

Supporting non-state providers (NSPs) in sanitation service delivery

Where public agencies fail to provide basic sanitation services, people have to find their own solutions for managing excreta. Non-state providers (NSPs) are the primary group ensuring that some level of sanitation service, however limited, is offered to the vast majority of poor households. Public agencies in developing countries usually have a small share of the sanitation market in terms of providing facilities for excreta disposal. Given the substantial health and environmental benefits that can emerge from effective sanitation services, governments are increasingly looking to work more with NSPs, as part of their enabling roles, in order to make an impact that could not be achieved by using the limited government resources alone.

Some examples of effective government engagement with sanitation NSPs are emerging through activities such as: recognition and registration of NSPs, collaboration on scaling up of approaches, targeted funding, incentive payments, contracting NSPs, tripartite partnerships and market friendly regulation. There are, however, a number of barriers to more effective engagement, not least of which is the fact that many existing informal sanitation providers tend to be small-scale and diverse in nature. Carefully designed support programmes are required that are attractive to existing and potential NSPs, while being appropriate to the needs and demands of consumers.

Working with capable NSPs is important for effective government. For this to happen on a large enough scale to have extensive impacts on service provision, there is a need for a strong civil society and a thriving private sector. This is often not the case in the sanitation sector in many countries, so governments need to consider how best to enhance the enabling environment for both civil society and the private sector.

Who are the sanitation NSPs?

Three broad types of non-state providers of sanitation services to underserved groups can be identified, based on the types of services offered.

- **informal private providers;** typically support *household-level* services such as constructing latrines, emptying pits and de-sludging septic tanks, or supplying component parts through local outlets. They may also be contracted-in by a local authority to manage public toilets.
- **civil society organizations;** generally support the management of community-based sanitation projects (rural), or public sanitation facilities (urban), in collaboration with external agencies. They are involved in 'software' aspects, including sanitation promotion & marketing.
- **Public Private Partnership (PPP) operators:** have a limited role, typically associated with concession contracts for the management of large-scale, urban water and sewerage.

Comparative advantage

Recent initiatives to stimulate the demand for sanitation has seen a growth in supply mechanisms to match that demand. The growing number of informal private providers for sanitation services, such as supplying basic latrine components or emptying pit latrines, can be responsive to fluctuating demand, with the flexibility to provide a range of services to suit financial and other household constraints.

Each provider offers some form of comparative advantage within its particular market niche. While seeking to offer a satisfactory level of service to retain existing and generate new customers, in a competitive market private providers have to be cost-effective to generate sufficient profit to stay in business. In general terms, private sanitation NSPs are able to be more flexible and demand responsive to users than government departments, while some NGOs have also demonstrated a good capacity to pilot innovate approaches to generate more demand for sanitation, which can be scaled up in partnership with government.

Sanitation partnerships

No single provider, private or public, has the overall advantage or capacity for providing extensive sanitation services. Development programmes increasingly explore the opportunities for sanitation partnerships between local government, NGOs, CBOs and the private sector, to achieve effective, workable and

sustainable solutions. This is achieving promising results in the Community-Led Total Sanitation (CLTS) approach to rural sanitation provision in Bangladesh and India.

Community-Led Total Sanitation (CLTS): matching supply and demand through partnership

The CLTS approach has mobilized whole communities, affecting millions of people throughout Bangladesh, India and Pakistan, to address the problem of open defecation. Motivational tools raise awareness of the impact of open defecation in the local environment on public health, to which the whole community identifies its own solutions.

The approach works through developing partnerships between the community and small-scale private providers of latrine components, with NGOs and local government supporting awareness-raising and training for service providers, in place of household subsidies. As a community addresses the problem of open defecation, the demand for sanitation improvements grows. The private providers have sufficient flexibility and independence to respond to the growing and varied demand for services, providing latrine components on a scale as yet unmatched by the public sector.

There are other examples of sanitation partnerships between civil society and local government being replicated, including the Orangi Pilot Project (OPP) in Pakistan. The OPP approach entails NGOs working with communities and local government to provide low cost sewerage using a component sharing approach. Widespread public toilet provision has been achieved by the NGO Sulabh International in India, who are given long term concessions to construct and manage public toilet blocks. Good partnerships allocate responsibilities and risks to the stakeholders best able to manage them.

State purchase of basic services: contracting-out

As decentralization gives greater responsibility to local government for the provision of basic services, it is increasing looking to non-state providers to support capacity gaps within local government agencies. The private sector is being used to contract-out services to local operators, while government retains an overall regulatory role. An external agency (such as national government or a donor) may provide initial funds and/or technical assistance to help establish management and legal frameworks, but as local government builds capacity to manage and regulate, this external support can be reduced.

The separation of operational and regulatory roles potentially offers users a better quality of service, provided the regulator has sufficient capacity to promote more equitable services for poorer customers.

Experience in the contracted-out management of public toilet blocks in Mumbai, India has been greater flexibility of services at less-risk to the local authority, compared with their own staff managing facilities.

Community-managed toilet blocks in Mumbai, India: contracted-out urban sanitation services

The Slum Sanitation Programme (SSP) provides community-managed toilet blocks in Mumbai through an innovative partnership, in which the Municipal Corporation of Greater Mumbai (MCGM) contracts-out provision and management of over 300 quality community toilet blocks.

MCGM awards contracts to contractor-NGO partnerships for the provision of toilet facilities, combining technical and social elements in a single contract. Focussing on broader contractual outputs (numbers of users, etc.) has enabled a holistic approach to sanitation provision, that responds to local demand and ultimately provides a sustainable service.

The contractor-NGO partnership assists a local CBO to manage the operation and maintenance (O&M) of completed toilet blocks. While MCGM retains ownership of the toilet block, an MoU with the CBO promotes effective facility management.

SSP offers a financially viable model, although issues of sustainable management of the toilet blocks need to be addressed. CBOs are increasingly contracting-out O&M functions to the local private sector, so agreements are required to ensure this arrangement continues to provide a good public service.

Some problems that have been experienced with contracting-out toilet block management, such as the 'politics of patronage' in urban local government, have led to poor contract management and conflicts in cities such as Kumasi in Ghana. In other locations difficulties have been experienced in providing toilet blocks for slums that are located on private land. More efforts are required to improve local accountability and transparency if such issues are to be addressed.

Creating an enabling environment

Governments typically take the lead in creating the institutional environment within which state and non-state actors operate. They can hinder progress, or seek to create a favourable environment in which greater levels of engagement with sanitation NSPs improves sanitation services to the, as yet, unserved. This institutional environment can include government engagement with NSPs through:

- low level engagement, such as formal recognition of NSPs;
- medium-level engagement, such as registration, creative ways for collaboration, developing opportunities for dialogue and policy engagement, or short term contracts; and
- high-level engagement, including appropriate longer term contractual relationships and regulation.

Recognition

Many governments only achieve low levels of engagement with NSPs. Such governments can be encouraged to progress from simple 'non-interference' that lets NSPs carry out "acceptable" activities, to formally recognizing the role that NSPs play in providing essential sanitation services (such as pit emptying, de-sludging septic tanks, or operating public latrines), as a vital first stage of engagement.

- Manual pit emptiers operating in Kibera are generally ignored by the local authority, which limits improvement in the services they provide and the conditions they work in. In contrast, recognition offered by the municipality to providers of similar services around Durban developed a partnership to enable the municipality to meet its obligation of providing sanitation services to the poor, while enhancing the status and prospects of those service providers.

Registration, collaboration and dialogue

As governments gain experience, build confidence and develop relationships with NSPs, they can explore higher levels of engagement that still carry relatively low risks, such as through forms of NSP registration and enabling NSPs to contribute to national and local dialogue forums.

- In Dar es Salaam, Tanzania, registered masons trained in latrine construction are offering support to neighbouring communities. This is allowing the growing demand for sanitation to be matched with an adequate supply of support – essential to scaling-up sanitation services.
- In Bangladesh and Lesotho, collaboration between government, NSPs and external agencies has achieved significant growth in rural sanitation provision. Government focuses its support on increasing demand for sanitation through social mobilization, hygiene promotion and training. Local artisans, trained with the external agency support, assist communities to meet demand by constructing latrines and supplying component parts.
- Few national forums exist to enable direct dialogue between sanitation NSPs and government. Dialogue more typically takes place through umbrella organizations, such as Mvula Trust in South Africa and the NGO Forum in Bangladesh. These have the capacity and continuity through which the voice of NSPs can be channelled to higher levels of decision-making. CSOs engaging directly with government is challenging, especially where government is threatened by a vocal civil society. Opportunities to develop dialogue and build mutual trust, perhaps through intermediaries, can be explored.

Regulation

Where local government are the owners of sanitation assets, such as public toilet blocks that are managed by the private sector, they are likely to seek to regulate minimum service quality levels and perhaps place limits on prices charged to consumers. Where such toilet blocks are managed by CBOs, supportive forms of regulation are likely to be appropriate, such as developing the capacity of the CBOs to manage better, while promoting minimum levels of services and publicising the range of prices being charged. Where local NSPs manage their own sanitation services, independent of government (such as latrine emptying or construction), more market friendly forms of regulation can be effective, such as promoting more competition, supporting self-regulation by NSP associations, publicising the range of charges made and supporting consumer forums.

Incentives and disincentives for engaging with NSPs

There are potential incentives and disincentives for government contemplating more engagement with NSPs, that are particular to the sanitation sector. These are outlined in the following table and need to be borne in mind as programmes are developed.

Element	Disincentives for government engagement	Incentives for government engagement
Management capacity	Responsibility for aspects of sanitation is often split across several ministries / departments, leading to confusion and a lack of action. Regulatory capacity is often weak.	NSPs have specialist capacity and flexibility to operate <i>discrete services</i> , engaging with a range of government agencies. NSPs can start small and build-up, as capacity grows.
Demand	Creating demand needs longer term investment, without quick returns.	NSPs can help stimulate demand, then <i>respond quickly</i> to changes in demand.
Supply of services	Government is often mandated to provide basic services, and may view an increased role of NSPs as a threat.	Government can't do it alone. Government can enhance its role as <i>facilitator or enabler</i> , while NSPs fill the capacity gap in <i>implementation</i> .
New innovations	Needs changed <i>mind-set</i> in civil servants to accept non-conventional sanitation solutions.	Innovative is often driven by NSPs, while governments who 'get-on-board' gain some of the credit.
Finance	Government funds for sanitation are limited, water services typically dominate.	<i>Cost sharing</i> options include: public financing of public aspects (demand creation, health education, supply chains, etc.), to stimulate household financing of private aspects (such as construction, or O&M).

Scaling-up and reaching the unserved

Increasingly, tripartite partnerships between government, the private sector and civil society are being applied as a means to effectively address the huge backlog in basic sanitation services, as illustrated by the CLTS approach throughout Bangladesh, or community-managed toilet blocks in Mumbai. Sectoral reforms can help to develop enabling policy where NSPs have clearly defined roles. These roles should be reflected in strategies, plans and guidelines, in consultation with all relevant stakeholders. Flexible financial and contractual arrangements is helping governments set performance-based standards, where 'quality' of service is based on user satisfaction and sustained service use, rather than numbers of toilets built.

Increased capacity in the public sector is enabling more effective engagement with NSPs and ultimately progress in achieving health and economic benefits. Where government agencies are unable to provide services in the short-to-medium term, they can identify priority areas for investment (through national or specially commissioned surveys, participatory appraisals, etc.), then co-ordinate and support NSPs to operate in those as yet unserved areas.

Careful attention is needed as approaches are scaled-up. Key supporting elements such as innovation, demand-driven solutions to encompass social and environmental diversity, social interventions including community mobilization and training, must not be lost as programmes standardize solutions to achieve coverage targets.

Lessons for all basic service sectors

Recent research into the water, sanitation, health and education sectors has identified the common need for good information on the types, scale and location of NSP operations. Such mapping exercises can be used to develop a better understanding of NSPs and consider how best to engage with them.

The development of tripartite partnerships involving local government, civil society and the local private sector are already achieving improved sanitation provision for both rural and urban populations, albeit in a limited number of cases. Wider dissemination of the approaches, impact and detailed lessons from these partnerships would support replication in other basic service sectors.

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