



CASES: ACCELERATION VIA THE DIAMOND BUSINESS APPROACH

# How faecal sludge emptying became a viable business in Rwenzori, Uganda

ACCELERATING WASH THROUGH AN INTEGRATED FINANCIAL APPROACH!

RWENZORI URBAN SANITATION AND WASTE PROJECT, UGANDA

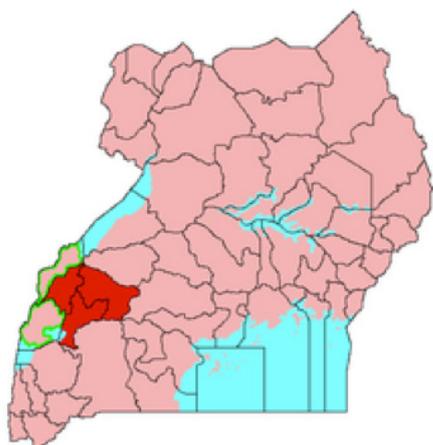
## Introduction

This paper is one of three case studies that look at how the Diamond Business Approach used in the WASH programme 2011- 2015 has resulted in functioning sanitation systems in cities. Each case study looks at another country and at one element in the sanitation system. This case study looks at the successes in the Rwenzori Region in Uganda where business for pit latrine emptying has significantly improved. The other case studies look at changes in waste management in Nakuru, Kenya and highlight how options for household loans for the realisation of toilets can lead to improved access to sanitation in the coastal towns Satkhira and Bagerhatwe in Bangladesh.

The Rwenzori Urban Sanitation and Waste programme is active in the Rwenzori region and particularly focusses on 4 municipalities in Uganda: Fort Portal, Kyenjojo, Kamwenge and Kyegegwa Town councils. The programme running from 2011 – 2015 has achieved big changes in the access and use of sustainable sanitation. The improved service of the private sector in pit latrine emptying is the focus of this case study. The approach leading to this result is based on the Diamond Business Approach.

### What was the situation in 2011?

The WASH programme in Uganda was active in the Rwenzori region in the West of Uganda in which the city Fort Portal, and the town councils: Kyenjojo, Kamwenge and Kyegegwa can be found.



City/Town	Sub region	District	Population (Census 2014)
Fort Portal	Toro sub-region	Kabarole District	54,275
Kyenjojo	Toro sub-region	Kyenjojo District	23,467
Kamwenge	Toro sub-region	Kamwenge District	19,240
Kyegegwa	Toro sub-region	Kyegegwa District	18,729

The baseline in 2011 made an inventory of the available and acceptable latrines in the area. Although the majority of households in the urban areas had latrines, the problem was that many pits were full or nearly full and that there was no pit latrine emptying service, except for the sewage pit emptier / truck owned by National Water and Sewage Corporation (NWSC). This is stationed at the Fort Portal NWSC and mainly services bigger clients such as hospitals, schools, hotels, restaurants, markets, churches, and the like.

The costs for emptying pits were considerable. While a bigger client would have to pay around 120,000 to 350,000 UGX for emptying their larger pit, a household would have to pay a manual pit emptier between 80,000 to 150,000 UGX plus an additional 10,000 for the actual deposit in the sewage treatment plant. Based on this knowledge the Rwenzori Urban Sanitation and Waste Project decided to include the realisation and improvement of proper pit latrine emptying services and facilities in the region, within the larger framework of realising new public and private sanitation facilities and improved solid waste management.

### What happened?

The activities to enable pit latrine emptying and faecal sludge management started with an important element in the whole system: the realisation of faecal sludge disposal areas. One such area was already present in Fort Portal, but an additional piece of land was allocated for the construction of faecal sludge disposal and treatment lagoons. In the urban council Kyenjojo a temporary disposal pit was excavated to receive faecal waste from public and private filled toilet pits. The other towns are still looking for a plot. These new disposal sites will make the final disposal less costly for the pit emptiers as the transportation costs will go down considerably.

Actively working with the Financing bank HOFOKAM resulted in an upsurge of loans in the WASH sector, mostly to landlords wishing to build sanitation facilities in their houses. In addition, 20 entrepreneurs managed to get a loan from HOFOKAM, enabling them to invest in their business.

60% of the entrepreneurs working in sanitation who received support in 2015 (159) stated that their business and their income had improved.

Table showing cumulative number of WASH Loans given out as of Dec 2015

No	Urban Council	Cumulative Number of WASH loans given out
1	Fort Portal	35
2	Kyenjojo	21
3	Kyegegwa	16
4	Kamwenge	50
	<b>Total</b>	<b>122</b>

The practice of latrine pit emptying is now taking root within the target urban councils. Latrine pit emptying saves households and institutions the cost of constructing new latrines altogether and contributes to safe disposal of human waste. A number of latrine pits for households, institutions and for the public toilets were emptied during this year as summarised in the table below:

Number of Toilets Pits Emptied in Each Urban Council during the year 2015

Urban Council	Category of toilet	Number of toilets emptied
Kyegegwa Town Council	Household toilets	09
	Institutional toilets	00
	Public toilets	01
Kyenjojo Town Council	Household toilets	00
	Institutional toilets	02
	Public toilets	02
Fort Portal Municipality	Household toilets	68
	Institutional toilets	13
	Public toilets	06
Kamwenge Town Council	Household toilets	12
	Institutional toilets	02
	Public toilets	01
<b>Total</b>		<b>116</b>

### How has this been accomplished?

The Rwenzori Urban Sanitation and Waste Project chose to use the diamond business model approach and started with organising the local stakeholders, making each other's responsibilities clear and establishing the Rwenzori Urban Sanitation and Waste Project Consortium.

The Consortium is a collaborative working arrangement between ten (10) partners who have agreed to work together to jointly achieve the objectives of the Rwenzori Urban Sanitation and Waste Project. The aim is to establish a sustainable sanitation system and to increase the number of people that have access to improved sanitation within the target urban areas. The partners are representatives of local entrepreneurs, community based organisations as representatives of the community, Hoima Fort Portal Microfinance, the local municipal organisations and the Mountains of the Moon University. 'Health through Water and Sanitation Programme of Fort Portal Diocese' (HEWASA) acts as facilitator of the process and USSIA as business consultant.

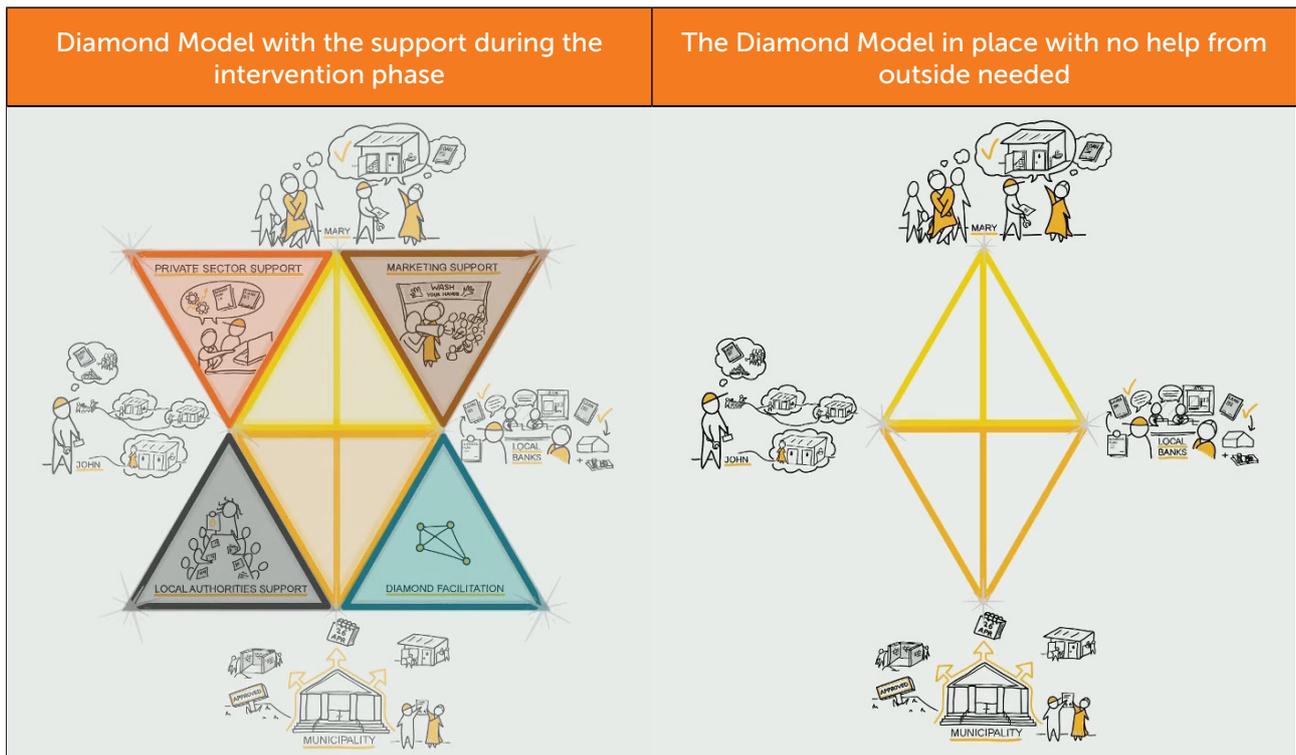
This case study focusses mainly on the activities undertaken to realise a working faecal sludge management system in the 4 urban areas in the Rwenzori Region. Information on the realisation of new toilets and public sanitation can be found in the project reports of this project.

### The Diamond Business Model

The Diamond Business approach encourages and supports building local partnerships and cooperation with local authorities for scalable and sustainable provision of services for all.

The core stakeholders in the WASTE Diamond Business Model are the private sector and its potential clients (households, landlords, municipalities, etc.) and organisations that ought to provide an enabling business environment (financial institutions and local authorities). Other organisations, such as (local) NGOs, Universities and/or consultants, have supportive roles in the programmes. These parties only provide support services to the core stakeholders who form the corners of the diamond as shown in figure 1

A programme using the Diamond Business approach organises a (preferably local) support structure around the core-stakeholders which ensures unbroken possibility to enhance the capacity of the core-stakeholders when required. Organisations like local NGOs and consultants have facilitating and supportive roles.

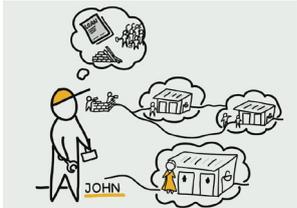


In order to increase the chances for building a system that sustains itself, the Diamond Business Approach is based on the following principles:

- a. Responsible core-stakeholders have to assume their roles right from the start,
- b. Needed resources (funds, people, etc.) ought to be mobilized locally including funds for operation, maintenance and capital investments to nurture sustainability,
- c. No income groups are exempted from support though there is always a focus on the poorest income groups,
- d. The interventions always involve all system components from generation to reuse and all steps in between (in the value chain),
- e. the private sector is believed to be the catalyst for upscaling service provision that make sustainable business sense for the local investors.
- f. Investing more in making systems work for sustainable services provision rather than investing in hardware.

The following table explains how the principal objectives are initiated and how the stakeholders each acquire their role in solid waste management:

The Diamond Setting in Rwenzori Region

Stakeholder	Activities undertaken by the supporting organisations
	<p>Part of the plans developed by the consortium was enhancing the business and marketing capacity of the local entrepreneurs. The programme supported 3 types of entrepreneurs: constructors, pit emptiers and managers of public toilets. The business capacity development was executed by a local business consultant USSIA. Together with the partners they:</p> <ul style="list-style-type: none"> <li>• Identified and assessed (new) WASH entrepreneurs</li> <li>• Carried out the business training and hands-on support</li> <li>• Conducted an exchange visit for the entrepreneurs</li> <li>• Provided marketing, linkage and support supervision to the sanitation entrepreneurs</li> </ul>
	<p>The financing institute HOFOKAM became part of the consortium at an early stage because it saw potential in the sanitation sector. It still took some time before actual loans started being issued to both the private sector as well as to households. The programme started connecting clients to HOFOKAM for WASH loans in its promotion and awareness campaigns. This resulted in 20 small enterprises taking out loans.</p>
	<p>The 4 Urban Councils received technical support during the development of their annual project work plans and budgets. Additionally, the project implementer HEWASA supported the development &amp; signing of sub contracts with the Urban Councils and Mountains of the Moon University. These sub contracts define the terms of the partnership as well as the roles and responsibilities of each partner.</p>
	<p>The programme facilitated training, campaigns and other means to communicate with potential customers. These activities were geared towards the establishment of a local support structure which means that the locals responsible were trained or capacity enhanced so that they can continue providing their services also after the programme ends. The programme focused on the creation of a market for the local entrepreneurs by carrying out different activities, such as:</p> <ul style="list-style-type: none"> <li>• Production of Sanitation and Waste promotional materials</li> <li>• Conducting home visits and inspections for promoting improved hygiene and sanitation</li> <li>• Follow-up on action plans developed during the community triggering sessions</li> <li>• Carrying out enforcement operations for the existing sanitation laws and regulations</li> <li>• Use of the media to create demand for sanitation products and services</li> </ul>

Special attention was given to the demand creation for pit emptying services. Unlike the construction of sanitation (which is normally a one-time event and clearly visible), the pit emptying market focuses on recurrent service provision. Pits need to be emptied on a regular basis, which often makes it a difficult market segment. People are not used to making use of these services and are reluctant to pay for them. Furthermore, there are a number of criteria involving municipalities which need to be fulfilled before pit emptying can be done safely. For instance, municipalities need to allocate land for the construction of faecal sludge disposal and treatment lagoons.

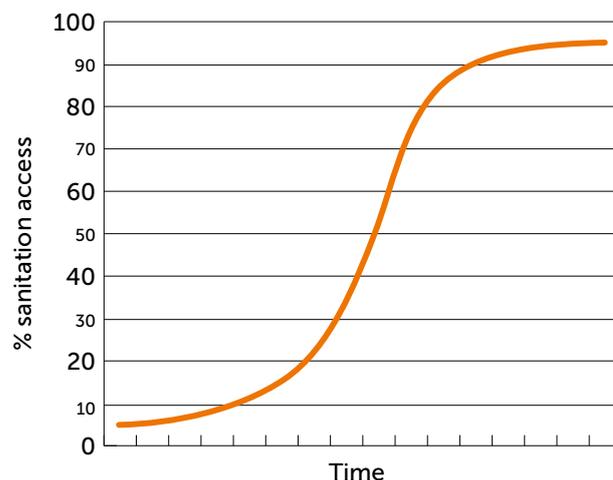
Specific activities by the Public Health Departments of the municipalities have focused on connecting customers to pit emptiers and promoting pit emptying. An important argument for households to start emptying their pits has been the much lower costs for emptying a latrine pit in comparison to digging a new pit and building a whole new toilet as was the custom earlier.

Through the combination of a well-functioning coordinated approach of all stakeholders, capacitated implementers and the possibility to get the investments or services financed, potential customers became confident enough to start the process of obtaining new sanitation facilities or maintaining the existing ones.

This process will hopefully continue and accelerate in the coming years. Currently support is still needed as the evaluation of the project concluded that the enterprises still need support in their financial administration. There still is a need for funds for the bigger infrastructures such as faecal sludge management. However, it can also be stated that the diamond is in place and is on its way to functioning without the support of the facilitating organisations. This will lead to so-called acceleration.

### Explanation Acceleration

Defined in physics, acceleration is the rate of change of velocity of an object. An object's acceleration is the net result of any and all forces acting on the object, as described by Newton's Second Law. Translated to the WASH achievements acceleration can be depicted as in the following diagram.



In the beginning of a programme using the Diamond Business Approach the access to the sanitation facilities will not rise much, some pilot projects might happen, but in the meantime systems are set in place, businesses learn how to improve their work, governments start planning more effectively and the households start wanting to have a proper working sanitation service, toilets or solid waste management services. When the systems are in place the access can start growing and it will be growing by its own, even when the project ends.

### Results, Lessons and Recommendations

In this case study it can be concluded that the drivers for acceleration are:

- Well-functioning cooperation with the private sector that offers a variety of WASH services and setting up distribution channels to reach out to new areas:
- Local demand and citizens who are willing to pay for WASH services
- Effective multi-stakeholder techniques for lobbying the government and a mobilized community
- Diversified funding base to attract more finance from different resources
- Increased efficiency by using standard proven approaches and products, and innovations geared towards lowering costs

