

The instalment payment model for improved toilet construction for landlords in informal settlements of Kampala

Contributed by Brenda Achiro, Janet Olumbe, Betty Musabe and Yvonne Lugali (Water For People)



Figure 1 – Improved household toilet facility constructed in an informal settlement in Kampala. Source: Water For People.

Summary

Water For People Uganda in partnership with Kampala Capital City Authority (KCCA) under the City-Wide Inclusive Sanitation Programme implemented a project to upscale faecal sludge management services in the city through catalytic investments to increase access to improved on-site sanitation services (OSS), primarily targeting underserved urban poor households, public institutions and the increasing transient population. One of Water For People's roles was to develop and test an incentive-based model for Kampala landlords aimed at household toilet improvement which meet the KCCA OSS minimum standards.

One of the key project activities focused on the construction of toilets that meet the KCCA minimum OSS standards for different landlords in the informal settlements of Kampala through two incentive-based model approaches. The approaches used included credit facilities from a financial institution and a market maker model that promotes instalment payments.

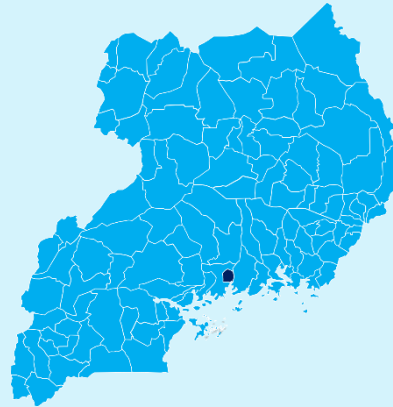
Overview

Geographical information

Country: Uganda

City: Kampala

City population: 1,500,000



Problem

- Poor management and disposal of faecal sludge.
- Onsite sanitation situation in the five divisions of Kampala.
- Poor sanitation facilities that do not meet the KCCA OSS minimum standards.
- High construction costs of toilets that meet the standards.

Solution

- Conducting a sanitation market and technology assessment for landlords in informal settlements in the five divisions.
- Development and testing of an incentive-based model for toilet construction.
- Use of credit facilities from financial institutions to finance the construction of toilets.

Problem

Unplanned faecal sludge management (FSM) results in improper disposal of faecal waste, open defecation and unhygienic toilet emptying, which can lead to public health issues, such as outbreak of diseases like diarrhoea, cholera and typhoid.

There is land scarcity and limited space which affects toilet construction, especially in the informal settlements in Kampala City which are built on small tracts of land housing a large

number of tenants. In other areas, when an unlined latrine fills up, it is abandoned and another is dug, rendering the land useless. A drainable pit latrine is the ideal solution to environmental contamination and lack of space.

Many households, especially the urban poor in informal settlements of Kampala do not have access to basic sanitation services or have poorly constructed sanitation facilities that do not meet the KCCA OSS minimum standards.

In order to get an understanding of the sanitation situation in the five divisions of Kampala, a comprehensive baseline study (a market and technology assessment) was conducted by Water for People for landlords in informal settlements in the five divisions of Kampala (Central, Kawempe, Lubaga, Makindye and Nakawa). This was mainly to assess the number of people that have access to a sanitation facility as well as looking at the type of technology for these facilities.

Solution

Developed and tested an incentive-based model for toilet construction

Toilet subsidy and instalment model

Water For People Uganda together with KCCA launched a toilet Incentive and Subsidy model with the aim of improving household sanitation in Kampala. An incentive of about UGX 540,000/- (approximately 144 USD) for the first landlords to construct their toilets under the [Weyonje](#) campaign was introduced.

The aim was to attract more customers to take up the opportunity of sanitation improvement that meets KCCA standards. Additionally, a beefed-up subsidy that saw financial support to offset the cost of the substructure was included to encourage more landlords to construct toilet facilities that meet minimum standards.

Under the Instalment model, the clients were required to make a deposit of 20% of the total cost of the toilet into a special account called 'Buyonjo', while Water For People guarantees the remaining 80% that would be paid within 12–16 months.

This was done through Water For People partnerships with credit facilities like the Water and Sanitation Entrepreneurs Association – Uganda (WASEU) to offer an interest-free credit facility for individuals who wanted to construct standardized toilets.

Additionally, support was provided to vulnerable people in the five divisions with a free one stance toilet. There is a clear process of vetting for the vulnerable people together with Community Activation Teams, Community leaders, Water For People and the KCCA.

Currently, 143 landlords benefited from the constructed toilets that meet the KCCA OSS minimum standards under the [Weyonje](#) campaign with 139 toilet blocks constructed, that is 307 stances serving 611 households, including 45 households (31.4% of total households) with vulnerable people have benefited.

In addition, to strengthen private sector participation, a Memorandum of Understanding was signed between Water For People and [Lixil](#) to handle the promotion of SaTo Pans and SaTo stools (for the elderly) as an interface option to the toilet upgrades in the community to improve aspects of hygiene and odour.

Credit facilities from financial institutions

Memoranda of understanding have been signed with PostBank Uganda to develop specific financing packages for household sanitation under a loan arrangement with interest rates of 18% pa respectively.

All landlords had to go through a process as a way of verifying their interest and ability to pay back the loan under the instalment model. For instance:

- Person identified either by Community Activation Teams, Local Council leader, or Call Centre.
- Their information was captured either in the expression of interest form or directly into the tracker.
- Client information was forwarded to a Water For People engineer for a site visit to ascertain the need and costs.
- Bills of Quantities (BOQs) were prepared or standard BOQs agreed on with client.
- Consent to get the toilet service / product signed by client at agreed costs.
- Customer agreed to be visited by a credit officer and customer referred to a bank.
- Loan appraisal and approval.

Testimonials

Nansubuga Dorothy, a landlord and instalment model customer of a one stance pit latrine & bathroom in Wheeling Zone, Makindye Division.

Nansubuga Dorothy has lived in Wheeling zone, Makindye Division in Kampala District living with her spouse and five children for the past 10 years. They live in a detached bungalow in a close neighbourhood of about 10 households.

She is a farmer who rears hens for sale as well as food vending and on a good day makes a gross income of about UGX 20,000 (USD 5.4) () which she uses for home needs. Nansubuga also partially depends on her husband's income when it comes to taking care of the family's domestic needs, including paying school fees.

With the introduction and launch of the toilet subsidy model, Nansubuga became one of the first instalment model customers for a one stance toilet and a bathroom because of the issues they were facing when it came to sanitation. They were sharing a one stance pit latrine with over eight households in the neighbourhood whereby each household had a minimum of two adults and two children.

After seeing another person's toilet being constructed, Nansubuga asked for a contact person and was directed to a Community Activation Team member who brought her application form to Water For People for evaluation and later had the construction process started.

With the new toilet, only her family of seven people uses it, which has improved the family's hygiene and sanitation. They no longer worry about health issues that would arise from the poor toilet structure. Nansubuga has also been able to connect water to her home so that they have clean and safe water in her home.

Nansubuga is one of the people that benefited from the subsidy model where she received an incentive of UGX 540,000/- (approximately 144 USD).

At approximately UGX 4.2 million (USD 1,141) inclusive of the incentive amount of UGX 540,000, Nansubuga got a one stance toilet and bathroom (both toilet and bathroom are roofed), a brick-lined pit for the sub-structure to enable pit emptying as well as SaTo pan installed that helps reduce the smell and improve hygienic practices. It should be noted that because of the high-water table in the location, there was need for a high elevation of the pit latrine.

Nansubuga hoped for construction of another one stance latrine for tenants after construction of the new toilet because she was highly impressed by the work done. She hoped that by the end of the 16 months repayment period, she would be able to construct another toilet.

Lessons learned

Many Landlords especially in the informal settlements of Kampala are struggling with sanitation facilities that don't meet the KCCA OSS minimum standards. This is because of limited space to construct better facilities but also a lack of income/finances and financing options to cater for the construction of improved sanitation facilities. With the availability of favourable financing options, the instalment payment models are embraced and the current repayment percentage is 60% without any major key interventions in the process of repayment.

It was critical for Water For People to conduct extensive financial due diligence on clients selected for interest-free loans. Due to the informal nature of clients requiring toilet loans (informal settlements, informal income sources and lack of proper identification) it was necessary to fully 'investigate' the financial credit standing of the loan recipient. This could also be done through extensive community inquiries.

There is opportunity in scaling the instalment financing approach further to develop a sanitation revolving fund that can be utilized to improve household sanitation facilities within the city. This would be institutionalized with financial institutions such as WASEU and financed by the Government of Uganda.

Useful links

<https://www.kcca.go.ug/cwis>

Further reading and references

Kampala Sanitation Improvement and Financing Strategy.

<https://www.kcca.go.ug/media/docs/KAMPALA%20SANITATION%20IMPROVEMENT%20AND%20FINANCING%20STRATEGY.pdf>

About the author

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About the institution / organisation

The **Water For People** is an International Non-Government Organization that started working in Uganda in 2008, beginning by learning about the population's water and sanitation needs and building relationships with the local government, private sector, and local organizations.

Together with local partners, Water For People now supports water and/or sanitation initiatives in six districts in Kamwenge, Luuka, Kampala, Kitgum, Pallisa and Kole. <https://www.waterforpeople.org/>



About the IWA Inclusive Urban Sanitation Initiative

IWA's Inclusive Urban Sanitation initiative responds to a huge and growing public need - safe sanitation in combination with access to safe drinking water and hygiene underpins good health. The aim of this initiative is reshaping the global urban sanitation agenda by focusing on inclusive sanitation service goals--and the service systems required to achieve them - rather than the traditional singular focus on expanding sewer networks and treatment works. This forms part of IWA's larger agenda to promote inclusive, resilient, water-wise, and sanitation-secure cities.

About the Inclusive Urban Sanitation Stories

The Inclusive Urban Sanitation stories are documenting some of the policies, practices, and approaches that demonstrate how stakeholders especially those in urban areas (e.g., public sector, operators, academics, regulators, and other key actors) are taking part or contributing to Sustainable Development Goal 6 which require water and sanitation concepts and norms to look beyond technology and the usual focus on building infrastructure. Increased focus is on safety, inclusion, environment, public health, and multiple technology solutions tailored to different geographies and socio-economic contexts for building climate-resilient cities. The stories aim to inspire urban stakeholders to discuss ways for advancing inclusive urban sanitation, especially in low- and middle-income countries.