

Market Development: Atsinanana

February 2019

The WASH Market Development workshop held in Atsinanana developed the following priorities:

Water supply:

1. Dissemination of sector regulation framework and awareness raising among the population and companies on the dangers of air and water pollution and issues on water security
2. Production of seedlings for watershed and wetland protection to restore and protect ecosystems
3. **Technical studies, construction, investment and management of water supply infrastructure (Service/Product RANO WASH)**
4. Alternative water supply options
5. Bottled sodium hypochlorite solution
6. Research and installation on automated water distribution system
7. Water treatment and quality analysis

Sanitation :

1. **Latrines (Services/products RANO WASH)**
2. Dissemination of regulation framework, including laws
3. Reuse of solid waste
4. Reuse of liquid waste
5. Production of bio gas
6. Installation of a small/portable bio gas plant

Hygiene :

1. Hygiene communication materials for behavior change
2. **Washable sanitary napkins**

3. Domestic hygiene

Each **WASH** service and product is presented using a business model canvas.

Water Service Provider – Private Sector Service Delivery Model (Business and Management Model)

<p>PARTNERS Who are your partners ?</p> <p>Supporters</p> <ul style="list-style-type: none"> • Bushproof and Sandandrano • Municipality, MEEH • Banks/MFIs • Engineering firms for design, control and supervision of construction works <p>Input Suppliers</p> <ul style="list-style-type: none"> • Pipes • Tanks • Valves • Surge Vessels • Pumping system • Cement <p>Sub-contractors/ Complementary Business</p> <ul style="list-style-type: none"> • Transport 	<p>ACTIVITIES What do you do?</p> <ul style="list-style-type: none"> • Invest & Build • Supply, Manage & Operate: production & distribution of water, collection of revenues, maintenance, water quality, reports • Demand 	<p>PRODUCTS What products do you sell?</p> <ul style="list-style-type: none"> • Potable water • Household connections • Social connections/Standpipes 	<p>CUSTOMER RELATIONSHIPS How do you know your customers?</p> <p>Direct Sales: water, connections</p> <p>Referrals: VSLAs, Community TAs; local government; local leaders</p> <p>WATSAN mapping</p> <p>Customer services (including billing/payment)</p>	<ul style="list-style-type: none"> • H • N • L • U • I • h
	<p>RESOURCES What resources do you have?</p> <ul style="list-style-type: none"> • Gravity-fed water systems • Labor (daily) 	<p>PRODUCT VALUE Why do people buy these products?</p> <ul style="list-style-type: none"> • Clean, constant and reliable water • Customer support • Easy payment and billing system 	<p>CHANNELS How do you market and sell products to your customers?</p> <ul style="list-style-type: none"> • Promotional pricing • Radio, posters • Community marketing events • Community Promoters • VSLAs 	
<p>COSTS What costs you money in this business?</p> <p>Direct costs: Operations and maintenance (minor and major repairs, extensions), Municipal taxes and fees; loan interest</p> <p>Management costs: Human resources, Operations (office), coordination and management; marketing Risks: non-revenue water; low consumption</p>			<p>REVENUE How do you make money in this</p> <ul style="list-style-type: none"> • Tariffs (base and variable charges) • Capital investment (to complete WSPs initi 	

Jumpstart Business Model and Stakeholders:

Water Service Providers will be selected through a demand-driven approach that incorporates joint criteria with the MEEH and viability of PPP. RANO-WASH will organize an initial launch event in each community to allow WSP to showcase their water supply. To further create demand, WSPs will provide promotional pricing for the first 100 households to order connections. High to low income households will be targeted given the high demand for water, with WSPs marketing social connections for lower income households not able to afford household connections.

RANO WASH has also ensured institutional arrangements necessary for a successful PPP are in place, including clear roles and responsibilities of each stakeholder, explained in a formal management delegation contract signed between the municipality, the manager and covered by the MEEH. The contract model for PPPs was developed and validated by the Government of Madagascar in FY18. RANO WASH is also providing capacity building and ongoing coaching to each stakeholder so they can fulfil their mandated role, including technical, planning, financial, management and operation. WSPs in particular will receive on going coaching and targeted capacity building.

Looking forward:

- Working with Bushproof and Sandandrano to develop management models for ultra-poor and remote communities/households to ensure these segments of the population have access to sustainable water services.

Local Service Provider - Latrines

PARTNERS Who are your partners ? Supporters <ul style="list-style-type: none"> • CARE • MFIs Input Suppliers <ul style="list-style-type: none"> • Plastic • Cement • Sand • Brick • Metal rods • Tin • Wood/Bamboo • Finishings Sub-contractors/ Complementary Business <ul style="list-style-type: none"> • Transport • Carpenters • Brick layers (superstructure) 	ACTIVITIES What do you do? <ul style="list-style-type: none"> • Production • Marketing • Sales • Siting of latrines • Installation • Superstructure • Repairs/Upgrade 	PRODUCTS What products do you sell? Improved latrines (DAL Sanplat, satopan & Eco San) <ul style="list-style-type: none"> • Packages (Superstructure, slab, installation; and installation and slab) • Addon/upgrade • Installations 	CUSTOMER RELATIONSHIPS How do you know your customers? <ul style="list-style-type: none"> • Sales • Referrals: CARE TA's, VSLAs • Local government/local leaders 	<ul style="list-style-type: none"> • H • M • L • U • V
	RESOURCES What resources do you have? <ul style="list-style-type: none"> • Labor (daily) • Land • Production materials 	PRODUCT VALUE Why do people buy these products? <ul style="list-style-type: none"> • Affordable • Quality • Hygienic • Available • Installed • Package available 	CHANNELS How do you market and sell products to your customers? <ul style="list-style-type: none"> • Posters, radio • community marketing events, brochures • Community Promoters and Leaders • VSLAs • Demonstrations/Display 	
COSTS What costs you money in this business? Fixed costs: Equipment; operational costs (electricity, rent); transport; Variable costs: Labor (daily or monthly); production materials; transport; marketing			REVENUE How do you make money in this <ul style="list-style-type: none"> • Product sales • Bulk sales/product deals • Addons 	

Jumpstart Business Model and Stakeholders:

Local masons will provide two packages according to household preference and ability to pay: 1) installation, slab and superstructure; and 2) installation and slab. The first package (100 000 Ariary to 500 000 Ariary) will be marketed towards high to middle income households and the second (no more than 50 000 Ariary) to lower to ultra low households. These will be provided as complete packages or addons. Models will include

SANPLAT, Ecosan, Satopan and siege a l'anglais as well as installation services, including pit G, 6, 11, 11, 11, 11 and/or septic tank, and superstructure made of either brick or local materials. RANO WASH will provide equipment and initial training to local masons on key technical and business skills. RANO-WASH-organized community marketing events will allow masons to showcase their services and products as well as provide an opportunity for potential customers (i.e. households) to ask questions and get advice. RANO WASH TAs and VSLAs will also be entry points for messaging and marketing for sanitation services (referrals) as well as a platform for households to get advice on/evaluate their sanitation options.

Looking forward:

- Train local service providers on the business, marketing, linkage and technical skills required to becoming a stronger entrepreneur
- Determine feasibility and model for integrating detailers/sales agents into the business model to further increase sales
- Networking opportunities for local masons to connect with retailers of input components

<p>PARTNERS Who are your partners ?</p> <p>Supporters</p> <ul style="list-style-type: none"> • VSLAs/Women's groups • MFIs • CARE <p>Input Suppliers</p> <ul style="list-style-type: none"> • Cloth • Sewing machine <p>Sub-contractors/ Complementary Business</p> <ul style="list-style-type: none"> • Boutiques • Health centers 	<p>ACTIVITIES What do you do?</p> <ul style="list-style-type: none"> • Production • Marketing • Sales 	<p>PRODUCTS What products do you sell?</p> <p>Washable sanitary napkins</p> <ul style="list-style-type: none"> • Individual or bundled/package for customer 	<p>CUSTOMER RELATIONSHIPS How do you know your customers?</p> <ul style="list-style-type: none"> • Sales • Referrals: CARE TA's; VSLAs; schools; health facilities 	<ul style="list-style-type: none"> • V a • H • S • C
	<p>RESOURCES What resources do you have?</p> <ul style="list-style-type: none"> • Labor • Sewing machine 	<p>PRODUCT VALUE Why do people buy these products?</p> <ul style="list-style-type: none"> • After sales support/confidential • Affordable • Quality • Hygienic • Comfortable • Reusable • Environmentally-friendly 	<p>CHANNELS How do you market and sell products to your customers?</p> <ul style="list-style-type: none"> • Community marketing events, brochures, flyers • Community Promoters and Leaders (schools and HFs) • World MHM Day • Sales points • Detailers 	

- Distributors

COSTS

What costs you money in this business?

Fixed costs: Equipment; land/production space

Variable costs: Labor (daily or monthly); production materials; transport

REVENUE

How do you make money in this business?

- Product sales
- Bulk orders

Local Service Provider – Sanitary Napkins (Social Enterprise)

Jumpstart Business Model and Stakeholders:

RANO WASH will launch this business model as a social enterprise to improve women and girls' ability to better manage their menstruation, provide an opportunity for dialogue and reduce the taboo on menstruation. Seamstresses will offer individual sanitary napkins and bundled sanitary napkins made from cloth in a variety of colors and patterns. RANO WASH will provide equipment and initial training to seamstresses on key technical and business skills. RANO-WASH-organized community marketing events, including an annual World Menstrual Hygiene Day and International Women's Day, will allow seamstresses to showcase their services and products to large audiences, as well as provide an opportunity for women and girls to engage in discussions on

menstrual hygiene. At schools and health facilities, seamstresses will set up booths to sell sanitary napkins to women and girls.