

Thematic Discussion Synthesis: From missing market incentives to misaligned incentives. What is choking India's rural sanitation progress?



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From missing market incentives to misaligned incentives

What is choking India's rural sanitation progress?

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Introduction

The Government of India launched a reformed national rural sanitation programme, the Swachh Bharat Mission-Gramin (SBM-G) on 2nd October, 2014 with a mandate of reaching over 11 crore (110 million) households with improved toilets by 2019. This succeeded the Total Sanitation Campaign (started in 1999) and Nirmal Bharat Abhiyan (started 2012). SBM-G aims at eliminating open defecation by 2019, an ambitious target. It was backed by high-level political ownership and promised to be a game changer for rural sanitation. It was intended to be transformational in design, attempting to learn from past mistakes.

Though in principal the SBM guidelines defined the payment of ₹ 12,000 to eligible beneficiaries as an incentive linked to use, in reality it continued to be perceived as a subsidy. Additionally, the provision of incentives for only one value chain player, the consumer, posed a challenge. Other players in the sanitation delivery value chain 'missed incentives' to perform. The focus on a single technology such as double leach pit toilets, and the quality of construction and numbers, belied expectations.

The performance of states in terms of adequate sanitation differ widely. As of November 2017, the increase in sanitation coverage was a low 22.87 per cent in poor performers. While a few better performing states like Rajasthan registered an impressive 45.17 percentage points increase, states with high rates of open defecation like Bihar and Uttar Pradesh, remained laggards with only 14.9 and 12.70 percentage points increases, respectively. Overall, 5.7 crore toilets were reportedly constructed till November. Therefore, nearly as many have to be constructed till October 2019; all the states combined will need to construct an average of 23.24 lakh individual household latrines per month. This is nearly double the rate at which construction has taken place so far (at 11.42 lakh toilets per month).

In the light of these developments, Population Services International (PSI) shared insights from a policy landscape study (not yet available) that reviewed existing literature and conducted key informant interviews to understand SBM-G, key functions and players (private, public, formal, informal). Additionally, it sought to understand the enablers and barriers in the existing policy in terms of its overall effectiveness, or level of coverage or access. The study was funded by the Bill and Melinda Gates Foundation.

The insights from the landscape study suggested the following choke points:

- The incremental budgetary increases in SBM-G allocations
- Presence of a fragmented supply chain
- Missing incentives for market behaviours

The study suggested SBM-G should play a strategic stewardship role to unblock market barriers and stand guarantee for unlocking demand. This could catalyse other forms of capital investments from both private and corporate sectors.

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From 30 November 2017 – 26 December 2017, PSI together with ISC organised a thematic online discussion on the SuSanA Discussion Forum to elicit responses to these initial findings, grasp the root causes of these chokepoints and work out how they could be addressed. Members of the SuSanA India Chapter were asked to suggest how SBM-G could play a strategic stewardship role to overcome these problems.



Summary

Most respondents said SBM was often too focused on quantity and achieving countable targets rather than quality or sustainability. Another point raised was that the subsidies had created some problems in SBM-G's implementation. Members said to be a strategic steward, SBM-G would have to reinvent itself as a framework for action rather than a subsidy-led programme.

SBM-G could provide an enabling environment by strengthening "upward" and "downward" flows of the financial aspects with adequate technical and financial support mechanisms that were regularly reviewed. The subsidy could be linked to usage instead of the validation of toilet construction. Indicators for both remained weak and easy to manipulate.

Instead of building a consensus around sanitation and supporting households to build toilets, local authorities – panchayats and urban local bodies – were found to be largely indifferent. In some cases. SuSanA members reported households found no support from their local government even though funds were available. Subsidies could be used to promote water availability in toilets which, some felt, was a reason for low-usage. Thus, instead of an enabling environment, incentives were a hindrance. While many governments had progressed to becoming ODF, the discussion indicated some had not held up their end of the deal in terms of behaviour change and payment of incentives.

Respondents regarded the subsidy of ₹ 12,000 as inadequate since estimates from different organisations suggested a basic toilet cost around ₹ 16,000-18,000; one suggested ₹ 25,000. People made toilets for ₹ 12,000 that were abandoned due to poor quality and size. These toilets were not aspirational and fell into disuse quickly. There was no quality control for toilets.

A respondent said the twin leach pit toilet was unsuitable for areas with high population densities or a high water table. People were reluctant to install them because they overflowed during the rains. Attaching a bathroom would make a toilet much more usable, but also added to costs.

Some respondents said the onus for making and using toilets was on the individual; coercion by the panchayat or urban local body sometimes bred resentment. Some felt the government system itself was the main bottleneck. People staffing SBM-G were not oriented for the job. Many focused solely on the numbers of toilets built, ignoring the behaviour change and quality aspects. This had reduced SBM-G to another toilet construction programme and a game of numbers.

Targets were fixed without taking into consideration the ground realities such as availability of trained human power, hardware required and funds available. Planning in district SBMs did not reflect the goal of becoming ODF by a fixed date but was instead incremental. Planning to become ODF by a realistic, non-political deadline in a way that recognizes the time needed to effect behaviour change would address some of these problems.

Others suggested a lack of knowledge by officials about the sanitation options available meant urine-diverting dry toilets were not encouraged. Insufficient and improper use of information-education-communication (IEC) funds was another reason for poor acceptability. One member, from an international NGO, noted, that the change in allowing subsidies to be paid directly to the home owner has created difficulties because it was more difficult to get them and use them in a household construction programme.

Instead of rushing towards the target of ODF India by 2019 with poorly-made toilets, some suggested halting the programme, reviewing it and setting a more realistic target. Instead, competition between panchayats, blocks, districts and states had led to a counter-intuitive situation where ODF badges were being applied regardless of the real outcome.

Scaling up was a challenge because the market did not have the bandwidth to provide toilets at the required scale for 110 million by 2019. Some participants said that some proactive governments managed to ensure adequate hardware and human resources but overall there were likely to be shortages.

Reacting to this, other participants said there were instances, such as in Bihar, where one centre had 800 good toilets in stock for the last 18 months but nobody wanted to buy them under SBM-G. There were similar units in Uttar Pradesh and Uttarakhand that had failed to sell toilets because of a lack of demand for their kind of product. This in turn was because villagers had been told by government officials they could not get the subsidy if they chose these toilets.

It was suggested, that the three key players – elected leaders, administration and private sector suppliers – develop a joint strategy for payments to private entities. For additional impact, service providers could provide a choice (catalogue) of models of toilet and tanks with some aspirational types instead of what the government usually provided. People could make toilets they wanted on their own initiative and the government could facilitate them, rather than triggering them as an external enabler. During the discussion it was suggested that the external support should be simplified in terms of language, resources and impacts of the program at the individual level.

Recommendations

Incentives and investments to providing water for toilet use should fast-track this program.

Toilet building should be linked with financing a tank for water storage

The three key players - elected leaders, administration and private sector suppliers – need to develop a joint strategy with a smooth fund transition to private sector

The persons responsible for paying the incentives and technology need to be better oriented and trained to be responsive to SBM

A more flexible approach to the type of toilets is needed looking beyond twin leach pits to allow people build the toilet they find suitable and affordable – including bathrooms if desired

The market needs to be expanded in a big way to meet the target of ODF by 2nd October 2019

Choke point 1: The incremental budgetary increases in SBMG allocations

Members felt the subsidy was inadequate for good quality toilet and water source. A decent toilet would cost ₹ 16,000 to ₹ 18,000. The last time the incentive was revised was in 2012. The current incentive subsidy of ₹ 12,000 only allowed for small and often poor quality toilets with little space and poor ventilation. People were willing to top up the incentive with their own savings but government officials working on SBM-G are not always willing to allow this. Members reported that they were often only concerned with meeting targets because the subsidy payment was linked to toilet completion instead of usage. However, not allowing people to build toilets they desired and needed not only poses a disincentive effect to them, but also ruined the opportunity for inspiring others to copy.

One participant said, on the ground, there was demand for poor quality toilets only because people would not receive the subsidy when they wanted to pay more than the subsidy to buy better toilets. This resulted in situations like in Bihar, where a toilet supplier, which had made more than 800 good quality bio-toilets had hold them in stock for the last 18 months because nobody was ready to buy. There were similar units capable of making good toilets in Uttar Pradesh and Uttarakhand which had been discouraged for lack of demand of quality toilets.

However, some members noticed that, more than the amount, the concern was with the mode of payment. The second instalment was paid only after completion. To ensure usage, the final instalment could be paid six months after completion on verification of usage by all family members regularly. One solution suggested was to strengthen upward and downward flows of the enabling environment with technical and financial streams.

Members pointed out that planning and implementation of SBM-G was not commensurate with its ambitious targets and the funds needed. Thus, the output was rather incremental than transformative.

Choke Point 2: Presence of a fragmented supply chain

PSI's study found out that the market was not ready to provide for the toilets at the required scale for 110 million by 2019. This would mean about 80 million pans and doors for 80 million household toilets. In terms of human resources, about 240 million rural masons working days would be needed and about 450,000 rural masons would have to be available to meet the demand within the next two financial years. Current budgets were found to be inadequate for the market to be ready to supply, resulting in both compromise of quality and sustainability of usage.

In order to overcome shortages in the supply chain district governments had to get proactive by negotiating in bulk with suppliers and ensuring they had stockpiles of material at the start of the year. The shortage of trained masons should not be hastily filled by getting them from neighbouring districts, but to train more people thoroughly and to educate masons further such that they can install different types of toilet systems.

Choke Point 3: Missing incentives for market behaviours

Some respondents felt the lack of incentives for promoting market behaviour was because there was no reporting system to judge the quality of toilets constructed. Reporting was all about numbers of toilets constructed. The targets were fixed without taking into consideration the ground realities such as availability of trained personnel, hardware or funds available vis-à-vis number of toilets to be constructed. It was noted if the target of ODF India by 2019 was un-achievable, the deadline should be extended rather than constructing poor quality toilets in a rush.

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Some said the twin leach pit technology should never have been allowed in India. They quoted village people as saying they did not want soak pits as during the rains the faecal matter would mix with rainwater, flooding the area.

Others felt the way SBM-G was being executed put the onus on householders as the toilets were being built for individuals with no connection to the community. Penalties and punishments as being done in some areas are breeding resentment and would eventually lead to failure. These were instead disinvesting people from toilets. Instead, it would be better, some members suggested, to make fewer but better toilets with bathrooms and sewer network. One missing link was SBM-G did not look at collateral benefits that would accrue if bathrooms were added. Women sometimes need to bathe on platforms with cloth screens with people passing by. Providing them a dignified place to bathe would enhance the utility of a toilet.

Others stated that panchayats were happy to be passive implementers rather than taking ownership of SBM. District governments were complicit in this by taking the onus of planning and implementation. Targets and timelines were determined at the district level and communicated to panchayats. In a few rare cases sarpanchs came forward to take the lead but are completely dependent on district and block officials for executing the work.

Further, FSM could be applied to utilize the waste on agricultural lands that are getting saline in Indo-Ganges stretch to reach a self-sustained system in the future. However, there were differing views on this issue.

Enabling environment

SBM-G would have to reinvent itself as a framework for action rather than a subsidy-linked toilet construction programme, respondents said. Insufficient and improper use of IEC funds was identified as one problem of the programme. It was said that there is too much emphasis on mass media advertising and not enough on using this money for interpersonal communication or other grassroots activities. To create and sustain demand more of the latter is needed especially as there are no permanent sanitation staff at the grassroots unlike in health or education. This would shift the paradigm from the current situation of one-upmanship with states and districts competing in declaring themselves ODF.

Respondents felt that all levels of the government need to fulfil their responsibilities to create an enabling environment. Downstream collection like pit emptying, sewage treatment, faecal sludge management etc. need to be addressed and organized properly by governments. Building toilets and worrying about conveyance and treatment was said to be the wrong way round. Final disposal should come first in the system set-up.

It was also added that there is partial compliance from the government, from sanctioning toilets to payment of incentives. Subsidies that are released late are a major bottleneck for beneficiaries and the whole sanitation market. Supply chains exist but are cautious because of the unreliability of the payment. People are so aware of the ₹ 12,000 subsidy that they are unwilling to build toilets without getting the money. Some participants said the late disbursement to private sector entrepreneurs (who are often in effect implementing partners of the government) and the way people postpone building a toilet until they "are in line" for subsidy.

On the other hand, it was felt that in a country with such income disparity and the kind of poverty that India has, members were hesitant to advocate for a zero-subsidy approach. However, finding a compromise is not an easy task and requires a change of mind-set. This, in turn, will take time.

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Respondents

The following people contributed to the discussion

Name	Organization	Country
Aprajita Singh	Populations Services International	India
Sanjay Gupta	Sanjay Gupta	Switzerland
Krishnan T R	Ingen Systems	India
Pandit Thakur	Freelance civil engineer	Nepal
Ashok Jain	Ashok & Associates	India
Dani Barrington	University of Leeds	United Kingdom
Magdalena Bauer	Former SuSanA intern	Germany
Srikant Navrekar	Nirmal Gram Nirman Kendra	India
Sanjay Deshpande	Clearford	India
Andres Hueso	WaterAid	United Kingdom
Marijn Zandee	Consultant	Nepal
David Crowweller	Sanitation First	United Kingdom
Ajit Seshadri	School of Maritime Studies	India

Compiled by Nitya Jacob (Coordinator SuSanA India Chapter) and reviewed by Aprajita Singh (PSI), Franziska Volk (SuSanA Secretariat) and Annkathrin Tempel (SuSanA Secretariat). January 2018.

The Thematic Discussion Series Host

The thematic online discussion “From missing market incentives to misaligned incentives. What is choking India’s rural sanitation progress?” was organised by PSI and ISC and hosted by the Sustainable Sanitation Alliance (SuSanA) on the SuSanA Discussion Forum. The discussion is part of a series of online discussion taking place under the umbrella of the [SuSanA India Chapter](#).

To view the whole discussion, please go to the SuSanA Forum: <http://www.forum.susana.org/from-missing-market-incentives-to-misaligned-incentives-what-is-choking-india-s-rural-sanitation-progress-thematic-discussion-susana-india-chapter/21974-from-missing-market-incentives-to-misaligned-incentives-what-is-choking-india-s-rural-sanitation-progress>

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Further Reading

1. Praxis, the CLTS Knowledge Hub at the Institute of Development Studies and WaterAid undertook an immersive research project to learn from the experiences of districts that had been declared open defecation free. The researchers spent three nights and up to four days in each of a total of eight villages in Madhya Pradesh (3), Uttar Pradesh (2) and Rajasthan (3), in districts which had been declared ODF. The main report sums up the key findings and suggests ways to strengthen the Swachh Bharat Mission – Gramin. [The report is available here.](#)
2. A small agricultural community is the first ODF tribal village in Gujarat State thanks to corporate social responsibility funding for an affordable wastewater technology and public sanitation outreach. [Read the full report here.](#)