



Improving sanitation services

Government engagement with Non-State Providers

Introduction

Public agencies in developing countries usually have a small share of the sanitation market, in terms of providing facilities for excreta disposal to the poor. 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.

Given the substantial health and environmental benefits that can emerge from effective sanitation services, governments are looking at ways to work more closely with NSPs, in order to make an impact that could not be achieved by using the limited government resources alone.

This Briefing Note considers the role that non-state providers play in delivering basic sanitation services, what action governments can take to support a more effective role for these NSPs and how, by working together, they can improve services.



Headline facts

- Most rural and peri-urban sanitation facilities are on-site solutions provided by households or local communities. Small scale entrepreneurs (non-state providers, or NSPs) support construction (e.g. making latrine slabs) and operation and maintenance (emptying pits, managing and cleaning public latrines).
- NSPs typically operate independently from the state, offering basic services where the state fails to provide.
- As countries decentralize, local government has a greater role in sanitation service delivery, either as a direct provider, or by supporting alternative service providers (increasingly NSPs) to fill the capacity gap.
- Local governments and other key stakeholders need clear strategies for effectively engaging with NSPs, so that they can support improved delivery of sanitation. Formal recognition of NSPs, clearly defined and agreed roles are key.
- In South Asia, innovative tripartite relationships involving government, civil society and the local private sector have achieved some success in both urban and rural sanitation. Further work is required to determine how such approaches can work effectively at scale.



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 and 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 of Non-State Providers (NSPs)

Initiatives to stimulate demand for sanitation have seen a growth in supply mechanisms, to match that demand. A 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, having the flexibility to provide a range of services that suit financial and other household constraints.

Each provider offers some form of comparative advantage within its particular market niche. In a competitive market, private providers have to be cost-effective, to generate sufficient profit to stay in business while also offering a satisfactory level of service to retain existing and generate new customers. In general terms, private sector NSPs are able to be more responsive to user demand than government departments. Some NGOs have also demonstrated good capacity to pilot innovative approaches, generating 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 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, India and other Asian countries.

A more detailed explanation of the CLTS approach can be found in WELL Briefing Note 18: Achieving Sanitation at Scale, and the supporting background report, available from www.Lboro.ac.uk/well.

Other sanitation partnerships between civil society and local government are being replicated:

- the Orangi Pilot Project (OPP) approach in Pakistan 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.

Contracting-out

As decentralization gives greater responsibility to local government for the provision of basic services, it is increasingly looking to NSPs to support capacity gaps. Services can be contracted-out to local private operators, while government retains an overall regulatory role. An external agency (such as 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 can be reduced.

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

Experience in the management arrangement of public toilet blocks in the Mumbai Slum Sanitation Programme, India has seen greater flexibility of services at less risk to the local authority, compared with their own staff managing facilities. This is described in more detail in WELL Briefing Note 18: Achieving Sanitation at Scale (www.Lboro.ac.uk/well).

Problems 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. Where toilet blocks for slums are to be located on private land, efforts are required to improve local accountability and transparency to address such issues.



Creating an Environment for Better Engagement

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 improve sanitation services to the, as yet, unserved. This institutional environment can support 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.

Low-level engagement: formal recognition

Many governments only achieve low levels of engagement with NSPs. Such governments can be encouraged to progress from simple ‘non-interference’ – allowing NSPs to 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 informal settlement, Kenya 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 in townships around Durban, South Africa 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.

Medium-level engagement: 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 supporting 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 the 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. Civil Society Organizations (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, through intermediaries, can be explored.

High-level engagement: regulation

Where local governments are the owners of sanitation assets, such as sewers or public toilet blocks, they are likely to regulate minimum service quality levels and perhaps limit consumer charges. Where such facilities are managed by CBOs, supportive forms of regulation are appropriate, such as developing capacity for better management, while promoting minimum levels of services and publicizing the range of prices being charged.

- In El Alto, Bolivia, a partnership between the regulator, CSOs and service provider, with external facilitation, agreed to install a form of sanitation (condominal sewers) that meets minimum service levels, while being acceptable for the local population to adopt. The agreement also brought about a change in the national standards, to recognize this service level.

Incentives and Disincentives for Engaging with NSPs

There are both incentives and disincentives for government to engage with NSPs operating in the sanitation sector. Outlined in Table 1, these need to be borne in mind as programmes are developed.

Table 1. Disincentives and matching incentives for government engagement

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 discrete services, 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 respond quickly 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 cannot do it alone. Government can enhance its role as facilitator or enabler, while NSPs fill the capacity gap in implementation.
New innovations	Requires changed mind-set in civil servants to accept non-conventional sanitation solutions.	Innovation 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.	Cost sharing 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).

Key Lessons

Formal recognition is the first step

Where government has the intention of addressing sanitation needs, it can begin by simply recognizing the role played by the private providers as a fundamental first step in the process of engagement. Recognition requires little investment and does not entail a great deal of risk, while there are immediate benefits in increasing the reputation of the providers within society and potentially the level of services they provide.

No 'off-the-shelf' solution

Once governments decide to move into more formal means of engagement with NSPs, there is no blue-print approach to how this should be done. Various levels and forms of engagement have been used to support improved services, which can be adapted to suit a specific operating environment. Incremental engagement allows parties to enter into increasingly formal and enterprising roles and relationships as experience, trust and capacity are built.

Better partnerships for success

The operational space for NSPs can be encouraged through innovative arrangements, such as contracting-in providers through more formalized private companies, or in joint contractor-NGO partnerships. Tripartite partnerships between government, the private sector and civil society are being increasingly applied. Flexible agreements can be developed around performance-based outcomes, rather than looking to achieve infrastructure-based targets. Supporting a more holistic view of sanitation, such outcomes focus on the provision of satisfactory services that are more likely to be utilized by the public. The political, legal and institutional framework may need to be reviewed so that it supports, rather than restricts, NSP involvement.

Opportunities for scaling-up

Neither governments, nor NSPs, can achieve sanitation provision at scale without the support of the other. While NSPs may have the flexibility to respond to demand for current services and the skills of social mobilization, local government is often better placed to ensure long-term support, monitoring and market friendly regulation associated with those services. The institutional model that is proving most effective for at-scale provision is one involving a partnering of local government and local NSPs.



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