

# SAAB India Update

Summary Report on SAAB in India

# Content

- Current situation
- Possible interventions
- Associated challenges
- Proposed way forward

# Current situation

- BASIX has been contracted as the BDS provider in India to implement SAAB. BASIX is currently working with WfP to establish the most appropriate implementation strategy
- A value chain study was conducted by BASIX to analyze the potential of SAAB in Sheohar.

# Sheohar statistics (2011)

	Number	Percentage
Total number of HHs	129,576	
Above Poverty Line (APL) HHs	55,875	43%
Below Poverty Line (BPL) HHs	73,701	57%

**Source: Survey done by BASIX, BDS provider in India**

## A further segmentation of the market is as follows:

Class	Attitude towards sanitation
Ultra poor – 20%	Cannot afford even basic needs - “Talk about food first then we can talk about sanitation”.
Poor – 30%	Interested in building a latrine, but have heard that government subsidized latrines are poor quality
Middle class – 30%	Can afford to build a septic tank or large pit latrine. Would pay Rps 25,000 - 30,000 (\$500) for the construction.
Rich – 20%	Most already own a septic tank. Can afford to pay up to Rps 100,000 (\$1,700)

# Major findings of the study

- Sheohar has over 129,000 HHs with an average of about 5 persons per HH
- The majority of the population live below the poverty line and 20% are categorized as ultra poor
- Consequently, they cannot afford to build toilets or latrines and resort largely to open defecation









# Government subsidy

- To cater for the poor, the India government subsidizes construction of toilets referred to as TSCs - Temporary Sanitation Centers. As the name suggests, they are only a temporary solution
- The government subsidy for the ultra poor is about \$70 and therefore to get a TSC built, an ultra poor HH will have to pay about 300 rupees (approximately \$6)

- TSCs subsidized by the government







# Possible solutions

The priority for the project in Sheohar is to develop two SAAB strategies

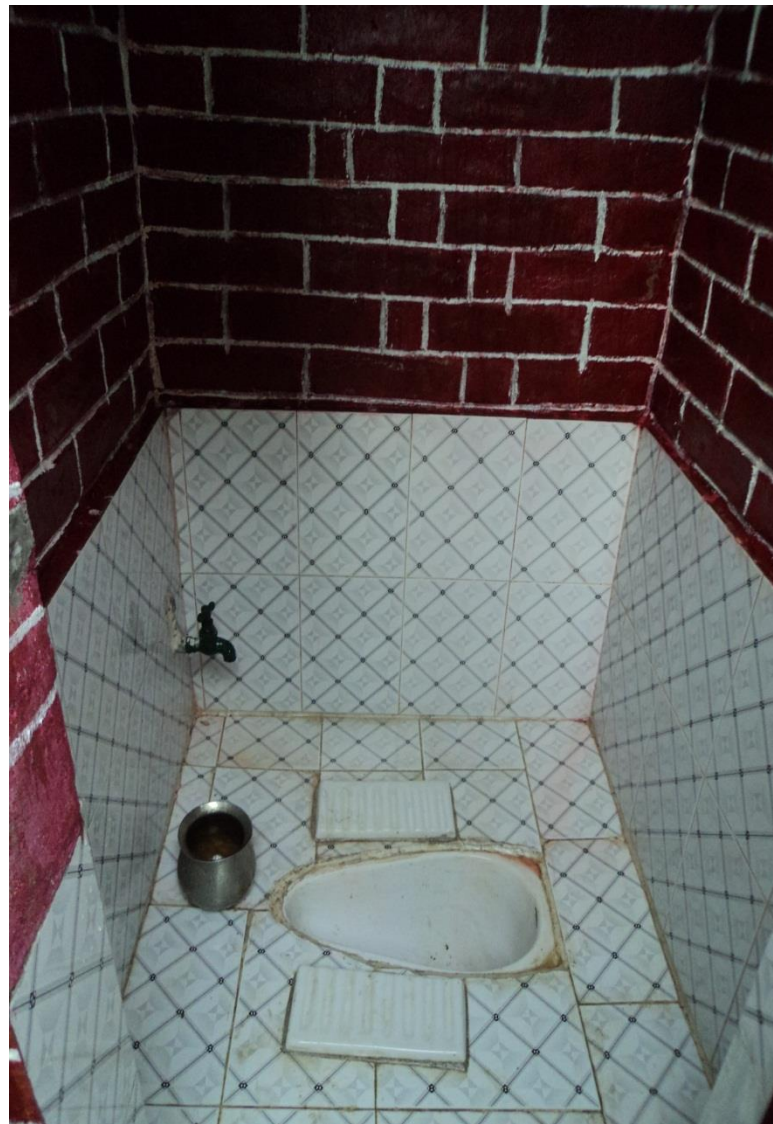
- one aimed at the 60% middle class and poor segments and building good quality, long lasting latrines; and
- the other at the ultra-poor based on the management of communal facilities or upgrading away from open defecation

# Alternatives for the middle class

- A better more durable alternative to the TSC is the “WOW” toilet. It has been generally admired by the householders who have visited them and could be used as a basis on which to develop a range of superstructure options.
- The cost is about 8,000 rupees and within the budget that the middle class can afford







# Proposed interventions

- Another possible intervention is to work with MFIs to offer loans to HHs to build latrines
- MFIs in India offer short term loans to HHs – usually up to one year at an interest rate of about 24% p.a. Generally MFIs give 75% of their portfolio to income generating activities and consumption lending does not take up more than 25% of their portfolio

# The Challenge

- MFIs in India faced a crisis in October 2010 when the state government suspended operations of MFIs in the state and allowed borrowers to stop repaying their loans. As a result, MFIs made hugely significant losses
- While MFI operations have since resumed, it is understandable that they would be cautious, especially regarding consumption lending

- This would imply the need to work with MFIs to design a loan product targeting HHs interested in getting a loan to build a latrine
- This could also include working with identified trained masons to build latrines in order to ensure that the latrine product that a HH gets is of good quality.

This will save HHs from poor quality pits that ultimately remain unused



HHs can then have better constructed and more durable toilets



# Solutions for the ultra poor

- While the WOW superstructure and MFIs may offer a solution for the middle class, the ultra poor cannot afford to get loans for toilet construction and open defecation continues to be widely practiced
- A community-led sanitation initiative such as an arborloo may be a solution for the ultra poor.

# Conclusion

- Ultimately, this multi-pronged approach can help to achieve sustainable sanitation for the different categories, including the poorest of the poor



