



Learning Brief: Piloting pro-poor support strategies in Banteay Meas district



This learning brief summarises a review of the pro-poor support mechanism for sanitation in Banteay Meas District carried out by the Institute for Sustainable Futures (ISF), University of Technology Sydney and SNV in October and November 2016, in consultation with the Ministry of Rural Development (MRD) and the District Office of Rural Development (DoRD).

When the Sustainable Sanitation and Hygiene for All (SSH4A) programme commenced in Cambodia, the sanitation coverage in Banteay Meas was one of the lowest in Cambodia (16%) and over 90% of ID Poor households in the district practiced open defecation.

Within 18 months of implementing the programme's district-wide approach, without hardware subsidies, access to improved sanitation across the district had doubled. However, progress among the poor remained comparatively slow. Innovative solutions to reach the poor while working within the government system were needed. SNV, therefore, piloted a pro-poor support mechanism targeted at ID Poor¹ households. Overall, 1,628 households across the 15 communes of Banteay Meas district accessed vouchers through this mechanism, which allowed them to build or upgrade to a pour flush toilet at reduced cost (see Box 1).

This pro-poor support mechanism contributed to an increase in sanitation coverage, particularly for the "last mile", as the district approached open defecation free (ODF) status. In November 2016, Banteay Meas was declared the first ODF district in Cambodia.

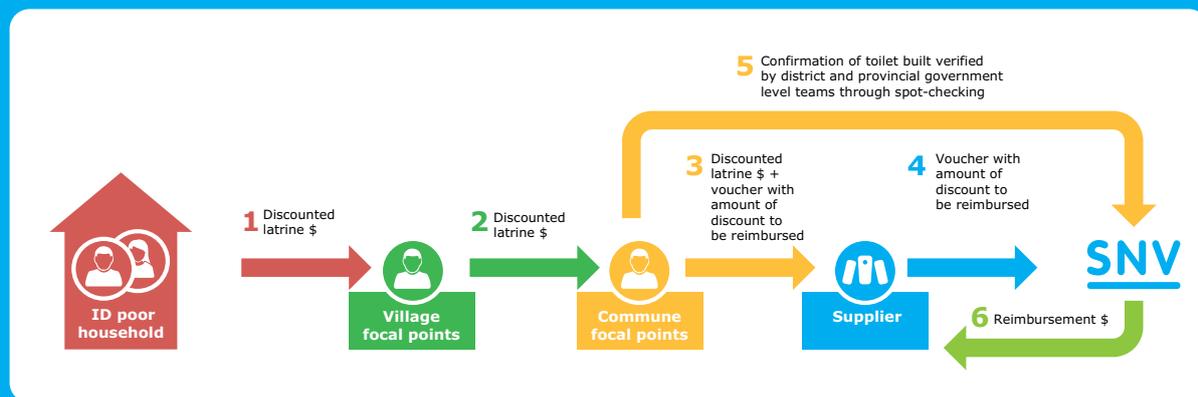
In concurrence with the MRD, and with oversight and technical assistance from SNV, local government actors at the village, commune, district and provincial levels had key roles in the implementation and management of the mechanism.

1. ID Poor is the standardised system used in Cambodia to identify poor households led by the Ministry of Planning which uses two categories, ID Poor 1 (very poor) or ID Poor 2 (poor).

Box 1: How did the pro-poor support mechanism work?

Eligibility criteria: The mechanism consisted of a fixed amount hardware subsidy offered in the form of a time-bound discounted pour flush latrine to ID Poor households in communes that had reached 80-100% sanitation coverage. Both ID Poor 1 (very poor) and ID Poor 2 (poor) in the government's system of identification of poor households were eligible.

Amount of the discount: The discount was based on a cost agreed with selected sanitation suppliers of US\$44 for a pour flush latrine. This included a three-ring pit, a slab and a toilet pan. The discounted toilet price offered to ID Poor 1 households was US\$12.50 and to ID Poor 2 households was US\$18.70. SNV reimbursed the suppliers for the cost of the discount after confirmation from the commune council that the household had built the toilet.



Strengths of the pro-poor mechanism

Local leadership and commitment

Significant effort was invested by SNV in creating leadership capacity and commitment for sanitation outcomes before the subsidy was introduced as part of the broader SSH4A programme. Government stakeholders at the national and local levels appreciated this effort and the leadership provided by SNV.

The pilot followed a decentralised approach and built on this capacity and commitment by using existing local leadership roles and processes to deliver the subsidy. It brought provincial, district and commune level leaders together to share responsibilities. This facilitated provincial and district officials to get closer to the grassroots and understand first-hand the challenges and difficulties experienced by communities, particularly by the poor. The commune eligibility criterion of achieving 80% sanitation coverage was also highlighted as a key-enabling factor in generating leadership motivation and commitment.

"We need strong support from local government. It cannot be national level only. The project used local leadership mechanisms...the village council and the commune council owned the process." (MRD)

Effective technical support and capacity building

Technical support and capacity building specific to the pro-poor mechanism included an orientation meeting to train those involved in the implementation. This was followed by district and commune level meetings during which further technical support was provided for the project. In total, three district level meetings were conducted and three to five meetings were conducted per commune.

*"[we received] very good technical support from SNV about how to facilitate meetings... very hands on learning."
(Banteay Meas District Government)*

Emphasis on reflection and learning from failure

The district and commune level meetings held regularly throughout the project included participatory reflection processes to learn from strengths and barriers and to improve the mechanism. At these reflection meetings, local leaders had to report on progress against plans and this revealed cases in which progress was slow. This approach was effective in creating peer-pressure among local leaders and further encouraging their leadership and commitment.

*"We stepped back and reflected together on what worked well and what didn't. If, during this, we found a commune going slower than others, then we would focus on these."
(Banteay Meas District Government)*

Emphasis on outreach to households

Village meetings and regular and frequent door-to-door visits by commune and village focal points were conducted to inform households about the discount and persuade them to use it. Most of the survey respondents said they heard about the discount through village meetings (82%) and/or through commune or village focal points (70%).

"Home door-to-door was very important. Not just a one time meeting". (Banteay Meas District Government)

Strong accountability mechanisms and close monitoring

The mechanism delivery process set up a chain of accountability relationships between the different parties involved. The supplier was only paid by SNV upon confirmation of the construction of the toilet by the household. This was provided by the commune chief and verified by the district and provincial level government teams. Therefore, the commune chief was accountable to the Provincial Department of Rural Development (PDRD) and the Department of Rural Development (DoRD), SNV and the supplier. In turn, the village chief was accountable to the commune chief and the household was accountable to the village focal points (VFPs). The VFPs had to report progress of toilet construction to the commune chief who would spot-check this. The household was accountable to the VFPs through the signing of an agreement on the date of the latrine construction. This process was supported by a range of monitoring and verification tools prepared by SNV for each actor.

Transparent process

Key aspects that contributed to the transparency of the process included clear and simple household eligibility criteria and clear roles and responsibilities combined with the strong accountability mechanisms described above.

"The project ran smoothly and transparently... not much [room for] error in selecting the wrong person. If people were not in the [ID poor] list then they could not apply. The structure to manage the project had very clear roles and responsibilities, and the process to collect contributions was very clear."
(Banteay Meas DoRD)

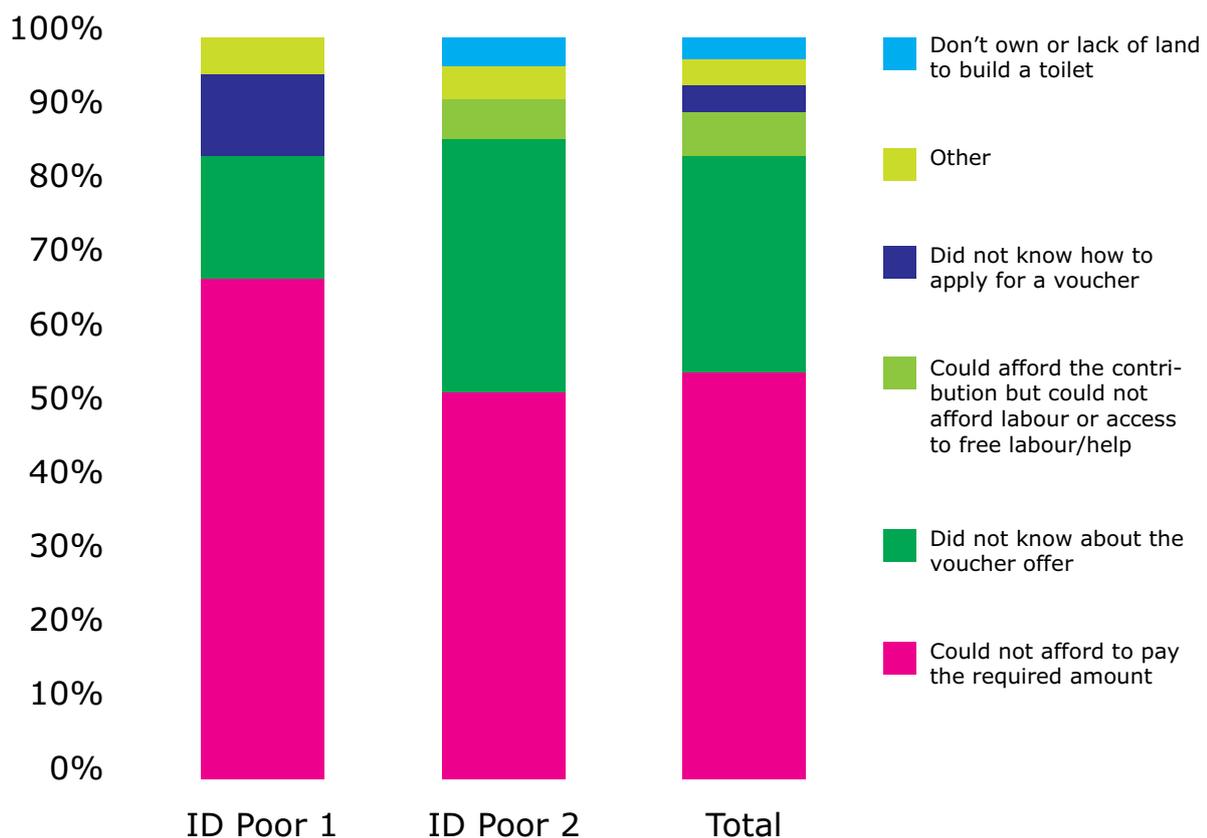
Effectiveness of the mechanism

How effective was the mechanism in reaching ID Poor households?

The mechanism was well-designed to target ID Poor households and made an important contribution to improvements in access to improved sanitation among the ID Poor. Of these, half benefited from the mechanism and a small proportion (11%) already had a pour flush latrine when the mechanism was

introduced, the majority of which was built during SSH4A program implementation. However, not all of those who did not already have access to improved sanitation chose to take up the latrine discount. This was the case of 38% of the ID poor. The most common reported reason was that they could not afford the contribution (Figure 1).

Figure 1: Reasons for not getting the toilet discount among households without a pour flush toilet



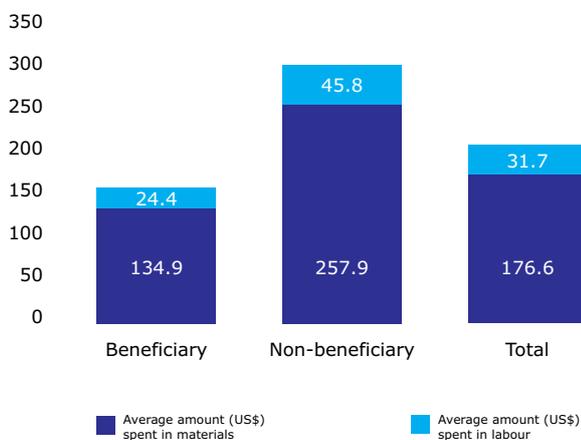
Amongst these households may have not managed to access or borrow money from their migrant family members or others within the timeframe of the mechanism and the time required to build the toilet (1.3 weeks on average).

"If I contribute I cannot delay. There is a lot of pressure from the village chief. The time to build is very limited, not enough time. My children are away. Not enough time to wait for them to come. They only come during festivities. I discussed with them but they couldn't come in the time required." (ID poor household)

How critical was the mechanism to financially enable ID Poor households to build a pour-flush toilet?

The discount is not likely to have been financially critical to enable most ID Poor households to build a pour flush toilet, but rather, it was effective in urging them to build one. The ratio between the amount households who benefited from the mechanism invested in building a toilet and the cost of the discount (US\$25.2-US\$31.5) supports this finding. Beneficiary households and non-beneficiary households spent on average 6 to 7 times (US\$159) and 9 to 12 times (US\$304) the cost of the discount respectively (Figure 2).

Figure 2: Household survey results on amount (US\$) spent on materials and labour to build a pour flush toilet by mechanism beneficiary and non-beneficiary households



A key finding from this review was that, in some cases, ability to pay for a toilet may be less related to actual affordability and more related to the migration of the household members who have the decision-making power over household expenses and/or that can offer free labour. Investing in a toilet often required households to source funds from migrant family members, friends or micro-finance institutions (MFIs). This required some effort and coordination, which the household may be willing to make to be able to access a cheaper latrine if this is offered within a time-bound period.

To what extent did the mechanism support long-term behaviour change outcomes?

A key strength of the mechanism was that it fostered local leadership and commitment to sanitation beyond broader SSH4A WASH governance efforts, which is critical if long-term behaviour change is to be sustained. This was achieved by involving and bringing provincial, district and community level leaders together as key implementers of the mechanism. This also made them accountable for their responsibilities, and provided them with technical and capacity building support.

The 80% sanitation coverage eligibility criterion was also key to generate motivation and commitment from those in leadership positions. This requirement may have also worked in favour of ensuring that SSH4A behaviour change and demand generation activities conducted before the mechanism were effective in motivating non-poor households in particular to build toilets.

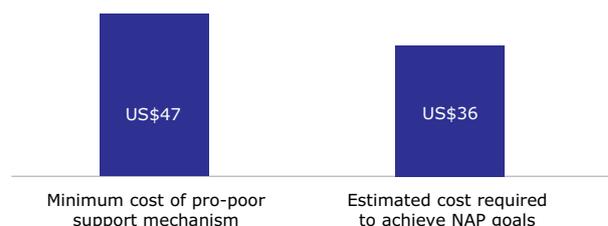
In addition to fostering local leadership and commitment for sanitation, the mechanism further supported long-term behaviour change outcomes by requiring a significant monetary contribution from the households ensuring that only those who genuinely wanted a toilet took up the discount.

Sustaining long-term behaviour change requires ensuring that the local leadership and commitment generated is continued after ODF is achieved. A degree of local leadership commitment to support ID Poor households in the post-ODF phase was evident in some communes. However, this seemed to be a result of broader SSH4A efforts rather than specific mechanism strategies to ensure ID Poor households maintain and upkeep their sanitation facilities.

Could the mechanism be scaled up across the country at a reasonable cost by the government?

In the current context of institutional governance for sanitation, the mechanism is not likely to be scalable across the country at a reasonable cost. The NAP estimates that approximately US\$36 will be required per household to reach 60% access to improved sanitation by 2018. Although the mechanism's minimum unit cost is not significantly higher than this (Figure 3), it is likely that its actual cost is.

Figure 3: Minimum costs if the mechanism versus the NAP estimated public funding for sanitation



This minimum cost does not account for SNV staff time nor does it reflect all of the time contributions from government stakeholders. Further, it took place within the context of an investment by the broader SSH4A programme towards achieving ODF and not in isolation. In addition, the mechanism's hardware costs were based on a US\$44 basic pour flush toilet, which might cost more in other locations. This might

also increase the overall hardware costs of the mechanism if the same percentage of discount is to be offered.

Effective scaling up of the mechanism would also require the government to ensure this was implemented in a consistent way by the various development partners following the National Guiding Principles on Hardware Subsidies for Rural Household Sanitation.

To what extent did the mechanism avoid risks of distorting the existing and potential market?

The mechanism was effective in avoiding leakage to non-targeted households. This was achieved through narrow targeting of the ID Poor and a close monitoring and verification system that promoted accountability and transparency between the different actors involved in implementing the mechanism. The review did not reveal any evidence of market distortion among non-poor households. Instead, the contrary seemed to have happened: non-poor households may have been motivated to purchase toilets by seeing poorer households purchasing them.

"Non-poor feel embarrassed if the ID Poor have a toilet and they don't." (CFP commune)

However, the mechanism had a market distortion effect for suppliers because it created a toilet price expectation in the market. Furthermore, it did not account for business cost increases, which may have implications for the quality of the toilets produced by the suppliers, as these try to reduce costs to maintain a certain profit.

The review also found that the mechanism did not encourage suppliers to innovate on their business models to reach new ID Poor household markets and low-cost technologies. On the other hand, suppliers may need support with technical as well as marketing and business model skills to be able to innovate on these aspects. CSOs can play a role in providing such support as part of their pro-poor support strategies.

"We cannot increase the price because everyone knows it's US\$44." (Supplier)

Key recommendations

The mechanism is not likely to be scalable at a reasonable cost nationally until significant institutional and human resource capacity improvements within local government are observed. However, it can be applied elsewhere at a smaller scale, such as at a district level, and can be a very effective way to fast-track progress towards ODF status. In such cases, the potential risks of market distortion among suppliers and of stifling innovation need to be carefully considered and addressed. Post-ODF strategies to support the ID Poor households to build and/or upkeep their sanitation facilities also need careful consideration.

The following are recommended as considerations for alternative or complementary pro-poor support approaches to the mechanism:

- Providing ID Poor households with stronger and customised support to plan and prioritise investments in household expenses.
- Working with MFIs to develop financial support for sanitation targeted at ID Poor households.
- Working with and supporting suppliers to develop pro-poor or social enterprise business models. For example, this can include offering instalment payments or time-bound discounts or special offers for ID Poor households cross-subsidised from sales to other customer or market segments (e.g. non-poor households). Different forms of offers could be explored (e.g. discounts for large purchases, free transport, buy one get one free, free gift with a purchase, referral offers, first time shopper offer, customer loyalty offers, early payment discounts and seasonal discount in the times of the year when the sales are typically slow).
- Providing incentives to suppliers to develop pro-poor business models to reach ID Poor customers. Incentives can include awards for a certain target of ID Poor reached within a certain timeframe and naming and praising these suppliers at local events or community celebrations and in the local media (e.g. radio, etc.).
- Working with local government agencies responsible for sanitation as well as private sector development to support and encourage suppliers to develop pro-poor business models to reach ID Poor customers.
- Exploring corporate social responsibility (CSR) funds as an avenue to support the financial viability of social enterprise models of suppliers. CSR funds can offer non-trade sources of revenue for situations when the costs of serving poor households exceed revenue from customers, and ensure the enterprise is sustained.

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SNV's experience working on WASH programmes in more than 26 countries has shown that strategies such as demand creation and sanitation marketing need to be embedded in longer-term processes that develop sustainable service delivery models at scale. Designed to address this need, SSH4A supports local government to lead and accelerate progress towards district-wide sanitation coverage with a focus on institutional sustainability and learning. The SSH4A approach has four integrated components supported by performance monitoring and learning:

- Capacity for steering and implementation of sanitation demand creation
- Capacity for sanitation supply chains and finance
- Capacity for behavioural change communication (BCC)
- Capacity for WASH governance reform.



Sanitation facilitator conducts BCC event with poor households in Samrong Kroam village, Banteay Meas district

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