

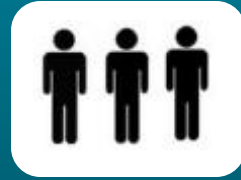
Creating Sanitation Markets



The Water and Sanitation Program is an international partnership for improving water and sanitation policies, practices and capacities to serve poor people



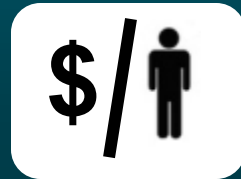
PERU



27'500,000



76%



US\$ 3,990



0.25%



PERU

66%

National sanitation access

33%

Rural sanitation access

36.2%

Poverty

12.6%

Extremely poverty



Pilot Projects
Creating Sanitation Markets

Pilots

4 zones (urban and rural)

24 months of promotion

Evaluation

Baseline 2007 – Exit Line 2010

Monitoring

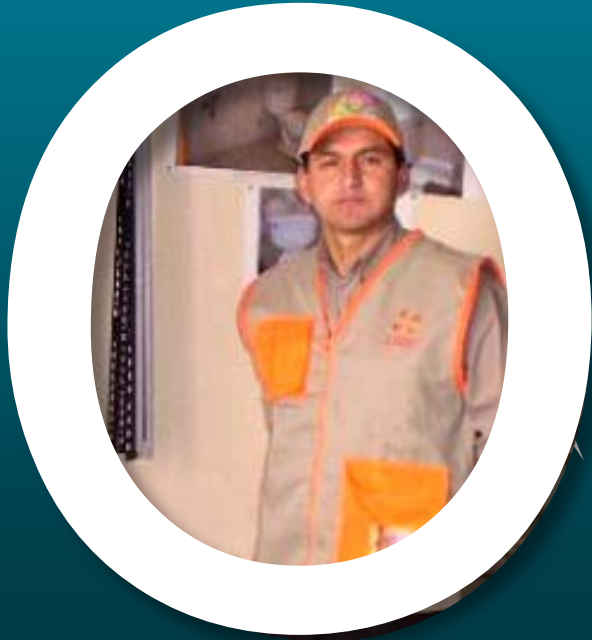
Reports of promotion and sales

Learning

Knowledge management

Is there a potential market for the poorest?

*“It costs to live well; nobody gives it for free...
We have to set an example, if you do it,
other people will too.”*



Welfare State



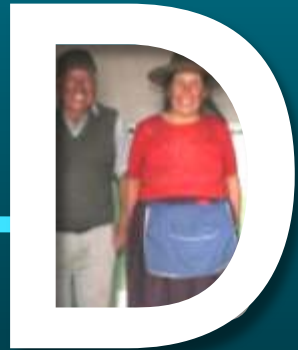
Financial Institutions



Welfare State



Financial Institutions





Welfare State

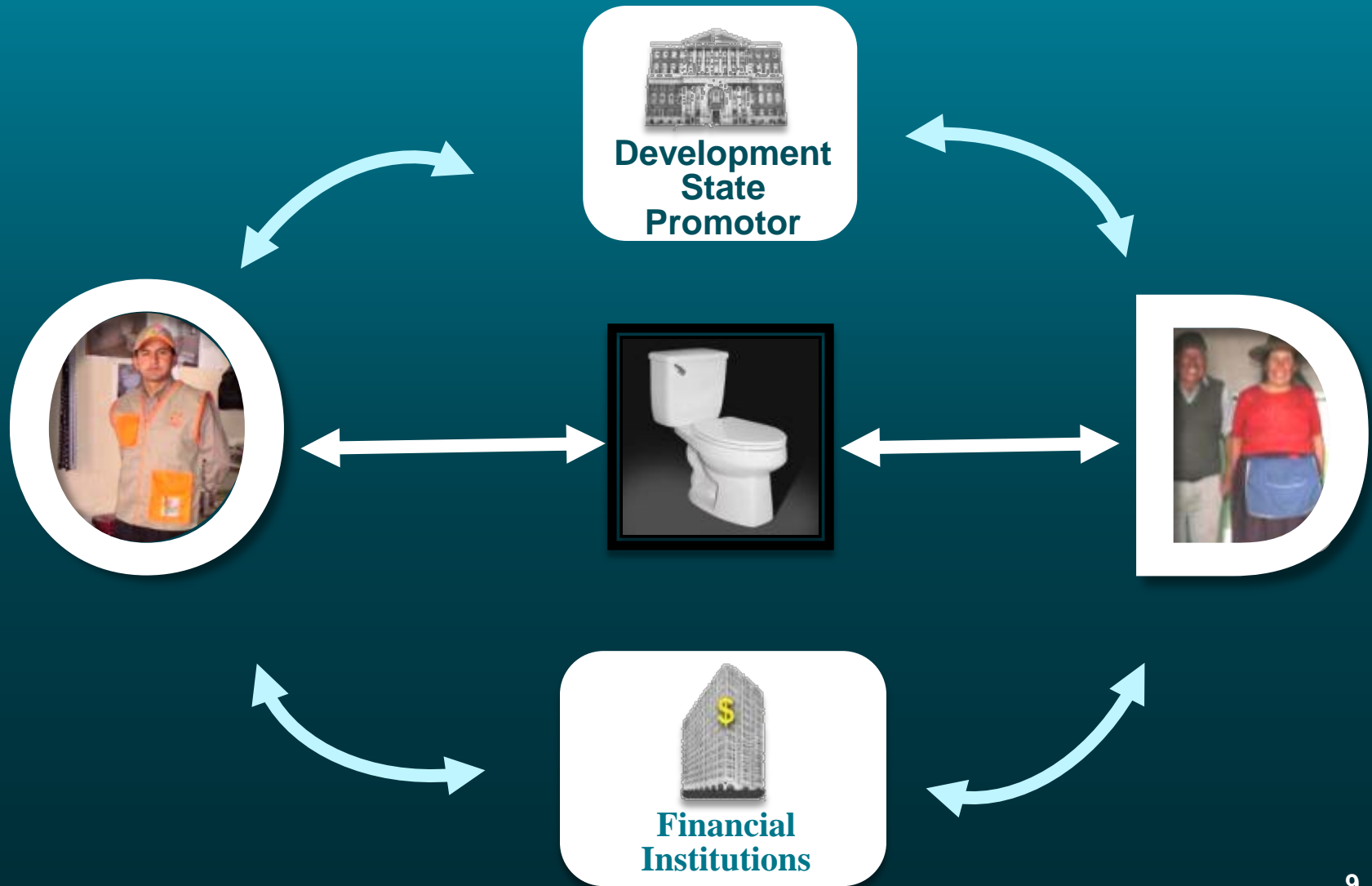


Beneficiaries



**Financial
Institutions**

Creating Sanitation Markets for the Poorest



Main actors of sanitation market





Results

Fact Sheet	Baseline	Exit Line
Field work	June 2007	March-April 2010
Sample Size	1,300 surveys	1,500 surveys
Margin of error / Level of significance	+/- 2.5% 95.5%	+/- 2.5% 95.5%
Representativeness and inference	National, by zone, urban/rural	National, by zone, urban/rural and clients/non-clients
Qualitative study	Focus groups, in-depth interviews and in-situ observation	Focus groups, in-depth interviews and in-situ observations



From beneficiaries to **Consumers**

- A citizen
- With rights and responsibilities
- An enterprising person

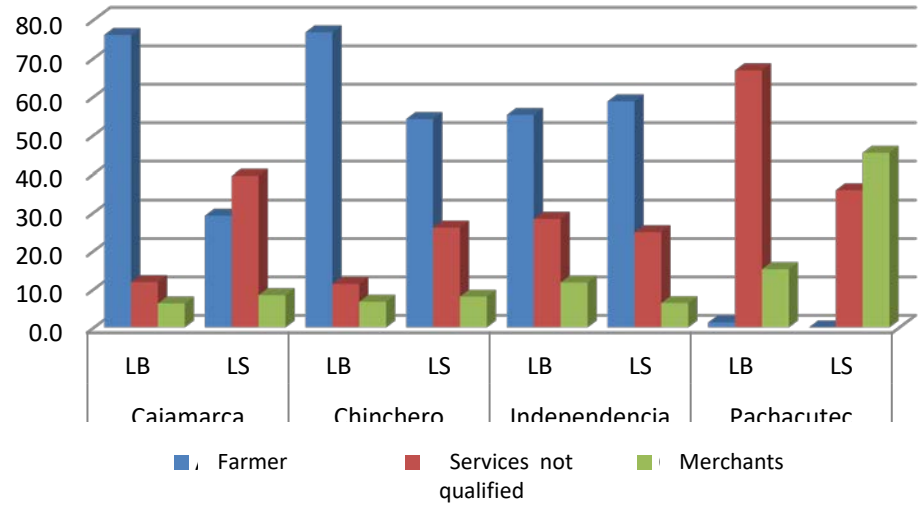
Who is the sanitation consumer?



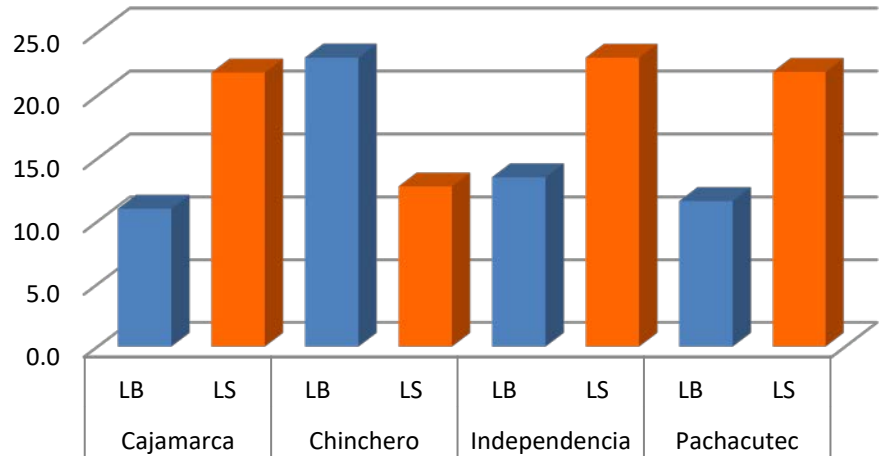
Wide range of poor families who have different economic activities, income levels and are looking for progress in life. In addition, they demand social inclusion.



Main Economic Activity of the Head of Household

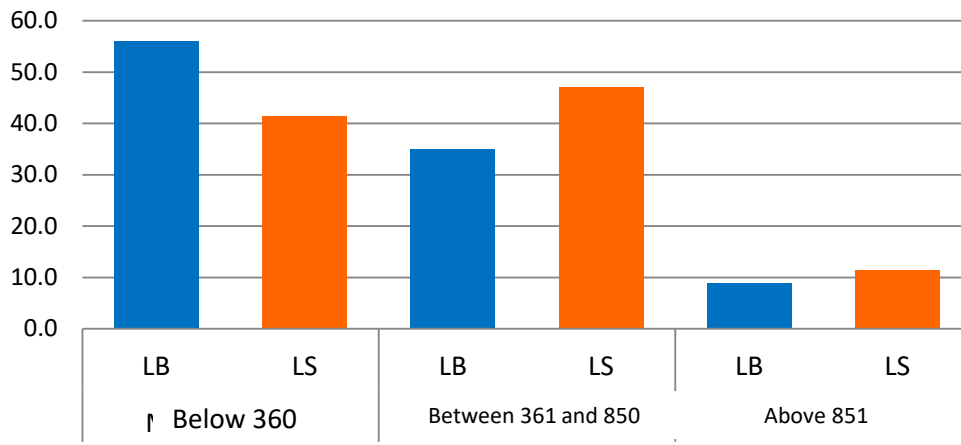


Women Heads of Household

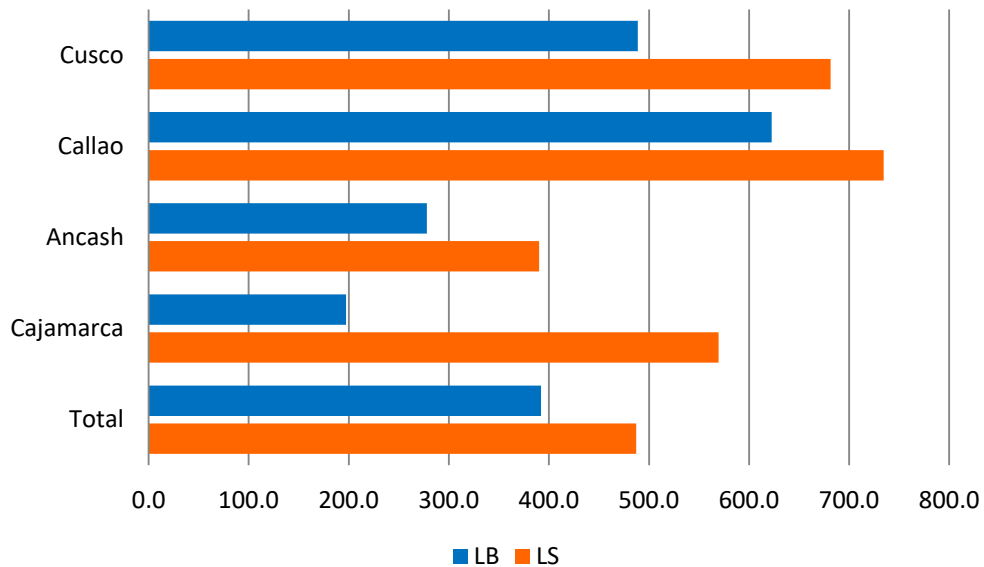




Distribution based on the average monthly income of the household in Nuevos Soles



Average monthly expense of the household in Nuevos Soles





Segmentation

[Discretionary Criteria]

- Income and ability to save
- Ownership of the house
- Access to credit
- Education
- Urban Experience
- Preference for method of installation and purchase



Target segments

- Families who are able to purchase a full bathroom to their own taste.
- Families who are able to progressively purchase bathrooms with partial finishes.
- Families with the expectation of progressively purchasing simple bathrooms.
- Families without the possibility of purchasing bathrooms
- Associations that are engaged in the installation of bathrooms in a collective manner.
- Micro-entrepreneurs who want to improve the services they offer and increase their income.

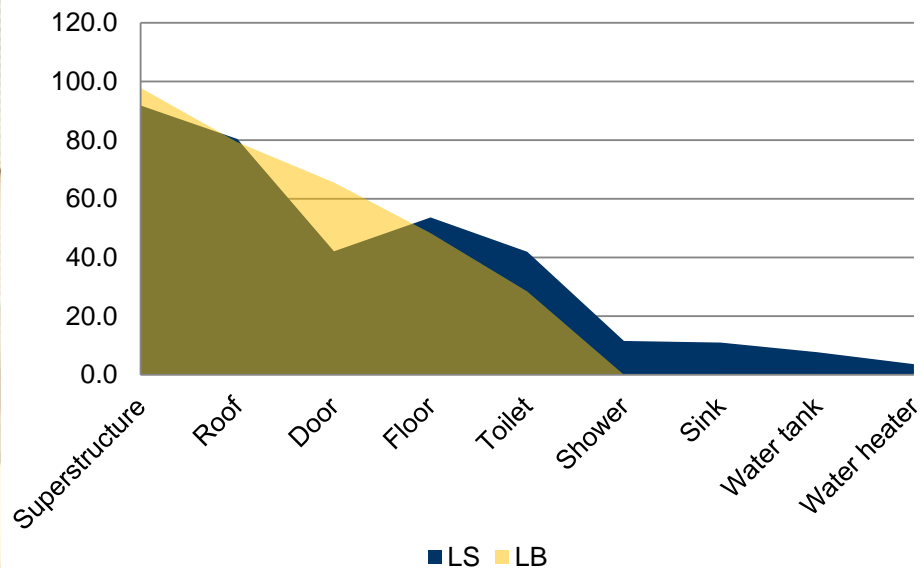


What is the expected product ?

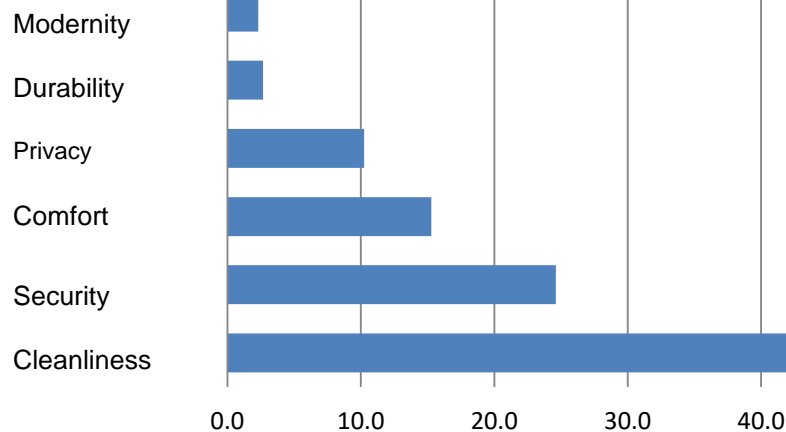
A product that provides them with comfort, makes them feel worthy, and involves a long-term investment.



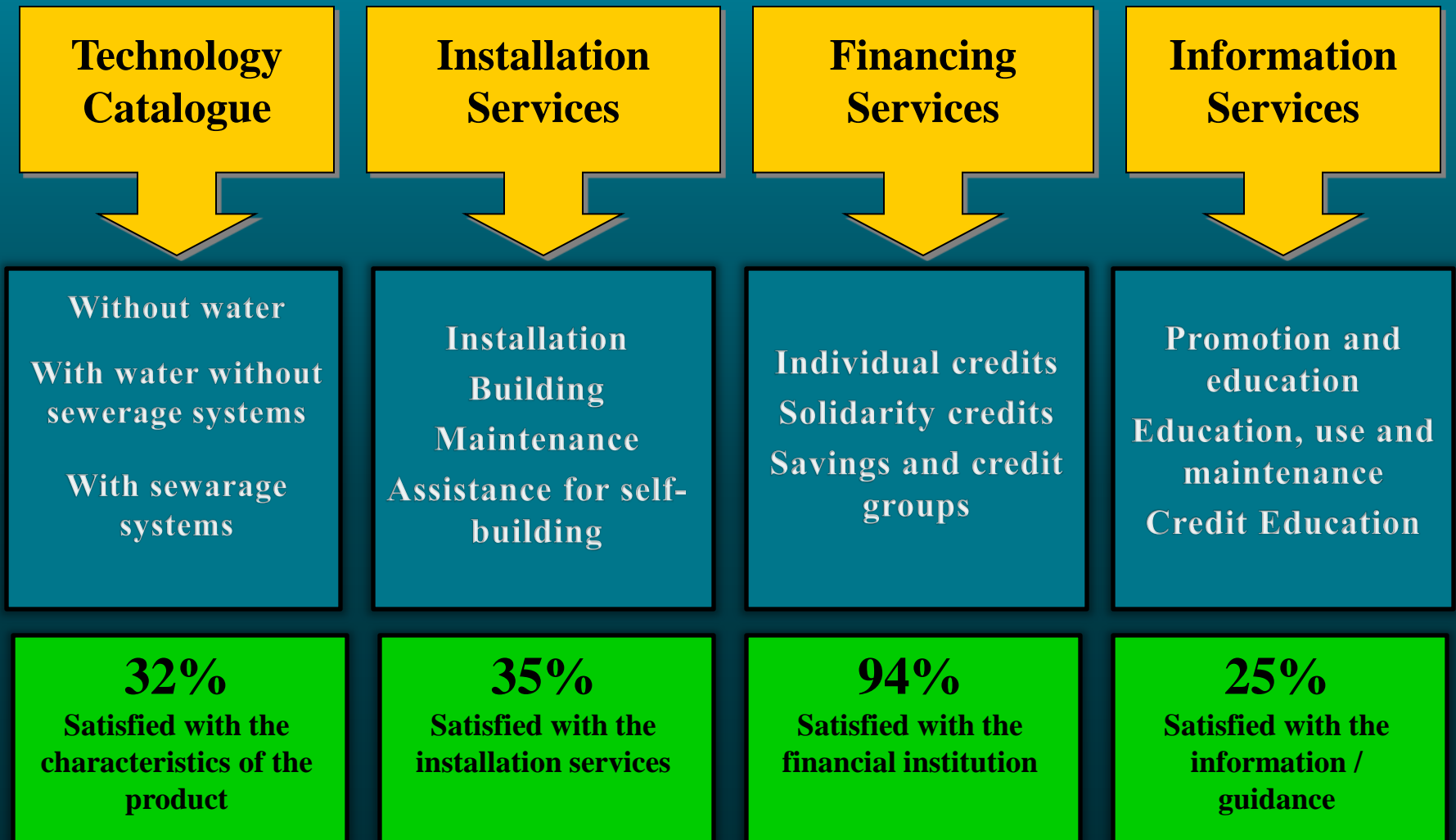
Components of the bathroom/latrine



Most important attributes of the bathroom/latrine



What was the product offered?

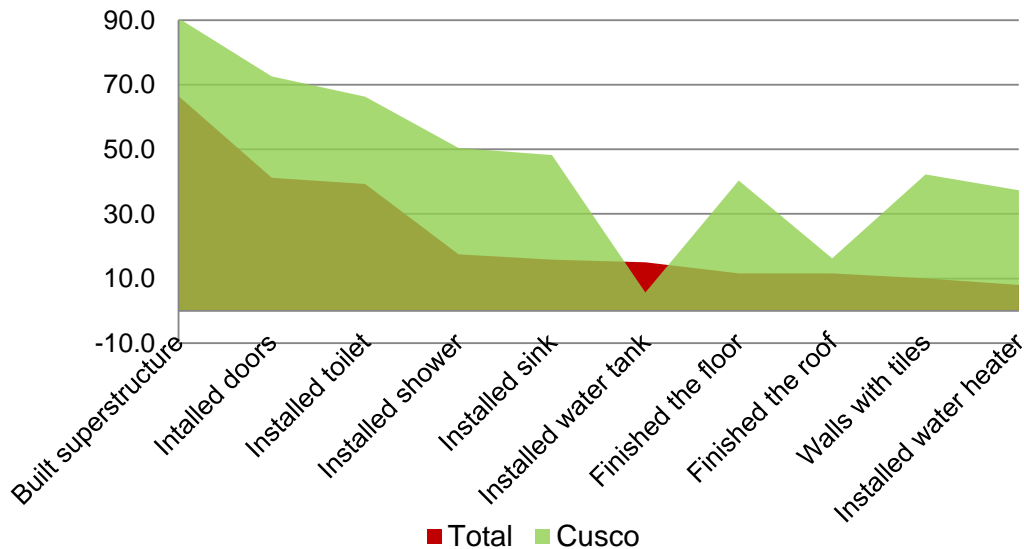




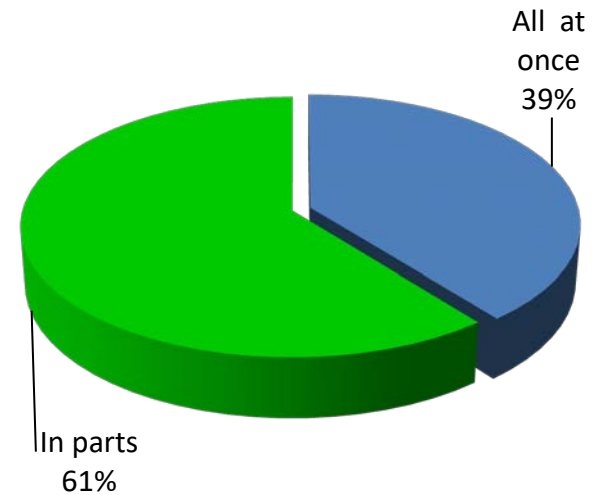
Sanitation Options Catalogue

[Variety and freedom of choice]

Improvements made to the bathroom/latrine



Investment modality

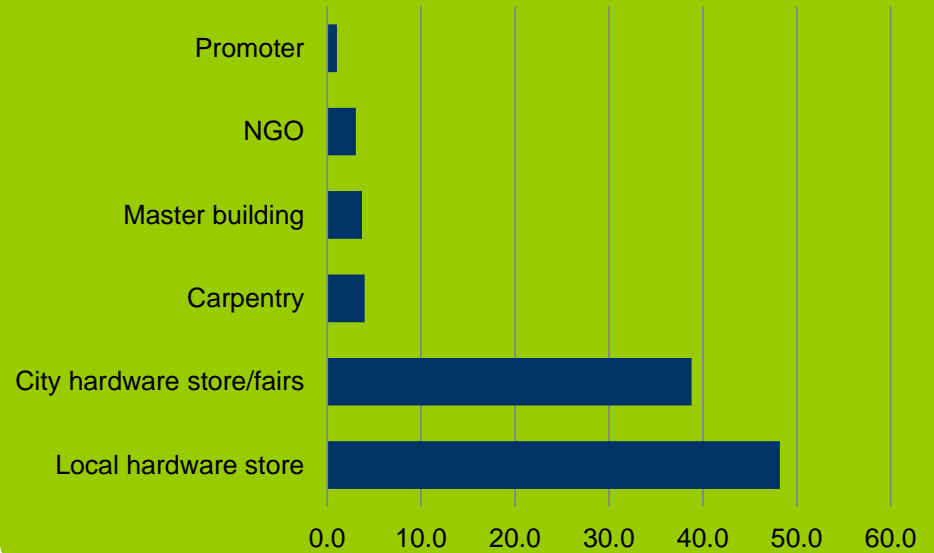




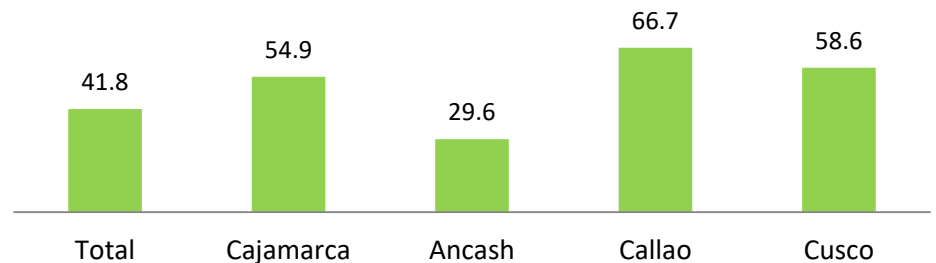
Points of sale

[Access and exhibition]

Place to purchase inputs



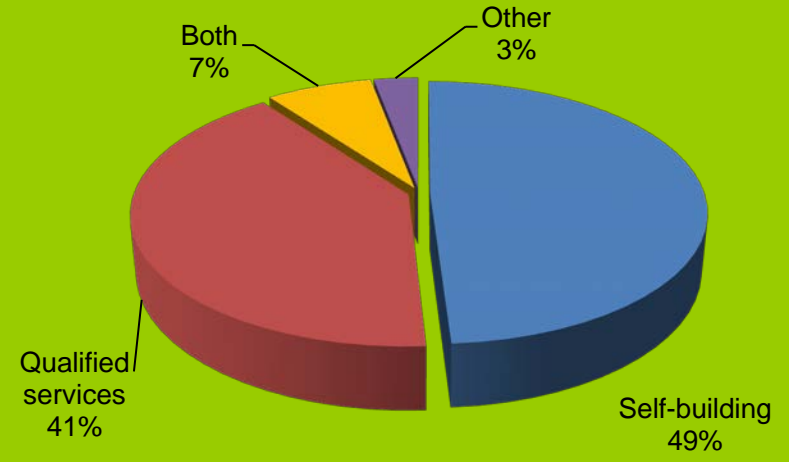
Satisfaction with the quality of the materials



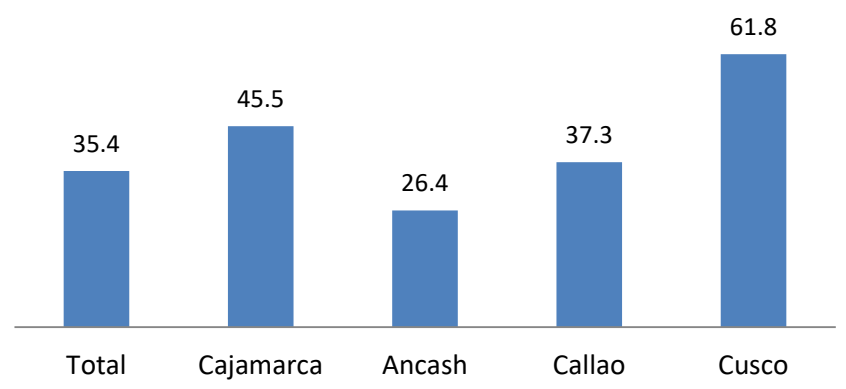
Development of local capacities



Method of construction and/or installation of bathroom/latrine



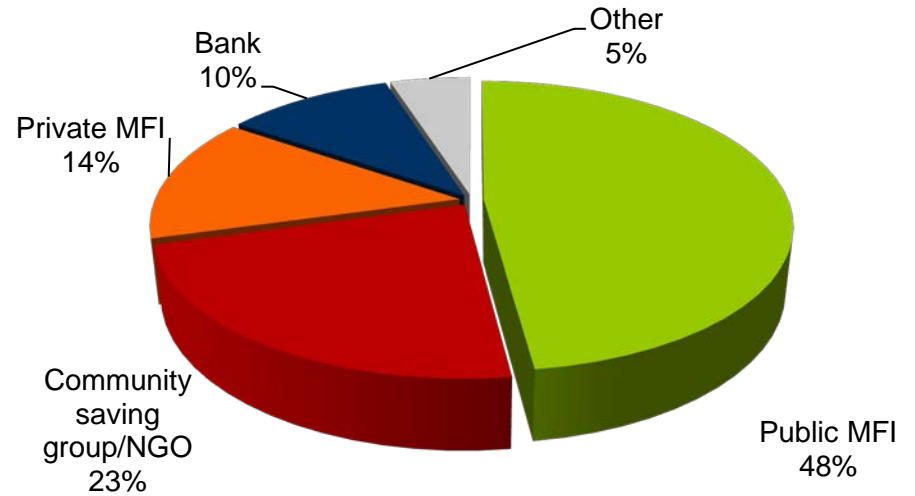
Satisfaction with the installation services



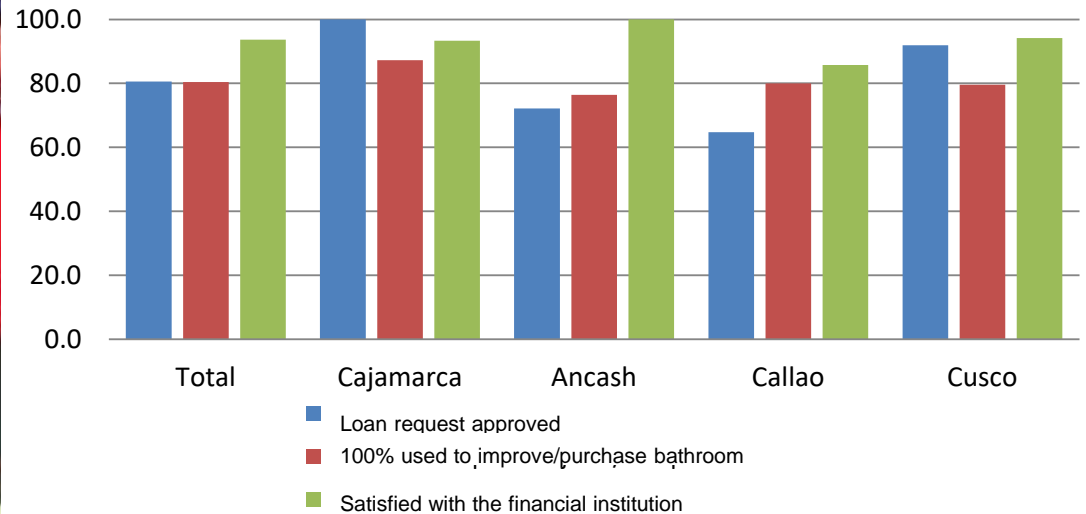
Credit for Sanitation



Financial institution that granted credit for sanitation



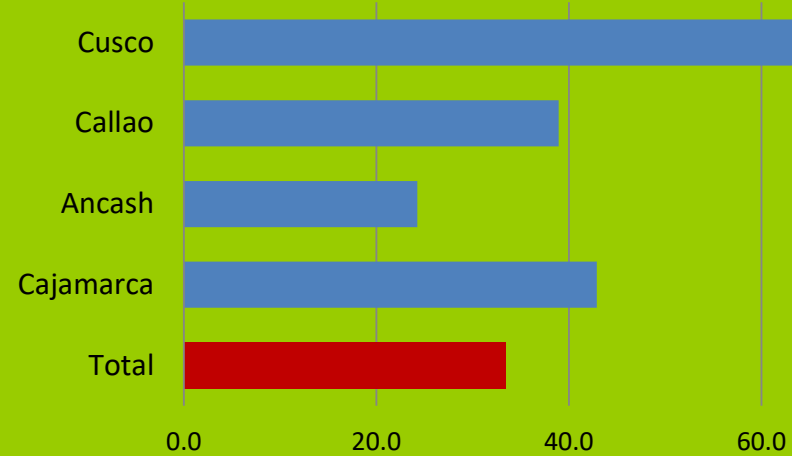
Access, use, and satisfaction with the credit for sanitation



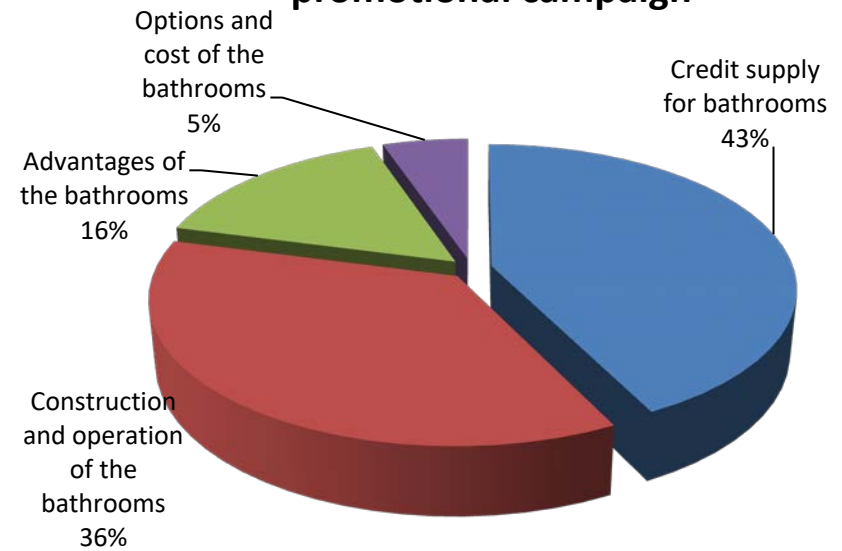
Information, guidance and education



Promotional campaign recall



Most recalled messages of the promotional campaign





What are the results?

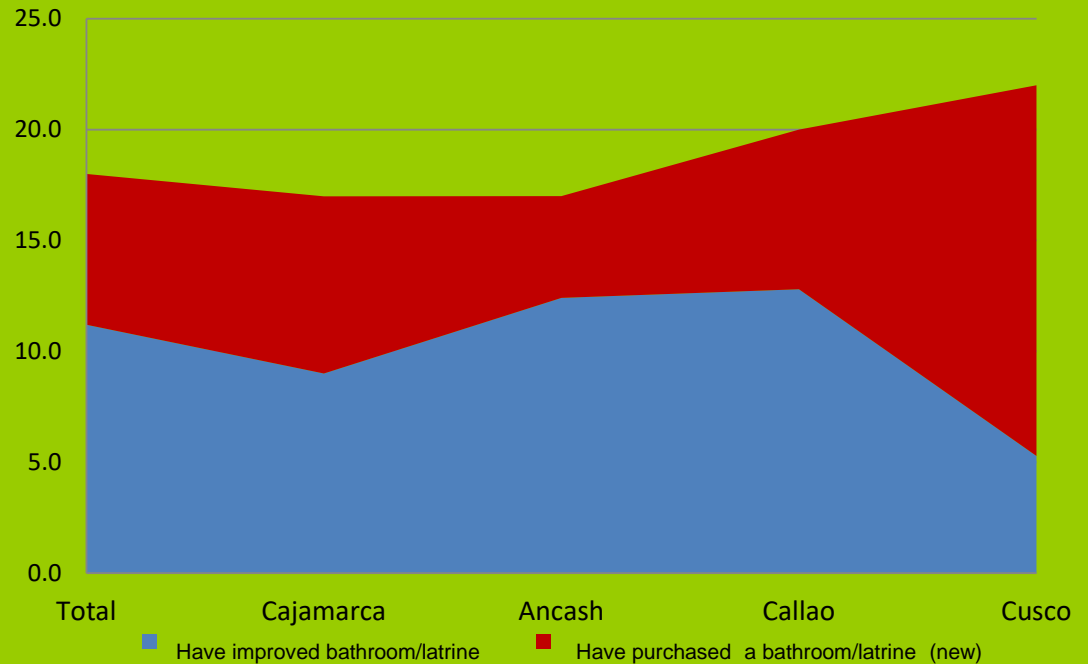
A market that is getting stronger, families who are improving their quality of life, and local providers with new opportunities of employment and income.

A supply that meets demand

9,000 households

Have installed a new bathroom or improved their current one

Households that have purchased or improved their bathroom/latrine in the past 24 months.

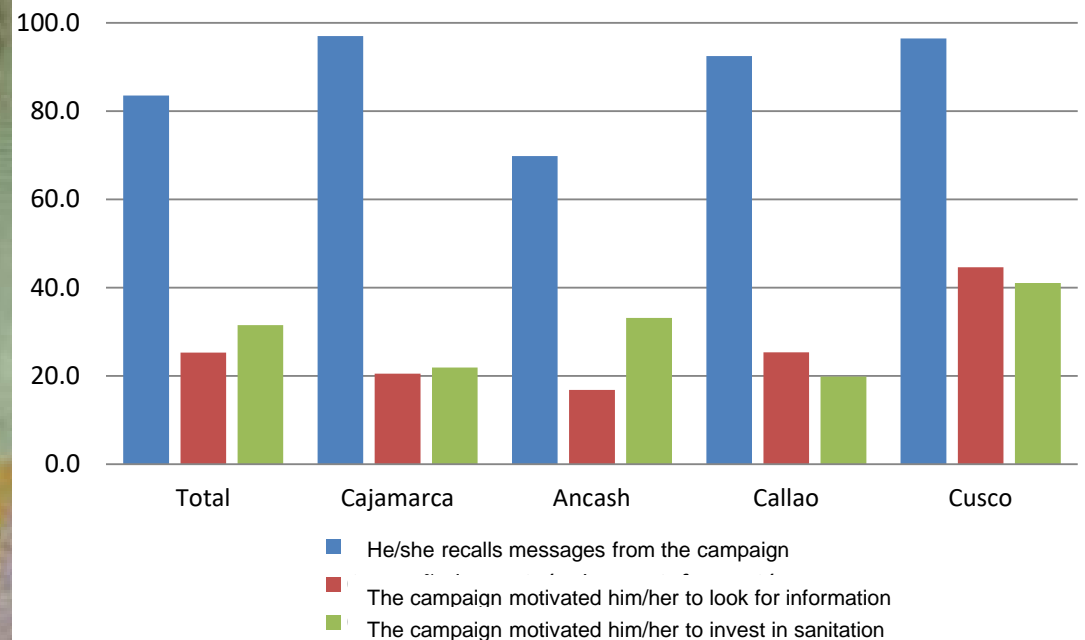


An effective promotional mix

32%

Of those impacted by the promotion invested in the improvement or installation of a bathroom.

Effectiveness of the promotional campaign

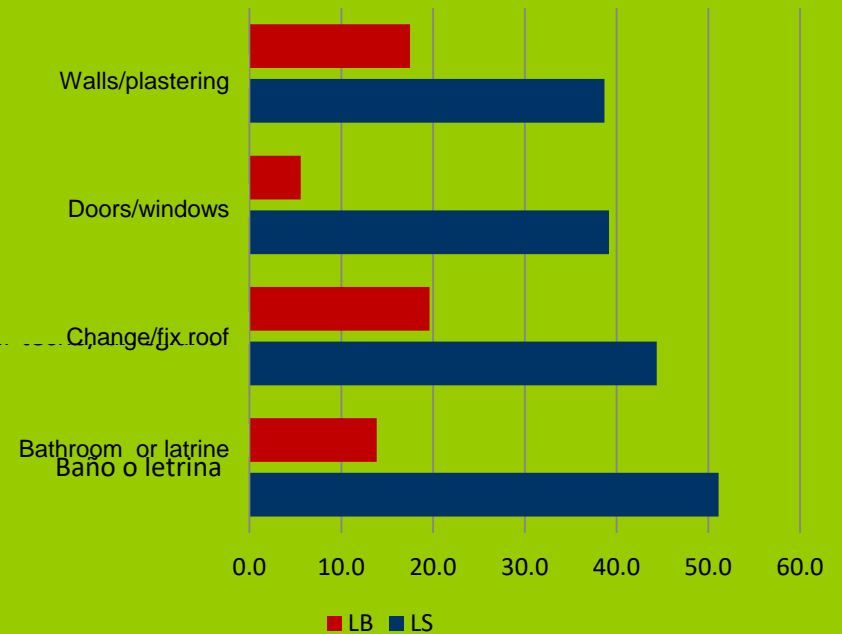


Prioritization of sanitation

47%

Have recommended investing in sanitation to their peers.

Pending improvements to the house

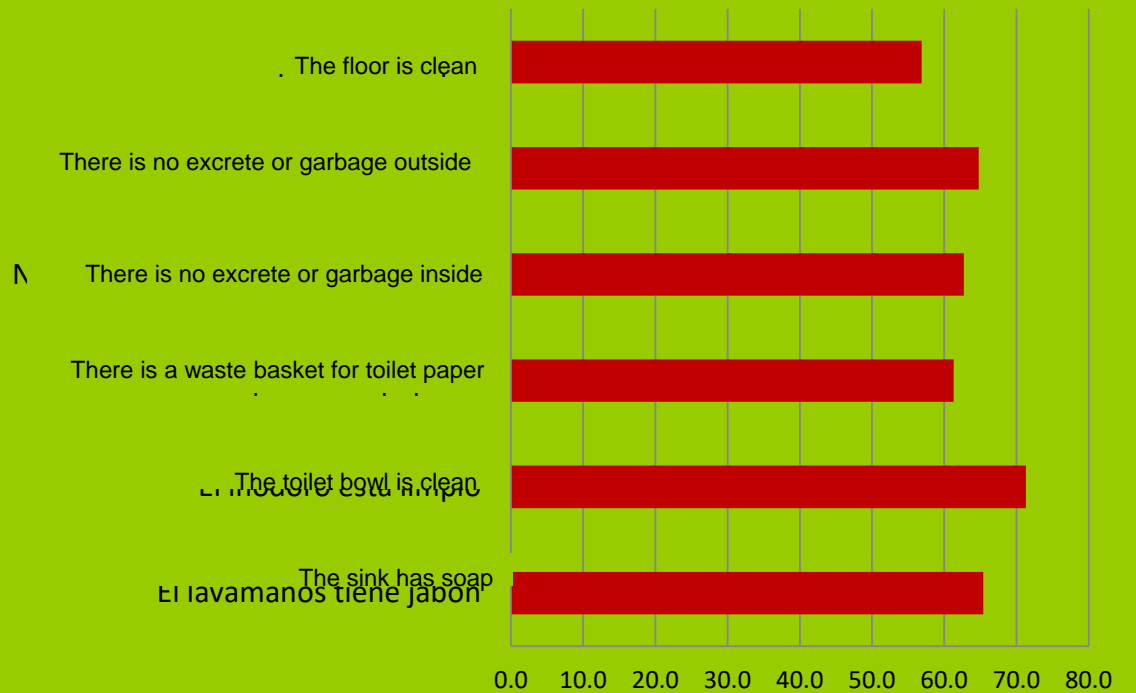


Use and maintenance of the sanitation facilities

81%

of the installed bathrooms are working properly

Use and maintenance of the bathrooms



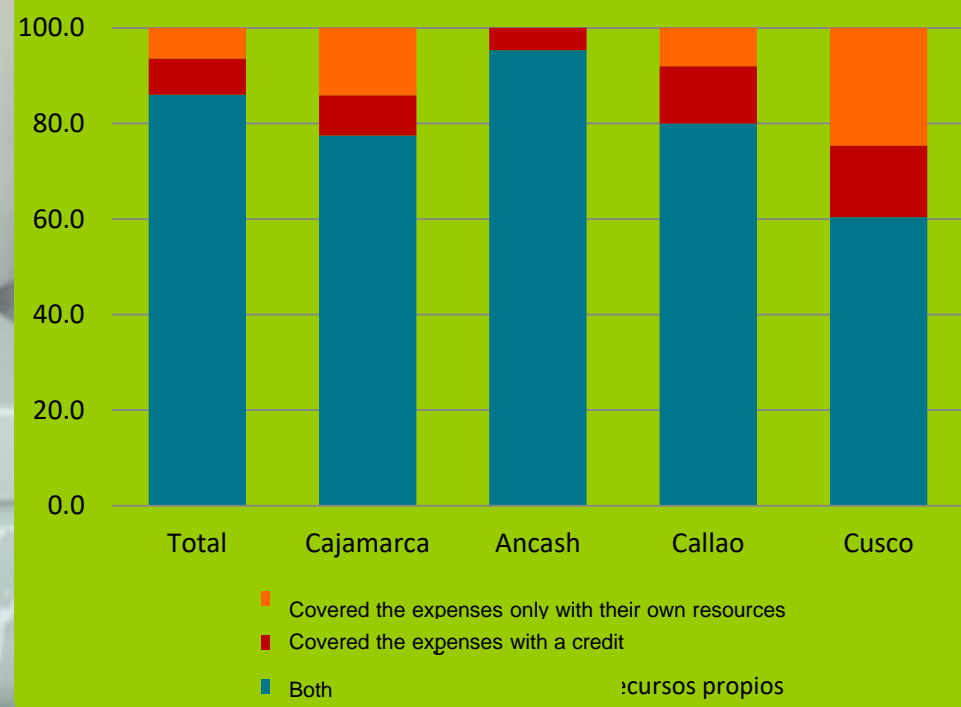
Mobilizing families' resources



S/. 3.4 million

was invested by the families,
using only their own resources.

Main source of resources used to purchase or improve the bathroom/latrine



Mobilizing private sector's resources



S/. 1.6 millions

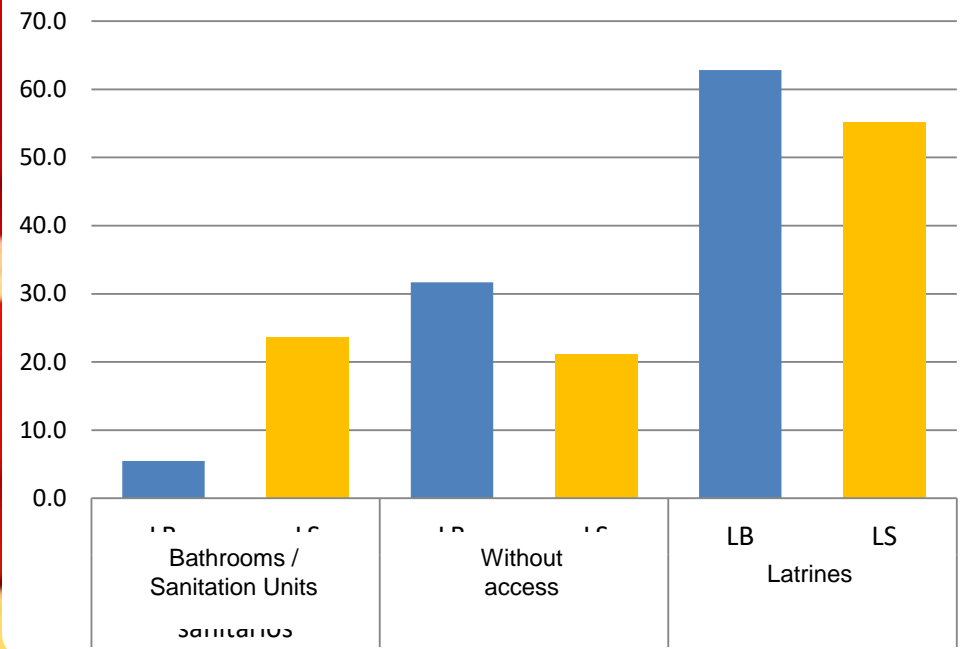
Invested by the private sector
in loans, training and
promotion

Loan portfolio value	1,501,905
Investment in fairs	28,500
Investment in promotion	28,550
Investment in training	50,303
Total in S/.	1,609,258

Increased access to sanitation

10% of households
Have gained access to
quality sanitation

Access to sanitation services





What we have learned and which are the main challenges to scale up?

It is an opportunity for all

- To complement the investment of the State in water and sanitation.
- To develop markets that generate local employment
- To expand the supply of financial services
- Sustainable and quality services for the families

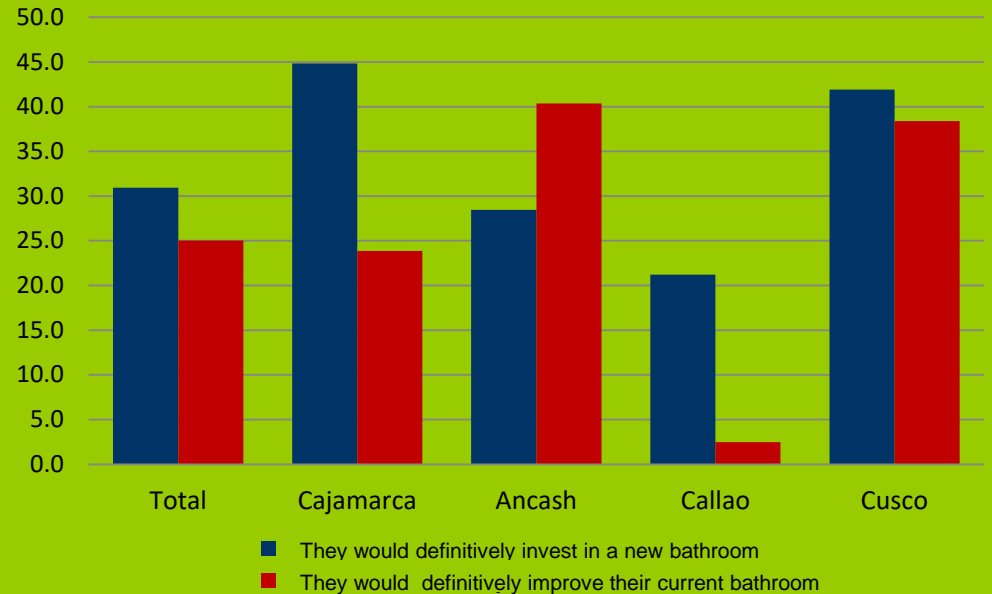


There is a potential market for sanitation

Potential market
Values ranging from
S/. 184 to 484 M
Households 720,000



Willingness to invest in a bathroom/latrine



People's choice depends on:



- A private family decision that takes into account community perceptions and in which children have a great influence on it.
- A complementary prior or parallel public investments in water & sewerage networks and / or on-site sanitation systems.
- Prioritization of sanitation investment as a result of its link with quality housing , through their peers influence.
- Access to affordable sanitation product that response to their needs and expectations.

Scaling up challenges to face:



- Self-construction and the service quality.
- The development of financial mechanisms for the poorest that does not put at risk the market development.
- Articulated information system. All partners should be able to provide right information or to refer people to the adequate provider.
- Sustainable guarantee and post-sale system. Educational component in use and maintenance and credit cultural is a critical issue.



Ongoing Processes

- Incorporation of the model in WS strategies of two regional governments
- Incorporation of learning in the rehabilitation WS networks project of Sedapal financed by the World Bank.
- Promotion of the model in the southern area of Lima through and articulated investment of the private sector (6 companies)
- Interest of extractive and agro-export companies in the incorporation of the model in CSR strategies



Thanks for your attention

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