

# The Role of Urban Authorities and Utilities in Promoting Sanitation as a Business

Presented by:

**Dr. Charles B. Niwagaba, PhD**

Founder & CEO

**Sustainable Sanitation & Water Renewal Systems (SSWARS)**

**Local NGO, Kampala, Uganda**

website: <http://www.sswarsuganda.org>

**LCM Summit 15 December 2011**

# INTRODUCTION

- Sanitation is part and parcel of development projects, and this has existed for many years.
- However, in different contexts, MIXED OR NO SUCCESSES have been registered.
- What has gone wrong??

# INTRODUCTION

- If people have several needs (water, food, sanitation, clothing, school fees, etc), where do we find sanitation in the list of those priorities

~CERTAINLY NOT NEAR THE TOP!!

- Funding may also be a problem, e.g. where is the 'home' (and thus budget line) of sanitation in Uganda – MoH, MoES, MoWE, MoLG?

- However, low priority and inadequate funding may only be part of the failure of many sanitation projects.

~MEANING, THAT THERE ARE OTHER ISSUES THAT MAY CONTRIBUTE MUCH MORE

# INTRODUCTION

- A more critical problem is probably a lack of understanding of what kinds of sanitation facilities people want and are willing and capable of maintaining.
- Unfortunately, there is no general rule of thumb on the above, as conditions may vary from country-country/site specific.

# INTRODUCTION

- There is no point in trying to sell, or even give a sanitation facility to a household that does not want it.
- But should wanting or NOT wanting any form of sanitation facility be a matter of choice?

**~THE ROLE OF LEGISLATION, URBAN AUTHORITIES AND UTILITIES TO ENFORCE??**

- How do we make people want sanitation?
- Understand both existing consumer demands and requirements for sanitation, and to stimulate new demand for sanitation.

# THE HOW?

- Lets compare with water – Water is a good and thus easier to sell, BUT sanitation is a service, harder to sell!
- Can sanitation be provided to the consumers at no cost? **THE ANSWER IS NO!**
- The easiest way to sell sanitation is to introduce a sanitation levy on the water bill – But it has to be done cautiously so that people who have sewerage are not charged twice. This may call for the zoning of the supply?
- A national sanitation utility, can work with a water utility to implement that, as in the case of Senegal!

# THE HOW?

- Sanitation services need promotion.
- Sanitation promotion frequently focuses on the attractiveness, usefulness and convenience of having and using household sanitation facilities.
- Successful approaches vary in different geographical contexts, and between rural and urban settings.
- Two promising sanitation promotion methods are **CLTS** and **Sanitation Marketing.**



# With toilets like the below, issues like.....

- Dignity??? Quality of life???
- Shame – often people do not enter such a latrine when someone is seeing them...hold the *poo* until when? So, they need a better latrine – NOT that shown below.

Latrine in a slum in Kampala, Aug. 2011



- The need to have improved latrines is known, but affordability is a problem!
- Slum dwellers need more than their full year's income to build an improved latrine that is not a shame to them, one they are not afraid to enter when someone is seeing them!



# WHAT IS SANITATION MARKETING?

- What is sanitation marketing?
  - the design, implementation and control of programs calculated to influence the acceptability of **social ideas**. It involves considerations of:
    - product planning, pricing, communication, distribution and marketing research.
- The social marketing approach **considers sanitation as a social good** which can be marketed using commercial marketing principles of
  - product,
  - price,
  - promotion, and
  - Place

THE  
FOUR  
P'S

# WHAT IS SANITATION MARKETING?

- Social marketing is demand led ~ it uses a strategic, managed process of:
  - assessing and responding to felt needs,
  - creating demand, and then
  - setting achievable and measurable goals
- Demonstration of gains from improved sanitation lures uninterested people to take initiatives to build latrines and adopt/learn better hygiene practices

## OUR EXPERIENCE WITH SANITATION MARKETING

- GIZ designed a PPP that was implemented by SSWARS in Bwaise I between Dec. 2008 and June 2011 using a sanitation marketing (sanimark) approach
- **Partners:** Crestanks Ltd; Polyfibre; the local authority (Kawempe Division) and JICA.
- In Dec. 2010, another slum, Bwaise II was included in the project.
- Initially, an estimation of the latrine coverage revealed that access to sanitation was 50% in each of the two parishes Bwaise I and II.

# THE SANMARK EXPERIENCE

# Cont'd

- The sanitation marketing was carried out using:
  - *house-to-house visits by use of foot-soldiers,*
  - *road drive shows,*
  - *drama,*
  - *story tale booklets for school children,*
  - *various IEC materials including posters, fliers, stickers, branded items (pens, pencils, rulers, t-shirts).*
- Forms of credit acquisition through banks and microfinance institutions were explored, as well as sanitation acquisition through installment purchase.
- The possibility to run sanitation as a business was also explored.



**Preaching in Church.** You are to have a place outside the Camp where you can go when you need to relieve yourselves, keep your Camp ritually clean, because the Lord your God is with you and in your Camp to protect you. Do not do anything indecent that would cause the Lord to turn his back on you (*The Holy Bible, Deut: 23:12-14*).



Road side marketing

To school children



Neighbourhood marketing



Marketing from house-to-house



Entertaining children with sanitation & maiming



# RESULTS

- Sanitation (including water) facilities constructed in Bwaise I and II comprised of:
  - 42 slabs,
  - 18 latrines comprising of 39 stances, three wonderloos and one Ecopan
  - 10 water storage tanks, 10 hand-washing basins.
- Installations were built at household level, at religious institutions (two churches and one mosque), in four primary schools and in one business establishment.
- Direct beneficiaries 2,000 people and indirect 3,000.
- Latrine coverage in Bwaise I increased from 50% to 63% between Dec. 2008 and June 2010.

# RESULTS

# Cont'd

- The total numbers of latrines built in Bwaise I did not alone contribute to the difference in latrine coverage of 13%:
  - not everyone built factory made products that were initially promoted,
  - some people built latrines using locally produced materials.
- The possibility to run sanitation as a business was found promising in one public latrine visited daily by 100(+) people (including about 10% that use it for bathing).
  - Latrine use for *pooing* and *peeing* for both women and men costs UgShs. 200/= per visit, and
  - UgShs. 300/= per bathing per person.
- The total collection per month is UgShs. 630,000/=
- Total operator costs is UgShs. 390,000/= monthly, comprising of:
  - UgShs. 150,000 for emptying,
  - UgShs. 150,000 for water, and
  - UgShs. 90,000 for labour (money collector!)
- A monthly profit of UgShs. 240,000/= is made. The owner can recover the total costs of the latrine within 2.5 years.



# Tycoons reap big from city toilets

There are over 100 public toilets in Kampala with each charging between sh200 and sh500 per person for each visit. But where does this money go? Chris Kiwawulo and Juliet Waiswa conducted a survey to find out the state of public toilets and how they are managed.

Discussing public toilets in Kampala 20 years ago would send chills and disturbing feelings in the minds of many who worked in the city. The toilets were so filthy right from the doorstep that many dreaded using them. The Kampala City Council (KCCA) attendants were only interested in collecting money from the users.

The dirty facilities would leave a foul smell hanging around the central business district, which had only 14 public toilets by 1989, said Ahmed Kaweesi, the pioneer of public toilet management business in Kampala.

Although using public toilets was cheaper then (sh5 in 1992) compared to today where it goes for sh500, visiting one would leave you disgusted.

This forced people operating in Kampala to ease themselves at their homes before coming to town in the morning.

They also ensured that they ease themselves again when they return in the evening, which required extraordinary resilience.

"This meant that one had to watch over what they ate to avoid visiting the toilet," recalls Richard Mutenyi, a city trader on Nakivubo Street, who was then a hawk.

"The attendants had neither soap nor water for washing hands after using the facility. Others had no toilet paper, and toilets would not be flushed after use. It was really terrible," he adds.

However, there were days when one would get a stomach upset, making it



A man sitting in front of the public toilet located at Constitutional Square in Kampala

inevitable to visit the toilets. "Some of us would walk up to the Imperial Royale Hotel to ease ourselves," said Juma Mutabi, a phone dealer on William Street, who was a shoe-shine in the 1990s.

Most buildings did not have toilets, Kaweesi stated, and this left most people operating in Kampala with no alternative but to use the public toilets.

People passing through Kampala to other destinations would also use them.

#### Better services

From 14 toilets to about 105 facilities today, there has been a remarkable improvement.

Today's toilets range from modern water-borne flush toilets found mainly in the commercial area to community-managed ventilated improved pit-latrines in the peri-urban settlements.

Of the 105 toilets, 33 are located in the central business district, including the newly constructed two-storey facility next to St. Balikuddembe Market. The rest are found in the peri-urban areas.

Of the 105 public toilets, Kampala Capital City Authorities (KCCA) manages only three. KCCA estimates that there are over 2,550 users of public toilets per day.

According to a recent survey conducted by *New Vision*, over 50 people visit the public toilet between St. Balikuddembe Market and Nakivubo Primary School in 30 minutes.

This means over 1,200 people use the toilet in a day.

#### Charges versus profits

The city authority charges sh100 for using the toilet. Women who bathe at the facility pay sh200, while men pay sh300.

A young man sits on a stool at the entrance to the toilet armed with toilet paper. In front of him are two open boxes. One has pieces of soap, while another contains cones he collects from the users.

Another young man helps him count the coins and load them in a polythene bag.

It is difficult to tell how much they collect per day since different people pay different

prices, but on average, *New Vision* estimated that this facility alone collects not less than sh240,000 daily.

"But more people visit the facility during peak hours like in the afternoon and special seasons like the wet season and during the month of Ramadan," noted Moses Luwagga, a produce dealer operating near the toilet in St. Balikuddembe Market.

*New Vision* observed that most of the clients who bathe at the facility are Muslims operating in St. Balikuddembe Market who go to clean up before going for prayers.

About five cubicles are washrooms, while the other five are toilets.

According to St. Balikuddembe Market chairperson Godfrey Kayongo, the toilet belongs to Godfrey Kasajja.

In Nakasero Market and the Old Taxi Park, toilet operators charge sh500 for bathing, sh200 for ablution, sh300 for long calls and sh200 for short calls.

In all toilets, attendants stand on the ready and pour in water as soon as a user gets out. While some draw water from plastic tanks, others use drums to store water.

According to KCCA's annual budget for the year 2009/2010, sh25.8m was collected during the 2008/09 financial year from public conveniences.

Every five minutes, someone walks into the facility to either have a short or long call in one of the facilities.

If the number of people who visited the public toilet at Constitutional Square in the one hour *New Vision* spent at the facility is to go by, the business must be lucrative.

#### FACTFILE

- The number of public toilets in Kampala has risen from 14 in the early 90s to 105 in 2011

- Of the 105 toilets, 33 are located in the central business district. The rest are in peri-urban areas

- KCCA manages only three of the 33 toilets. The rest were privatised

- Operators charge between sh200 and sh500 per person for each visit

- Toilets are open from 5:30am to 10:00pm depending on the location of the facility

On average, the operator collects about sh12,000 per hour at a given facility, meaning that they collect not less than sh140,000 from one facility in a day.

Toilets at the Uganda Railways, the Old and New taxi parks charge sh200 for both long and short calls.

#### Maintenance

According to information from KCCA, a company called KKM All Services Ltd was contracted to operate all public flush toilets formerly managed by KCC.

KCCA central division town clerk Justine Kasule confirmed that the authority manages only three facilities in the city.

Before starting operations, KKM invested \$38,000 (about sh91m) to reha-

bilitate the facilities as per contractual requirements for about 2,550 users per day.

Kaweesi said he used his own investment of sh45m as start-up capital to renovate the dilapidated public toilets.

Before he quit the business in 2004, the company's daily expenditure included toilet paper at sh100,800, fuel sh40,800, labour sh14,400 and detergents sh64,800.

The project had an average annual revenue of sh220m and a profit of about sh85,000 per day in the 1990s. But with time, the number of toilet users has increased and the prices have gone up.

The management contract between the operator and KCCA allows for a three-year grace period during which the operator does not pay fees to the authority.

Thereafter, a monthly rental charge of \$1,000 (about sh3m) is payable by each operator.

The contract compels the operator to rehabilitate the facilities to KCCA standards as a pre-condition for managing them. Rehabilitation costs about \$3,500 (sh8.4m) per facility.

Business opens at 5:30am and closes between 6:00pm and 10:00pm, depending on the location of the facility. Those in the city centre close at 10:00pm, while those in the outskirts close at 6:00pm.

Sources disclosed that the management of the toilets has since been sub-leased to several other people.

According to the operator at the Railway's Yard facility, the tender to manage the toilet was awarded to a reverend father only identified as Kasirye.

Earlier in 2007, Kampala Central Division granted another company, Public Convenience Cleaning and Managers owned by William Bahemuka, a three-year contract to manage toilets in the New Taxi Park.

#### Challenges

However, one of the operators at they were facing problems with National Water and Sewerage Corporation (NWSC) over high tariffs and unreliable water supply.

The managers ferry water from alternative sources for the toilet facilities using drums.

Using their own water eliminates payments to NWSC and guarantees availability of water.

Addressing a rally at Kololo Airstrip after his nomination last November, President Yoweri Museveni criticised city authorities for privatising the management of public toilets.

He pledged to build 300 public toilets in the city if re-elected, and promised to start with Kawempe Division, which has the worst facilities.

This article was taken from the Government Daily News paper, The New vision of Tuesday 26<sup>th</sup> July 2011

**MAIA LTD**

FROM ITALY Imported equipments for building sites

- steel props  
- scaffoldings  
- column clamps

Now available: twenty thousand of steel props

Next month: 8.000 square meters of scaffoldings

Phone: +256 778 486 015 +39 337 810079

E-Mail: maia.u.lda@gmail.com

Web site: www.maialtd.com

Head Office: Plot 6-8 Malt Road, Luzira, Kampala

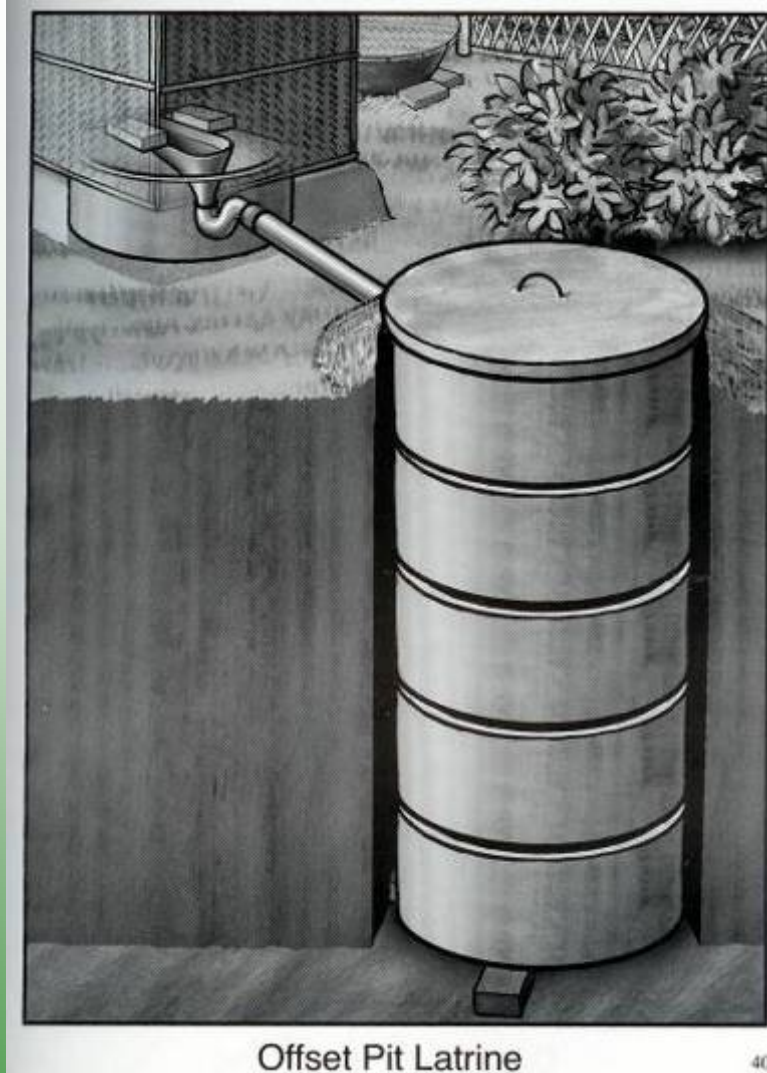
# Running sanitation as a business?

- But how else can sanitation be run as a business?
- Can you lend people money to buy toilets and they pay back in instalments with interest?  

**Very tricky! – People wont accept to put anything as collateral, they are not faithful enough to pay back in the absence of a collateral**
- Toilets are too expensive and cheaper models need to be found!



# Costs of Technology



Bangladesh: US\$ 15

**55 x**

Uganda: US\$ 850



# Costs of Technology



The Howard Higgins 10 minute toilet Toilet



interior



SuSan Design urinal 80% of N in human waste is ir



Making Urine Earth



Hot Box installed at London School



Compost turned out in 14 days



super healthy Veg

## HOW CAN URBAN AUTHORITIES AND UTILITIES COME IN?

- ❖ Legalisation (organic fertiliser accepted and promoted)
- ❖ Regulation and standards - to ensure process is done properly and does not put lives of people at risk

# The U-ACT approach

- Studies have shown that toilets are too expensive in Kampala!
- The cost of an improved toilet exceeds the annual per capital income of a household!
- Thus innovative financing is needed – instalment purchase!
- U-ACT implements financial interventions in 35 zones.
- We expect to build 200-300 toilets.



# The U-ACT approach



Before SSWARS intervention



After SSWARS intervention

# The U-ACT approach

<i>Update 12<sup>th</sup> December 2011</i>		
1	Contracts	180
2	First payments	70
3	Second payments	2
4	Constructions started	57
5	Completed	47

- What do these figures imply?
- That it is hard to collect the money when toilets are offered on an installment purchase.
- What do you do when they fail to pay?



# RESULTS

- One reason for not investing in latrines was the lack of the entire amount of money to purchase the materials and to pay masons to construct it in a short period of time.
- Banks and microfinance institutions did not show interest in supporting communities to acquire latrines due to the lack of collateral by the applicants.
- The latrine acquisition was very slow, as people could not afford the initial investment cost → for factory products initially promoted.
- Therefore, we allowed for the use of locally produced materials, basically fire clay bricks, cement, building sand, aggregates, iron bars, timber, and ironsheets. With this, the strategy was for householders; mainly the landlords to purchase the materials and SSWARS masons built the latrines at no cost to the owner.

# RESULTS

- The money for labour (masons) was a project contribution by GIZ, which was an incentive to the landlords to own their latrines.
- For the landlords who demonstrated capacity to pay in installments, SSWARS entered into an agreement with them and topped up the materials, mostly the cement, which was not produced locally within the community.
- The re-payment period ranged from 3 - 12 months, as determined mutually through negotiation, and no interest was charged!
- The promotion of sanitation product purchase through installment payments by beneficiaries seems to be beneficial. However, it requires constant interface between the marketing/sales team with the communities to achieve payback.





# Research.....

- SPLASH (EU – ERA Net) funded projects:
  - On valorising excreta: FaME (Faecal Management Enterprises) project.
  - On Economics of sanitation: Economic Constraints and Demand-Led Solutions for Sustainable Sanitation Services in Poor Urban Settlements – the U-ACT project
    - Two PhD students (Economics Part; and Cleaning Part)
- EAWAG/Sandec/ETH (User Driven Sanitation)
  - A PhD student studying how to improve behaviour and demand for improved sanitation

# Research.....

- Two recent projects funded by Bill & Melinda Gates foundation:
  - Re-invent The Toilet Challenge (RTTC). A competition to produce a model to be put on market, costing 0.05 US\$ per person and day (Mass Production!)
  - Pro-poor Sanitation Innovations; Stimulating local innovation on sanitation for the urban poor in sub-Saharan Africa and South-East Asia: 20 PhDs and 60 MSc expected – to be sanitation managers and sanitation researchers.
- A new concept being developed with AWF/AfDB on “*Resources-oriented sanitation promotion in Jinja peri-urban region - a Business Approach*”.



# CONCLUSION

- There is need for innovative financing to increase sanitation acquisition, e.g. by installment purchase to acquire a latrine by households with low income.
- The marketing applied in this presentation is replicable → road drive shows, house-to-house marketing, innovative financing and use of IEC materials that are successful in smart marketing in recent times.
- Enforcement of laws/byelaws on toilet and legislation on valorisation of excreta.