



WATER SECTOR TRUST FUND & GIZ

Up-scaling Basic Sanitation for the Urban Poor (UBSUP)

UBSUP Subsidy Approach Analysis



(Illustration by Vincent Nyalik)

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1.0 INTRODUCTION

1.1 Background

Up-Scaling Basic Sanitation for the Urban Poor- UBSUP is a 10-year program which is implemented by Water Sector Trust Fund –Kenya (formerly Water Services Trust Fund) in close cooperation with GIZ Kenya. The project aims at improving the living conditions of the urban poor in Kenya through enhanced access to basic sanitation and safe water. The program targets the population of the urban sanitation hotspots, the informal and formal low income urban settlements. It aims to impact 400,000 people by improving their sanitation as well as help improve the water access to a further 200,000 people living in low income urban areas in Kenya. Ultimately, this project seeks to enable Kenyans living in urban areas apply sound hygiene practices.

This programme is currently being implemented within nineteen (19) water companies (WSP) which lie in twenty (20) counties in Kenya. The implementation of this programme came after a number of testing toilets were placed in the field as well as a pilot study that was done within three (3) towns.

The pilot of the UBSUP programme yielded a learning environment in which three types of toilets were constructed across three WSPs (Nakuru, Embu & Ololaiser). In this phase, a total of about 3, 500 toilets were constructed. The lessons learnt in the pilot were then used to up-scale the programme to a larger beneficiary base as mentioned above (19 WSP's in 20 counties) in a formal call for proposal.

1.1.1 Initial Programme Variables

The piloting of the UBSUP programme had many assumptions some of which were proven wrong while some were a learning ground. These assumptions include:

1. The artisans would have enough capital, and would then construct the toilets and then later on receive the subsidy from the water company.
2. The artisans who were trained by the UBSUP team will be able to participate in the construction of the SafiSan toilets in the entire project cycle.
3. The landlords wouldn't renege the artisans right to construct the toilet and the artisan would be the recipient of the subsidy.
4. Pre- fabricated toilets (done by renowned companies in Nairobi) would be built thus shortening the duration which would be taken to construct the SafiSan toilets.

5. The demand of the toilet would be ready given that the condition in the field indicated that most people either do not have good toilets or don't have toilets at all.
6. The cost of the toilets would be fair and therefore most people would be able to afford the toilets.
7. The subsidy offered will be a good percentage of the total cost spent on the toilets and thus act as motivation enough for the landlords and house owners to be involved in the construction of the SafiSan toilets.
8. Social Marketing would only be a small fraction of the project cost and that when the demand for the toilets pick, there would be no further social marketing.
9. UDDTs would be the preferred technology and it will be easily embraced and adopted by the people living in the low income areas.

This programme variables however were not the case once the actual implementation began on the ground.

1.1.2 Field Analysis based on lessons learnt

Having conducted the pilot phase, these were some of the lessons learnt that were emerging:

1. The artisans were not able to bear the entire costs of constructions of the SafiSan toilets.
2. Retention of the project trained artisans proved to be difficult due to increased higher expectations from the project (they started overcharging the landlords and demanding higher labour cost compared to the prevailing market prices).
3. The landlords demanded to be the only recipients of the subsidy.
4. Transportation of the pre-fabricated toilets proved to be costly and tedious especially considering the various towns where the programme would be implemented. Most of the landlords/ house owners opted to construct the toilets using materials that were cheap and readily available to them.
5. The demand for the toilets was progressive; took a while to pick due to various variables in each WSP.
6. Social Marketing proved to be autonomous; had to be continuous and did not pick as fast as it had been predicted. Therefore, the social marketers had to be retained for a longer time than expected increasing the costs beyond the budget lines.

7. Most of the beneficiaries preferred to construct flush toilets i.e. pour flush and cistern flush, either connected to a septic tank, conservancy tank or a sewer line. Unlike anticipated, some towns had sewer connections and most cultural norms forbade people's ability to understand the UDDT concept. It was learnt that most people, especially those living on plots, were not able to keep the UDDT clean as required and this compromised both its use and maintenance.
8. The subsidy cost was and still is a topic of contention. Most of the beneficiaries in the WSP's still argue for a higher subsidy so as to enable the landlords make a return on investment that is substantive. This however, begs the question: Is the idea of **subsidy** in UBSUP to give back the full amount or just a fraction? Will the programme generate the pre-requisite demand without the subsidy?

However, this was not the case in most of the areas. This has led to the need for this documentation to determine whether, the subsidy amount is enough or we are paying more than is required.

This is a critical aspect of the programme as the subsidy approach surrounds the whole success of the programme.

1.2 SUBSIDY

A **subsidy** is a form of financial aid or support extended to an economic sector (or institution, business, or individual) generally with the aim of promoting economic and social policy. In the case of the UBSUP programme, the subsidy is to be given to the people constructing the UBSUP toilets once they finish the construction and the sanitation facility has been inspected and has met all the set criteria.

Various other names have been suggested to substitute the use of subsidy. This is because, other agencies involved in the sanitation industry, have not been able to achieve much with the subsidy approach. The health sector for instance uses the Community Led Total Sanitation (CLTS) which up to now has no documented positive results in the urban areas. In most cases it has proven very costly to be able to offer subsidies to assist in the construction of the sanitation infrastructure.

A question to ponder on is, is this subsidy really propagating the success of the UBSUP programme being currently experienced? The question is posed at a time when a lot of impact is being felt in urban low income areas that are implementing the UBSUP programme. The target that had been set for the construction of the first batch toilets

(4000 toilets) is almost being reached in the allocated time (9months). Is the subsidy contributing to this?

With a note that everything that has strengths has a weakness, it is time to evaluate and note if indeed the money we are giving back to the toilet beneficiaries as the subsidy is actually a subsidy and not a total cost of the toilet. As a fore thought, much consideration was put in the assumption that a few people may actually make a profit out of the construction of the toilets. This was viewing that economies of scale would very much come into play. However, is this the intention of the UBSUP programme? Is it time to have a few mitigations and changes put in place so that we can experience a larger percentage of coverage from the subsidy offered by reducing the amount? Is the amount sufficient? Is UBSUP a rolling stone whose sustainability will not be reached?

UBSUP is based on the subsidy approach which has often been the center of the whole project. An analysis of the same would go a long way in determining some of the way forwards that the project will take in the next subsequent phases.

1.2.1 Value for money

Given that the UBSUP programme is subsidy oriented, we need to analyze and view and see if there is any extra impact that is being felt out of this. Something of interest would be whether the landlords have used the money that they received as subsidy to develop themselves further. Development would be in terms of infrastructure or even personal development. This impact will be a plus for the programme as it will be able to show that the programme has been all rounded.

2.0 OBJECTIVES OF THE STUDY

The following are the key objectives that will be handled:

1. To establish the actual cost of the different toilet technologies constructed under the UBSUP programme.
2. To find out the time duration of constructing the toilet
3. To establish the secondary benefits of the subsidies paid out. (ripple effect)
4. To establish the fairness of payment of subsidies across the various toilet technologies. (eg type of toilet, conveyance system etc)
5. To find out the number of toilets constructed viz a vi the number of people living on the plot.

3.0 OUTPUTS OF THE STUDY

1. Questionnaire to be used in the data collection exercise.
2. Answer sheets to fill in the information given in the field. (Both in word format as well as an app)
3. A work plan to clearly outline all the activities to be carried out
4. Budget with all the costs included.
5. A guide for the data collectors who will be going to collect the data in the field.
6. Analysis tables. (SPSS)
7. Different variables that we want to establish.
8. List of materials (checklist to be filled by the artisans). Including a section for the conservancy and the septic tanks.
9. Key things out of the study. (relationships we want to establish)
10. Report.

3.1 RELATIONSHIPS TO BE ESTABLISHED

1. The number of toilets that have been connected to an existing sewer, new conservancy tank, new septic tank and existing septic tank and conservancy tank.
2. Actual cost of the toilet viz a vi the amount of subsidy that has been paid.
3. Toilet technology that has been mostly embraced as compared to the money invested.
4. Additional benefits generated in the plots which invested in SafiSan toilets.
5. To find out the number of toilets constructed viz a vi the number of people living on the plot.

4.0 APPENDICE

Questionnaire

Guide for data collectors