



Photo credit: Nguyen Van Quang

Engaging government in market-based sanitation

Learning Brief from the East Asia Regional Learning Event

How and why is it important to engage with governments when thinking about market-based sanitation? This question was addressed by Civil Society Organisations (CSOs) and their government and civil society partners attending the East Asia Regional Learning Event (EARLE).

Why engaging with government matters

Governments, at both national and local levels, have a key role to play to support sanitation markets and supply chains because they are the official duty bearers for the provision of sanitation services in the context of the human right to sanitation. They are responsible for facilitating equal access to everyone, without discrimination.

Government also sets the governance and policy context, which may support or hinder enterprise roles. Since the work of CSOs and other development actors is typically time-bound, government also has a key role to play in terms of sustainability and taking approaches to scale. A quote from an Indonesian District government official describes their perception of roles and responsibilities:

"I must create a plan based on STBM [community-based total sanitation]. Government make the roadmap for total sanitation and parliament also need to create the regulations. Plan Indonesia has an MOU with us and they implement in some areas and then we replicate."

The East Asia Regional Learning Event (EARLE) was a gathering of over 85 participants from Cambodia, Indonesia, Laos, Myanmar, Timor-Leste and Vietnam where CS WASH Fund Projects are being implemented by East Meets West (EMW), International Development Enterprises (iDE), Plan, Save the Children and WaterAid.¹ It provided a forum to improve the effectiveness and sustainability of projects through peer-to-peer learning and strengthen relationships between CSOs and change agents. It was held in July 2016 in Vietnam.

FAST FACTS



Government engagement and support to the private sector in sanitation, particularly for rural sanitation, is a relatively new approach for a number of South-East Asian countries.



All WASH Fund CSOs operating in South-East Asia engage with local government to support sanitation service delivery. The extent of this varies significantly from country-to-country depending on local capacity and resources.



CIVIL SOCIETY
WATER, SANITATION
AND HYGIENE FUND

Australian
Aid 

www.cswashfund.org

What are key government roles?

While national governments set the overarching framework, there are three key roles for local governments to play in support of improving sanitation markets and supply-chains:

- (i) market facilitation
- (ii) regulation and monitoring
- (iii) ensuring equality

The first role, market facilitation, is important because there are a range of challenges facing many countries in this area including: that business profit margins for latrines are small; demand is low or inconsistent; and, in remote areas transport costs are high. Roles of

government in facilitating, regulating and ensuring equity in market-based sanitation are shown in Table 1. There are potential tensions in local government roles between supporting and regulating the private sector, and this can lead to confusion and a lack of action. Both supporting and regulating or monitoring enterprises is one such example.

In most South-East Asian countries, the current government roles in supporting sanitation markets and supply-chains were reported to be limited or in some cases non-existent. Examples where they

do exist included the Ministry of Health in Vietnam disseminating materials such as manuals on low-cost latrines and organising sanitation marketing training for provincial and regional institutes. In addition, the Vietnam Bank for Social Policy offers loans to build toilets and water supply facilities with low interest rates (9.6% per year).

Roles for national and local level government in supporting sanitation market development

National level government

- Set policy institutional and legal frameworks – including incentive policies, defining role of private sector
- Define quality standards
- Set and enforce national regulatory frameworks
- Determine budgetary allocation frameworks

Local government

- Facilitate market development
- Regulate enterprises
- Ensure equality of outcomes



Photo credit: Juliet Willetts

Table 1: Key local government roles in market-based sanitation*

Facilitation	Oversight / regulation	Ensuring equality
<ul style="list-style-type: none"> • Demand creation and linking demand and supply • Provide technical and business training to entrepreneurs • Offer business development support • Facilitate access to finance • Support associations of entrepreneurs • Undertake market assessments • Support or undertake research and development • Develop and disseminate low-cost model options • Support loans for sanitation 	<ul style="list-style-type: none"> • Set and monitor quality standards (e.g. minimum technical latrine standard) • Accredit or certify products and designs • Accredit or certify masons or sanitation businesses • Provide licences and registration • Monitor enterprises or associations of enterprises • Grant tax exemptions for latrine construction businesses and related services such as sludge emptying 	<ul style="list-style-type: none"> • Set poverty targeting policies for poor or disadvantaged • Monitor coverage and who gains access • Identify who requires support • Provide targeted subsidies for poor or disadvantaged, or facilitate access to loans and finance for those that need • Set technical standards for disability inclusive

* Note that some of these roles may sit with national government, depending on the context, but with local government ensuring their implementation.

Motivating local government to engage with enterprises

It is one thing to identify that governments have an important role to play but it is another to discover what would motivate and interest them to do so. Some possible ideas include:

- **Targets** – Many local government actors are responsible for increasing sanitation coverage in their localities and supporting enterprises can contribute to meeting this goal, and hence may motivate officials to find ways to facilitate and monitor market engagement.
- **Status** – Recognition or rewards for promoting progress or for innovative practice can motivate engagement to support market development. These mechanisms can potentially be developed by higher levels of government such as provincial or national government.
- **Material interests** – In some contexts local government actors play roles as sales agents or have enterprises as a second job, in which case financial incentives motivate them to contribute to market-based sanitation. This area can be controversial and needs to be carefully

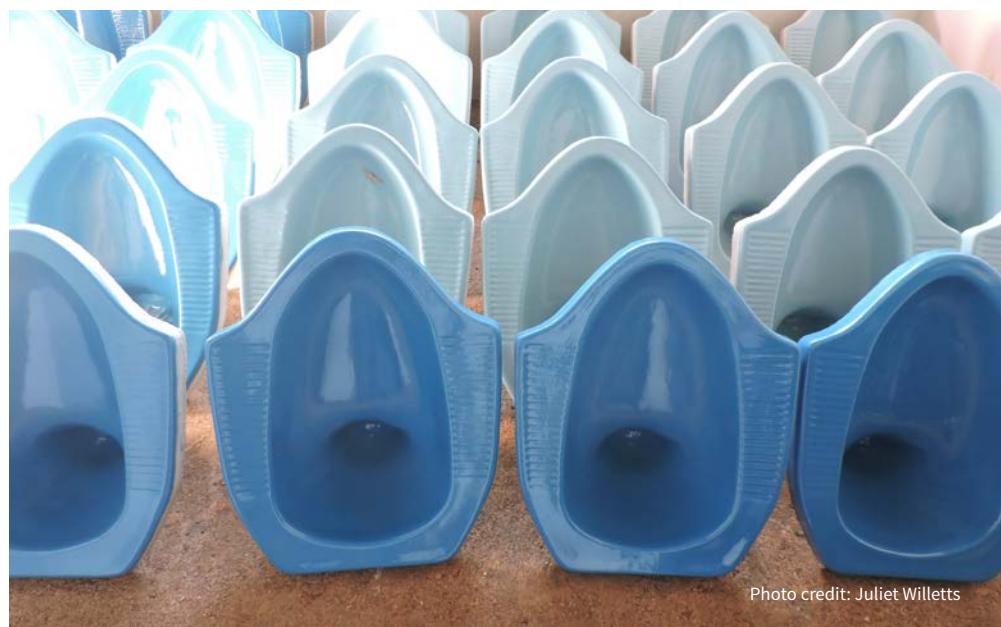


Photo credit: Juliet Willetts

managed, since government employees already receive a salary (assuming it is paid) and conflicts of interest may arise.

- **Core business** – Besides sanitation-related line agencies (e.g. health agencies), other local government agencies for private sector or

enterprise development have an explicit mandate to support enterprises. For instance, through the actions of Plan Indonesia, the Department of Small-Medium Enterprise and Cooperatives have allocated funding and supported sanitation enterprises in eastern Indonesia.

Linking public and private sector actors – OBA in Vietnam



Photo credit: EMW Vietnam

EMW have fostered what they refer to as a '*sanitation ecosystem*' that creates conditions for demand by motivating each actor, including government to play various roles as part of their outputs-based aid (OBA) approach. This approach is well developed and working well in Vietnam, but may require further refinement as it is applied in more difficult enabling environments, such as Myanmar and Laos. In Vietnam some 6000 Vietnam Women's Union members were coached and became active in motivating households to build latrines. In Cambodia there are not strong Women's Union motivators such as in Vietnam and so the key actors are government staff at national and provincial level, commune council and

village chiefs. In Laos the motivators are the health workers (NamSaat) and village chiefs. EMW are currently considering the 'phasing in' and 'phasing out' processes in Vietnam and Cambodia such that government may take over the facilitation role and also finance rebates that donors to date have provided for. This involves considering how the public sector could play roles that EMW have played in collecting data, monitoring uptake, triggering demand, coordinating lending and connecting suppliers with households.

Engaging public sector to support market-based sanitation

iDE in Vietnam is supporting public sector roles including building the capacity of the local-level health agency to provide effective technical training to masons and related service providers in supplying appropriate, low-cost latrines. They are also building capacity for the local-level health agency and the Women's Union to design and implement activities for creating households' demands for latrines, including using marketing techniques which are focused on aspirational messages based on consumer research (cleanliness, convenience, no bad smell, no flies) rather than health-centred messages, and marketing techniques to deliver these messages. Finally, a key area is supporting the development of a local system for certifying masons' latrine construction services, which can be a mechanism to help promote certified masons in their business activities.



Additional resources



CSOs engaging local government for market-based sanitation.
CS WASH Fund Webinar. 16 June 2016. www.cswashfund.org/learning-events/webinars/csos-working-local-government-market-based-sanitation



Enterprise in WASH research: www.enterpriseinwash.info
including working papers and learning briefs for CSOs



Ethiopia National Guideline for Sanitation Marketing (2013)
<file:///C:/Users/020106/Downloads/National+Sanitation+Marketing+Guideline+2014.pdf>



SanMark Community of Practice: A Peer Learning Exchange
www.sanitationmarketing.com established by WaterAid
and the Australian WASH Reference Group



UNICEF Sanitation Marketing Learning Series, particularly
'Enabling Environment: What roles and functions are needed
in the new sanitation market?', Pedi, D and Jenkins, M.,
Guidance note 6. Available at: www.unicef.org/wash/files/Guidance_Note_6_-_Enabling_Environment.pdf



World Bank Water and Sanitation Program (WSP) Sanitation
Marketing Toolkit wsp.org/toolkit/toolkit-home

Authors: This Learning Brief was prepared by Professor Juliet
Willets (UTS-ISF) and Bronwyn Powell (CS WASH Fund/Palladium).

The Civil Society Water, Sanitation and Hygiene Fund (CS WASH Fund/the Fund) is an Australian aid initiative funded by the Department of Foreign Affairs and Trade (DFAT). The objective of the Fund is to enhance the health and quality of life of the poor and vulnerable by improving sustainable access to safe water, sanitation and hygiene. www.cswashfund.org



CIVIL SOCIETY
WATER, SANITATION
AND HYGIENE FUND



The CS WASH Fund is supported by the Australian Government and managed by Palladium.