



(Unclogging the Blockages - Sanitation exchange)

Tapping the Market – Scaling Up Rural Sanitation in Uganda

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Sanitation Status

- Uganda **one of the poorest countries in terms of per capita income (196/215 countries)** with a gross national per capita income of **\$490** (World bank, 2010)
- **65%** of population lives **below the \$2 per day** (PPP) poverty line, **38% below the \$1.25 per day** (PPP) poverty line (World Bank, 2012).
- Only **34%** have improved Sanitation (JMP, 2012)

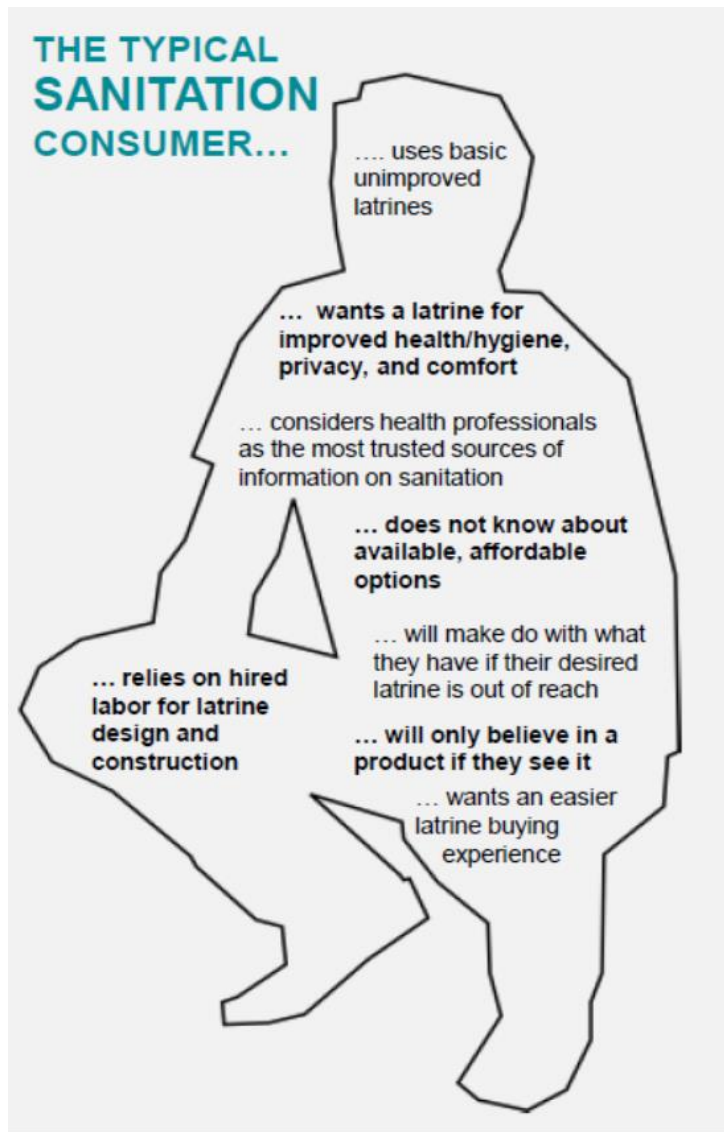
Supporting Rural Sanitation in Uganda



- WSP is supporting the Government of Uganda (GoU) to scale up Rural Sanitation and tap into the latent market of the bottom 40% of the pyramid by;
- **Strengthening the Enabling Environment.**
- **Strengthening the Supply chain** (Market development & business model development)
- **Strengthening Demand Creation** (Behavior Change Communication and CLTS)

Enabling Environment (EE) Study

- EE dimensions are essential for scaling up, sustainability and replication of Total sanitation and sanitation marketing approaches in rural areas:
- **Policy, Strategy, and Direction**
- Institutional Arrangements
- **Program Methodology**
- Implementation Capacity
- **Availability of Products and Services**
- Financing and Incentives
- **Cost-Effective Implementation**
- Monitoring and Evaluation



Gender Considerations

- **MEN** make the *final decision* on latrine construction, *purchase materials, organize construction* and *DO NOT prioritize buying a latrine* over other consumer goods.
- **WOMEN** participate in decision making and appreciate private benefits of latrine ownership

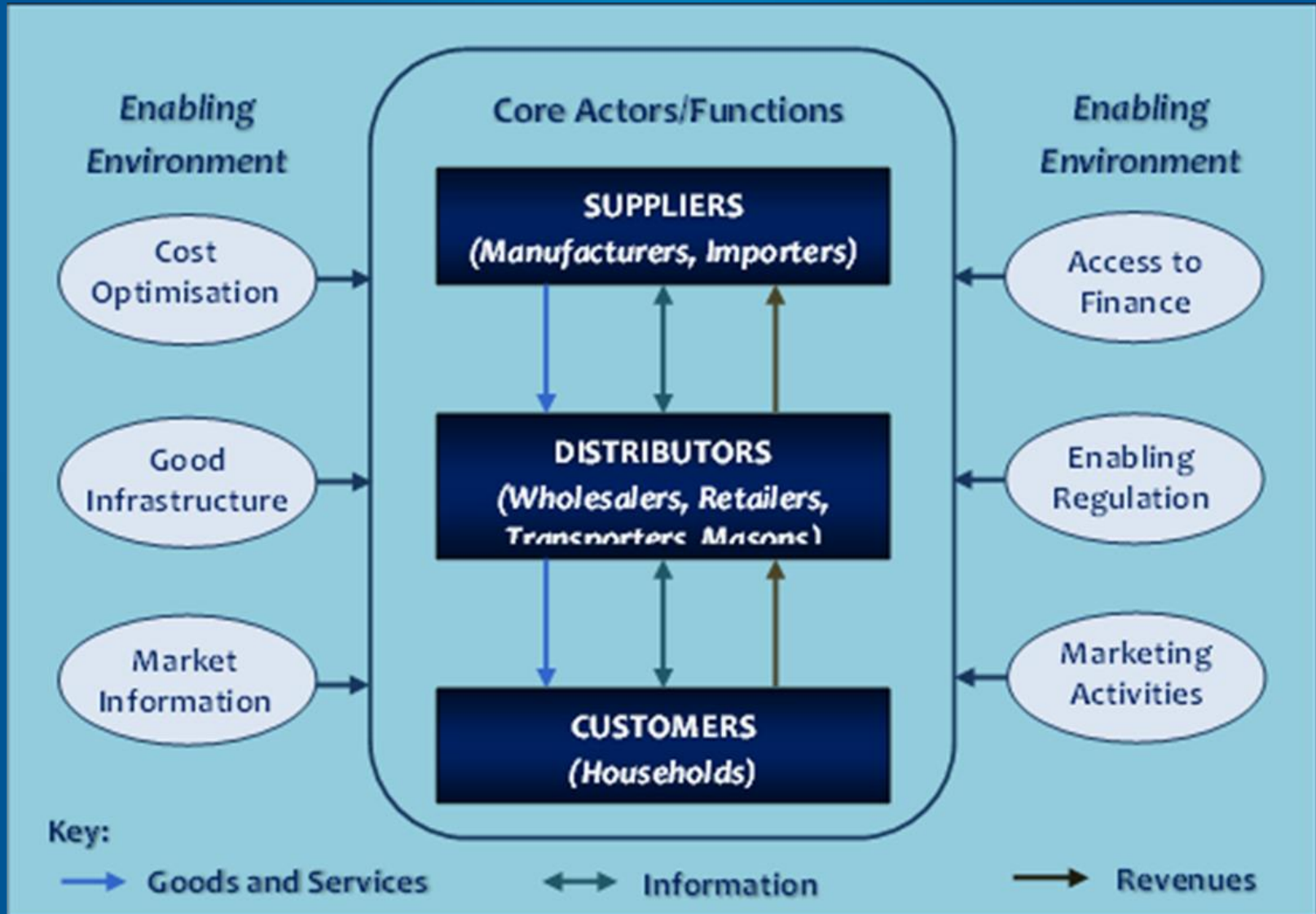
Challenges in the marketing

- **Product** – no standardization, poor quality, options not known.
- **Price** – improved latrines are expensive (nothing in between VIP and traditional latrine)
- **Place** – Materials far, transport costly, ready products not available
- **Promotion** – no large scale promotion on the ground. Very little information available

Suppliers Constraints

- **Passive sales** approach
- **Far removed** from end consumer
- **Focus on immediate customers**
- **Sanitation** constitutes a **small part of their business**
- **Limited market information**
- **Thinly spread capital** mostly at local retailer level
- **High cost of transportation**
- Do not see Sanitation as a business (**little or no profit**)

Supply Chain



Source; Anthony Oyo (2012)

Market Development (Trend)

- **Market Development & Business Models** - We are currently using a model that promotes market development, within which we shall also develop business models for the entrepreneurs to serve the bottom of the pyramid.
- **Sanitation Market Regulation** - The 4 pilot districts have embraced their role as regulator, and need to pass a resolution by district councils before this is operationalized.
- **Key Actors:** CAO, Entrepreneurs, Finance institutions, Customers

Market Penetration Strategies (Recommendations)

Lower Upfront Costs

- **Offer more value for money** – lower cost but durable, sealable & easy-to-clean (*Product + Price*)
- **Ease burden of Purchase** – financing options that lower the consumer's initial upfront investment
- **Consider in-house financing** – eg. 3 year installment payment scheme with maintenance by Grameen Shakti solar systems

Market Penetration Strategies (Recommendations)

Increase Consumer awareness and interest

- **Build on changing social norms** using CLTS and BCC – eg. Kayonjo campaign (*Promotion*)
- **Seeing is believing** – Word –of-mouth marketing through trusted peer intermediaries (BCC + encouragement of Household investment with demonstration Samples and installation support (*Place*))

Thank You
For your kind Attention