

Sanitation Service Level Agreements for Blantyre City

A project sponsored by the Bill and Melinda Gates Foundation and DFID



Project Summary

100-10-5. In the past the Blantyre City was providing sanitation services to its population by its own departmental services. Since the passing of the Public Private Partnership Act in the Malawian Parliament, the private sector is involved in emptying pit latrines and servicing market and school toilets. This was not only motivated by dwindling government funds combined with increase in urban population to be served, but also by the expectation that the private sector could do the job more efficient and effective. However, most of these sanitation services are informal, substandard, expensive, and unhygienic and form an environmental threat. A handful of services are formally laid down in Service Level Agreements (SLAs). Unfortunately these SLAs concentrate on administrative issues, rather than on the level of service. As far as SSLAs are concerned, the private sector is primarily interested in profitable services to the rich as they do not want to take the risk of not getting paid by the poor.

Our consortium, consisting of three parties with a good and durable working relation has taken the initiative to change this. We represent the *City of Blantyre (BCC)*, the Malawian NGO *AYISE / Blantyre Waste Concern*, and the Netherlands based, Malawi present, NGO *WASTE, advisers on urban environment and development*. During the past 6 months, we have prepared an inventory of existing SSLAs and researched the motivation and capacity of stakeholders to improve city cleanliness and public health using SSLAs. The stakeholders are the local government (BCC), the private sector and the community. We conclude that Blantyre is ready for a 3-three year field /intervention consisting of SSLAs for 100 Public Toilets (PT), 10 Latrine Emptying Services (LES) and 5 Fecal Sludge Management (FSM) sites. This is a tangible, manageable and realistic field test of regulatory framework and sanitation service delivery.

Outcome. Our outcome of the investments is based on BCC's credo 'Bringing the City back to the population'. In our words this means 'Bringing a **Clean City** back to a **Healthy** population by 2018'. A **clean city by 2018** means 50% reduction of open defecation; 100% of the population access to a clean public toilet that operates 12/7 (markets) or 24/7 (bus stations, neighborhoods); latrines that are never full; a city where 50% fecal sludge is collected and 50% reduction of illegal dumping practices of collected fecal sludge. A **healthy population by 2018** means 50% reduction of sanitation related complaints to BCC.

Output. The primary output of the investment consists of 100 PTs that have been renewed/upgraded/constructed and SLAs between BCC and service providers to operate and maintain these PTs. PTs are located at public areas like markets and bus stations and include high-density low-income areas where physical and financial constraints prevent the construction of household toilets. A number of PTs will be realized by project funds and a number by income generated from profitable operated PTs. Second output is the assurance that toilets (PTs and household latrines) are always usable and never full of sludge, as the project creates an enabling environment where the private sector purchases modern, hygienic, economical and efficient latrine emptying equipment, assured of profitable business through SSLAs and accompanying policy and regulatory framework with BCC. The

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project is shaped in such a way that the private sector uses its own resources or obtains bank loans, backed up by SSLAs and recommendations of BCC and project funded loan guarantees. The third output consists of 5 Fecal Sludge Management (Treatment/Disposal/Reuse) sites operated through SSLAs with the private sector (or semi-government organizations).

Diamond approach. WASTE has developed a comprehensive approach that creates an enabling environment by engaging with and supporting the private sector and BCC, called the 'Diamond' approach. This is a system-oriented approach, driven by demand and supply mechanisms. The core-stakeholders are the private sector and its clients (individuals, households, landlords, institutions), financial institutions and BCC. WASTE, acting as a broker, will utilize the diamond approach to support and capacitate these key-stakeholders leading to a sustainable sanitation service market.



The diamond has two components:

- The business environment covering the complete sanitation chain;
- The enabling environment.

The business environment deals with the relation between customers/households (the 'demand'), the providers of services and products/business (the 'supply') and the financing of the service delivery or commodity itself ('finance'). It is essential that financing of infrastructure is locally organized and based on ability and willingness to pay.

The enabling environment deals with all things necessary to facilitate and encourage business development. BCC and the newly elected councilors play an important role in establishing the enabling environment as well as the enactment and enforcement of local rules and regulations.

Clarification of roles and responsibilities and building partnerships and relations between stakeholders are the 'seeds' for growth of service and product delivery in the sanitation chain. In order to support sustainable and durable (up scaling) development, the involvement of financial mechanisms that generate funding locally, is crucial. When money is made available locally, the market will continue to develop. Customers should be enabled to pay for sanitation products and services, preferably using their own earnings and incomes. Practice learns that local banks and micro finance institutions can be persuaded to invest loan-money to service providers.