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**40th WEDC International Conference, Loughborough, UK, 2017**LOCAL ACTION WITH INTERNATIONAL COOPERATION TO IMPROVE AND  
SUSTAIN WATER, SANITATION AND HYGIENE SERVICES**Sanitation marketing in Nepal in support of open  
defecation free social movement***S. B. Dhakal, T. Ahmad & S. Shrestha (Nepal)***PAPER 2606**

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*Nepal's Sanitation achievement been accelerated by the sanitation social movement that prioritizes the elimination of Open Defaecation (OD) in line with the Sanitation and Hygiene Master Plan launched in 2011 by the Government of Nepal. UNICEF partnered with International Development Enterprises (iDE) Nepal to develop a market-based approach for sanitation for strengthening the sanitation supply chain in eight Terai districts with high rates of OD. A product named "Easy Latrine" was promoted as a major component of the programme that could all be purchased from one retailer in a 'one-stop shop' manner to enable an efficient purchasing experience for the consumer. In a period of 18 months, total of 33,730 easy latrines were sold in 56 villages and 6 villages were declared Open Defecation Free. This paper aimed at sharing the experience from implementation of sanitation marketing model.*

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**Background of sanitation marketing in Nepal**

Nepal has made significant gains in sanitation over the last few years. According to the latest Nepal Multiple Indicator Survey 2014 (NMICS, 2014), 60 per cent of households use an improved sanitation facility that is not shared, while 26.3 per cent of the population practice open defecation (OD). Although one fourth of the population still practice OD, this has decreased significantly from 2011. The movement towards eliminating open defecation is on its way to realization. The Government of Nepal (GoN) has been instrumental in creating a conducive enabling environment for sanitation improvements. Under the guidance of the Sanitation and Hygiene Master Plan (SHMP) that was launched in 2011, all partners working on sanitation and hygiene are coordinating towards the goal of eliminating OD by 2017, and facilitating the adoption of improved toilets. A sanitation social movement has been successfully created in the country since the launch of the SHMP. Elimination of open defecation is a top priority for both national and local government, and has now become a priority for many communities. According to latest data from the Department of Water Supply and Sewerage (DWSS), access to improved sanitation has increased from 43% in 2010 to 87% (including shared toilets) by end of 2016. On the other hand, 38 of 75 districts, 131 municipalities and 2388 Village Development Committees (VDC) have been declared Open Defecation Free (ODF), with an increasing trend in ODF declarations since the operationalization of the SHMP.

One particularly challenging region to achieve ODF is the central Terai. According to the NMICS (2014), 58 per cent of the population practice OD in this area. Use of improved sanitation facilities is also lowest at 37 per cent of households in the Terai. Recognizing the unique challenge that it presents to achieving the goal of an ODF Nepal by 2017, a special task force for sanitation in the Terai was established in 2015 to accelerate sanitation promotion.

UNICEF partnered with iDE Nepal, (an International Non-Governmental Organization to scale-up Sanitation Marketing in the Terai districts from March 2014 to August 2015 which was a scale-up phase as continuation of a previous partnership to design and pilot a market-based approach to sanitation from 2011 to 2013. The approach was specifically targeted for districts with low sanitation coverage and frequent incidences of diarrhea. The approach was developed in recognition of the limited programmes available on market approaches for sanitation, and the limited involvement of the private sector in promoting sanitation products. The pilot programme developed an integrated toilet product called the 'Easy Latrine', which is

offered in a ‘one-stop shop’ manner as the consumer can purchase all the materials required for a toilet from one retailer. To build on the work conducted in the pilot, the scale-up phase was implemented from March 2014 to August 2015 in eight Terai districts - Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Bara, and Parsa. The scale-up phase had specific targets to sell 52,500 toilets through both direct and indirect sales of the Easy Latrine, and to declare 56 communities ODF. At the end of the scale-up phase, 31,176 toilets were sold, 3 VDCs were declared ODF, and an additional 3 VDCs achieved ODF status which are awaiting official ODF declaration.

### **Sanitation marketing programme overview**

The objective of the sanitation marketing scale-up phase was to contribute to “facilitate the adoption of improved sanitation products and practices amongst the rural poor, while creating profitable, sustainable enterprises that can continue to serve the ongoing sanitation needs of their communities.” Below sections describe the salient features of the sanitation marketing model implemented:

#### **Sales measurements**

Both direct and indirect sales were measured for sanitation marketing. Direct sales are sales of Easy Latrines in targeted Villages. Indirect sales include sales of Easy Latrines in non-targeted Villages, plus sales of other types of toilets in villages which the programme aims to convert to ODF.

#### **Approaches**

Two different approaches were utilized in the scale-up phase. In four districts namely; Saptari, Parsa, Bara and Sarlahi, a district-wide approach was used which did not assign specific villages for the programme to convert to ODF. The sanitation marketing approach could work across all the VDCs within a district, often with other sanitation implementers. IDE facilitated the development of the supply chain while other partners were held accountable to specific ODF targets. In the remaining districts of Rautahat, Mahottari, Dhanusha, Siraha, 56 villages were targeted to reach ODF utilizing the sanitation marketing approach alone.

Both the approaches facilitated the adoption of improved toilets using both demand creation and supply-side development. The target consumers for the Easy Latrines were individual households; institutions including schools and places of worship were also potential consumers.

#### **Product**

As previously mentioned, the Easy Latrine was the product promoted in the sanitation marketing programme. The main value-add of this product in comparison to others in the market was the tile slab, which was easy to clean and does not smell. Another value-add is the ‘one-stop shop’ service, as the businesses developed in the approach provided the minimum components required to build a complete, improved toilet in one shop, thus lessening the transaction costs for households and making the purchase experience easier.

Ring producers (RPs) were the main businesses developed, who hired masons to install toilets and Community Business Facilitators (CBFs) to market the toilets to households. The RPs chosen for the programme already had businesses prior to receiving training on sanitation marketing; some produced concrete rings for toilets, while others owned hardware shops. Both CBFs and masons earn commission from the RPs.

#### **Marketing activities**

Several marketing activities were conducted to create demand for the Easy Latrine. CBFs conducted group sales talks and individual household sales talks using the Sight Seller tool (a booklet with pictures) to promote the Easy Latrine, which is a form of ‘triggering’ for households to realize the need for a toilet. Some local Non-Governmental Organizations (NGOs) partnered with the sanitation marketing programme also conduct promotion activities.

Through the sanitation marketing programme, connections with the District Water, Sanitation and Hygiene Coordination Committees (D-WASH CCs) and the Village Water, Sanitation and Hygiene Committees (V-WASH CCs) were facilitated to involve government in the marketing approach. The programme also engaged with other partners working on Water, Sanitation and Hygiene (WASH) in the district via D-WASH CC. The programme also facilitated connections with microfinance institutions

(MFIs) in each district, to engage them in promoting the Easy Latrine and to facilitate connections for RPs and households to access loans.

### **Results against targets**

Between March 2014 and August 2015, the sanitation marketing programme targeted 56 communities to reach ODF through the direct and indirect sales of 52,500 toilets. With this approach, the aim was to reach 400,000 people living in ODF communities. Although UNICEF funding ended in August 2015, it was important to calculate results after August 2015 as the sanitation marketing approach is expected to generate results beyond the project period through the establishment of sustainable businesses that will continue to sell toilets over time and contribute to ODF. Results up to December 2015 were thus included in the analysis.

As of December 2015; 33,730 toilets (or toilet components) were sold, for an achievement of 64 per cent against the target. Three villages have been officially declared ODF, while another three have achieved ODF and are awaiting declaration. Other key targets and achievements are outlined in table below.

### **Contribution to ODF**

The sanitation marketing programme contributes to the sanitation social movement through the sales of improved toilet components and its facilitation of VDCs to reach ODF. This supports the achievement of the first step the total sanitation goal outlined in the Nepal SHMP. Key contributions include:

1. Increased the number and availability of RPs who offer the Easy Latrine, thus improving the availability of sanitation products and services;
2. Complemented the demand creation approaches utilized by the program and other sanitation implementers in the targeted districts with the availability of supply; and,
3. Created demand for toilets through the program activities, not only for Easy Latrines but also for other sanitation products available in the market

One assumption in the sanitation marketing programme logic is that once demand is created, the Easy Latrine is the fastest way to reach ODF. It took 7 to 9 months for targeted communities to reach ODF in sanitation marketing. The strikes however disrupted further ODF declarations and additional sales, thus this situation may change in the future. The 'traditional' triggering approach applied by other NGOs in the Terai, specifically NRCS, takes approximately 9 months to reach ODF.

### **Supply and demand creation activities**

Of the direct sales recorded, only 2 per cent of sales were the complete Easy Latrine package. The 'one-stop shop' assumption in the programme design does not appear to hold true as very few complete packages for toilets have been sold. The most popular component of the Easy Latrine is the tile slab at 43 per cent of direct sales. The tile slab upholds its promise of being easy to clean and of not smelling, which households prefer. The second most popular package is 'till ground level', which includes the rings, the slab and the pan at 39 per cent of direct sales.

Although many sales of the Easy Latrine components have been made, barriers to adoption still exist. The price of the product was cited as high, and although iDE had experimented with different ways to reduce the cost (including the cost of transport for the product), some still prefer other options in the market. There is a strong belief that people could save money by buying the components separately.

CBFs are the primary demand creation actors in sanitation marketing. They conduct house to house visits as well as group sales. There is some evidence that income is generated for these CBFs, though the exact levels vary depending on the level of activity of the RPs and the motivation of the CBF themselves. Their payment is on commission hence CBFs earn anywhere from Nepalese Rupees (NRs) 66 to NRs 220 depending on which toilet component they sell; a complete Easy Latrine package earns a sum of NRs 360. Some CBFs sell Easy Latrines full time and value the income generated from sanitation marketing, and therefore work for approximately 6-8 hours a day. Others view it as part-time work and are more motivated by social responsibility (as opposed to profit), thus they sell Easy Latrines for only 2 hours a day, as an additional task to their regular work (e.g. as community mobilizers or teachers).

## Recommendations and way forward

The study has shown that opportunities exist for sanitation marketing to contribute to ODF in Nepal, particularly as improved toilets are essential for a VDC to declare ODF, and as the highest rates of open defecators are in the 3rd and 4th wealth quintiles. The readily available supply complements demand creation activities conducted by the programme and by other sanitation implementers. Below are the specific are for further improvement:

1. Focus private sector support on high performing RPs and CBFs to expand their businesses; facilitate learning exchanges between these actors.

Data has shown that the top RPs per district usually account for more than half of the direct sales within their districts. Instead of training new RPs or investing in poorly performing ones, it will be useful to focus additional investment on these engaged private sector actors to expand their businesses to other VDCs and districts, as the business acumen and drive already exist. This approach could support the sustainability of the businesses established, and contribute to achieving one of the key objectives of the sanitation marketing programme.

2. Facilitate additional connections with cooperatives and MFIs to increase access to finance for both households and RPs

Cooperatives provide the lowest interest rates and are based in communities, making them easily accessible for households and RPs. Only a few households and RPs however took loans in the scale-up phase. Further facilitation of these linkages is important to capitalize on the potential of these cooperatives.

3. Focus demand creation on the most effective approaches - CBF sales and miking at strategic events

Many marketing activities were funded and conducted in the scale-up phase of the programme. The most effective ones appeared to be the CBF group and individual household sales, and miking with demonstration toilets at strategic events (such as weddings and festivals). It will be more cost-efficient to focus demand creation activities through these means instead of the other approaches.

4. Modify messaging to include the benefits of an ODF community.

Additional work is required to change the social norm to ODF. In addition to promoting individual household benefits of having a toilet, there is need to include messages on the benefits of living in a whole community that is ODF. This would increase the drive towards reaching ODF as a whole community, with neighbours and family members motivated to hold each other accountable to stopping the practice of OD.

5. Promote different products available in the market to households, not just the Easy Latrine; limit additional product development.

The Easy Latrine, in particular the tile slab, is a popular product but not the only type of toilet that households are building, even in communities where only the Easy Latrine is promoted. The price continues to be a barrier for households. It would be useful therefore for CBFs to end their sales talk with promotion of different options for consumers that would enable understanding of the various products available at different price points, including but not limited to the Easy Latrine. It also appears that households are able to build toilets with the available products in the market, therefore additional product development may not be necessary (unless it could decrease the price of the Easy Latrine or the tile slab to make it a more competitive option).

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## Note/s

Disclaimer: The views expressed in this paper are those of the authors and do not necessarily reflect the views of the government/organizations they work for.

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