

SANITATION MARKETING IN TAJIKISTAN

Business model for sustainable
WASH market development



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ACRONYMS

SDC	Swiss Agency for Development and Cooperation
SESS	State Epidemiological Services
TajWSS	Tajikistan Water Supply and Sanitation
WASH	Water, sanitation and hygiene
WUA	Water users association

EXECUTIVE SUMMARY

Water, sanitation and hygiene (WASH) remains a critical problem in Tajikistan, particularly for its rural areas.

In terms of sanitation and the market within which it operates locally, there have been no sectoral tools on market-based WASH programming in Tajikistan, and therefore little available guidance around the facilitation of better interactions between the demand and supply of sanitation products. And while specified state departments are responsible for applying and upholding sanitation standards, in practice they continue to rely on guidelines from Soviet times, and rarely carry out household-level inspections – hence the legal frameworks governing sanitation should be revised accordingly.

To fill this gap, Oxfam launched its first sanitation marketing programme in 2018 (as part of its wider Tajikistan Water Supply and Sanitation (TajWSS) Project funded by the Swiss Government) and played a market broker role that transformed the relationship between buyers and sellers of sanitation products. The project approached the process by influencing both supply and demand sides, and by designing affordable and desirable trading processes for rural households to meet their sanitation needs.

Through its innovative business model, Oxfam facilitated the sale of over 700 improved latrines and over 3,500 sanitation products across 14 villages, reaching close to 4,500 people. The approach generated around \$220,000 for private retailers.

The sanitation marketing model has been successfully implemented and continues to operate across five districts. This paper aims to capture and share lessons learned, while examining the suitability, limitations and opportunities of the approach in Tajikistan.



Most users were happy with the upgrades and changes in their sanitation status. Photo credit: TajWSS

INTRODUCTION

TAJIKISTAN CONTEXT

There is a high disparity in Tajikistan between urban and rural populations and their access to drinking water and sanitation facilities. Conditions are considered among the poorest of Central Asia, and national averages conceal the fact that many WASH systems have broken down or deteriorated since their construction.

Although access to improved sanitation has increased since 2000, it remains a challenge in Tajikistan. According to official government data, close to 80% of the urban population has access to improved sanitation, compared with a mere 0.2% of the rural population.¹ In 2017, nearly 5.7 million people in Tajikistan (of which 97% live in rural areas) were not connected to sewerage, with many people still reliant on pit latrines. In recent years, rural households have been transitioning towards sewer connections and flush latrines, although access to these remains limited.

Furthermore, Tajikistan lacks an inducing environment to stimulate households to purchase WASH products and consumables – either through easy access to credits or concessional payment options by private sector – in order to improve their conditions at home.



*Although access to sewer connections and flush latrines remains limited, sanitation is a national priority.
Photo credit: TajWSS*

THE PROBLEM

In Tajikistan, the majority of recently implemented sanitation projects are supply driven – beneficiaries are consulted on the design of their toilets and subsequently provided with a standard sanitation solution for all. While such an approach is appropriate in certain areas and with certain categories of beneficiaries, it does not consider individual preferences in terms of sanitation technology or level of service, and cannot be implemented at scale, unless significant resources are made available for subsidising latrines.

To address this issue, Oxfam in Tajikistan piloted a sanitation marketing approach with a focus on a human-centred design (HCD) and engagement of the private sector. The idea was to provide options for Tajik people in terms of products, services and technologies to improve their sanitation status at household level in the Rudaki district.

THE PROJECT OBJECTIVE WAS TO:

- 1** determine whether a sanitation marketing approach was an appropriate and feasible option in the peri-urban areas of the Rudaki district, and if so
- 2** to pilot practical activities by linking the private sector to households and stimulating the purchase of WASH products, consumables and services.



An upgraded latrine replacing an outdated facility. Photo credit: TajWSS



THEORY

WHAT IS SANITATION MARKETING?



Sanitation marketing (SanMark) is based on the fundamental principle that the private sector can play a critical role in providing low-income households with sustained access to improved sanitation.

Well utilised within the development space, SanMark is a business approach that aims to develop a sanitation market by working simultaneously with both the demand and supply sides of the market.

HOW DID IT WORK IN TAJIKISTAN?

The project invested significant strategic support in establishing the SanMark approach in Tajikistan, implemented through several key activities:



Demand side

Using social marketing techniques and small business sales to stimulate household demand and increase the willingness to purchase and invest in durable, hygienic toilets.

The project designed different business models for products that low-income households might actually want, purchase and use.



Supply side

Supporting local businesses to expand the delivery and sale of affordable, desirable toilets and related services that facilitate market development and investments.

Oxfam partnered with marketing companies to deliver promotional and marketing messages to persuade people to invest. Additionally, Oxfam built partnerships with micro-credit institutions and input suppliers to develop business models that would enable local businesses to produce and sell WASH products and services that were both relevant and affordable.

Ensuring sustainability of the approach

The user makes a full or partial monetary contribution toward the purchase, construction, upgrade and/or maintenance of a toilet from the private sector.



This supports sustainable, competitive businesses in reaching and serving the sanitation needs of low-income households.

The power of women

Women have the greatest purchasing power of any society and play a pivotal role in all household decisions, especially when it comes to purchasing sanitation and hygiene products.

Across Tajikistan, even in households where a woman lacks the authority to purchase a latrine on behalf of the family, she is still able to influence men (more often than not, the decision makers) to invest in household-level improvements. Women are also often responsible for a larger share of household tasks, including latrine cleaning and maintenance. While improved latrines can reduce the effects of poor sanitation and thereby also the care-taking duties of women, they can inadvertently increase a woman's workload as she will be obliged to fetch water to flush and clean the new latrine.

With this in mind, the SanMark project planned to:

- ✓ examine potential ways to reduce household burdens and avoid creating new tasks that would likely be the responsibility of women
- ✓ engage women as agents of change within its value chain development cycle.

Oxfam puts women at the heart of all projects and strongly believes that focusing on women as both potential influencers and a vulnerable group in need of WASH services can create lasting solutions for improving sanitation.



Oxfam promoted women's engagement at all levels of the value chain. Photo credit: TajWSS



RESEARCH

DEMAND SIDE: RESEARCH RESULTS

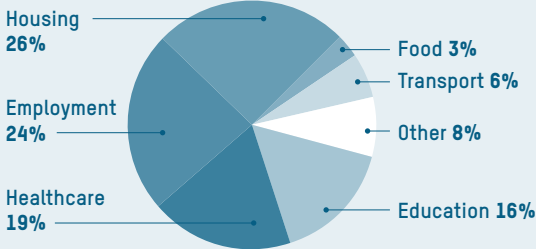
CUSTOMER NEEDS

In 2017, the project built a water supply system for three villages in the Rudaki district (Choryakkoron, Chavliboi and Gizdolobod), providing clean and safe water to approximately 12,000 people. All households were provided with water taps on premises and paid a fee to the water users association (WUA) for water consumption. The following year, in 2018, Oxfam conducted a survey and focus group discussion for 505 people (306 women and 199 men) across those three villages, to understand whether improvements were also required to sanitation facilities and identify any existing barriers. Interviews were conducted to obtain insights on user sanitation preferences, desires, plans and limitations, while also gaining an overall understanding of the sanitation context. The discussions were held in a structured manner through a set of surveys that were designed to encourage open conversations.

The main findings of the survey were as follows:

Focus area	Findings																		
KNOWLEDGE	<ul style="list-style-type: none"> All respondents had access to safe water on their premises. 97% of respondents highlighted the need to wash their hands before and after visiting toilet facilities (although only 22% of the observed toilets had soap nearby for handwashing). 																		
INFORMATION	TV (47%) and local health workers (18%) were the most important sources of information about sanitation and hygiene, followed by relatives (12%), social media (7%) and radio (4%).																		
CURRENT TOILETS	<ul style="list-style-type: none"> Almost all households built their toilets themselves and many of them hired a mason to construct the latrine. Most toilets are simple pit latrines dug into the ground, covered by a wooden floor or concrete. 																		
MOTIVATION TO BUILD A BETTER TOILET	<p>The main reasons cited by focus group participants for building a toilet were to improve comfort, health, privacy and cleanliness, and to ensure quality infrastructure. Interestingly, women rated health and privacy higher than men, who mostly chose comfort.</p> <p><i>What are the main reasons for needing to improve your sanitation facilities? (2018)</i></p> <table border="1"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Comfort</td> <td>50</td> <td>13</td> </tr> <tr> <td>Cleanliness</td> <td>3</td> <td>22</td> </tr> <tr> <td>Durability</td> <td>17</td> <td>2</td> </tr> <tr> <td>Privacy</td> <td>2</td> <td>28</td> </tr> <tr> <td>Health</td> <td>28</td> <td>35</td> </tr> </tbody> </table>		Men	Women	Comfort	50	13	Cleanliness	3	22	Durability	17	2	Privacy	2	28	Health	28	35
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<p>INVESTMENT PLAN</p>	<p>During informal discussions with households, sanitation was rarely mentioned as a primary concern. Housing, employment, healthcare and education were the priorities for survey respondents.</p> <p>However, when asked to prioritise potential expenses, health and water were at the top of the list; sanitation, housing and transport were at the bottom.</p> <p><i>What are the most important priorities concerning your household needs/ improvement in the near future? (2018)</i></p>  <table border="1"> <caption>Household Priorities (2018)</caption> <thead> <tr> <th>Priority</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Housing</td> <td>26%</td> </tr> <tr> <td>Employment</td> <td>24%</td> </tr> <tr> <td>Healthcare</td> <td>19%</td> </tr> <tr> <td>Education</td> <td>16%</td> </tr> <tr> <td>Other</td> <td>8%</td> </tr> <tr> <td>Transport</td> <td>6%</td> </tr> <tr> <td>Food</td> <td>3%</td> </tr> </tbody> </table>	Priority	Percentage	Housing	26%	Employment	24%	Healthcare	19%	Education	16%	Other	8%	Transport	6%	Food	3%
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<p>SATISFACTION LEVEL</p>	<p>Satisfaction of toilet owners was generally low. The vast majority of respondents said they were unhappy with the design, the cost and the ease of operation. Most mentioned the bad odour, poor safety and feeling ashamed of their existing facilities. Some have to empty the pit or dig another once a year.</p>																
<p>BARRIERS TO BUILDING BETTER TOILETS</p>	<p>The main reason for not building sanitary toilets was a lack of funds.</p> <p>Most said that they wanted to build a 'modern toilet' and a quarter of them had already set aside some money. They planned to renovate their toilets as water was now readily available.</p>																
<p>ACCESS TO FINANCE</p>	<p>In most cases, household income comes from labour migrants (mainly men working in Russia). Most men who reside in the targeted villages work in Dushanbe. Farming and husbandry are the second main source of income for rural households, and incomes are therefore seasonal. As such, the ability of households to invest in WASH facilities depends on two factors:</p> <ul style="list-style-type: none"> remittances from migrants (which have decreased significantly over the past year due to the Covid-19 pandemic) the cost of construction materials (cements, iron bars) – which has significantly increased in Tajikistan due to inflation. <p>Moreover, family and extended family remain an important social support mechanism in Tajikistan, with reciprocal financial support based on the principles of loyalty and respect. Across the three targeted villages, decisions related to buying or improving WASH facilities essentially rest on men as the heads of family (68%), rarely on women (19%), or on both (13%). A women's group also confirmed that men are responsible for the family budget and therefore make the final decisions. The influence of women on the decision-making process is not negligible but is difficult to measure.²</p>																
<p>WILLINGNESS TO PAY</p>	<p>Many respondents (82%) indicated a willingness to improve their sanitation facilities yet building new toilets was not necessarily their intention. Improving housing appears to be the top spending priority of most families.</p> <p>Respondents indicated that access to finance is the most important WASH factor to achieving improved WASH status. Access to affordable materials and new WASH products were also deemed influential factors.</p>																

CUSTOMER PREFERENCES

The survey found that in relation to sanitation, customer preferences were varied. The following list highlights the key findings:

Focus area	Findings
EXISTING HOUSEHOLD TOILETS	<ul style="list-style-type: none"> ▪ New houses, especially those recently built by wealthy families, have indoor flush toilets connected to plumbing, as well as bathrooms with showers, sinks and hot water heaters. Toilets in such homes are typically connected to outdoor cesspits. The communities are not connected to piped sewerage. ▪ The most common type of latrine is the outdoor direct drop pit latrine, built with either a concrete slab or wooden platform. Pit latrines tend not to include latrine pans (mainly just a hole in the slab). ▪ A smaller number of households have other types of latrines, such as self-made flush latrines, both with direct and offset pits. ▪ Sharing a latrine between households in the same extended family is acceptable and sometimes practised but not seen as ideal. ▪ Cement blocks are a favoured building material at an approximate cost of 2.5 Tajik somoni (TJS)/block. ▪ Latrine rooms are large and are sometimes used for storage space, especially for firewood.
ASPIRATIONS	<ul style="list-style-type: none"> ▪ Many respondents described their dream toilet as ‘modern’, most often visualised as clean, white, ceramic and tiled. While many households are interested in such toilets, some view that if they cannot afford their ideal latrine, they would settle for a basic, direct drop slab latrine with either a wood or concrete slab.
DESIRED UPGRADES	<ul style="list-style-type: none"> ▪ There is general movement towards the increased construction of indoor flush toilets with offset cesspit tanks. ▪ Multiple interviewees stated their intention to build a new outdoor pit latrine and added that size would be an important design feature – larger pits avoid the need for additional land and take a longer time to fill. ▪ Households are increasingly interested in lined pits, with a preference for cement block sub-structures to enable desludging. ▪ For most households, there are no desirable mid-range options beyond the upgrade from wood to concrete slab. Wood slabs are perceived as dangerous (due to high risk of breakages and falling in) and difficult to clean. <p>Many women prefer latrines with tiled floors and ceramic slabs, to facilitate the cleaning process. Concrete slabs can create additional labour.</p>
FURTHER GENERAL PREFERENCES	<ul style="list-style-type: none"> ▪ Having an indoor toilet is perceived positively, especially for children/older people in the winter. ▪ Tiling is sometimes done in the bathroom but not in the toilet, although many people find the latter desirable. ▪ Superstructure preferences are for cement blocks, which are perceived as durable and permanent, and ventilation for the removal of odours. ▪ Land availability is a constraint that drives sanitation technology selection, especially pit size, and users want their pits to fill as slowly as possible. ▪ Many prefer to have a sink with a boiler in the toilet area, or just outside.

 Overall, the findings demonstrate that people will only purchase sanitation products when they really need them. When end users have the motivation, opportunity and ability to invest in sanitation products, they will invest accordingly.

SUPPLY SIDE: RESEARCH RESULTS

MARKET POTENTIAL

Addressing the sanitation issue in Tajikistan is a slow process. People are accustomed to their way of life and mostly resistant to change. As such, to enable people to feel comfortable and positive, promoting change must be approached incrementally.

As the first step in a new direction, the project developed a framework that sought to understand the key components of a sanitation market, including **context** (socio-economic environment and geographical conditions), the **business environment** (government policy, availability of construction materials and financial services), and **market feasibility** (customer-supplier relationship). This framework was critical to establish whether a SanMark approach would work within the context of Tajikistan and the wider system within which its sanitation market operates.

CONTEXT	Demand side	Supply side	Target district context
BUSINESS ENVIRONMENT	<ul style="list-style-type: none"> ▪ In Tajikistan, investing in hygiene and sanitation is an individual household decision and is typically not a high priority. ▪ A large majority of households already have latrines and are relatively satisfied with their current installations. ▪ A key challenge is improving daily practices around hygiene, handwashing and safe drinking water consumption. 	<ul style="list-style-type: none"> ▪ The market is often poorly organised – only the most modern and expensive products (such as ceramic slabs and pour-flush toilets) have sufficiently attractive margins for manufacturers or distributors. ▪ Local construction shops are not available in Tajikistan. Construction materials are available in large cities only. 	<ul style="list-style-type: none"> ▪ Banking credit is low, with a general mistrust of financial systems. ▪ The geographical proximity to Dushanbe city and major markets make the Rudaki district stand out in terms of access to market, financial services, jobs and major transport routes. ▪ There has been a shift in mindset in people in the target district thanks to the recent availability of safe water (supplied by Oxfam in 2017).
	<p>The development of the supply and demand for sanitation services and products is influenced by a range of factors and stakeholders across Tajikistan. Several national ministries and national state unitary enterprises share responsibilities in determining policies, standards and regulations impacting sanitation infrastructure and use.</p> <p>Rural areas</p> <p>For rural areas in particular, the vision and strategy towards improving sanitation services has been non-existent, with no single institution addressing the challenge. As such, the responsibility has fallen on local government actors (such as <i>hukumat</i> or <i>jamoat</i>) who lack both financial and human resources to action the necessary improvements.</p> <p>Urban areas</p> <p>In urban areas, the maintenance and provision of sanitation is delegated to the state unitary enterprise State Unitary Enterprise <i>Khojagii Manziliyu Kommunalni</i> whose role focuses on the development of sewerage systems and sewer connections. Other institutions involved in national sanitation include the Geology Agency, Committee for Emergency Situations and Civil Defence, Agency for Standardization, Metrology, Certification and Trade Inspection under the Government of the Republic of Tajikistan (TajikGosStandart), and the State Committee on Statistics.</p>		

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	<p>The institutional environment for sanitation in Tajikistan (mainly in the targeted district) is characterised by the following:</p> <ul style="list-style-type: none">▪ Complexity of fragmented legislation▪ Lack of clarity around institutional responsibilities▪ Focus on water supply (not sanitation)▪ Low priority given to rural areas▪ Low budget allocation▪ Lack of staff and poor competency of institutions▪ No specific guidelines and standards on latrine construction and maintenance <p>Legal frameworks indicate that the local State Epidemiological Services (SESS) (under the Ministry of Health and Social Protection), and the Environment Protection and Architecture offices are responsible for applying standards and conducting inspections of household sanitation conditions. SESS is mandated to issue and update sanitation guidelines but in practice, its staff still rely on those used in Soviet times. Moreover, inspections rarely take place, resulting in a lack of clear targets and data regarding the number of toilets visited and inspected. People who have recently built toilets (either as individuals or by masons) shared that they do not seek SESS approval before toilet construction, despite knowing that such approval is theoretically required. As such, in-house latrine building has become a 'private' issue that rarely attracts state authority intervention or monitoring.</p>
MARKET FEASIBILITY	<p>Besides the government, private stakeholders are essential to building an entire sanitation value chain – from the purchase, distribution and construction of toilets, to the operation of sewerage, emptying of toilets and treatment of wastewater.</p> <ul style="list-style-type: none">▪ Construction In general, there are many aggregators and distributors of construction materials in Tajikistan, as this function is typically carried out by large wholesale markets, and almost all required construction materials are available in close proximity to the Rudaki district.▪ Finance Few distributors have partnerships with micro-finance institutions or banks to provide better selling opportunities for customers and give them the opportunity to pay in instalments if needed.▪ Marketing Skilled marketing companies were also identified to help promote the sanitation products through promotion channels and leverage commercial partners' distribution networks (construction shops, retail shops, etc.).

MARKET SOLUTION AND CHALLENGES

In the first phase, it was critical to build capacity among government actors and local businesses to enable them to take on SanMark activities in facilitating, regulating and monitoring the new interventions. The aim was to enable customers and suppliers to continue to grow their businesses and reach more consumers long after the initial market facilitation activities were complete. To facilitate this, Oxfam conducted a market assessment and stakeholder power analysis to better understand the existing dynamics.

The following table provides a snapshot of the findings:

Market assessment – Rudaki district

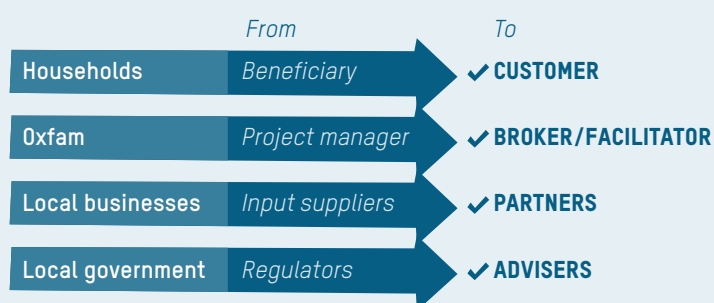
Functions	Market opportunity	Market challenges	Market solutions
CONTEXT	<ul style="list-style-type: none"> ✓ Availability of water ✓ Proximity to city and major markets ✓ Access to jobs and financial services ✓ Access to transport routes 	<ul style="list-style-type: none"> ⚠ Limited understanding of the impact of improved latrines 	<ul style="list-style-type: none"> ▪ Marketing WASH products and services ▪ Marketing payment options
BUSINESS ENVIRONMENT	<ul style="list-style-type: none"> ✓ Laws and regulations supporting improved sanitation of households ✓ Availability of construction materials, distribution and construction services ✓ Government’s will to support business operations 	<ul style="list-style-type: none"> ⚠ Limited government control of household sanitation ⚠ Lack of dialogue and facilitation of collaboration between local government and business owners ⚠ Lack of trained masons in the villages ⚠ Legal gaps in household-level sanitation control 	<ul style="list-style-type: none"> ▪ Oxfam facilitating and brokering business relationships between customers and suppliers ▪ Oxfam facilitating and coordinating business models with the local government and local businesses ▪ Training local masons on construction norms and standards
SANITATION MARKETING	<ul style="list-style-type: none"> ✓ Higher willingness to pay for sanitation improvements ✓ Local businesses’ interest to scale and grow coverage 	<ul style="list-style-type: none"> ⚠ Limited customer knowledge of key sanitation businesses ⚠ Limited knowledge of local businesses about context in target villages ⚠ Limited knowledge about access to financial services or concessional payment options 	<ul style="list-style-type: none"> ▪ Trust-building activities between private sector and customers ▪ Demo events to showcase different sanitation products for people ▪ Demo instalments to pilot the different latrine options for feedback collection and improvements ▪ Developing business deals between local businesses and customers on products, payment options, construction services and maintenance

Based on these findings, Oxfam designed a business model to:

- ✓ help generate customer demand through the promotion of sanitation products and marketing events
- ✓ broker linkages between businesses and households, as well as the government
- ✓ build local masons' skills so that customers could rely on local labour for latrine construction
- ✓ assist businesses in designing attractive payment options for customers
- ✓ engage the local government to monitor sanitation improvements and conduct environmental impact assessments
- ✓ ensure customer awareness of all monitoring processes and their rights in case of poor service delivery by masons or local businesses.

SanMark – a shift in mindset

Approaching sanitation as a market requires a shift in mindset. Due to Tajikistan's political system and governance structure, the public-private partnership is vital for gaining people's trust. Oxfam acknowledged this and engaged the local government in business operations and promotion activities to stimulate households' motivation in investment.





PRACTICE

BUSINESS MODEL IN PRACTICE

SANITATION VALUE CHAIN DEVELOPMENT

The project focuses on human-centred design methodologies that allow us to understand end users' needs and key motivations, and to discuss these with local businesses. Once the project develops a deep understanding of local consumer behaviour and market opportunities, we are then able to offer affordable, relevant products that can be sold through local businesses. Marketing is only effective when it creates realistic opportunities for people to be able to purchase products – affordability (through various payment options) is therefore critical.

In Tajikistan, Oxfam played a central role in linking together the various value chain actors, in order to bring sanitation products to market, advertise and market to generate further demand for sanitation, and create incentives for purchase, payment and improved behaviours through financing and rewards. The project team worked closely with the following types of private sector partners:

- international sanitation companies producing new products
- national sanitation companies importing, wholesaling and distributing sanitation products
- local distribution
- national importers/wholesalers of hygiene products
- local retail shops
- financial services.

Reaching the poorest people

The SanMark intervention aimed to support Oxfam's global mission of poverty reduction, but reaching the poorest people in this case was one of the hardest things to achieve. The project sought to apply a pro-poor method using a market-based approach but found that market actors were not necessarily incentivised to reach the people most in need. To achieve this, Oxfam considered two alternative options for targeting these people across three target villages:



Demo households. Oxfam built more than 24 demo latrines in three villages to showcase latrine options and collect feedback from the poorest households. Their thoughts were noted and their behaviour was analysed post instalment.



Neighbour network. Oxfam mobilised a number of households to discuss their ability and willingness to enable change for poorer households. Given the local culture and Islamic charitable customs, most of the households that could afford new toilets agreed to support their neighbours and help cover the costs of poor households.



Saving groups. Community saving groups were established to collect money and provide cash assistance for people in need of new latrines.

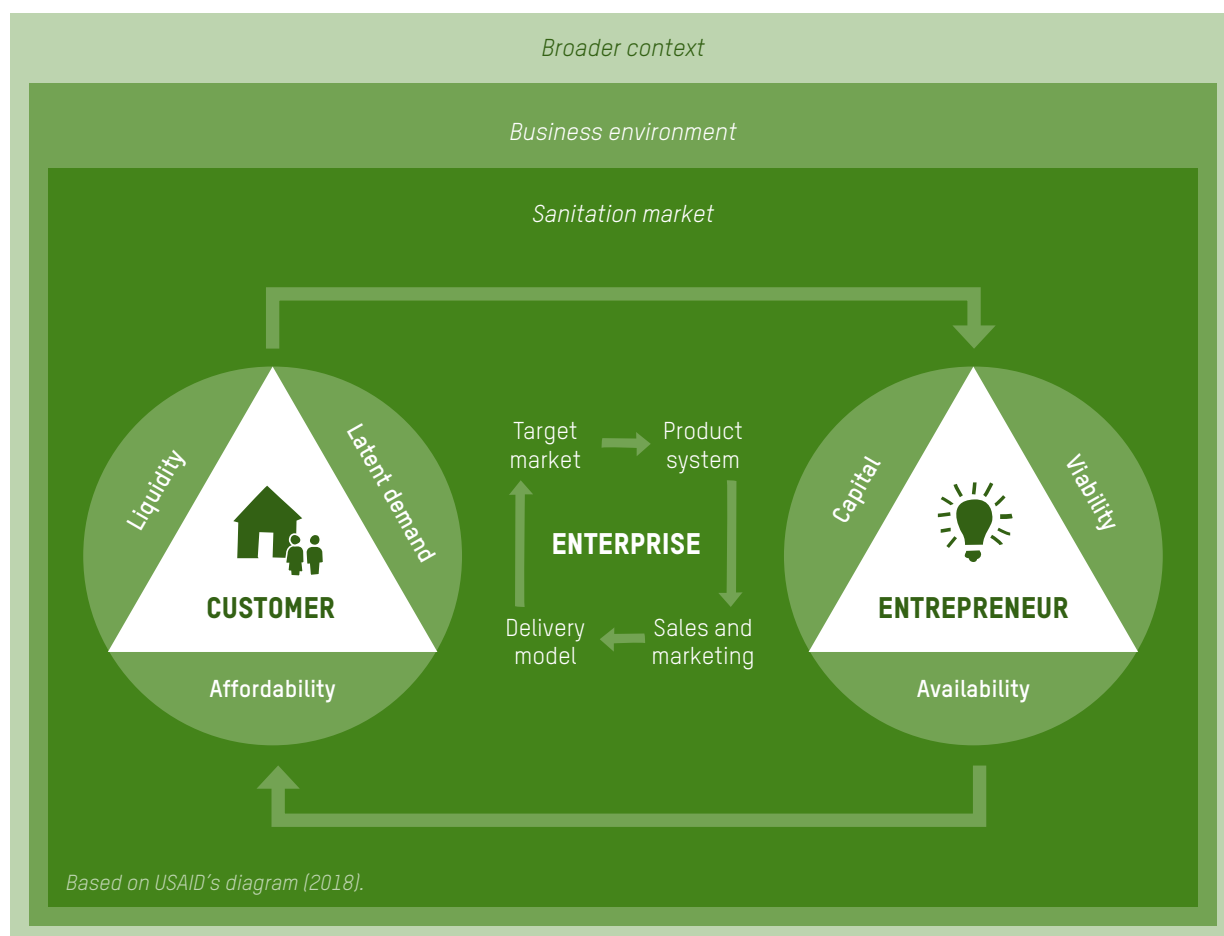
Engaging women

By engaging women in project design and activities, Oxfam was able to better understand household burdens and ways to implement change. The project promoted women’s engagement at all levels of the value chain – from customers, to sales agents, entrepreneurs and its own staff. Designing products and messages that appeal to women’s needs and aspirations is critical to engaging them in the purchase process. Sales agents also emphasised messages that women could relay back to their husbands to address their concerns (such as health costs or children’s education). In addition to designing products, the project also trained women on how to lobby for latrine upgrades within their families, and involved them in marketing activities so that they could carefully craft their messages in and out of the house.

Business model

Throughout the project, Oxfam examined the market as part of a larger ecosystem, carefully considering all interactions across the public, private and civil society sectors through a political economic lens. Throughout design and implementation, the project gathered inputs from actors from both mainstream and marginalised groups, including women, children, religious/ethnic minorities and people with disabilities. These voices were captured at the individual level through the entire market system to inform inclusive design solutions.

The sanitation value chain

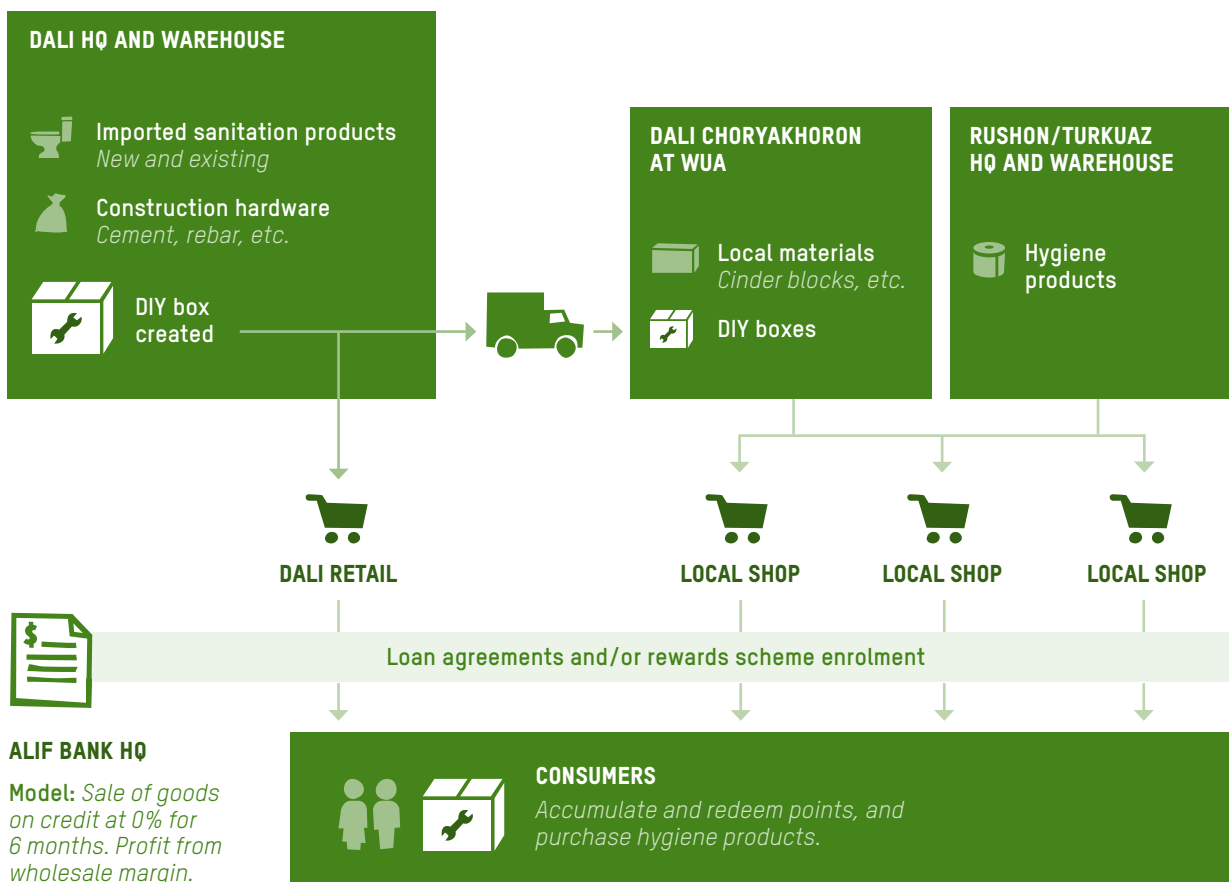


Distribution

Oxfam partnered with the Dali Corporation, a local sanitation company that imports, wholesales and sells bathroom and sanitation products through a network of retailers. The distribution plan involved using Dali's capabilities in aggregation to offer a product package, including a new latrine design and construction materials in a single unit. This approach served two purposes:

- It simplified the purchase process for the consumer, combining all materials into a single purchase.
- Product aggregation enabled financing to be offered to the customer for the combined product.

Dali imported the new sanitation items, alongside its existing product offerings, and sourced additional latrine construction materials (such as cement and reinforcing steel/rebar) and aggregated these into product packages for new latrines and upgrades. These were then distributed through local retail sites in the target area.



Financing

The intervention initially sought to improve sanitation for 200 households, and took different approaches according to the economic status and credit worthiness of individual households and their sanitation needs. Here Oxfam partnered with Alif Sarmoya, a national bank of Tajikistan renowned for its high-tech applications and innovation approaches, to design a variety of financing options.

Sales and marketing

The project relied on extensive marketing activities across three villages through a range of communication channels. Methods aimed to drive consumers to retail locations where they could purchase sanitation products by leveraging the following:

- Presenting a broad range of sanitation products through demos
- Using promotional techniques and messages driving customers to purchase
- Using branding to establish familiarity and desire for a branded product
- Training women as sales agents in their respective areas
- Bundling products to enable improved hygiene practices

Roles and resources

The roles and resources in SanMark were complex but professionally respected during the three years of implementation. They were divided as follows:

	Roles	Resources
DALI CORPORATION <i>(Sanitation product supplier)</i>	<ul style="list-style-type: none"> ▪ Importing sanitation goods ▪ Investing in stock of goods ▪ Providing warehousing ▪ Aggregating ▪ Distributing to local retailers ▪ Quality control of goods ▪ Record keeping of sales and rewards 	<ul style="list-style-type: none"> ▪ Warehousing space close to target area ▪ Existing range of product offerings ▪ Ability to import items ▪ Product tracking system ▪ Branding
ALIF BANK <i>(Financing)</i>	<ul style="list-style-type: none"> ▪ Offering credit to eligible customers and retail shops selling sanitation products ▪ Upfront payment to Dali for financed loans ▪ Collecting payments from customers ▪ Running and operating scheme 	<ul style="list-style-type: none"> ▪ Online app platform ▪ Financing offer ▪ Resources for payment collection ▪ Credit worthiness assessment methodology ▪ Payment kiosks for receiving payments
LOCAL RETAILERS <i>(Input suppliers)</i>	<ul style="list-style-type: none"> ▪ Hosting advertising of products ▪ Selling products ▪ Recording sales and rewarding redemptions ▪ Enrolling customers in rewards programme ▪ Providing products for rewards redemption 	<ul style="list-style-type: none"> ▪ Space for product displays ▪ Ability to communicate with many consumers ▪ Supply of hygiene products ▪ Kiosks/terminals

(Continued)

<p>WATER USER ASSOCIATIONS (WUA) <i>in Choryakhoron, Chavliboi and Gizdolobod (Rudaki district)</i></p>	<ul style="list-style-type: none"> ▪ Hosting promotion activities ▪ Delivering messages during water fee collection ▪ Holding meeting with communities ▪ Supporting supply of local materials ▪ Providing local warehousing space 	<ul style="list-style-type: none"> ▪ Cement block production ▪ Product storage space (WUA) ▪ Strong network with water users
<p>TAYRON ADVERTISING COMPANY <i>(Product and social marketing among communities)</i></p>	<ul style="list-style-type: none"> ▪ Organising community-level promotion events ▪ Holding household-level consultancy meetings ▪ Arranging communication messages with the focus on sanitation improvement ▪ Messaging customers on promotion materials in local retail shops ▪ Distributing rewards for households who have invested in sanitation products ▪ Broadcasting live sanitation sessions with influencers on TV and radio ▪ Publishing articles 	<ul style="list-style-type: none"> ▪ Skilled team on marketing ▪ Connections with TV and media ▪ Community promoters ▪ Branding and messaging techniques
<p>OXFAM <i>(Business process facilitator and broker)</i></p>	<ul style="list-style-type: none"> ▪ Designing and implementing business model ▪ Testing new sanitation products and facilitating their introduction in the market ▪ Facilitating financing and reward system arrangements ▪ Testing, troubleshooting and addressing gaps in the model ▪ Providing partial guarantees 	<ul style="list-style-type: none"> ▪ Expertise of team in sanitation marketing, latrine construction, finance, governance and Monitoring, evaluation, accountability and learning (MEAL) ▪ Ability to host meetings with private sector actors ▪ Skilled MEAL and IT team ▪ Resources for loan/product guarantees and advertising

Local government

One distinguishing feature of the SanMark intervention in Tajikistan is that it directly engaged local government in order to promote sustainability. The project involved the government in different ways based on needs and market intervention. The objective was to build trust with the project and increase improved sanitation coverage as rapidly as possible, tailoring the approach to the local context. This involved promoting the government’s support across a range of activities at district-level (such as enacting market-supportive regulations, ensuring consumer protection, developing quality assurance standards, financing large-scale public services and conducting research and development).

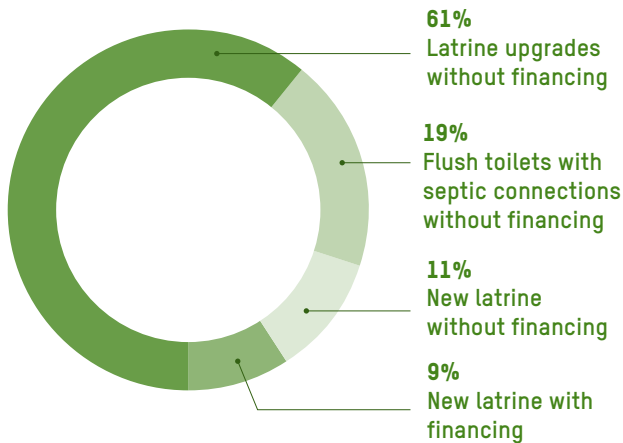
PROJECT COSTS AND IMPACT

PROJECT COSTS

Cost-effectiveness was an inevitable concern throughout the project. Oxfam targeted 200 households (1,200 people) and spent \$76,000 on sanitation value chain development, which remains functional to this day. In reality, 725 households (or 4,371 people) benefitted from the SanMark project from 14 villages.

Of the 725 households that invested in improving their sanitation facilities, the investment trends can be categorised as follows:

Household financing status

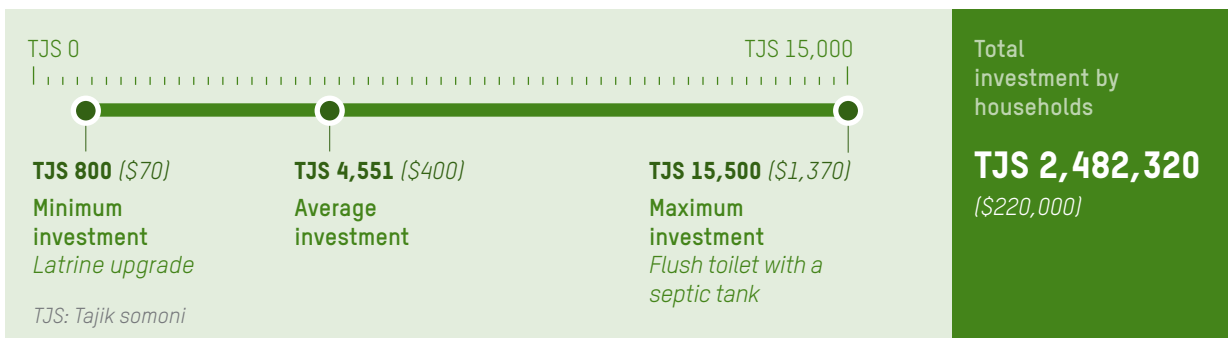


Target villages across 5 districts

Villages	Households	Total people
Choryakkoron	103	666
Pushti Kurqon	96	582
Kum	83	418
Chavliboi	71	414
Obi Borik	70	453
Negnot	57	301
Tagobi Khalk	53	375
Gizhdalobod	44	350
Guitan	38	209
Ghezani Poyon	32	192
Revad	27	146
Ghizdarva	24	123
Pani	15	74
Paghna	12	68
Total	725	4,371

These investments quickly led to sales growth acceleration, which in turn led to per-unit cost reductions. Currently, per-latrine programme costs range from \$70 to \$1,370 in Tajikistan, with an average of \$400. In total, the 725 households invested around TJS 2,482,320 (approximately \$220,000) in sanitation improvements.

Mark cost by households



It is important to understand that the SanMark approach required a front-loaded investment structure. Oxfam spent \$76,000 and significant investments of both time and resources to develop new products and business models, to recruit and train sales agents, to train and coach local latrine producers and sales agents, and to promote buy-in among key stakeholders (such as local government). However, given the accelerated sales growth within a single year, this is clearly an investment that pays off in the long run.

Tajikistan SanMark programme



PROJECT IMPACT

The pilot project in SanMark reached more than the intended number of households across the target district. The monitoring process revealed that people were truly starting to invest in sanitation facilities, with a visible investment in latrine upgrades. This was partly due to water access in the target district which appears to have stimulated people’s interest in and understanding of the value of hygiene. This shift in mindset has naturally encouraged people to desire sanitation services that align with their new hygiene needs.

Focus area	Impact
BUSINESS STRATEGY	The project designed an affordable and actionable business strategy to link customers with local businesses with the government engaged as watchdog. Sanitation service providers saw a business opportunity in a new area that could expand their future business network.
PROFESSIONAL MARKETING	The project worked with a Tajik marketing company to develop and implement various methods to facilitate change and raise the awareness of local people on sanitation and protection of the environment. The intensive dissemination of key messages through a variety of channels made a significant difference to the project’s overall impact.
INCREASED AWARENESS, KNOWLEDGE AND SKILLS	The professional communications raised the awareness, knowledge and skills to help residents overcome all difficulties faced in the improvement of toilets, especially pricing, service quality and construction.
PUBLIC HEALTH AND DIGNITY	Most end users were happy with the recent upgrades and changes in their sanitation status. They cited the quality of service, prices and present view of the toilets as modern, safe and affordable. Women especially mentioned the ease with which the new services could be cleaned and maintained.
COST-AWARENESS	Before the project, the residents thought it would cost less to build a toilet. But once they started the process it was revealed that they paid more than their initial estimation.
GREATER COVERAGE AT HIGHER SPEED	Keeping things simple for end users and designing the intervention based on their needs and preferences was an immediate success. Based on Oxfam’s documentation of the project, the targeted households started investing in modern toilets within just under four months.
BETTER QUALITY OF LIFE	All interviewed customers considered the modern toilets to have made a great contribution to increasing the quality of life of the residents.
WOMEN’S POWER	Interest in toilets has reportedly remained high, especially among women. As predicted, they played a crucial role in influencing at home, and in selling and selecting sanitation products and sites for installation. Alongside Oxfam, women played a key role in promotion activities and awareness raising.
SUSTAINABILITY	Just under a year after the project’s completion, local businesses and demand for sanitary toilets continued to develop. Businesses continued to develop their services and other entrepreneurs joined in when they saw the growing sanitation demand. Satisfaction with services and toilets has remained high among householders. Flush toilets started to gain more support among the population, raising a concern for the future as it is common practice for villagers to empty full tanks directly into the environment.

KEY LEARNINGS

- 1** Although Oxfam trained over 100 women in promotional activities, the sustainability of this approach may drop in the future. Local women leaders and village heads change every three or four years and training for their successors has not been institutionalised.
- 2** Since there are no strict regulations from national and local governments regarding household sanitation and its integration in rural sanitation strategies, it will be difficult for local governments to both replicate the approach and scale it.
- 3** A number of people expressed interest in upgrading their sanitation facilities further by installing inside toilets and connecting them to septic tanks. Such facilities will require desludging services or sewer connections, so should be closely monitored by the local government to avoid adverse impacts on the environment and public health.
- 4** Successful SanMark requires a user-centred approach, by designing toilet product systems that people want and can afford, and that local businesses can also profitably deliver and sell. The approach demands significant effort, through testing and introducing products incrementally, failing fast and adjusting/improving processes accordingly.

NOTE: The lack of sewer system or faecal sludge management services in rural areas threatens to undermine the health benefits of household latrines. Building on the success of the SanMark project, Oxfam planned to build a faecal sludge management plant for three villages in the Rudaki district but due to Covid-19, the plan was abandoned. It is this author's recommendation that the government and/or the international donor community must prioritise the development of a sustainable, business-driven approach to rural wastewater treatment. At the very least, a solid desludging service should be installed to empty septic tanks once filled.

FINAL REMARKS

Although SanMark in Tajikistan initially focused on latrines, the product range was expanded to cover wider WASH goods and services. Given that not all households required latrines, it was important from both a business and public health perspective to offer additional options to end users, thus enabling households to improve their overall WASH situation. **To date, Oxfam's SanMark project has facilitated the sale of over 1,400 WASH products (including latrines, handwashing basins, boilers, pipes, ventilations, cement, ceiling and tiles) through the private sector.**

NOTES

1. World Bank (2017). *Glass Half Full: Poverty Diagnostics of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*, p67. Retrieved 7 April, 2022 from <https://openknowledge.worldbank.org/handle/10986/27830>
2. Women in male-headed households have a small role in financial decision making (how much to save, whether to sell production, borrow money) and consumption decision making (major purchases, decide what to grow, decide how spend income). Naturally, women play a larger role in female-headed households.

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