



Rapid assessment brief

September 2024



Lessons from providing material sanitation subsidies to last-mile households in Savannakhet Province, Lao PDR

This study was carried out as part of the Towards Climate Resilience Rural Water, Sanitation, and Hygiene Services (WASH) programme implemented by SNV in partnership with the Lao PDR Ministry of Health. The programme aims to strengthen local government capacity to deliver inclusive, area-wide rural WASH services and systems in the districts of Atsaphone, Champhone, and Phalanxay in Savannakhet Province (2023-24). The Australian Department of Foreign Affairs and Trade funds the programme through the Water for Women Fund.

Key recommendations

The barriers to improved sanitation are multi-dimensional; as a result, an approach that blends, tailors, and sequences adaptive strategies is most appropriate. Such strategies include:

- Conducting a comprehensive demand-creation programme for improved sanitation before subsidies are provided. A subsidy does not replace marketing and targeted behaviour change interventions.
- Careful preparation and planning before subsidies are allocated, including steps to ensure that the selection of eligible households is transparent, fair, and mutually agreed upon.
- Flexible subsidy models to help address specific barriers, including additional financial support for the poorest households to build toilet superstructures in flood-prone areas.
- Close collaboration with the private sector suppliers to ensure mutually beneficial agreements and improved coordination with customers.
- Follow-up activities after the subsidy is allocated, such as individual home visits to troubleshoot barriers and ensure timely progress toward toilet installation.

Purpose of the rapid assessment

The rapid assessment aimed to provide insights into the efficacy of sanitation subsidies for extremely poor and vulnerable households. It has been prepared for practitioners, policymakers, and funders working to advance improved sanitation practices in Lao PDR. It is also a relevant resource for stakeholders in other regions or countries considering support for sanitation subsidies.

The assessment provides evidence-based recommendations for financial and in-kind support interventions to increase sanitation access in the country. Available finance for such interventions is scarce; therefore, it is paramount that the funds utilised deliver the intended outcomes.

Introduction

Lao PDR has a bold ambition to declare itself an Open Defecation Free (ODF) nation by 2025. To help achieve this goal, The Centre for Environmental Health and Water Supply (Nam Saat), a division within the Ministry of Health overseeing sanitation promotion nationwide, developed a national sanitation roadmap in 2023. This roadmap aims to create specific, costed plans and implementation methods that will enable Lao PDR to reach its ODF target by 2025.

The two primary interventions proposed included i) continuing community-led total sanitation (CLTS) initiatives and ii) introducing a subsidy programme for last-mile households in communities and districts close to being declared ODF.





Building demand for improved sanitation through storytelling at group events. Photo Credit: SNV

Sanitation context in Lao PDR

Since first introducing CLTS approaches in 2008, the government has rolled out a nationwide sanitation strategy based on adapted, national CLTS guidelines. This rollout has primarily been carried out by provincial and district-level teams from the Department of Health, with technical and financial assistance provided by development partners. Lao PDR has made significant progress towards achieving national ODF status in the last decade. In 2011, 38% of households did not have a toilet; by 2023, this had dropped to less than 13%. According to the national ODF status report in October 2023, people were still practising open defecation in only 1,807 (20%) out of 8,685 villages across Lao PDR. All eighteen Provincial governors reaffirmed their commitments at the national sanitation strategy workshop in October 2023 to achieve provincial ODF by 2025.

Despite this marked improvement and commitment, there are challenges to securing national ODF status, particularly in the remaining timeframe. Most of the 13% of households that do not own toilets have social, economic, cultural, and geographical constraints that must be overcome to enable them to access improved sanitation facilities. This group includes last-mile households that need external support to purchase and/or build toilets.

Sanitation context in Savannakhet

Savannakhet is Lao PDR's most populous province, with over one million inhabitants. It is also the province with the farthest to go to achieve ODF status. At the time of the national roadmap development, Savannakhet had 459 non-ODF villages, 25% of all non-ODF villages in the country. Within these villages, over 23,000 households do not own a toilet. Over 9,000 of those are last-mile households concentrated in ethnic minority communities with cultural resistance to latrine adoption.

Last mile households

This is a term adopted by the Government of Lao PDR to describe the poorest and most vulnerable households. Specifically, it can include households of elderly people without familial support, people living with disabilities, and female and child-headed households living alone without any family support.

Latrine subsidy initiative in Savannakhet Province

The provincial government's objective is to accelerate the process of communities and, subsequently, their districts being declared ODF. The funds for the subsidy were allocated from provincial administrative budgets and emergency funds. It was intended that the subsidy would enable last-mile households to build their own toilet. District and community leadership were tasked with compiling lists of eligible households and selecting according to the greatest need based on available funds.

To ensure households' commitment to building a toilet, the provincial government agreed to cover 90% of the cost for a standard pour-flush, offset single-pit latrine substructure package with delivery of the materials. The households, on their part, would be required to contribute the remaining 10% (approximately US\$ 4.50), buy or source materials for the outer structure, and provide labour for the installation. Since December 2023, the provincial government has provided subsidies to last-mile households across all three of the project's target districts: Champhone, Phalanxay, and Atsaphone.

Evaluation of the subsidy

To determine the initiative's efficacy, SNV conducted interviews with:

- Provincial and district-level government staff, including the provincial head of health and hygiene promotion and the deputy heads of the district health departments.
- Sanitation business owners servicing the target subsidy regions in each district.
- Over 30 households representing recipients and non-recipients of the subsidy in three villages: Lambong in the Champhone district, Huay Ngua Kham in the Atsaphone district, and Na Sakou in Phalanxay. These included informal group discussions and in-depth household visits with interviews.
- Village leadership committees in all three villages.

These villages were selected for additional in-depth assessments as they embody the province's distinct geographic and demographic community archetypes.

Lambong village in Champhone district is located less than an hour from the provincial capital and has a population of 1,337. According to data from the village leader, 552 (41%) people from this community are currently employed in Thailand, representing most working-age people. This migration has had a positive impact by enabling many homes to upgrade their toilets with money sent back home. Households here

have constructed high-quality toilet superstructures from bricks and cement. This will ensure they don't get damaged during the flooding season. At the time of the evaluation in June 2024, 90% (195 households) of the 216 households in Lambong village had their own toilet, and 14 households had been provided with the subsidy. All these households had purchased and received their materials, but only one had begun installing their latrine. In the meantime, they continued to share a toilet with neighbouring relatives.

The village of Huay Ngua Kham, in Atsaphone, was the only community in the district that had been allocated sanitation subsidies. Huay Ngua Kham is an isolated community with a total of 116 households. At the time of the evaluation in March 2024, 91% of these households, or 106 households, lacked a toilet. This community is among the 2% of villages in Lao PDR that still do not have access to electricity. There are no sealed roads to the community, and existing tracks are almost impassable during the rainy season. The village is across a river without a bridge, and access requires vehicles to cross the river via a pontoon. People in this community belong to the Bru ethnic minority group, indigenous to eastern Savannakhet and part of the ethnolinguistic 'Mon-Khmer' group in Lao PDR. Most individuals in this community are not fluent in the primary Lao Loum language. This has further isolated them socially, with minimal information reaching them. Despite having a school, health centre, and cluster authority nearby, the village has never implemented water, sanitation, and health promotion

Huay Ngua Kham village, latrine supplies have been delivered but are awaiting installation. Photo Credit: SNV



Supply chain challenges

Many households indicated they faced supply challenges and delays. Some households reported that delivery of materials had taken up to four months. During an interview, one of Champhone's vendors disclosed the order fulfillment timeline. He was contracted to provide 103 of Champhone's required 292 subsidised toilets. Based on his current production capacity, he can only produce enough parts for two toilets per day. Furthermore, the price of the supplies was predetermined in December. It did not account for continuing increases in input costs, essentially eliminating all his profit. Although he is dedicated to upholding the contract, he prioritises walk-in and private clients as they enable him to generate income. In Atsaphone district, only one producer of toilet components is prepared to transport materials to the village of Huay Ngua Kham village. The area's isolated and impassable roads make it challenging for the area to draw in outside providers. In Phalanxay, the vendors contracted by the district government did not agree to deliver to Na Sakou during the rainy season. Households arranged for their own delivery, using a hand-tractor to transport the materials.

Mr Sylair Kearnboupouha, a sanitation business owner in Champhone district is committed to fulfilling the governments order but is struggling with finding labourers and ever-rising input costs. Photo: Diana Gonzalez, University of Technology Sydney



initiatives. Based on the village chief's evaluation, 28 households were identified as eligible for the subsidy based on strict criteria per the national guidelines. At the time of the evaluation, 12 of these households had paid their contribution and received the materials. None of the households had completed construction.

Na Sakou village in Phalanxay district is located around one hour away from the district centre along an unsealed road that becomes impassable after heavy rains. The community has 102 households and a total population of 667 people. Most people in this community are of Bru ethnicity, with rice and cassava farming as the main sources of income. When the subsidy support was introduced, one-quarter of households already owned a toilet, and the district government and SNV's project team had undertaken a series of demand-creation activities in the community. Under the direction of the district government, the village leadership introduced an additional condition for subsidy recipients in this community. All recipients were required to demonstrate the willingness and ability to commence construction immediately, with written agreements signed by each household. Following this process, 12 households were identified as eligible for the subsidy. One month later, eight out of the 12 had completed their latrine building; the remaining four had all installed the underground components and made progress on the superstructure. During the follow-up visit, four additional households in the community were busy constructing a latrine at their own expense.

Findings

The availability of additional household funds was an important factor in completing the construction.

Out of the 13 households in Lambong village that received the subsidised materials, just one has started installing their latrine. This latrine installation was being financed by the homeowner's child, who had departed for Thailand within the last six months (after the subsidy selection had taken place) and had since begun sending home remittances. The remaining 13 households reported insufficient money to pay for superstructure materials. Those interviewed were determined to build a latrine but acknowledged that it would take several months to save up and complete the construction gradually.

In Huay Ngua Kham village, 16 eligible households had not taken up the subsidy, citing lack of funds for their required US\$ 4.50 contribution. Households that had received their materials planned to use funds from the next harvest to purchase materials and begin building.

In Na Sakou, sufficient funds to commence construction were a pre-requisite for households to receive the latrine subsidy. Households with limited funds constructed temporary latrine structures made from locally available

materials, while others opted for larger concrete structures with adjoining bathrooms.

Seasonal and regional variability in the availability of labour impacts household's ability to construct latrines.

In Na Sakou and Huay Ngua Kham households planned to build their toilets themselves in between seasonal farming commitments. In Na Sakou, the timing of the subsidy was during a lull in farming activity, meaning households had time to dedicate to construction. Whilst in Huay Ngua Kham the intervention came when all community members were busy with time-sensitive farming work. In Lambong village, labour constraints are created by the seasonal nature of community livelihoods and exacerbated by migration. Thailand is desirable because of its proximity to the area and potential earning ability. They raise their fees accordingly given the strong demand for the remaining workers.

There was a correlation between the level of effort put into prior demand creation and the subsequent subsidy uptake in each community.

Na Sakou community had been included in a targeted intervention employing various tactics to increase motivation to invest in a toilet in the months leading up to the subsidy offer. Subsequent demand was evident in Na Sakou, where eligible households had used the subsidy and rapidly constructed their toilets. Conversely, in Huay Ngua Kham, no recent or historical demand-creation activities were carried out before offering the subsidy; this was reflected in both the limited progress of households

in utilizing the subsidy and the wider community's ambivalence towards toilet usage.

Not all communities are sufficiently informed about the criteria used for subsidy allocation.

In Huay Ngua Kham village, people lacked knowledge regarding the selection criteria for qualifying last-mile homes. Many non-subsidy households, convinced of their poverty, felt they had been subjected to unfair treatment.

Recommendations

Providing subsidised latrine materials is part of the steps towards sanitation for all. Still, it is not a quick fix for last-mile households or those resistant to adopting improved sanitation practices. Previous research conducted has detailed the wide-ranging barriers and mindsets that prevent people from improving their sanitation. Another evaluation of support modalities for sanitation recognised that barriers are multi-dimensional and intersectional, not because of a single reason, such as affordability, lack of market access, or behavioural norms.

As a result of this, a 'toolbox' approach that blends, tailors, and sequences adaptive strategies is most appropriate.

Mr Tong in Na Sakou village has built a temporary shelter for his toilet using bamboo and recycled animal feed bags. He is confident that it should last up to two years, giving him time to save for the materials for a permanent superstructure. He was very grateful to receive the subsidy as it has allowed him to build the toilet for his wife and 9 year old daughter, after receiving the materials he was able to complete the building by himself in less than a week. Photo Credit: SNV



The following recommendations propose specific adaptive strategies based on the context and learnings from the rapid assessment.

A comprehensive demand-creation programme should take place before providing subsidies. A subsidy does not replace CLTS, sanitation marketing, or other targeted behaviour change approaches aimed at building demand for toilet ownership. Subsidies should only be introduced after demand has been created and households intend to install the latrine as soon as possible. Even with a 90% subsidy, if the demand has not been created, people may not invest.

Careful preparation and planning steps are needed before the subsidy is allocated; selecting eligible households should be transparent and fair. Before the rollout of institutional subsidies, a clear communication strategy should be in place to minimise the risk of perceived unfairness that could give rise to conflict. This also allows for the development approach of 'do no harm'. Before the subsidy is provided, households should be able to have clear timelines for construction, and additional areas of support need to be identified.

More flexible subsidy models and support packages are needed to address specific barriers. One of the primary reasons for the households' slow progress in both communities was their inability to buy the materials required to build the superstructure. CLTS methods espouse building the superstructure from low-cost materials, but this is not a viable option in flood-prone areas because they would be quickly damaged when the wet season begins. In this context, high-quality superstructures are a necessity, not a luxury. Additional support modalities could include, for example:

- Contributions to a revolving fund for superstructure materials in communities where active savings groups are in place.
- Additional funds or incentives for community labour teams to assist in the construction.

While these options would be more complex to administer and require greater investment, they would ensure that those committed to installing a latrine can do so more rapidly.

Future subsidy interventions should include additional budget and planning for follow-up home visits to troubleshoot barriers and ensure timely progress towards latrine installation. Given that subsidy recipients are last-mile households with complex intersections of personal and communal issues and vulnerabilities, a plan for their support must be in place throughout the process.

Collaborate with the private sector to strengthen the supply chain, set realistic expectations for delivery timeframes, and establish clearly designated points

of contact within each community. This is especially helpful in isolated, rural locations where providers are not well-linked to the local communities. Communities that are remotely located from commercial hubs with seasonal delivery issues or simply too far and expensive to access require preliminary preparation and collaboration between them, the private sector, and government organisations.

Key recommendations

- 1. Pre-subsidy demand creation:** A comprehensive demand-creation programme should be implemented before providing subsidies to ensure households are prepared and committed to installing latrines. Demand-building strategies such as CLTS or sanitation marketing are essential for increasing awareness and willingness to adopt improved sanitation practices.
- 2. Subsidy as a last step:** Subsidies should only be provided once there is clear demand from households who are ready to install latrines immediately. Without demand, even a 90% subsidy may not lead to investment, as households may not prioritize sanitation improvements.
- 3. Addressing multi-dimensional barriers:** Recognize that barriers to sanitation are not solely financial; they are multi-dimensional and include behavioral, cultural, and logistical challenges. A tailored, adaptive approach that combines various strategies is necessary to address these complex issues effectively.
- 4. Transparent subsidy allocation:** Ensure subsidy selection is transparent and fair, based on clear criteria, to prevent conflicts and ensure equitable support for those in need.
- 5. Clear communication strategy:** A clear communication strategy is crucial before rolling out subsidies. This strategy should outline the process, timelines, and expectations to avoid misunderstandings and perceived unfairness, minimizing potential conflicts within communities.
- 6. Timelines for construction:** Households should have clear, agreed-upon timelines for constructing latrines, which should be communicated before the subsidy is provided. This ensures accountability and helps households understand the urgency of completing the work.
- 7. Flexible subsidy models:** Subsidy models should be flexible to address barriers like the inability to afford durable materials, such as revolving funds or community labour teams to assist with construction, particularly in flood-prone areas.
- 8. Follow-up visits and support:** Include follow-up visits to troubleshoot issues and ensure timely progress, especially for households with complex vulnerabilities.
- 9. Collaboration with the private sector:** Strengthen collaboration with the private sector to improve supply chains, set realistic delivery expectations, and ensure consistent access to materials and services. This is especially important in remote or isolated areas where logistical challenges may delay progress.
- 10. Context-specific strategies:** Tailor subsidy models and support strategies to local needs and conditions, such as using high-quality, durable materials for latrines in flood-prone areas. This ensures that interventions are effective and sustainable in the long term, addressing both local challenges and resource limitations.

About SNV: SNV is a global development partner, rooted in the African and Asian countries where we operate. With 60 years of experience and a team of approximately 1,600 people, it is our mission to strengthen capacities and catalyse partnerships that transform the agri-food, energy, and water systems to enable sustainable and more equitable lives for all.

About the project/programme: The Towards Climate Resilience Rural Water, Sanitation, and Hygiene Services (WASH) programme, implemented by SNV with the Lao PDR Ministry of Health, is funded by Australia's Department of Foreign Affairs and Trade through the Water for Women Fund. Running from 2023-24, it aims to strengthen local government capacity to deliver inclusive, area-wide rural WASH services in Atsaphone, Champhone, and Phalanxay districts, Savannakhet Province.

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Cover photo: Family working together to build their latrine. Photo Credit: SNV/Bart Verweij.

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