



BRIEF: WATERSHED STRATEGY 2018-2020



Local supplier tiling a squat toilet slab (Credit: WaterSHED)

Obsolescence is (or should be) the goal of all development aid organizations. To paraphrase an old saying:

“Give a man a fish, and he will be hungry tomorrow; teach a man to fish, and he will eat for life; build a sustainable market system that empowers fish consumers, trains fish suppliers, rewards innovative fishing techniques, prevents overfishing, targets fish subsidies for the poorest, etc., and we can stop asking donors for fish and fishing training.”

WaterSHED’s vision is for **everyone to use a toilet, wash their hands, and drink clean water**. We empower local businesses, government, and other leaders to expand and maintain an inclusive WASH market -- not only now, but long after our programme becomes successfully obsolete. Success for WaterSHED is when the Cambodia water, sanitation, and hygiene (WASH) sector no longer needs us.

WaterSHED’s 2018-2020 strategic plan outlines an ambitious program of work. Sanitation and hygiene are complex challenges – leadership, collaboration, and a host of other human behaviours are required to work harmoniously in a system that cuts across several dimensions of development, including social, economic, and environmental aspects. However, **if we are going to see a solution in our lifetime**, it is critical that we address the issues head on rather than work around the system, as has been done for so long.

CONTEXT

A child under 5 years old dies every 2 minutes due to a lack of safe water and toilets. In Cambodia, the economic loss to poor sanitation is estimated to be 7% of GDP. Cambodia has been the focus of intensive, donor-funded water, sanitation and hygiene (WASH) initiatives since the early 1990s.

Despite tens of millions of dollars spent by donors on latrines, the market in Cambodia grew at only 1% per year between 1997 and 2007. In 2010, more than three in four rural Cambodian households still did not have a toilet.

MARKET-BASED WASH

Set against a backdrop of steady economic growth and relative political stability, WaterSHED saw an opportunity for a local private WASH market. Convening an array of stakeholders, WaterSHED sought to build the foundations of a market – to help local businesses add modern WASH products and to introduce compelling marketing tools.

In 2004, access to improved sanitation in rural areas was 15%, but by 2017 it had climbed to 71%. Today, rural Cambodians with rising levels of prosperity are asserting choice and driving the direction of the WASH market.



FRAGILE GAINS

Despite the impressive results of the market-based approach in sanitation, there is a possibility that the recent pace of change may falter, if the supporting infrastructure and enabling environment in Cambodia fail to keep up with progress.

Inadequate regulatory control, untargeted subsidies, low use of technology by market actors, inadequate infrastructure to support the safe management of waste, etc. could put the hard won gains in sanitation market systems at risk.

CRITICAL NEXT STEPS

To reach the remaining unserved households *and* ensure that the market continues to serve communities with improved sanitation, it is vital to build on our hard-won learnings in addressing stubborn systemic challenges. Together as a sector we must:

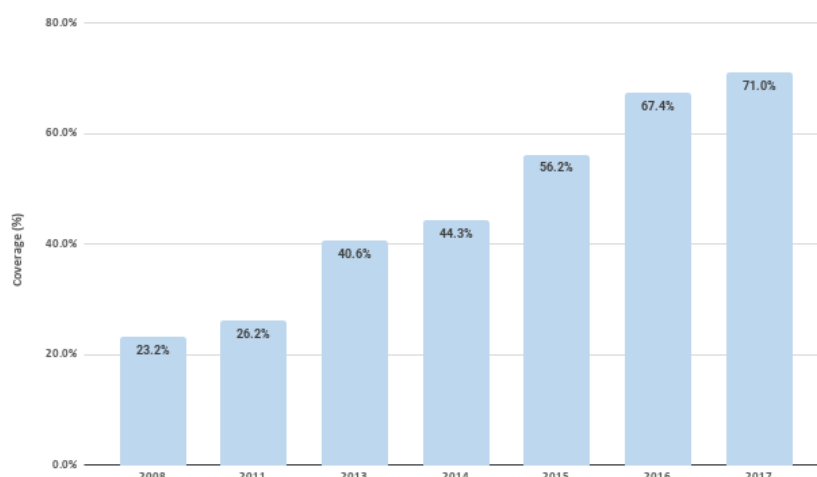
- coordinate action and funding to prevent duplication of effort and distortions that damage the market
- double-down on leadership development of local officials as authority (and challenges) are decentralized
- expand women’s participation in WASH supply chain and decision-making power as consumers
- integrate mobile technology and monitoring information systems in the operations of WASH supply chain actors and local government

As of 2018, sector actors –including government– [largely agree](#) that targets for 2025 are *not likely to be attainable at the current rate of progress*.

WATERSHED’S ACTIVITIES

With increasing urgency, WaterSHED is aiming to pursue high leverage opportunities – helping government agencies institutionalize the most successful elements of programs we have developed together since 2009. The *2018-2020 Strategy* replaces market-building activities that have declining marginal benefit (largely owing to their success) with higher-leverage activities (such as training local government leaders to do the job in their own communities, and producing high quality research for program replication and adaptation). Our work in this three-year period falls into four focus areas:

Rural Cambodia: Improved Sanitation Coverage (2008-2017)



1) Support subnational government to take the lead in achieving universal WASH services

WaterSHED’s experience working at scale has given us a vantage point to learn what drives differing results in market penetration. We suggest that local leadership is the biggest driver of sustainable water, sanitation, and hygiene. The recent establishment of Provincial Working Groups presents a significant opening for WaterSHED to broaden our impact on local leadership. Our *Civic Champions* and *Provincial Sustainability Support (PSS)* programs:

- Partner with provincial government to adapt and conduct *Civic Champions* leadership programs for district and commune officials to help them act as proactive and responsive leaders
- Actively coach and support local officials to strengthen the Provincial Working Group mechanism for convening and coordinating actors in the rural WASH sector around the Provincial Action Plans

2) Support the growth of viable and inclusive WASH businesses

Our initial work in direct market facilitation centred around catalysing growth in both the supply and demand sides of the sanitation market in Cambodia. Through this, we have significantly contributed to the foundations of a nascent domestic market. As we move beyond direct market facilitation, we intend to bolster the enabling environment so that growth can be sustained and for businesses to thrive. Led by our PSS and Research & Learning teams, we work to:

- Connect market actors with new products and services and related guidance - and also with targeted schemes by organizations and / or



government, such as voucher schemes for poor households or challenging environments and mobile technology

- Monitor the progress of existing suppliers across eight provinces in order to identify systemic weaknesses that need to be addressed by PWG or other actors, and to monitor the continued progress, development, and likely sustainability of the sanitation market.

3) Drive cohesion in the Cambodian rural WASH sector, with a focus on subnational actors

WaterSHED believes that for universal WASH services to be achieved in the next decade, there is an urgent need to invest in dedicated support and facilitation that will allow actors to optimize existing mechanisms, collaborate more effectively, and use resources much more efficiently. Led by WaterSHED senior leadership and the Provincial Sustainability Team, we:

- Support the establishment of shared measurement systems and datasets to facilitate improved policy and institutional arrangements.

WHAT HAPPENS AFTER 2020?

We believe systems strengthening does not require an NGO to *grow* (in budget, size, or footprint). In fact, we hope to see the opposite: a stronger local system resulting in a shrinking NGO footprint.

Therefore, successful delivery of the *2018-2020 Strategy* does not mean WaterSHED will grow into a larger organization reaching new markets. Instead, new and exciting opportunities to expand our impact (not our footprint) after 2020 will stem from partnership, replication, and possibly, integration or merger with organizations positioned to leverage our experience. Through personnel continuing their careers at other agencies or within our social enterprises throughout the region, we believe we can embed WaterSHED's philosophy and approaches throughout the sector.

- Advocate for more efficient and aligned contributions to the national strategy and action plan (NAP).
- Facilitate the exchange of information and experience between PWGs through structured and ad-hoc interaction
- Chair the sector working group on Rural Sanitation & Hygiene

4) Produce and disseminate research & learning

In this period, we aim to deliver:

- Rigorous evidence of the effectiveness of *Civic Champions*, so that the government and wider sector can learn if and how it should be institutionalized and replicated
- Data about the sustainability of our approach to sanitation marketing, giving the wider sector powerful evidence about the *Hands-Off* ethos and the need to design for self-redundancy
- Practical, actionable guidance on faecal sludge management for rural areas
- Documented effect of professional networks of women, equipping the wider WASH sector with guidance for a new approach





FREQUENTLY ASKED QUESTIONS

Q. *I support market-systems development. Why should I fund WaterSHED?*

A. WaterSHED has set the global benchmarks for efficiency and cost-effectiveness for WASH programs at scale – the reason has been our systems approach.

By 2018, WaterSHED's *Hands-Off* market-based sanitation had successfully **enabled small businesses to sell more than 200,000 toilets**, generating more than **USD \$10 million in revenue for rural businesses**.

It helped accelerate rural sanitation coverage from a stagnant **26% to 71% in six years**. This was achieved with an average **total organizational budget of 0.75M USD per year**.

Funding WaterSHED – allowing us to continue to do our work – means that we can also study the sustained impact of this approach and make a compelling argument for improved, systems-based WASH programming internationally. It also means that we can ensure that the local market system we have helped to build continues to thrive.

Q. *Why should health and early-childhood focused funders prioritize water, sanitation, and hygiene?*

A. Diarrheal disease, subsequent malnutrition, and its consequences cause an estimates 2.4 million deaths per year. Diarrhea alone is the second leading cause of mortality in children under 5 years, responsible for an estimated 700,000 child deaths annually.

Chronic diarrhea also contributes to malnutrition by inhibiting intestinal absorption of nutrients and is strongly correlated with stunting. Stunting leads to irreversible impairments that cause a lifetime of health and productivity losses. Undernutrition, in turn, increases susceptibility to infectious diseases, such as diarrhea, and perpetuates a vicious circle.

Eighty-eight per cent of cases of diarrhea worldwide are attributable to unsafe WASH, the burden of which fall disproportionately on young children under five years old and on poorer populations.

Q. *What's one piece of research I should read for reference?*

A. If it must be one, we recommend USAID's recent global review of [market-based sanitation programs](#).



Local supplier delivers toilets to rural customers (Credit: WaterSHED)