

USAID Transform WASH

An assessment of demand
creation of sanitation products
and services



Learning Note, September 2019



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USAID TRANSFORM WASH sets out to improve water, sanitation and hygiene (WASH) outcomes in Ethiopia by increasing access to and sustained use of a wide spectrum of affordable WASH products and services, with a substantial focus on sanitation.

It does so by transforming the market for low-cost quality WASH products and services: stimulating demand at community level, strengthening supply chains and building the enabling environment for a vibrant private market.

USAID TRANSFORM WASH is a USAID-funded project implemented by PSI in collaboration with SNV, Plan International, and IRC WASH. The consortium is working closely with government agencies - including the Ministry of Health, the National WASH Coordination Office and regional governments.

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This learning note documents an action research study of the effectiveness of sanitation demand creation activities by Health Extension Workers and Sales Agents under the Transform WASH project, and provides lessons learned and recommendations.

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Abbreviations

AIM Toilet squatting plate manufactured by Silafrica (brand name)

ETB Ethiopian Birr (1 USD ≈ 29 ETB)

FMoH Federal Ministry of Health

HEW Health Extension Worker

IDE International Development Enterprises

JMP Joint Monitoring Program

NGO Non-Governmental Organization

PSI Population Services International

SATO Safe Toilet (also known as SaTo) patented by Lixil Corporation (brand name)

SDG Sustainable Development Goal

SNNPR Southern Nations, Nationalities, and Peoples' Region

SNV Netherlands Development Organization

USAID United States Agency for International Development

WASH Water, sanitation and hygiene

WHO Woreda Health Office

1. Background

Enormous progress has been made in reducing open defecation in Ethiopia. According to the estimates of the UNICEF-World Health Organization Joint Monitoring Program (JMP), the population practicing open defecation decreased from 80% to 27% from 2000 to 2015.¹ Nevertheless, the quality of sanitation facilities remains a big challenge and a serious health concern: the JMP estimated that as of 2015, only 5% of the households in rural Ethiopia were accessing an improved sanitation facility (JMP, 2017).

The majority of rural households in Ethiopia construct their latrines on their own, typically using locally available materials such as wood and mud, without the support of trained artisans. However, improved concrete or plastic slabs are often available through private vendors. Ethiopia's National Sanitation Marketing Guideline provides direction on ways of strengthening the private sanitation service sector, so as to help Ethiopian households 'move up the sanitation ladder'. An essential element of this effort is to create demand among households for sanitation products and services (FMoH, 2013).

USAID Transform WASH is a five-year project that supports the development of the private sector sanitation market. The project strengthens local enterprises producing concrete slabs and has complemented their product options with the SATO pan and the plastic AIM slab (Kebede and Narracott, 2018). The project's design recognizes the need for coordinated interventions to both create demand among consumers while supporting private enterprises and artisans to grow and sustain their businesses.

The Action Research summarized in this Learning Note was conducted in three Woredas (districts) out of the project's

total of 41 intervention Woredas. Two were located in the Southern Nations, Nationalities, and Peoples' Region (SNNPR): Aleta Chuko Woreda of Sidama Zone, and Kindo Didaye Woreda of Wolayita Zone. The third Woreda for the study was located in Amhara Region: Kalu Woreda of Debub Wollo Zone.

Data collection included 37 interviews with Health Extension Workers (HEWs), sales agents, retailers, slab manufacturers, Woreda Health Office (WHO) staff, and Transform WASH project staff. In addition, 23 household-level customers and non-customers were interviewed.

This Learning Note describes how the project's actors create demand, assessing the relative success of these activities to date, and considers whether such demand creation activities will likely be sustained in the future. The Learning Note also provides recommendations on how to increase demand for sanitation products and services.



SATO pan fitted in concrete slab



AIM Plastic slab

Box 1: Definition of improved sanitation

The definition used by the Government of Ethiopia for 'improved sanitation' for on-site household latrines is somewhat different from the definition used by the JMP for global monitoring.

Government of Ethiopia.

Improved sanitation facilities are defined as a facility that provides privacy and separates human excreta from human contact. An improved pit latrine consists of an excavated pit, covered with cleanable mud-plastered wooden materials, and/or with a washable concrete slab and with squat-hole fitted with a tight squat-hole cover, through which excreta falls into the pit. Improvements made include a wall that provides adequate privacy, the absence of openings on the floor other than a squat-hole, a substructure that is constructed from stable and durable materials, and presence of a hand washing facility (FMoH, 2017).

Joint Monitoring Programme.

The principal difference between improved and unimproved pit latrines is the presence of a 'slab'. Pit latrines with slabs that completely cover the pit, with a small drop hole, and are constructed from materials that are durable and easy to clean (e.g. concrete, bricks, fiberglass, porcelain, stainless steel, wood or durable plastic) are counted as improved. Pit latrines with slabs that only partially cover the pit, or with slabs constructed from materials that are not durable and easy to clean (e.g. mud or earth) are classified as 'pit latrine without slab' and counted as 'unimproved' (JMP, 2018).

2. Actors and roles in demand creation

Private sector actors (slab manufacturers, retailers, sales agents) and public sector (WHOs and HEWs) play important and different roles in sanitation demand creation. However, the roles of the various actors differ from woreda to woreda. This adds some complexity to the overall model, but this sort of local adaptation is expected to be an asset for the project. Regardless of the specifics, it is important that each actor clearly understands his or her role, as well as those of the other actors.

Health Extension Workers are government employees and provide primary health care services at Kebele (village) level and are in regular contact with residents. The HEWs' focus is on educating households on a wide range of health issues, including sanitation and hygiene. In the Transform WASH project areas, HEWs also have been trained to raise public awareness of locally available sanitation products and services, and to ensure that all households know where and how to purchase them. However, HEWs are not supposed to handle any household funds intended for such purchases, nor are they to receive any commissions from suppliers. If households express interest in a local product or service, HEWs are supposed to refer them to a sales agent, slab manufacturer or retailer.

Sales agents are intended to be the link between manufacturers or retailers and the consumer. They are recruited from rural communities, trained, and encouraged to work part-time. They are entitled to receive commissions for each sale. While HEWs create general awareness about the sanitation products, sales agents focus their time on making actual sales. Sales agents also can collect payments from customers, e.g., full

payment upon delivery for SATO pans and AIM slabs, or advance payments for concrete slabs. In coordination with HEWs, sales agents approach residents through door-to-door visits and community meetings. Note that in a variation on this approach, in some locations slab manufacturers have been trained to act as their own sales agents.

Slab manufacturers are local masons or farmers who received training on the manufacture and installation of latrine slabs. As mentioned previously, some manufacturers also act as their own sales agent. The slab purchase process begins with an advance payment by the customer, after which the manufacturer begins preparing the product. Because of the concrete curing time required (approx. three weeks), slabs usually are ready for delivery about one month after the advance payment is made. When customers make the final payment, they then organize transport of the slab to their homes. In most cases, the manufacturer ensures proper installation of the slab.

Retailers purchase the plastic products (SATO pan, AIM slabs) from wholesale distributors and sell the products at Woreda level, paying for the products up front. Retailers usually own a shop in the Woreda center where they display and sell the products. On customer request, they provide contact details of artisans who can install the pans and slabs. Some retailers collaborate directly with sales agents to sell the products.

The **Woreda Health Office** oversees the HEWs. HEWs meet on regular basis at the woreda level and the WHO regularly visits HEWs at the Kebele. The WHO also conducts oversight on slab manufacturers to ensure concrete slabs have the required quality and are sold at reasonable prices. Further, WHOs monitor and report on the sanitation coverage in their Woredas.

Business advisors are local PSI employees supporting market development in two to three Woredas. In addition to their salary, they are entitled to receive a bonus based on sales performance of Transform WASH business partners. To support promotion of sanitation products and services, the business advisors, in collaboration with the WHO, organize campaigns in some Woredas, including posters, banners and marketplace promotions.

Box 2: Health Extension Programme

In rural Ethiopia primary health care is delivered through hospitals, Health Centers and Health Posts. Kebele-level Health Posts are usually staffed with two HEWs and provide services to approximately 3,000 to 5,000 people (FMoH, 2010). The health system has attempted to put into place a sufficient number of HEWs so as to ensure there is one HEW for every 500 households.

HEWs are exclusively female and have at least a 10th grade education (MHTF, 2014). They are recruited from the Kebeles they are intended to serve and receive a one-year training on 16 health care packages - 7 of which focus on hygiene and environmental sanitation (Wang, et al, 2016). HEWs are expected to spend most of their time on community outreach to households. The monthly HEW salary depends on their level of experience and ranges from 2,400 to 4,100 ETB in the woredas included in this study.

Volunteer Community Health Promoters, usually organized into the Health Development Army, are to act as community role models and to help HEWs to mobilize the community (Wang, et al, 2016).

3. Successful business models to learn from

Overall sales are relatively low and with the current rate of implementation the SDGs for sanitation will not be met in project Kebeles. However, it may be just as, or more important, to create sustainable sanitation processes and services, including demand creation.

During the first half of 2019, an average of 25 products were sold per Woreda per month. However, in two Woredas (Aleta Chuko and Kalu) about twice as many products as this were sold per month – suggesting that the private sector providers there would be able to substantially contribute to increases of improved sanitation coverage.

Successful example in Aleta Chuko

Asefa Sale, a slab manufacturer, started producing concrete slabs four years ago as part of an NGO project organized by the International Development Enterprises (iDE). He resides in Debeka Kebele, which is a part of Transform WASH’s intervention area in Aleta Chuko Woreda. Roughly half of his time he works as a slab manufacturer (production and installation)

and the other half as farmer. He produces concrete slabs in a decentralized manner

in seven Kebeles, often in the compound of the Kebele office.

Asefa receives customer orders mainly through sales agents, but also directly from HEWs and through word-of-mouth. He sends one of his sales agents to collect an advance payment and within one month the slab is completed and can be collected. Transport is paid by the buyer. Finally, Asefa also carries out the installation at the household.

Prices of the slabs were fixed in coordination with PSI and include a profit margin of 50 to 80 ETB per slab. Therefore, the price of a full-sized circular concrete slab is 455 ETB without a SATO pan, and 600 ETB with the SATO.

Asefa works with a team of three sales agents, all of which are also volunteer Community Health Promoters. The sales agents focus on two relatively big Kebeles close to each other: Debeka and Chancho Rufo, which have a combined total of nearly 4,000 households. Most households are reachable within a one hour walk. Sales agents consider their work selling sanitation products to be a part-time job, and they work for only a few

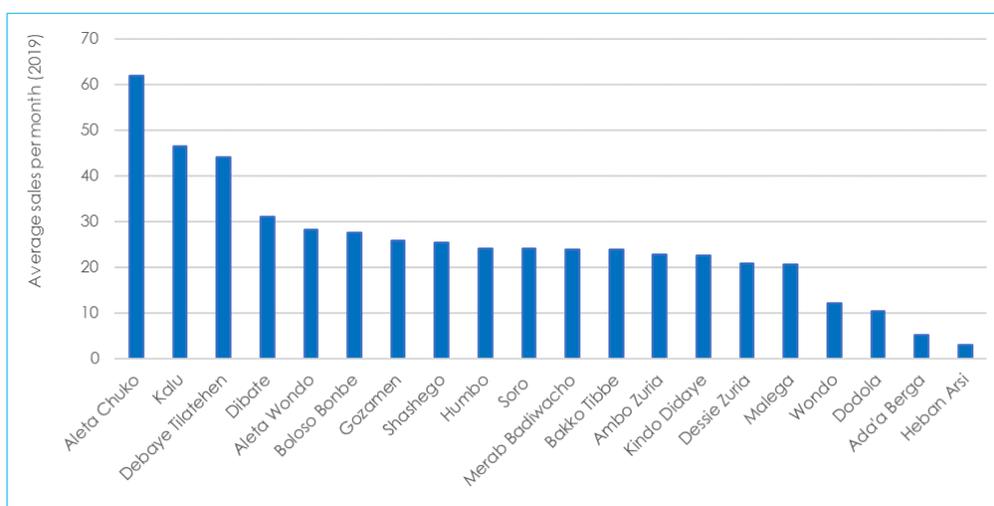


Figure 1: Average monthly sales of sanitation products in selected Woredas in January to May 2019

hours every other day. Two of the agents are farmers and the third has a small shop. The sales agents regularly conduct joint

household visits with two HEWs that are based in same villages.

Asefa and his team of sales agents mentioned that they are motivated to serve the community and reported to be happy with their workload and compensation from the sanitation business (sales agents receive 30 ETB per slab sold). Currently, Asefa has almost 50 open orders and he is not worried about demand for the products. The biggest threat to his business is the rising cost of iron bar and concrete which has reduced his profit so much that he is having trouble paying back a loan he received from a micro-finance institution. Asefa is hoping to adjust the selling price of his concrete slabs in communication with the PSI.

Successful example in Kalu

In Kalu Woreda, PSI trained 1 or 2 local masons in each Kebele to become both sales agent and slab manufacturer. In total, 24 manufacturer-agents (all male) serve 22,000 households residing in project Kebeles. The masons are locally known and trusted and appreciate having an additional product that they can offer to their clients. One mason mentioned that frequent household visits help him promote his work more generally. In the “Kalu Model” it is the responsibility of the customer to purchase (and have available on site) the materials needed to manufacture the slab – i.e., cement, sand, gravel and rebar. The sales agent will sell the customer the SATO pan for 160 ETB (profit 15 – 20 ETB) and do the construction work (profit 100 – 200 ETB).

An advantage of this model is that any changes in raw material costs are directly paid by consumers and therefore the sales agents do not have to explain why the

price of a product has increased. Furthermore, sales agents do not need to take out loans for buying raw materials. In case a household does not want to prepare the raw materials, then there is still the option to buy a prefabricated slab from one of the three manufacturers in the Woreda – who mainly serve customers living in semi-urban areas.

The main challenge anticipated for the “Kalu model” is to ensure quality of the installed concrete slabs due to the very decentralized production. Random quality control checks by the WHO and project staff are therefore very important.

4. Sustaining post-project demand creation

The sanitation marketing approach considers sustainability issues from the very beginning: instead of distributing sanitation products to households for free, the intention is to develop a market system that is able to deliver the products on demand to consumers, without the need for external financial support after the close of the project. However, for most actors involved in the sanitation marketing effort, the end of the project will bring changes. For example, there will likely be no regular trainings or workshops which are an important motivational and quality enhancement factor.

Health Extension Workers

There are no indications that the national Health Extension Program will be discontinued in the near future. The program is recognized as a success and a suitable model for reaching rural communities with primary healthcare services. Therefore, it is almost certain that HEWs will continue to reach the majority of rural households on a regular basis with health education messages.

To ensure sustainability, the Federal Ministry of Health (FMoH) may need to address such issues as absenteeism and under-performance, and to formally incorporate sanitation marketing in one of the prescribed packages to be delivered by HEWs (and to provide instruction on this topic in the core HEW training curriculum). In addition, FMoH will need to ensure regular supportive supervision of HEWs on activities related to sanitation marketing to help ensure consistency of messaging, and to allocate any other needed resources for monitoring and technical support.

For their part, HEWs seem to appreciate that some of their workload can now be shared with sales agents. In this research, HEWs did not express any concerns related to the commissions that sales agents receive.

Sales Agents

Being a sales agent is neither a full-time, nor a permanent job opportunity. The market size for sales agents is limited for several reasons. The main ones are because it is difficult for them to collect advance payments in areas where they are not known, and also because it is difficult for them to travel to areas farther away than about one hour's walking distance from their home. It is expected that sales agents are able to reach all households living in the Kebele, commonly 1,000 to 1,500. Assuming a sales commission of 20 to 50 ETB per household, the maximum revenue potential for a sales agent is between 30,000 to 75,000 ETB. However, this income will be distributed over a time span that could be up to ten years or more.

In this action research the most promising sales agents were found to be:

- a) Volunteer Community Health Promoters who are already involved in delivering health messages to the

community. They appreciate the commission as a compensation for the work they would otherwise have done for free.

- b) Masons that add an additional product to their existing line, and therefore a new source of income.

Slab Manufacturers

Whether manufacturers will continue producing and installing concrete slabs after the end of the project will mainly depend upon whether they can make a reasonable profit compared to other products and services they offer (e.g. concrete blocks, masonry work). PSI estimated that the profit needs to be 50 to 80 ETB per slab to keep the manufacturers active. The selling price needs to be regularly updated by the slab manufacturer based on raw material costs. If the profit margin is adequate, manufacturers can be expected to continue preparing and marketing the slabs.

5. Lessons learned and recommendations

Working with HEWs as per the project design is an appropriate approach to raise awareness of sanitation products available from manufacturers and retailers. HEWs are usually trusted individuals in the community, and their endorsement is helpful to legitimize the follow-up efforts by sales agents.

Nevertheless, the demand creation activities implemented by HEWs was not found to be as effective as desired. Many households in targeted Kebeles seemed to be unaware of the promoted sanitation products, and some have not been visited by an HEW in the past six months. This indicates that some HEWs have not been promoting sanitation products or had not introduced the products in a compelling manner.

Recommendations to improve awareness creation performance include:

- **Advocate for formal integration of sanitation marketing** into the Health Extension Program.
- **Train HEWs on short and concise messaging** to maximize the number of households that can be reached with minimum additional effort. The messaging should include information on where to buy and how to finance the sanitation products.
- **Promotional materials.** Ensure leaflets are made available to HEWs for distribution. The leaflets should feature all sanitation products and services on offer.
- **Introduce non-financial incentives** for HEWs linked to improvements in improved sanitation coverage in their Kebeles.
- **On-site coaching for HEWs.** Project and/or WHO staff should conduct scheduled, supportive supervisory visits in each target Kebele, possibly to help the HEW with initial community meetings on sanitation products.
- **Develop a supervisory checklist for WHO** focusing on supporting HEWs to effectively deliver sanitation marketing information.

The private sector can often be as, or more, effective in creating demand than the public sector. Sales agents play a crucial role in connecting potential customers with sanitation product and service providers. However, not all Kebeles are being reached by sales agents, and many sales agents do not earn the amount of sales commission that they initially expected. The number of target customers per sales agent is limited, and the monthly commission potential is unlikely to exceed 500 ETB per month.

Recommendations for enhancing sales agent effectiveness include:

- **Ensure sufficient sales agents are in place.** Ideally, one or at most two sales

agents should be recruited per Kebele to ensure they are locally known while leaving a sufficiently large number of households per sales agent.

- **Manage sales agents' expectations** during recruitment. Being a sales agent is a part-time job and has a limited income potential.
- **Provide regular trainings** to carefully selected sales agents. Limit participation in training events to the most active sales agents to avoid attracting candidates motivated by per diem payments.
- **Ensure both male and female customers receive promotional messages.** Since men often control household finances, ensure they are included in awareness raising and marketing sessions.
- **Improve value proposition by manufacturers.** Customers often wait for at least a month to get a concrete slab and may have to arrange for its transport themselves. Explore service delivery models that reduce logistical hassles and waiting time.

Effective collaboration between the various actors involved in sanitation marketing is essential. Therefore, the WHO should convene regular review meetings involving HEWs, sales agents, manufacturers and retailers to ensure their activities are well coordinated and to address any other operational issues. Such meetings can be used to ensure HEW and sales agent roles and responsibilities are well understood; and to optimize the effectiveness HEW and sales agent efforts.

Transform WASH currently monitors product sales and self-reported awareness creation activities by HEWs. While this information helps to track project implementation, the indicators provide limited insight about the actual creation of awareness and demand for improved sanitation products and services.

Recommendations on monitoring include:

- **Strengthen monitoring of improved sanitation coverage at Kebele level.** *Reliable data about progress on sanitation coverage is expected to be an effective tool to improve learning and to encourage discussion and debate during review meetings.*
- **Introduce monitoring of awareness creation activities by HEWs.** *It would be helpful to have data on, for example, whether households have been regularly visited by an HEW (or sales*

agent), and whether households know where sanitation products can be purchased.

- **Monitor individual sales agent performance.** *Ideally, sales data would identify the person/s involved in making a successful household sanitation product sale. Awards and recognition can then more easily be given to high-performing agents.*

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