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A mason building seated toilets © MuniWASH Benin

# MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) AND INNOVATIVE PRACTICES FOR THE PROMOTION OF ON-SITE SANITATION IN BENIN

## SUMMARY

The Municipal Water, Sanitation, and Hygiene (MuniWASH) Activity is a USAID-funded Activity in partnership with the African Water Association (AfWA), which is supporting the water and sanitation sectors through assistance to 16 municipalities in West Africa. Since 2019, MuniWASH has reinforced the capacity of actors in the sanitation value chain in Benin and Côte d'Ivoire to provide and expand inclusive sanitation services while reducing the costs of these services.

In Benin, MuniWASH has developed a capacity building program for micro, small, and medium enterprises (MSMEs), also referred to as private sanitation service providers, who promote the sanitation products branded as "Mimin toilets"<sup>1</sup> (meaning "clean toilets" in the Fon language). These MSMEs, which are grouped under the National Union of Sanitation Entrepreneurs, the umbrella organization that promotes the WC Mimin products, benefited from capacity building sessions on management and commercial techniques organized by MuniWASH.

The MSMEs are adjusting their activities to try to acquire a bigger share of the household sanitation market. By increasing the number of exhibition sites, offering after-sales services, and conducting social marketing campaigns, the MSMEs have become more active in their markets. These business activities allow them to build up savings that they can leverage to gain access to substantial lines of credit, which would enable them to diversify and expand their services.

## INTRODUCTION

Benin has made considerable efforts to improve the living environment through several ambitious WASH programs, but in 2020, levels of sanitation access in urban areas according to the Joint Monitoring Program were as follows: at least basic service (27%), limited service (30%), unimproved (12%), and open defecation (31%) (JMP 2021). A private sector is active throughout the country to address these sanitation service needs, but sanitation companies often have limited sales and marketing capabilities and generally do not invest in proactively finding new customers. In addition, high costs of construction materials used to manufacture toilets has driven up consumer prices, which makes it difficult to increase sales. MuniWASH continues to provide capacity building support to MSMEs to help them improve their ability to deliver quality services to households while tailoring proposed solutions for the local context. This Learning Note illustrates the performance of MSMEs supported by MuniWASH in Benin.

## INTERVENTION OF MUNIWASH FOR THE BENEFIT OF MSMEs

MuniWASH is working improve the technical and operational performance of private sanitation service providers. Through direct support to stakeholders, MuniWASH aims to help MSMEs in Benin maintain and expand sanitation services at the municipal level to meet the basic needs of vulnerable populations in eight (8) targeted municipalities: Abomey-Calavi, Allada, Aplahoué, Avrankou, Bohicon, Cotonou, Ouidah, and So-Ava. MuniWASH developed a Performance Improvement Plan (PIP) for sanitation enterprises following an in-depth analysis of the WASH sector in Benin that included the Organizational and Financial

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<sup>1</sup> WC Mimin is a sanitation product that uses SaTo Pan technology and is tailored to the local market needs. WC Mimin brand was introduced into the market in Benin with the support of USAID.

Performance Studies of Water and Sanitation Service Providers, the Costed Needs Assessments, the WASH Market Landscaping: Market and Stakeholder Reports, and the Enterprise Capacities Building Tools Reports. The PIP includes capacity building activities that respond to the weaknesses of private sanitation operators. To assist enterprises in achieving these improvements, MuniWASH organized a series of training sessions on formalization, professionalization, boosting the on-site sanitation market, and sales strategies.

MuniWASH organized workshops as well as in-person and virtual meetings in collaboration with relevant national-level organizations to equip MSMEs with the capacities and skills to improve their businesses. These organizations include the *Agence de Promotion des Investissement et de l'Exportation (APIEX)*, which oversees the promotion of MSMEs; the *Société de Gestion des Déchets et de la Salubrité*, which oversees sanitation; and partner municipalities. MuniWASH supported promotional activities for sanitation products, such as campaigns for presenting sanitation products to the public and facilitated development of a sales force to support the MSMEs. The Activity helped to develop standard contracts for the provision of services, which will serve as a framework for future collaboration with business providers and sales agents. MuniWASH also supported the development of communication strategies for the promotion of sanitation products in the municipalities. The actions undertaken by MuniWASH have enabled MSMEs to achieve notable improvements in latrines installed and beneficiaries reached thus far.

## SIGNIFICANT RESULTS ACHIEVED

Notable changes were achieved by 19 sanitation service promotion enterprises supported in the eight target communes by MuniWASH.

### Performance in the Household Market

From January to April 2022, the MSMEs supplied 587 Mimin latrines to households, reaching 2,115 people. A dynamic approach to business development contributes to the MSMEs' improved performance at the municipal level. The monthly distribution is detailed in Tables 1 and 2.

**TABLE 1: NUMBER OF LATRINES (WC MIMIN) PROVIDED**

| PERIOD   | WITHIN MUNIWASH MUNICIPALITIES | OUTSIDE MUNIWASH MUNICIPALITIES | TOTAL |
|----------|--------------------------------|---------------------------------|-------|
| January  | 113                            | 76                              | 189   |
| February | 85                             | 54                              | 139   |
| March    | 76                             | 51                              | 127   |
| April    | 124                            | 8                               | 132   |
| Total    | 398                            | 189                             | 587   |

Source: MuniWASH, 2022

**TABLE 2: NUMBER OF BENEFICIARIES REACHED**

| PERIOD   | In MUNIWASH MUNICIPALITIES | OUTSIDE-MUNIWASH MUNICIPALITIES | TOTAL |
|----------|----------------------------|---------------------------------|-------|
| January  | 375                        | 275                             | 650   |
| February | 335                        | 195                             | 530   |
| March    | 260                        | 210                             | 470   |
| April    | 350                        | 115                             | 465   |
| Total    | 1320                       | 795                             | 2115  |

### Marketing approach deployed

Confident in their ability to produce and sell Mimin toilets, MSMEs are showing strong growth potential in the sanitation market. MSMEs' reach was previously limited to the areas near their head offices. Now, many

MSMEs have established locations in other municipalities to attract and reach more customers.

Some MSMEs have expanded their promotional activities to new localities, but only on important, high-traffic days, such as the weekly market days, to advertise and encourage households to buy Mimin toilets. At those occasions, the MSMEs provide their contact information to potential customers for follow-up conversations. Many MSMEs have created dedicated social media pages for the promotion of their products. Through these promotions, the advantages of Mimin toilets are presented, as well as the cost and required conditions for installation.

One challenge encountered by the MSMEs is convincing households of the benefit of paying for the toilet to be professionally installed. In the instance where the household decides to install the toilet by themselves, there is a high risk of incorrect installation that could result in system failure. In such situations, the MSMEs can correct the failure, but the additional cost must be covered by the households.

### **Offering an after-sale service**

Opening sanitation shops in new areas in municipalities contributed to an increase in sales, but it has also resulted in more households hiring their own mason to install the Mimin toilet to decrease costs. Unfortunately, most of those masons do not have the required expertise and find it difficult to meet the quality standards desired by the customer.

The after-sales installation monitoring system developed by the MSMEs with MuniWASH's support has shown that products installed by untrained craftsmen often require correction. In response to this, the MSMEs developed an after-sales service. The President of UNEAM-Benin [...] said:

*"The after-sales service is necessary and useful because the households benefiting from a well-functioning Mimin Toilet is a positive contribution to the health of the population. We are called for installations from the free business recommendations made by the new customers."*

However, this service comes at a cost that households are reluctant to pay, especially when the required repairs are large.

*"The problem is that households do not pay the invoice quickly when we make repairs. These are costly repairs that we sometimes make. Therefore, we are constantly raising awareness among the population about the risks of self-installation", [...]* an MSME entrepreneur based in the commune of Abomey-Calavi, noted.

Furthermore, the responsiveness and technical ability of the MSMEs are appreciated by households. *"When we wanted to transform our traditional latrines into Mimin Toilets, we called on the company because a neighbor had already done so. Very quickly, the company set up the work. We feel there has been a clear improvement in terms of convenience,"* said a beneficiary in the commune of Abomey-Calavi. This reaction suggests the MSMEs are able to provide better customer service than regular masons who are not trained to install WC Mimin products.

## **LESSONS LEARNED**

The consistent support provided by Technical and Financial Partners (TFP – mainly USAID) to the MSMEs entrepreneurs in terms of promoting on-site sanitation facilities has improved their self-esteem and the quality of their work. Once considered a marginal profession, sanitation entrepreneurs are increasingly

asserting their status as valued sanitation professionals. Some MSMEs are showing leadership by developing their strategy to gain market share, improving quality control, and mobilizing their peers to take part in trainings organized by the umbrella organization – the National Association of on-site Sanitation Entrepreneurs.

The MSMEs have become aware of their capacities and have realized the potential of the market. Customers are reached through various channels, including social networks, local radio, and word of mouth. The increasing market share has led to an increase in revenue, which, in turn, has bolstered savings. For many service providers, the objective is to accumulate substantial savings to serve as leverage to access capital from financing institutions. In doing so, the providers hope to expand and diversify the services offered to customers.

## **CONCLUSION**

In Benin, following capacity building sessions, the WC Mimin service providers have successfully expanded their business. Through the use of promotional channels such as social networks, local radio stations, and word-of-mouth communication in the markets – and especially through the offering of an after-sales service – the entrepreneurs have shown they are willing to innovate to improve their revenues. The MSMEs understand the importance of having healthy revenue streams to gain access to financing, and they understand the need to have a minimum amount of funds that will be used to mobilize additional financing from other funding institutions.

Going forward, MSMEs must continue to improve their administrative and financial management functions. These will reinforce the technical skills they already possess and allow them to diversify and extend services. MuniWASH will continue to provide support to these organizations in these key areas to improve the MSMEs' capacity to deliver WASH services in Benin.

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