

Conclusion :

Sanitation and hygiene services and products encompass various providers, such as importers, wholesalers, distributors, retailers, local masons, and others. Among these, most sanitation businesses focus on manufacturing and retailing toilet slabs and squat-hole covers. The profitability of the sanitation and hygiene business has attracted many to the market. However, the material costs, transportation distance of delivery, and access to loans are the top three business obstacles, such as high material costs, transportation costs, and limited access to loans. Despite these challenges, the private sector's involvement in manufacturing and retailing sanitation products has driven innovation and market accessibility. To overcome the challenges, it is essential to address the limitations in training, financial support, and market access.

Recommendations and future considerations :

- Improve training and financial support for sanitation businesses to foster innovation and efficiency.
- Expand access to financing through micro-finance institutions and Village Savings and Loan Associations (VSLAs) to make improved sanitation facilities more affordable.
- Encourage private sector activities to expand beyond urban centers to ensure broader national impact.
- Enhance supply chain networks to ensure efficient distribution of products to remote and underserved areas.
- Foster partnerships between government, development partners, and private entities to address sanitation challenges and ensure universal access.



Fig 2 public toilet and shower facility managed by youth-led MSEs, Bahir Dar, Ethiopia, July 2024.

This project is implemented by Mr. Abayneh Melaku from Ethiopian Institute of Water Resources (EIWR), Addis Ababa University, Ethiopia

Addis Ababa University, established in 1950 as the University College of Addis Ababa, stands as Ethiopia's oldest university, boasting 44,044 students and 8,259 staff spread across 18 campuses and a diverse array of programs. With a legacy of over 280,000 graduates in 73 years, the university is globally renowned for its impactful research and academic excellence. Addis Ababa University has been ranked 1st in East Africa, 6th in Africa, and 402nd in the world according to the Times Higher Education 2022 report. The Ethiopian Institute of Water Resources (EiWR), an essential part of the institution, is mandated in academics, research, and community services. EiWR offers multidisciplinary programs that intersect the realms of water and health, addressing pivotal issues at this convergence. Through its specialized programs in Water Resources Engineering & Management, Water, Sanitation, and Health, and Water and Public Health, EiWR

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SMALL GRANTS FOR THE AFRICAN YOUNG WATER AND SANITATION PROFESSIONALS (AFYWSP)

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Project Title : The Status of Private Sector Engagement in Sanitation, and Hygiene Businesses in Ethiopia: Opportunities, bottlenecks, and Strategies for Success



Figure 1 Slab manufacturers and Sato retail at East Shoa, Gimbichu, Ethiopia, July 2024

Background & Introduction :

The Sustainable Development Goals (SDGs) aim to achieve universal access to Sanitation, and Hygiene services for all by 2030. Inadequate access to sanitation remains a significant problem globally. Despite the efforts of the government, donors, and NGOs, the WASH sector in Ethiopia faces significant challenges. Only 50% of households have access to basic water services with just 13% considered "safely managed, 9% have access to basic sanitation, and 8% have access to basic hygiene. Private sector involvement is crucial in establishing product supply chains for, creating demand, providing operational support, and offering financial services. However, detailed nationwide studies on private sector engagement in sanitation and hygiene services in Ethiopia are lacking.

Purpose and Objective

The purpose of this study is to explore the current state of the sanitation and hygiene sector in Ethiopia, with a focus on the private sector's role in providing sanitation products and services.

General Objectives

The general objective is to investigate the level of private sector involvement in sanitation and hygiene businesses and explore enabling, barriers, and deriving factors for achieving sustainable access to sanitation and hygiene products and services in Ethiopia.

Specific Objectives

- To investigate the level of private sector involvement in sanitation and hygiene businesses
- To determine factors affecting sanitation and hygiene businesses
- To examine the mechanism employed by the private sector to deliver comprehensive sanitation products and services in both urban and rural areas

Summary of main achieved activities (including images):

- Conducted a a mixed-method cross-sectional study on private sector engagement in sanitation and hygiene services in 9 regions and city administrations in Ethiopia.
- Identified the level of private sector involvement, barriers, driving forces, and business models in the sanitation and hygiene sector.
- Collected data through 395 surveys, 113 Key Informant Interviews, 35 in-depth interviews, 29 FGDs, 20 exit interviews, and 8 observations
- Utilized the Kobo toolbox for survey data collection and SPSS software for statistical analysis
- 75.7% of surveyed sanitation and hygiene businesses were informal due to complex permitting processes and weak enforcement mechanisms

Summary of main achieved activities (continuation and conclusion)

- 69.6% of businesses had sanitation and hygiene as their main business
- 54.4% of private sector businesses were initiated due to profitability
- Determined the main Service and product provision areas of sanitation and hygiene business such as manufacturing, installation, distribution, wholesaling, and retailing .
- Identified key motivators and challenges for engaging in and persisting in sanitation businesses.
- Key motivators for engaging in sanitation businesses included technical training, access to manufacturing spaces, experience-sharing opportunities, and incentives
- Challenges facing the sector included lack of government support, corruption, regulatory barriers, and limited access to finance
- Government and development partners provided capacity-building support to local businesses, focusing on supply chain establishment, demand creation, and enabling conditions
- Provided recommendations for enhancing the sanitation and hygiene business in Ethiopia, including access to financial resources, diversification, and strengthening partnerships.



Figure 3 Private pit emptier truck in Addis Ababa , July 2024

Outcomes:

- **Improved understanding of private sector engagement in sanitation and hygiene services in Ethiopia:** The study provides a comprehensive understanding of the level of private sector involvement, barriers, driving forces, and business models in the sanitation and hygiene sector in Ethiopia.
- **Identification of key challenges facing the sector:** The research highlights the challenges facing the sanitation and hygiene sector in Ethiopia, including lack of government support, corruption, regulatory barriers, and limited access to finance.
- **Recommendations for enhancing the sanitation and hygiene business in Ethiopia:** The study provides recommendations for enhancing the sanitation and hygiene business in Ethiopia, including providing access to financial resources, encouraging diversification of products and services, enhancing supply chain networks, and empowering women entrepreneurs.
- **Evidence for policy and program development:** The research provides evidence that can inform policy and program development in the sanitation and hygiene sector in Ethiopia, including the need for policies that promote diversification and access to financing, and investments in sanitation products and infrastructure.
- **Improved understanding of innovative solutions:** The study highlights the innovative solutions developed by entrepreneurs in the sanitation and hygiene sector in Ethiopia, including the use of locally available materials, creative distribution and sales techniques, and the development of financial instruments to attract private investment.
- **Informing future research and interventions:** The research provides a foundation for future research and interventions in the sanitation and hygiene sector in Ethiopia, including the need for further studies on the impact of private sector engagement on sanitation and hygiene outcomes.