



Learning from Bihar, India

An evolutionary process and the impact of a market development program to create a functioning sanitation market

Shankar Narayanan

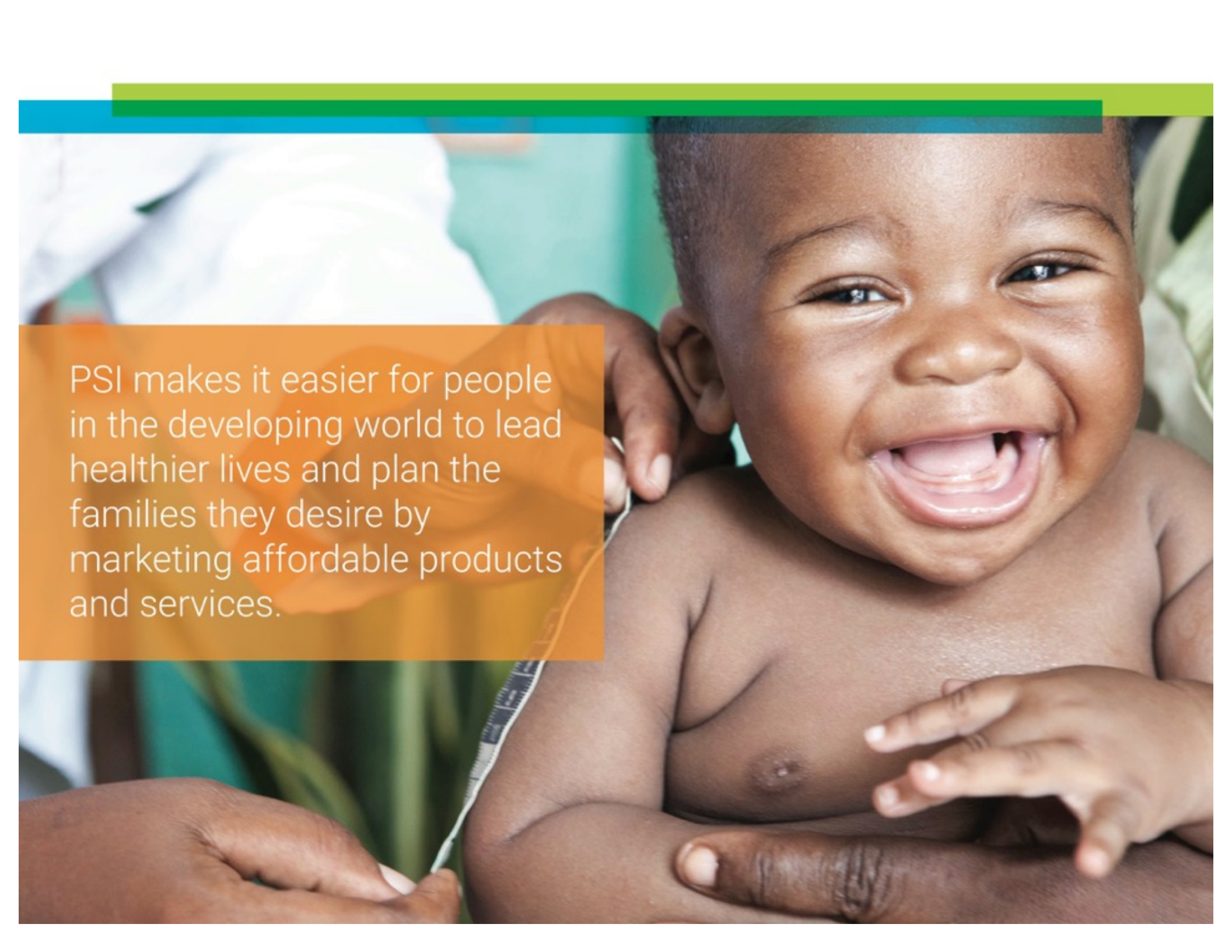
PSI India

UNC Water & Health Conference 2015

29th October 2015



About Us

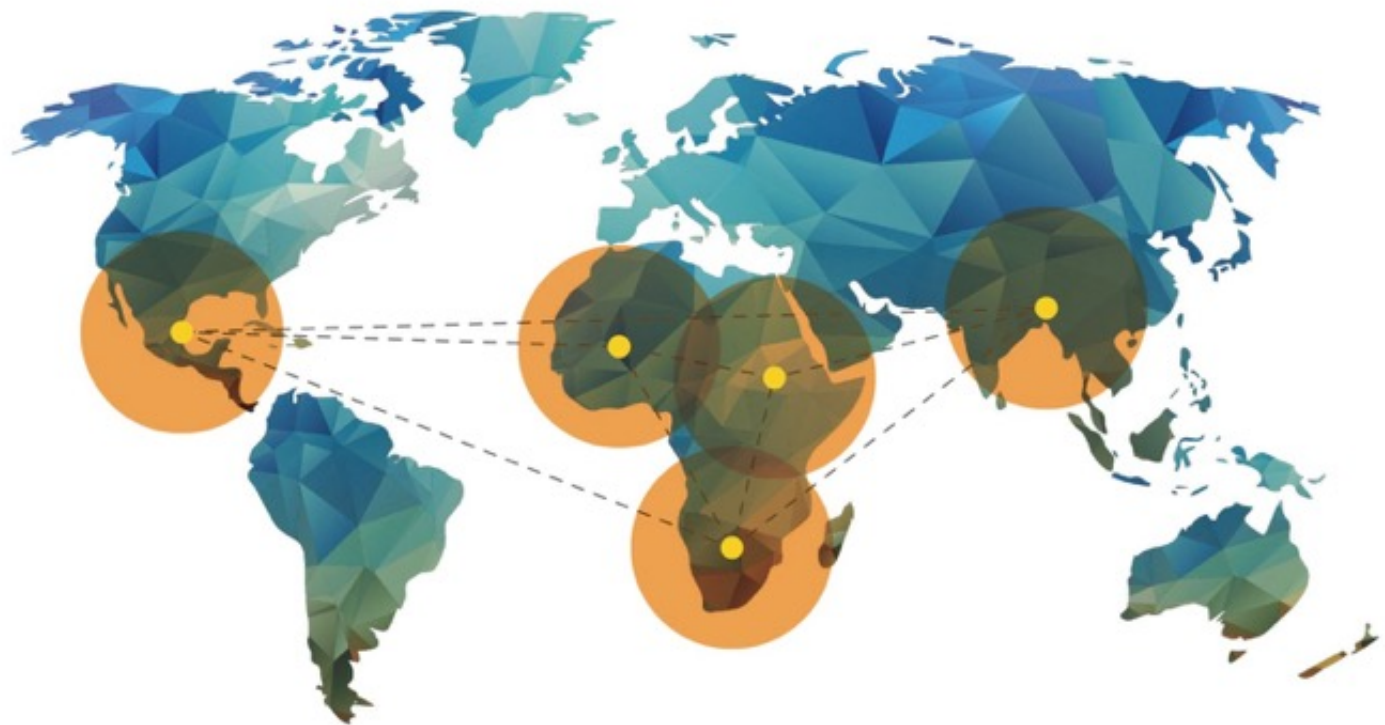
A close-up photograph of a young Black baby smiling broadly, showing its teeth. The baby is being held by an adult's hands. A white measuring tape is visible, wrapped around the baby's arm. The background is slightly blurred, showing green and white fabric. At the top of the image, there are two horizontal bars: a blue one on the left and a green one on the right.

PSI makes it easier for people in the developing world to lead healthier lives and plan the families they desire by marketing affordable products and services.

Development is best when it is nationally rooted and draws from global best practices.

65

national health
organizations
make up PSI's
global network.



We make markets work for Sara.

We convert need into demand and strengthen delivery systems and build local capacity, by:



Communicating for Social Change



Marketing Products and Services



Franchising for Health



Market Development



In 2014, PSI with our network partners added an estimated **53.7 million years of healthy life** with our products and services.

Market Failures

- Market failures
 - When self-interested choices in markets do not result in socially efficient allocation
- Examples
 - Markets for goods and services are lacking
 - Externalities and common pool resources
 - Principal agent problems and moral hazard
 - Factor immobility
 - Inequalities

Construction
Companies

Donors

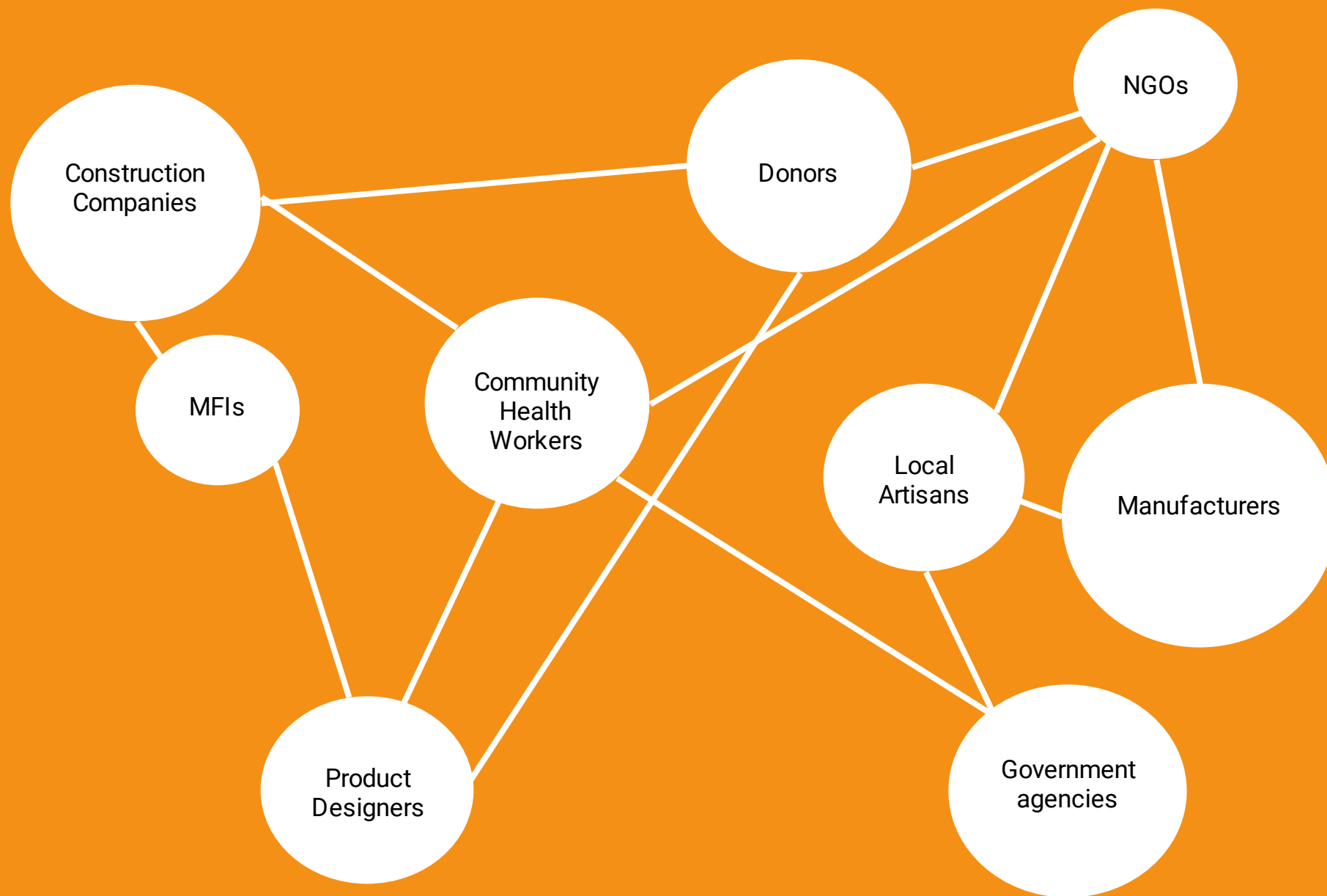
NGOs

Community
Health
Workers

Manufacturers

Product
Designers

Government
agencies



3SI Bihar -Gaps in the Sanitation Ecosystem



1. Construction & Aggregation - Fragmented supply chain for toilets
2. Product design - Toilet that are affordable are not aspirational and those aspirational are not affordable.
3. Financing - Liquidity and affordability across population segments; limited / no access to credit for toilet

Market Failure 1: Construction and aggregation

Getting a toilet is cumbersome -
Impacts time to delivery and cost for a household toilet



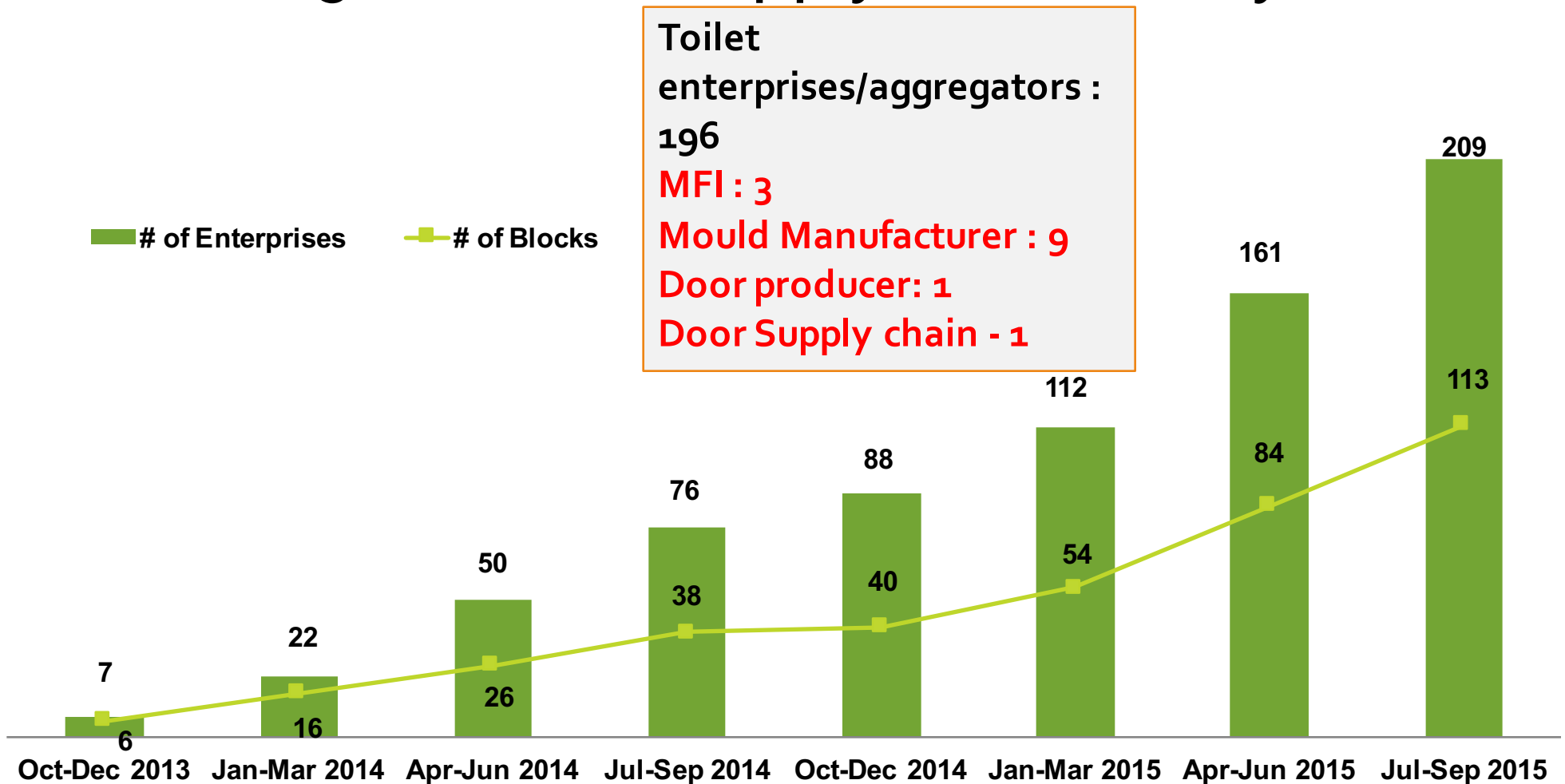
Intervention – Hook the entrepreneurs to provide easy access

209 Supply chain enterprises catalyzed

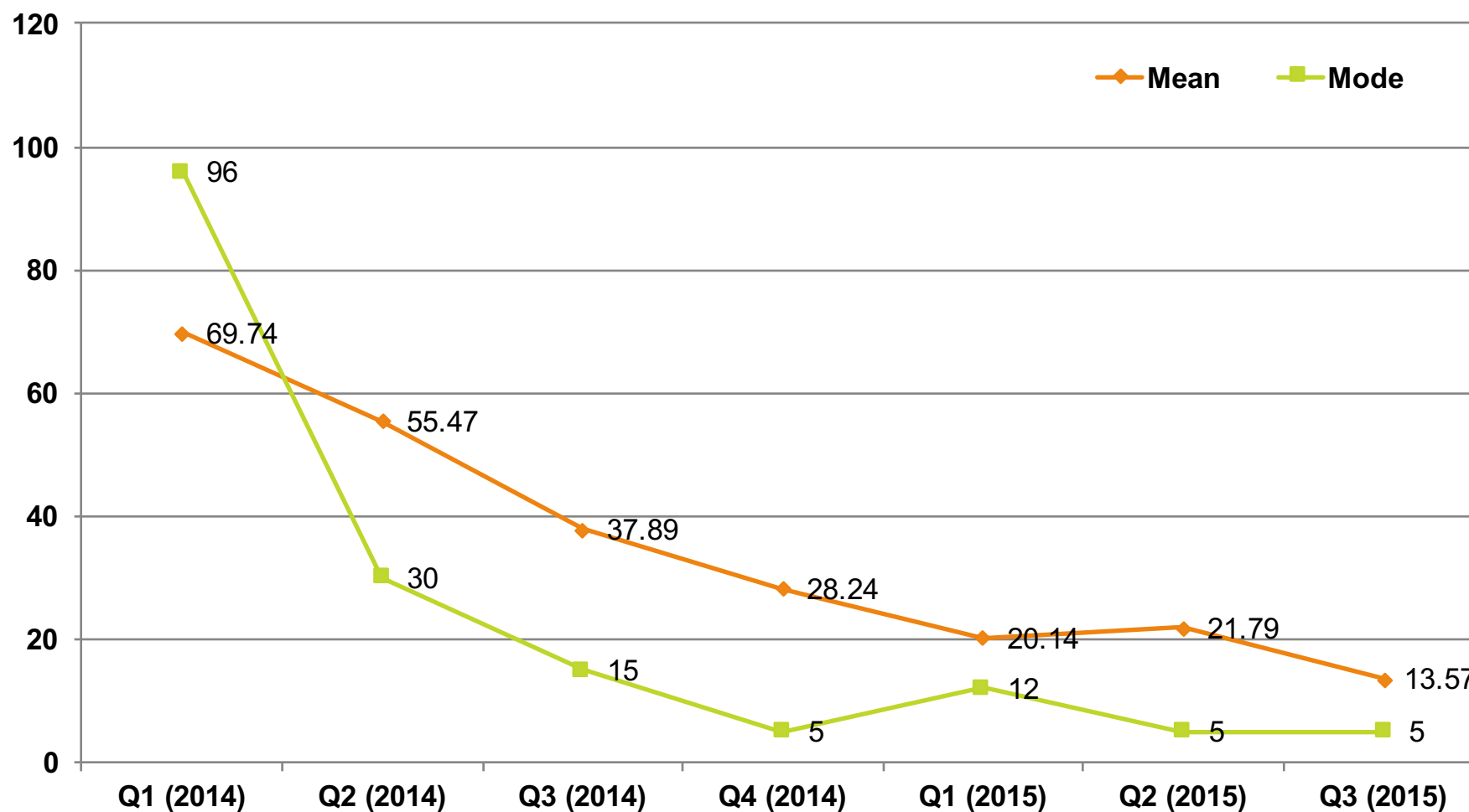
Business Training and access to finance



Scaling a broken supply chain ecosystem



Building a toilet is a lot more easier for Households now



N : 6626

Data source : 3Si Program - Helpline

Gap 2: What is the product?

Costly toilets that do not solve HH problems or negate public health concerns.

Quality assurance is nobody's concern.



Intervention – Offer choice and experience



Intervention – Low touch quality assurance

Quality assurance

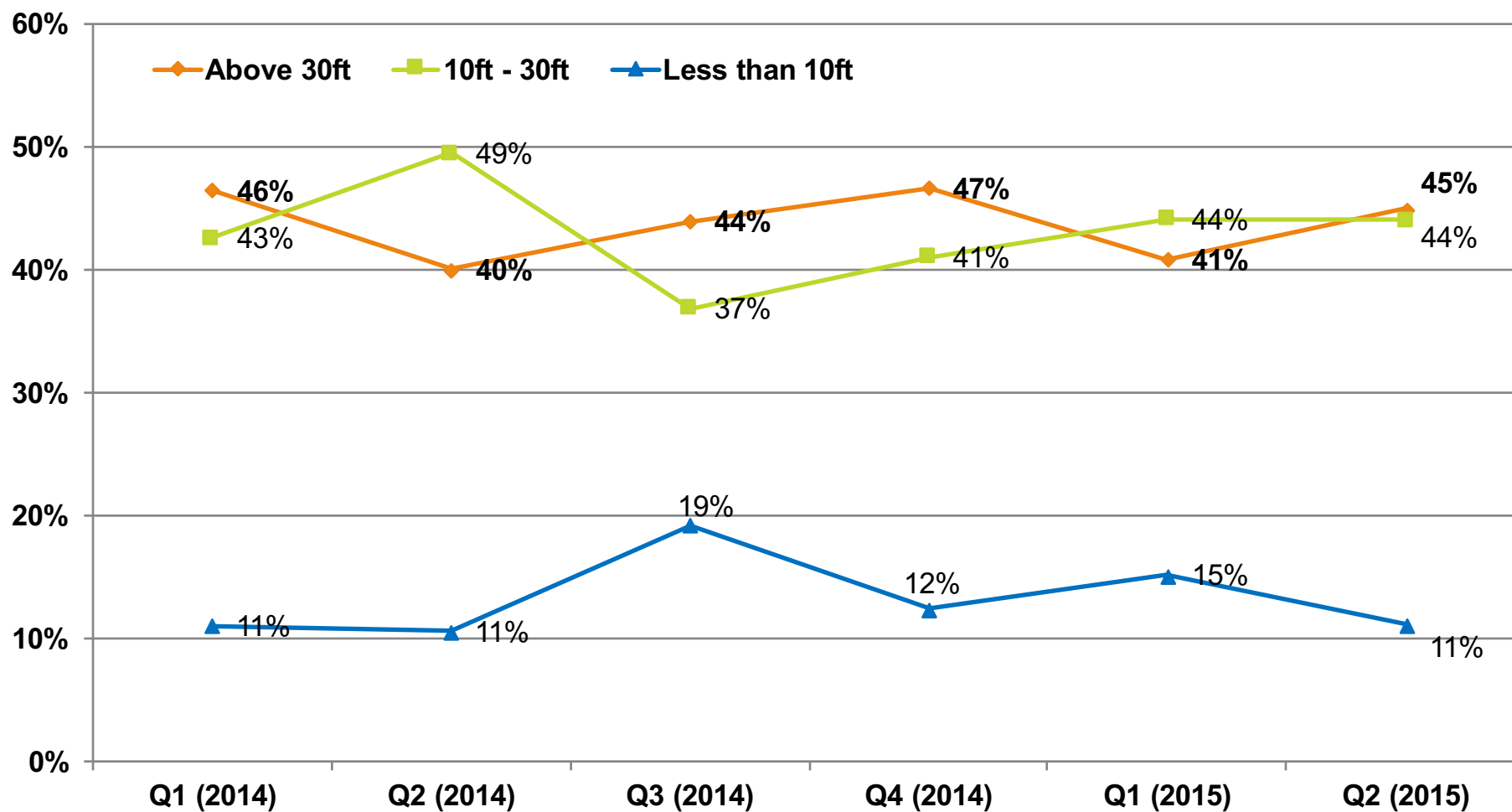


At production center



At household level

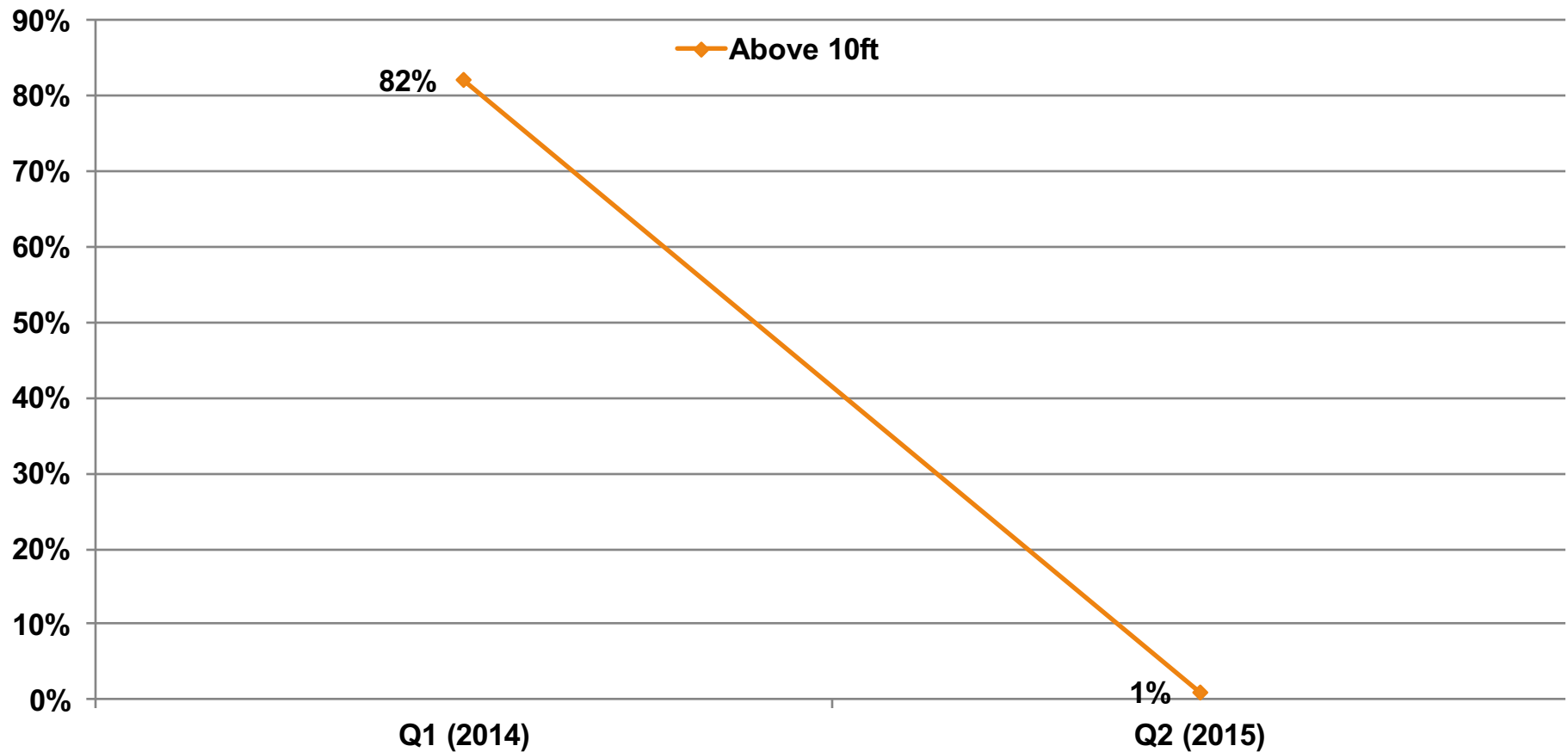
Distance of Pit from Water Source- Remains a challenge



N : 1305

Data source : 3Si Program– Technical Associate

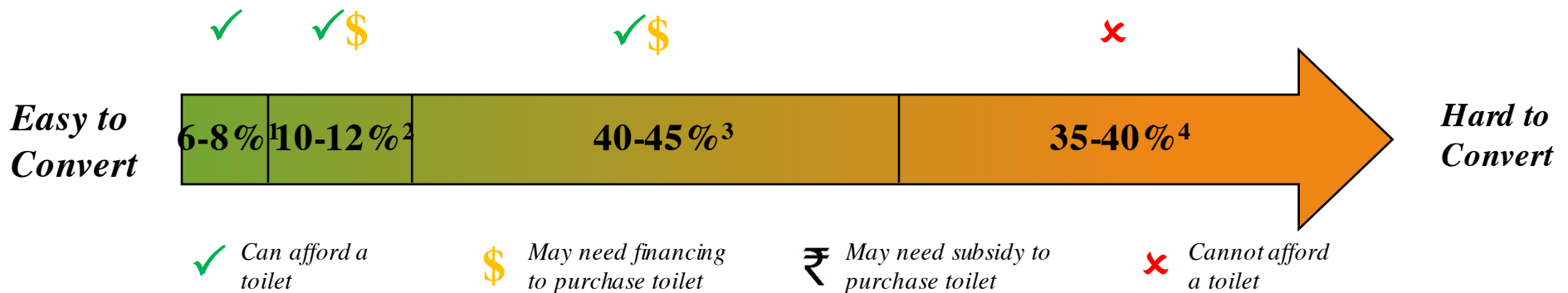
Pit Depth – Its no longer a deep hole in the ground



N : 1274

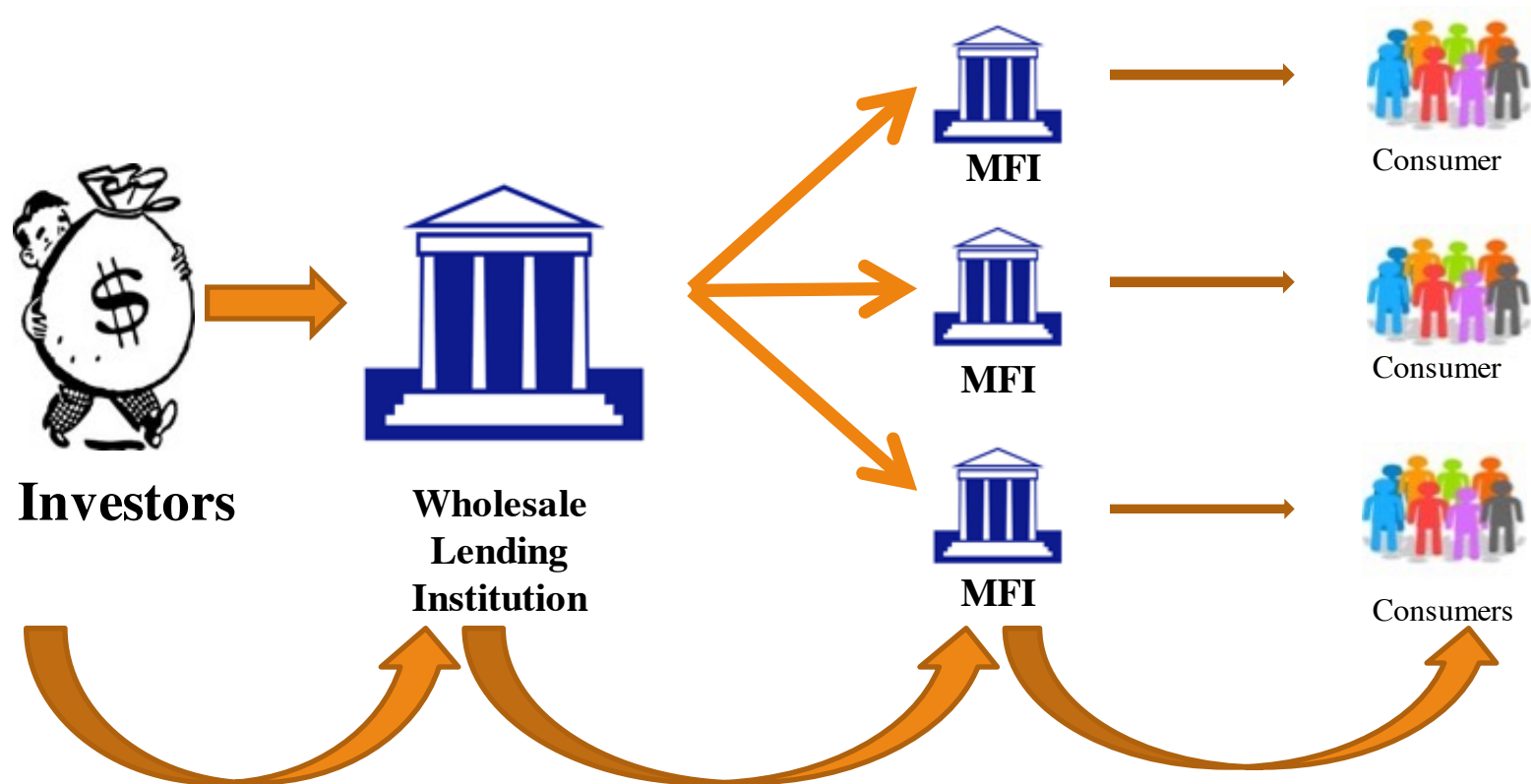
Data source : 3Si Program – Technical Associate

Gap 3 – Access to toilet credit

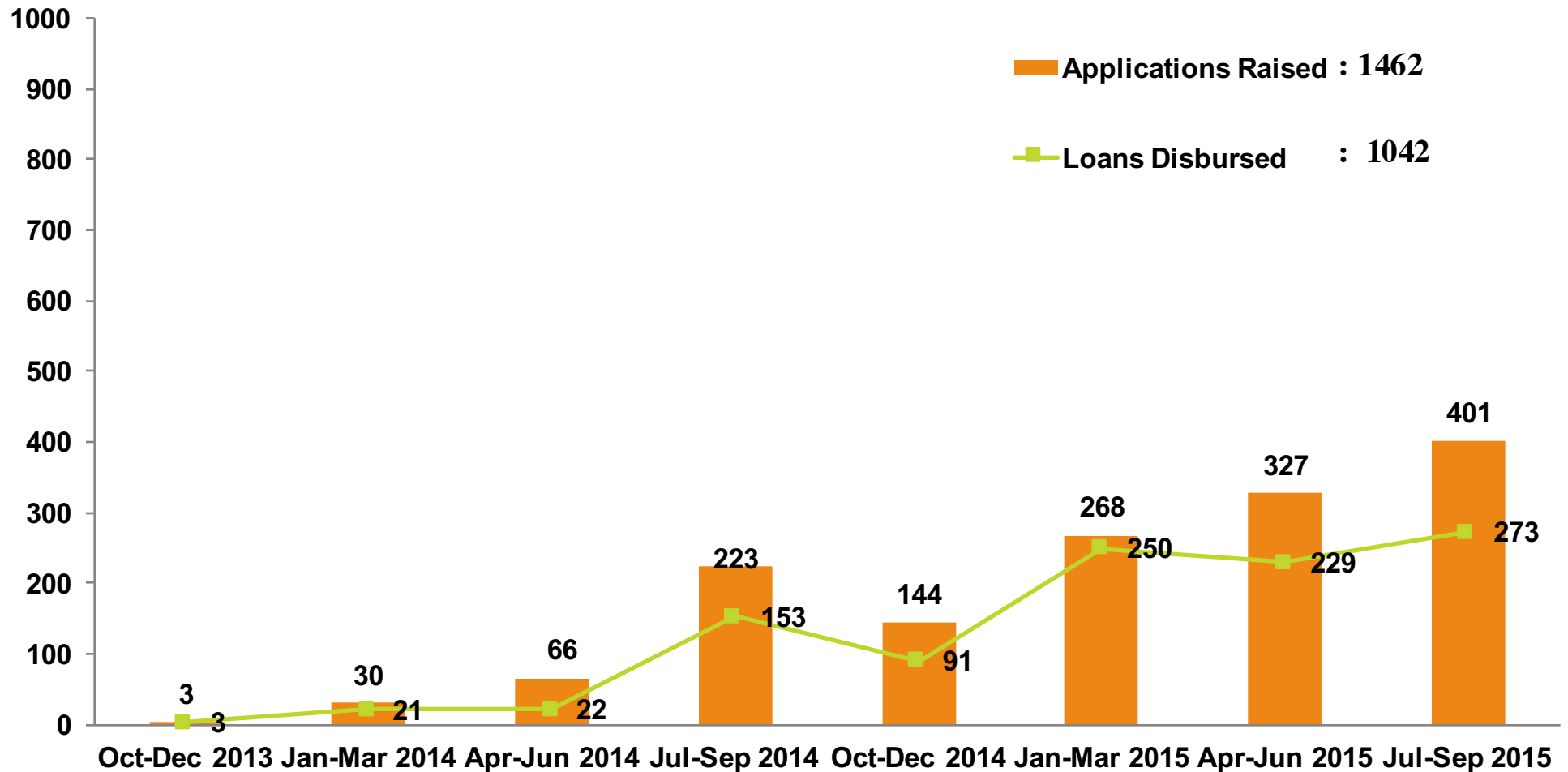


- Approx. 80% households required financial facilitation to construct basic toilet costing \$150-200
- No MFIs has any experience in sanitation financing in Bihar.
- MFIs are not interested to get into sanitation financing due to lack of exclusive funding for sanitation.

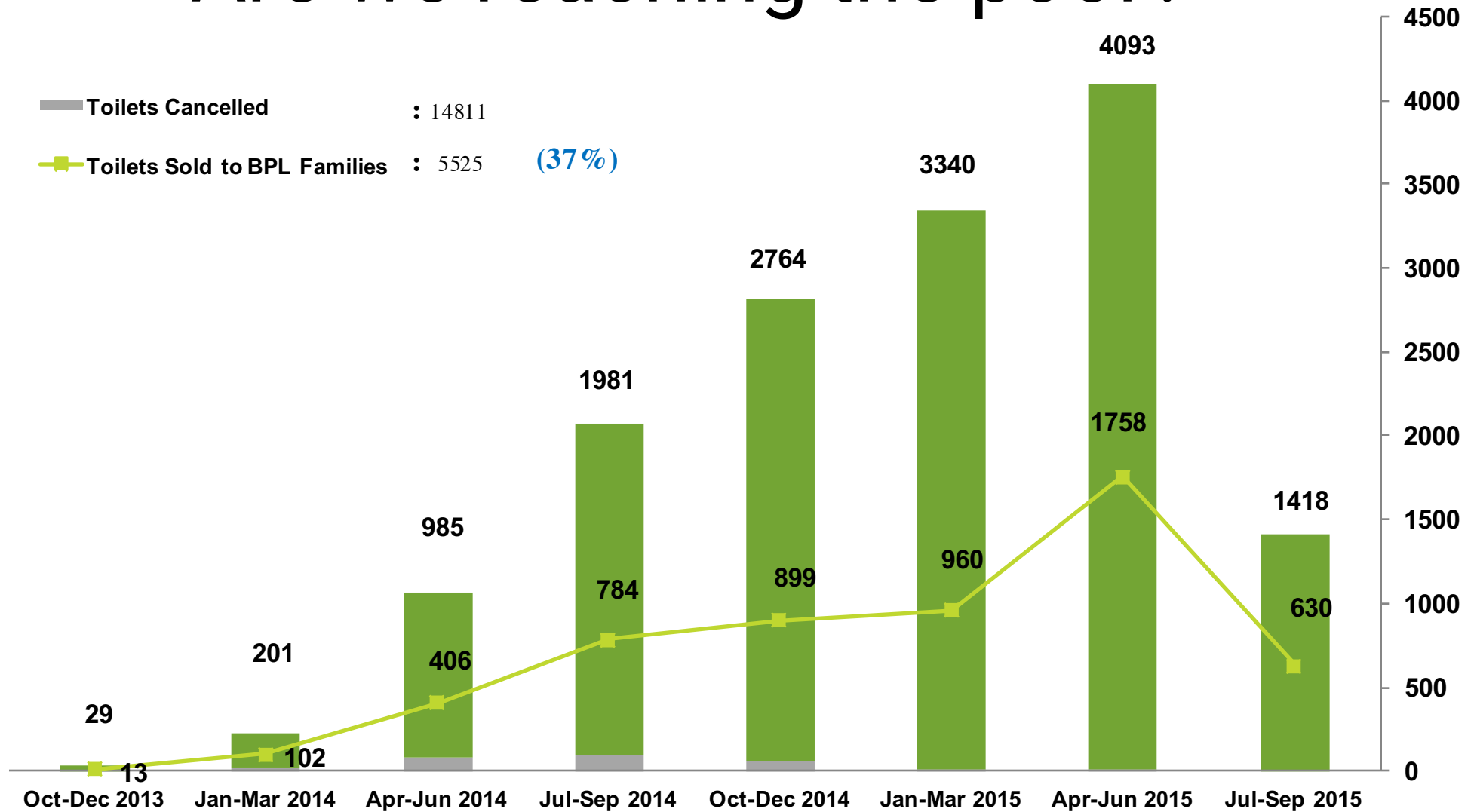
Intervention – Catalysing private sector credit supply



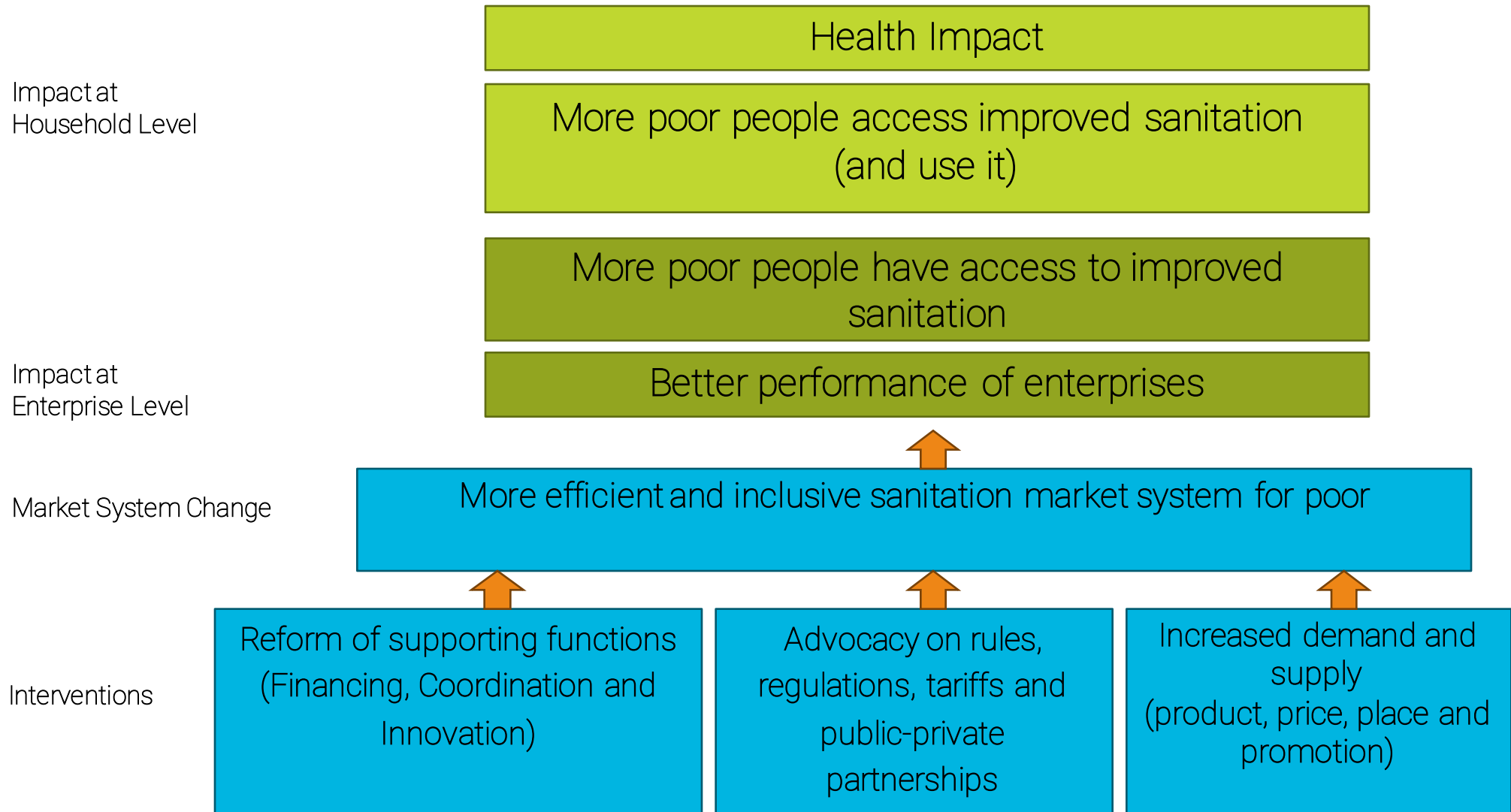
Trends of toilet credit over time



Are we reaching the poor?



Strategic Framework



Summary

- Market failures are not treated as final, but rather become the target of programs or policies to improve them
- Patience and Time: Markets failures take time
- Market understanding: No one size fits all model
- Complementarity: Partners, sectors, interventions
- Systems approach: Players and Functions



Thank
You!



connect with us



VISIT US
psi.org
psi.org.in



LIKE US
[facebook.com/
PSIHealthyLives](https://facebook.com/PSIHealthyLives)



SEE OUR IMPACT
psiimpact.com



FOLLOW US
[@PSIimpact](https://www.instagram.com/PSIimpact)



FOLLOW US
[@PSIimpact](https://twitter.com/PSIimpact)



FOLLOW US
[linkedin.com/company/
population-services-international](https://linkedin.com/company/population-services-international)

