Market Development, an Evolutionary Process for Rural Sanitation in Bihar, India

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Flow of presentation

- The Project
- The Problem
- Landscape findings and business model proposed
- Initial plan and implementation
- Learning leading to improvisation
- Achievements
- Sustainability & scale-up plan
3SI (Supporting Sustainable Sanitation Improvements)

- A BMGF supported project (2012 to 2017)

- Partners: Monitor Deloitte, Water for People, Path and WASHi.

- Objective:
  - Work with private sector to establish a sustainable, market based supply chain for sanitation products and service.
  - Increase demand for improved sanitation products and services offered by the private sector

- Vision of Success:
  - Increased access to and use of improved sanitation
  - 10% Increase in rural households with access to IHHL priority districts.
The Problem

India:
Of 1 Billion open defecator across the globe; 600 million live in India

Bihar (The Intervention State):
- Population: 104 million
- 88.7% Rural
- 73% of rural Bihar (67.4 Million) defecate in open
Key landscape findings

- Fragmented supply chain for toilets
- Product gap: Toilet that are affordable are not aspirational and those aspirational are not affordable.
- Subsidies distorted the market
- Toilet lie low in the hierarchy of need
- Liquidity and affordability across population segments; limited / no access to credit for toilet
Initial plan and intervention

Created 3 toilet models (products), differentiators were Pit, Doors and roofs, Plasters and tiles

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<tr>
<th></th>
<th>Standard</th>
<th>Deluxe</th>
<th>Super Deluxe</th>
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<tbody>
<tr>
<td>Pit, Doors</td>
<td>225 $</td>
<td>320 $</td>
<td>440 $</td>
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<td>roofs, Plasters and tiles</td>
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Initial plan and intervention

Established Turnkey Solution Provider

TSP ensured availability of:
- All toilet components
- Trained masons and labors
- Information / linkages for government incentive scheme
Initial plan and intervention

Quality assurance

At production center

At household level
Initial plan and intervention

Awareness generation and toilet sales

One-to-one

One-to-group

Financial inclusion
- Consumer loan
- Enterprise loan

Documentation and reporting
- MIS
- Helpline
Learning leading to improvisation

LEARNINGS

Irrational preference deferring the purchase decision
  • Consumer gravitating to the most expensive model

Problems associated with TSP model
  • Working capital & expertise constrain
  • Preference of traditional outlet
  • High volume of sales required

Salesmen not accepted
  • Negative experience with toilet promoters

IMPROVISATION

Promoted basic model
  • Cosmetic components not promoted

Cement Ring Manufacturer plus (CRM+) model: CRM with (+) has
  • Other cement components
  • Linkages with trained mason
  • Linkages with other VCP

From selling to facilitating
  • Identify gaps and intervene only when required
Learning leading to improvisation

**LEARNINGS**

Cost of rings comes down with time / experience
- 6 months or 1000 rings
- Intensive support required in the first month
- Low orders initially

Aggregation can reduce the cost by additional 10%
- Cement shares more than 20% of overall toilet cost
- Doors – low quality and high price

Construction disrupted for around 4 months due to
- Agricultural season
- Rain and extreme winter

**IMPROVISATION**

Prioritize areas with presence of cement rings, ensure
- Quality assurance
- Service delivery

Aggregation of relevant materials done at state level
- Non trade cement
- PVC doors (from SEZ) with latch on both sides

Pre-fabricated toilet model developed
- Avoid mason dependency
- Construction time 4-6 Hrs
Achievements

1375 Mason trained

192 sanitation enterprises linked, 39 availed loan from MFI linked with the project

170,000 HH contacted; 16014 Household purchased toilet; 982 HH purchased through loan. (36% are BPL)
Toilet sales & customer acquisition cost

Scale - up started
Sustainability and scale-up plan

- Social Behavior Change communication
- Sales and marketing through NGO linked with MFI
- Activating more MFIs for sanitation loans and demand generation activity
- Aggregation of key toilet components at the state level
- Transferring toilet selling skill to the NGO arm of MFI
empowering people of India to lead healthier lives.

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Thanks..