstances should not undermine the state’s role, but seek to build on where the state can operate (for example in

aspects of regulation), while supporting areas of weakness through other organisations (DFID, 2005).

Where countries are in transition from fragile to stable state, they may now be seeking support to develop new roles for government as they develop enhanced capacity and receive increased resources to deliver services. In Mozambique, a primary identified need is to strengthen government capacity to spend resources adequately and in line with agreed priorities, supported by improved sectoral collaboration between government, donors and civil society (DFID-Mozambique, 2005). Working more closely together, these agencies can focus on aspects such as stimulating demand for sanitation through hygiene education and other promotional routes, and encouraging growth in the supply chain to meet demand, with support from the private sector.

The accompanying paper on 'Supporting Non-State Providers of Water Services' (Sansom, 2006a) includes two case studies on transitions from donors funding NGOs to funding or supporting government, from Uganda and Nepal. In both these cases water and sanitation programmes were developed together, so the cases are equally applicable for sanitation. The Uganda case study is on the transition from donor funding NGOs to a Sector Wide Approach (SWAp). It highlights key drivers for change and factors that have led to a reasonably effective transition to a SWAp. Uganda was clearly in the 'recovery phase' during this period after a prolonged period of conflict and instability. The challenges in developing more comprehensive engagement between government and NGOs are also highlighted.

The Nepal case outlines DFID experiences in Nepal during a prolonged period of conflict and political instability. The strategies that DFID has used and proposed for working with government and NGOs in this fragile environment are briefly presented. It is clear that significant steps towards a SWAp are best made once a country is genuinely on the road to recovery.

### **4.3 Output-Based-Aid (OBA) for sanitation**

Output-Based-Aid is a relatively new aid instrument enabling donors and government to employ the services of a third party to deliver publicly-financed infrastructure. Third parties can be public agencies, but are more commonly private providers, NGOs and CSOs. Contracts link the disbursement of donor funds to delivery of performance-based outputs, targeted at specific recipients. Both the purpose and recipient of subsidies is explicit, improving transparency and monitoring of aid flows. Donors identify a further benefit of OBA as providing an effective way to support innovative pilots which, if successful, can be scaled-up to national programmes (GPOBA, 2005).

While OBA is suited to the delivery of basic services such as electricity, telephone, water supply and sewerage (in which a large component of the programme is infrastructure-based), both urban and rural sanitation programmes are increasingly recognized as a balance of demand creation, social mobilization and supply chain services to meet demand (delivery, management and maintenance of facilities), as well as infrastructure provision. With governments moving away from subsidies for infrastructure in favour of supporting private sector providers and demand-creation activities, the criteria for disbursing OBA-funds would require careful consideration and application, to avoid a return to latrine-building driving the pace of a sanitation programme.

## 5. Creating an enabling environment

Governments typically take the lead in creating the institutional environment within which state and non-state actors operate. They can hinder progress, or seek to create a favourable environment in which greater levels of engagement with sanitation NSPs improves sanitation services to the, as yet, unserved.

If government works effectively with sanitation NSPs to enable them to provide better and/or more extensive services on a significant scale, there are a number of distinct potential benefits, including:

- consumers can experience improved or cheaper services, even if those services may only be a temporary arrangement until other service options are developed;
- NSPs can gain confidence from productive engagements with public agencies and are more likely to be willing to expand their operations to serve more customers;
- Government will be able to focus its efforts and resources more on achievable objectives. For example, government departments can concentrate on their governance and enabling roles, while public agencies can focus their attention on improving services within their remit such as sewerage services, knowing that NSPs are being supported in serving other areas, and
- as government agencies gain useful experience in collaborating with and contracting NSPs, they can utilise that experience in scaling up engagement with NSPs. Such experiences can also be translated into improving interactions between and within public agencies.

Working with capable NSPs is an important component of effective government, as part of the New Public Management approach. For this to happen on a large enough scale to have extensive impacts on service provision, there is a need for a strong civil society and a thriving private sector. This is often not the case in the sanitation sector in many countries or regions, so governments need to consider how best to enhance the enabling environment for both civil society and the private sector.

Government engagement with NSPs can usefully be split into five main engagement types which are: recognition, dialogue, facilitation/collaboration, contracting and regulation. These are shown at the top of the five columns of Table 2, in the order of increasing levels of commitment and capacity requirements (from left to right). For example, effective regulation requires significantly greater levels of capacity than does either recognition or dialogue.

Within each of the five engagement types in Table 2 a variety of intervention options are shown, generally in ascending order of difficulty and potential benefits. Capacity requirements also generally increase as you move up the table. It is important that the range of engagement opportunities is seen as a “menu of options”, from which government – in dialogue with other stakeholders – identifies the most appropriate forms of engagement to suit the particular environment in which NSPs are operating. All forms of engagement should be considered in particular circumstances. In some situations government agencies may opt for a non-interference approach in their interactions with NSPs, while in other cases more substantial forms of engagement will be pursued to achieve specific benefits.

These types of engagement should be considered in the context of the range of sanitation NSPs identified in Section 1 of this report.

**Table 2. Types and levels of government engagement with sanitation NSPs**

	Category				
	Recognition	Dialogue	Facilitation / collaboration	Contracting	Regulation
<b>High levels of engagement</b>			Compacts (Longer term agreements between governments and civil society)	Long term contracts for service provision (10 yrs+)  Medium term contracts for service provision (3 -10 yrs)  Output-Based Aid	Independent economic regulation (for larger utility operators)  Regulation of minimum service quality levels  Regulation of environmental health or water quality standards
<b>Medium levels of engagement</b>	Registration of NSPs  Formal legal recognition of NSPs and their rights to provide services	National policy dialogue  Local policy dialogue	Collaborative arrangements including: co-production MoUs, and scaling up approaches  Umbrella NGO networks  Facilitation of NSPs	Short term contracts with private sector and/or civil society institutions (up to 3 years)  Client/customer relationships	Regulation of market entry (promoting competition)  Publicising NSP performance and costs  Consumer forums and watch groups  Supporting self regulation by NSP associations  Flexibility in standards and supportive supervision.
<b>Lower levels of engagement</b>	Limited formal recognition of NSPs  Non-interference in acceptable NSP activities	Exploring options for local collaboration			

Source: Sansom (2006b)

## 5.1 Effective forms of engagement

A range of forms of engagement have been shown to be effective in certain cases, offering lessons for wider replication. Successful replication will depend on factors associated with meeting the incentives of each partner forming part of the arrangement.

### 5.1.1 Low level engagement: recognition

Many governments only operate within the realm of low levels of engagement with NSPs. They can be supported and encouraged to progress from practising simple non-interference that lets NSPs carry out “acceptable” activities, to developing formal recognition of the role that NSPs play in providing essential sanitation services (such as pit emptying, desludging septic tanks, or operating public latrines), as a vital first stage of engagement.

In the case of pit emptiers, those operating in Kibera are typically ignored by the local authority and so face constraints in improving the services they provide and the conditions they operate under. In contrast, the recognition offered to NSPs performing similar tasks around Durban (see Box 5) has enabled a working partnership that will support the municipality in meeting its duty to provide sustainable sanitation services to the poor, while enhancing the status and prospects of the service providers.

### 5.1.2 Medium level engagement: registration, collaboration and dialogue

As governments gain experience, build confidence and develop relationships with NSPs, they can explore medium levels of engagement that still carry low-risk, perhaps through forms of NSP registration and enabling NSPs to contribute to national and local dialogue forums.

#### 5.1.2.1 Registration

The registration of masons trained in latrine construction in Tanzania has allowed them to offer more effective support to neighbouring communities (Box 9), with implications for ensuring growing demand for sanitation is matched by an adequate supply of support – an essential component in enabling sanitation services to be scaled-up.

### Box 6. Registration of latrine masons in Dar es Salaam

In Dar es Salaam, Tanzania, masons and social mobilizers, including women, have been trained in various toilet technologies and construction techniques, together with marketing skills, small business management and customer relations. The group known as the '*Choo Chetu (our toilet) Fundis*' have registered as a CBO. Their business is expanding and is improving sanitation services throughout their Municipality. (WELL, 2005)

#### 5.1.2.2 Collaboration

Collaborative arrangements between government, NSPs and donors has achieved significant success in the rural sanitation programmes of Bangladesh and Lesotho. In each case, government focuses its support on increasing demand for sanitation through social mobilization, hygiene promotion and training. Local artisans, trained with the support of external agencies, assist communities to meet demand by constructing latrines and supplying component parts (SDC, 2004 and WSP-Africa, 2004). The defined roles and responsibilities ensures different components of the programme are shared between those best placed to deliver, providing the foundation from which pilot approaches have been scaled-up to delivery in national programmes.

Strong political leadership and support for the approaches has been a key factor in the success of both programmes. The Government of Bangladesh expressed its support for the Total Sanitation approach (see Case Study 2, Section 3.2.1) with a letter endorsing the approach sent from the responsible Minister to over 4,600 local government representatives (Chowdhury et al, 2004).

### *5.1.2.3 Dialogue*

Few, if any, national forums exist to enable direct dialogue between NSPs engaged with sanitation services and government. Dialogue more typically takes place in local forums through the formation of provider-associations or unions, often with the assistance of NGOs and CSOs, or as part of a donor programme.

The independent private sector is not typically organized to the degree of being able to negotiate from a common platform. Umbrella NGOs, such as Mvula Trust in South Africa and NGO Forum in Bangladesh, can provide the capacity and continuity through which the voice of NSPs is channelled to higher levels of decision-making. The leaders of larger NGOs are often co-opted into national and state-level decision-making bodies, gaining influence for the non-state sector in reviewing and revising national policy (Nair, 2004).

Effective dialogue can lead to wider benefits. For example, on the World Bank-funded Mumbai slum sanitation project, slow progress up to 1999/00 led to extensive dialogue involving the municipal corporation, a leading local NGO (SPARC) and the donor. An improved consortium contract, bringing together the private sector and NGOs for the provision of community toilet blocks, emerged and led to good progress being achieved in subsequent years. (TARU/WEDC, 2005).

CSOs often play a vital role in providing marginalized social groups with a voice in decision-making and policy processes. Engaging directly with government may be a challenge, especially where the government sees a vocal civil society as a threat. Opportunities to develop dialogue and build mutual trust, perhaps through an intermediary, can be explored.

### **5.1.3 Contracting-out and regulating service levels**

In only a few cases have partnerships between government and NSPs matured sufficiently to enable high levels of collaboration that support larger-scale provision of sanitation services. In two emerging forms of engagement, contracted-out services (including output-based-aid) and concession contracts, it is clear that government requires the capacity to regulate the typically larger-scale providers involved. While providing the operational space for such NSPs to function, government also needs to ensure equitable services are provided to the poor.

#### *5.1.3.1 Regulation to ensure equitable and appropriate levels of service*

Where local government are the owners of sanitation assets, such as public toilet blocks that are managed by the private sector, they are likely to seek to regulate minimum service quality levels and perhaps place limits on prices charged to consumers. Sufficient capacity within local government agencies is key to ensuring appropriate regulation of the private sector. Pilot-scale programmes can develop measurable key performance indicators, against which services are monitored. Successful pilots can then be scaled-up, as capacity within local government is enhanced (Delay et al, 2004). The value of a capable regulatory body in ensuring a quality service has been demonstrated in the case of KASEPPA effectively enforcing regulatory standards for public latrine operators in Kano State, Nigeria (see Case Study 4, Section 4.1).

Where public toilet blocks are managed by CBOs and owned by the municipality, supportive forms of regulation are likely to be appropriate, such as developing the capacity of the CBOs to manage better, while promoting minimum levels of services and publicising the range of prices being charged.

Where local NSPs manage their own sanitation services, independent of government (such as latrine emptying or construction), more market friendly forms of regulation can be effective, such as promoting more competition, supporting self-regulation by NSP associations, publicising the range of charges made and supporting consumer forums.

## 5.2 Disincentives and incentives to engage with NSPs

Enhancing the role of NSPs in sanitation provision is constrained by certain features of sanitation service delivery, which may act as disincentives for government to effectively engage with the private sector, unless they are fully recognized and addressed. Examples of such disincentives and the incentives that can operate against them in areas of management, demand and supply, technology and financing of sanitation provision are identified in Table 3.

**Table 3. Disincentives and incentives affecting state engagement with NSPs**

Element	Disincentive to engage NSPs	Incentive to engage NSPs
<b>Management capacity</b>	<p>Government sanitation responsibilities are often distributed amongst a number of ministries or departments, resulting in confusion and a lack of action.</p> <p>Urban sanitation is part of a broad municipal function, associated with solid waste and wastewater management. Improving sanitation is therefore part of a broader reform process.</p> <p>Capacity within the state to regulate non-state service providers is weak.</p>	<p>NSPs have additional specialist capacity and flexibility to operate discrete services. Agreements and MoUs for co-production, or component- / activity-sharing of functions can fill capacity gaps, while developing the broad reform agenda. Engaging NSPs in the dialogue can help identify ways to fill service delivery gaps more widely.</p> <p>Start small, with recognition of NSPs, and build up to more formal agreements on the basis of experience and growing capacity to regulate and manage.</p>
<b>Demand</b>	<p>Creating demand for sanitation requires long-term investment and efforts, without quick returns.</p>	<p>NSPs can be very effective in creating demand through marketing approaches, social mobilization and other innovative techniques.</p> <p>The private sector has the potential capacity and flexibility to respond quickly to user demand.</p>
<b>Supply</b>	<p>Government is often mandated to provide basic services</p> <p>An increasing role for NSPs in service delivery may be seen as a threat to the mandated roles of public sector agencies and vested interests of influential public sector workers.</p>	<p>Meeting demand is rarely possible through public agencies working alone.</p> <p>NSPs can provide specific services, while government develops its facilitatory role as well as market friendly regulation.</p>
<b>Technology</b>	<p>Changes are needed in the mind-sets of civil servants and public sector engineers, to accept the appropriateness of new, non-conventional technical solutions to sanitation.</p>	<p>Innovative solutions, such as social marketing and community-led total sanitation, are often driven by the private sector. Governments that “get-on-board” and back such initiatives with appropriate support are also taking much of the credit for the successes.</p>
<b>Finance</b>	<p>Government funds for sanitation are limited, as water services typically dominate.</p>	<p>Cost sharing with the private sector allows public finance to focus-in on the public aspects of sanitation such as demand creation, health education and support to the supply chain. These can stimulate the release of household finance for the private aspects of sanitation, such as latrine construction.</p>

Governments first have to acknowledge that they cannot provide adequate services on their own, and that NSPs can effectively support the capacity limitations of service-delivery, particularly to the poor. Cases where limitations have been acknowledged and NSPs brought-in to partner the local authority have typically been initiated by an enlightened individual heading-up the local

government agency, such as in the case of the mayor (*Nazim*) of Jaranwala Municipal Administration in Pakistan (Batley et al, 2004). The real challenge is to incrementally scale-up successful pilots that have been developed by a few enlightened people in government and NSPs.

### **5.3 Creating an environment for scaling-up**

Significant steps can be taken towards supporting the creation of an enabling environment in which effective partnerships between NSPs, government authorities responsible for sanitation service delivery and donors can operate at scale, to address the huge backlog in basic sanitation services.

**Sectoral reforms** can support the development of enabling policy, where potential roles for NGOs and private non-state providers are defined. These should be reflected into strategies, implementation plans and guidelines, in consultation with the private sector, with a clear division of roles and responsibilities.

**A more creative use of targeted subsidies** in many instances is seeing government direct public funds towards public aspects of sanitation. In the CLTS approach in Bangladesh and elsewhere, government subsidies are directed at hygiene promotion, demand creation and supporting the supply chain. This both stimulates the role of the private sector and liberates private finance to support the private (household) aspects of sanitation, such as infrastructure.

**A greater degree of flexibility in financial and contractual arrangements** enables local government to set local performance standards which consider “quality” and success in terms of user satisfaction and sustained usage, rather than design details and construction completion. Increased transparency in such contractual agreements can help to minimize the opportunities for corruption, while improving monitoring of both outputs and impact.

**NSPs can join forces** where capacity of a single independent provider is weak. In Western Rajasthan, India a consortium of 5 NGO partners works in partnership with the local government agency (represented by a project management unit) and community-based water and health committees, to carry out work in 3 districts (Nair, 2004).

**The capacity of the public sector agencies and authorities needs to be developed**, to enable more effective performance and co-ordination of NSPs; and ultimately lead to progress towards health and economic benefits, as well as towards their political objectives. In order to provide incentives for government to develop its facilitatory, regulatory and monitoring and evaluation capacities in sanitation more effectively, successful cases of such approaches should be more widely disseminated and discussed.

#### **5.3.1 The risk of scaling-up too fast**

Where approaches are going-to-scale, attention is needed to ensure that the beneficial features of smaller-scale, innovative solutions are not lost.

The Community Led Total Sanitation (CLTS) approach has seen millions of rural and urban poor households achieve zero open defecation in Bangladesh, India and Pakistan. The approach is being replicated at scale, often now as part of national government programmes.

Initial studies into the impact and sustainability of these at-scale programmes indicates a move away from innovative community-based solutions to sanitation provision towards standardized, albeit low-cost, technical solutions. Single technology solutions, favoured for their speed and efficiency of implementation, are failing to address the full range of needs of diverse populations, or specific challenges facing, for example, water-logged areas. Similarly, as programmes go to

scale, key social components of CLTS such as artisan training, community mobilization and hygiene promotion are not being given sufficient time or resources (WSP-South Asia, 2005).

While the principles of the CLTS approach remain valid if correctly applied, strategies to ensure the long-term sustainability of CLTS programmes need to be continually reviewed, such that CLTS is applied in its most appropriate form at-scale.

#### **5.4 Mechanisms for serving the unserved**

In situations where government agencies are not able to serve certain rural or urban areas in the short to medium term, government needs to consider how best it can support NSPs to serve those areas.

Useful first steps include better national sector monitoring and evaluation, making good use of national surveys, specially commissioned surveys and participatory appraisals where feasible. This can provide valuable information about areas of greatest need and the sustainability of services. Once government has a good understanding of where priority areas for investment are, it can co-ordinate and support both NSPs and public providers to serve those areas.

## **6. Conclusions**

As governments look towards achieving local, national and international targets for sanitation provision, they are increasingly recognizing that they can't achieve these targets on their own. Interest is growing in identifying the role of the indigenous, small-scale private sector and broader civil society, with government retaining a degree of control as it develops facilitatory and regulatory capacity.

### **6.1 Formal recognition as the first step**

The private sector has been providing essential sanitation services for many generations, albeit informally. It will continue to provide such services for as long as governments fail to give sufficient attention to this basic public health need.

Where a government has the intention of addressing sanitation needs, it can begin by simply recognizing the role played by the private providers as a fundamental first step in the process of engagement. Recognition requires little investment and does not entail a great deal of risk, while there are immediate benefits in increasing the reputation of the providers within society and potentially the level of services they provide. Lessons from other basic service sector studies (water, health and education) identifies that a greater understanding of NSPs, to support recognition of their role, can be enhanced through mapping of such providers.

### **6.2 No 'off-the-shelf' solution**

Once governments decide to move into more formal means of engagement with NSPs, there is no blue-print approach to how this should be done. Various levels and forms of engagement have been used to support improved services, which can be selected and adapted to suit the specific environment in which they are to be implemented (refer to Table 2).

Where appropriate, incremental engagement allows parties to enter into increasingly formal and enterprising roles and relationships as experience, trust and capacity are built.

### **6.3 Developing better partnerships for future success**

Stakeholders in any form of engagement will explore and enter into the partnership with different incentives and objectives. Forms of partnership that are likely to be effective and sustainable are

where the interests of each partner are clearly expressed and incentives structures in contracts and MoUs are balanced to suit all parties. So for example, in the case of community-managed public latrines, increased community voice and participation (with employment opportunities) may be a desirable objective that will incentivize the community to join the partnership – it should not be viewed simply as a means of achieving the project outcome of working public toilets.

Where partnerships are formed, the risks and opportunities for each partner should be explored. In the case of public toilet contract letting in Ghana, CSOs were not sufficiently powerful to influence existing political patronage, so their opportunities were put in jeopardy by more powerful interest groups. Such actions can reduce the willingness of NSPs to invest, given the degree of uncertainty around interference in the provision of their services.

The operational space for NSPs can be encouraged through innovative arrangements, such as contracting-in providers through more formalized private companies (Durban, South Africa), or through joint contractor-NGO partnerships (Mumbai, India). In certain cases the political, legal and institutional framework will need to be reviewed such that they support, rather than restrict, opportunities for NSP involvement.

Increasingly, tripartite partnerships between government, the private sector and civil society are being applied as a means to effectively address the huge backlog in basic sanitation services, as illustrated by the CLTS approach throughout Bangladesh, or community-managed toilet blocks in Mumbai. More work is required in understanding the lessons from such partnerships in different institutional environments. Flexible agreements can be developed around performance-based outcomes, rather than looking to achieve infrastructure-based targets. Supporting a more holistic view of sanitation, it focuses on the provision of satisfactory services that are more likely to be utilized by the public.

#### **6.4 Opportunities for scaling-up**

For governments to achieve national sanitation targets will require a commitment to creativity and a degree of risk-taking from the major players – backed by the donors – to investigate and support innovative approaches to working in collaboration with NSPs through aid routes that can go-to-scale.

Such ‘risk-taking’ is being increasingly recognized in top levels of government, such as in South Africa. South Africa has set a national target of providing adequate sanitation for all by 2010. Despite the significant progress of recent years, the water reserve planning director of the Department of Water Affairs and Forestry stated in 2005 that the sector needs to carry out some “out-of-the-box thinking” if it is to mobilize sufficiently and meet this target (Mawson, 2005).

Neither governments, nor non-governmental actors, can achieve sanitation provision at scale without the support of the other. While NSPs may have the flexibility to respond to demand for current services and the skills of social mobilization, local government is often better placed to ensure long-term support, monitoring and market friendly regulation associated with those services (WSP-South Asia, 2005). The institutional model that is proving most effective for at-scale provision is one involving a partnering of local government and local NSPs. A win-win situation, in which the public also receives improved, safe and satisfactory forms of sanitation provision, is possible from such arrangements.

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