

Matching supply to demand—1



Identifying sustainable business models for rural sanitation

The BRAC WASH programme aims to identify sustainable business models and strengthen sustainable entrepreneurship for rural sanitation, by linking community-led demand to an effective supply of appropriate and affordable products and services including low-cost sanitation technologies.

In 2013, a rapid assessment was conducted of household demand for sanitation in rural areas. The potential and capacity of local entrepreneurs to supply products that respond to consumer needs and aspirations was also assessed.

This gave BRAC a better understanding of existing and potential levels of demand and an overview of links in the supply chain and market constraints. The findings are informing plans to strengthen the chain.

It is evident that many people, including the poor, are willing to pay for good sanitation that will satisfy their needs and desires if the products and services are affordable, packaged and marketed appropriately, and if they are easily accessible.

Matching supply to demand—2

Key findings of demand and supply survey

- *Consumer research of 4,752 households in 92 villages in 16 Unions of rural Bangladesh investigated demand for products.*
- *Market research of all 35 rural sanitation centres, 23 manual pit emptiers and 35 hardware stores in these unions examined available supply.*

Demand

- **99% of households without a toilet, were dissatisfied, mainly due to lack of status and inconvenience.**
- **91% of the poor and non-poor households with a toilet had spent money on construction.**
- **Many hard-core poor and poor households would not be able to construct hygienic toilets without grants or loans.**
- **Amounts for loans and grants do not reflect ability/willingness to pay.**
- **100% coverage is not likely to be achieved in the near future.**
- **More than half (56%) of households with a toilet were dissatisfied (fill too quickly, weak superstructure or bad smell).**
- **60% of households want to upgrade the toilet if affordable**
- **Six in ten households believed they could make an informed choice about toilet technology.**

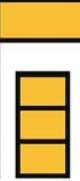

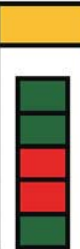
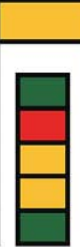


Supply

- **One size does not fit all. The standard BRAC toilet is not appropriate for all areas (e.g. areas of water shortages or flooding).**
- **Six unions had shortage of toilet parts while nine had excess supply.**
- **Business location is critical for accessibility. Strategic places such as near to an Upazila headquarters were most favourable.**
- **Producers will not survive only by producing and selling toilet parts.**
- **Diversification is key to survival along with a strategy to attract more affluent households.**
- **22% of rural sanitation centres in BRAC WASH I upazilas have ceased this business (QIS data).**
- **13 out of 35 producers produced sub-standard products. Producers affiliated to BRAC generally produced better quality products.**
- **A quarter of Rural Sanitation Centres (24%) did not provide any properly functioning water seals.**

Matching supply to demand—3

Traffic lights highlight areas where supply fails to match demand

This ‘traffic lights’ tool was developed to provide an early warning system of emerging challenges.

WHO are the potential customers / consumers? Type and quantity of potential customers / consumers ↳ Hard-core poor, poor and non-poor households ↳ Households with and without toilets		WHO are the supply side actors selling sanitation products and services? Type and quantity of supply side actors ↳ Producers, hardware stores and pit emptying services Background and experience of key supply side actors
PLACE: Where are the customers? Location ↳ Distance and accessibility ↳ Appropriateness of BRAC standard sanitation technology		PLACE: Where are the supply side actors? Location ↳ Distance and accessibility
PRODUCTS: What do they need now and in future? Type and volume of products and services ↳ Demand for new toilets by first-timers and repeat customers ↳ Combined demand for new toilets and upgrades ↳ Pit emptying services current demand ↳ Pit emptying services future demand		PRODUCTS: What products and services are made available? Type and volume of products and services ↳ Demand for new toilets by first-timers and repeat customers ↳ Combined demand for new toilets and upgrades ↳ Pit emptying services current demand ↳ Pit emptying services future demand ↳ Quality of available products and services
PRICE: How much can they afford? ↳ Ability and willingness to pay ↳ Ability to pay for new toilets ↳ Ability to pay for improving existing toilets ↳ Ability to pay for pit emptying services ↳ Amount willing to pay for new toilets ↳ Amount willing to pay for improving existing toilets		PRICE: How much does it cost? ↳ Costs of products and services ↳ Costs of a BRAC toilet ↳ Costs of a new pit and slab ↳ Costs of pit emptying
		PROMOTION: Do they promote their products? ↳ Promotion by key supply chain actors ↳ Intensity of promotion activities
Do they have the KNOWLEDGE to make an informed decision? ↳ Knowledge about sanitation technologies ↳ Overall judgement on customers' knowledge		Do they have the KNOWLEDGE about sanitation technology options? ↳ Technical experience ↳ Overall judgement on suppliers' production and technical knowhow

Red boxes highlight a mismatch between demand and supply; for example the gap in pit emptying services—demand for which will increase as more latrines fill up. This graphic highlights concern over the inability of some families to meet the costs of improving their toilets or replacing the pit and slab. Other issues highlighted include the ability of entrepreneurs to promote their products and a lack of technical knowledge amongst customers about the specifications they should require.

Matching supply to demand—4

Communities and entrepreneurs need better information about sanitation options

As initial demand for sanitation is met, rural sanitation centres will have to diversify to offer a range of quality products. A viable market will offer greater choice of affordable sanitation rather than relying on one model provided by BRAC WASH.

- **Support choice:** Develop low cost sanitation options, especially for water logged and water scarcity areas. BRAC WASH can develop a booklet of options and prices so that staff, village WASH committees, families and entrepreneurs have access to better information.
- Re-emphasise the need to maintain a **safe distance** between drinking water sources and toilets.
- Improve products by developing a **quality checklist**.
- Improve training of programme staff, sellers and manufacturers.
- Introduce a **business certification scheme** and 'badge' siphon and toilet pan brands that meet acceptable standards.
- Develop a strategy for rural sanitation centres focused on **product diversification**.



A non-functional siphon like this one fails to make an effective seal and therefore does not protect the users from flies and smells.



Offering greater variety and choice of high quality products will help to sustain rural sanitation centres