Background

• Only 18% of rural Cambodians have access to improved sanitation, with three-quarters of the population practicing open defecation (2008).

• Lack of sanitation services is substantially the high number of child deaths from diarrhea and diseases related to poor sanitation.

• WaterSHED Cambodia, a non-government organization, carries out sanitation marketing campaigns focusing on recruiting and building the cost of low-cost latrine solutions and water access starting in 2009.

• Despite the low cost of the latrines (US$1-US$5), the primary constraint cited by potential purchasers is a lack of cash to buy one.

• Incorporation of microfinance into the Water, Sanitation, and hygiene (WSH) sector, primarily the use of microcredit for household purchase of water treatment and sanitation solutions, has been tested in several countries, including Bangladesh, Vietnam, India, and Peru.

• The WaterSHED WASH integrated project suggests interaction can and does work if the conditions are right.

Research Objectives

• This study examines the impact of having credit officers attend latrine marketing meetings and offers loan to buy latrines.

• A household survey was used to assess villagers’ attitudes towards microfinance and sanitation.

Methods

Research Design

• Cluster randomized design based on observed 2009 government census block characteristics.

• Continues in Kampot East and Kampot City provinces with 12 participating marketing suppliers as of June 2011 and 2) the presence of at least one of the two participating MFIs, Amret and PRASAC, was eligible for treatment selection.

• A household survey was conducted based on the existing common level latrine ownership (as assessed by World Bank, latest available, measured), and previous exposure to the WaterSHED sanitation marketing campaign.

Implementation

• A total of 27 treatment communities, where microfinance credit officers were to be invited to all sanitation marketing village meetings, and control communities acted as control areas.

• Study intervention period was October 1, 2011 to March 31, 2013.

Implementation (continued)

• Phase I is currently in progress.

• Phase II had two participating MFIs, Amret and PRASAC, both with extensive history in Cambodian microfinance industry.

• Ongoing monitoring was used to evaluate meeting attendance and latrine uptake at the community level.

• Credit officers reported loan uptake from the meetings.

• Household Survey

• Two to three individuals were selected from each sanitation marketing event to complete a household survey assessing attitudes towards microfinance and sanitation.

• The fifth, 15th, and 30th 20’th names from an attendance roster were eligibility to complete the survey.

• Excluded meeting attendance with credit officers to determine outcomes of WaterSHED-MFI integration.

• Excluded loan application data to calculate number of loan applications and percent of meeting attendees for any loan from the attending MFI credit officer.

• A household survey was used to assess associations between latrine ownership and microfinance, attitudes towards latrine marketing, and microfinance integration.

Results

MFI integration with Latrine Marketing Campaign

• 14 of the 27 latrine meetings attended by MFI representatives in 34 of the 37 treatment communities in a six month period

• Of the 27 latrine meetings, 24 of the 38 attendees presented data on technical latrine meetings, 40% of attendees heard presentations from Amret, and 35% of attendees heard presentations from PRASAC.

• Intensive coordination was required to ensure that credit officers attended sanitation marketing meetings. This intense coordination at all levels of the WaterSHED WASH marketing campaign and the MFIs.

• Loan Uptake

• Preliminary data indicate that during the 67 meetings with available loan application information, 225 attendees (13% of total attendees) applied for a loan (versus individual loan).

• Mean of 1.2 loan applications per meeting (std. dev = 1.35 applications).

• 60% of loan applicants applied for a loan (versus individual loan).

• Referral Survey

• Survey respondents were more likely to be male, had an average household size of 5.6 members, and 3.8 of 6 selected assets.

• Households which currently own a latrine (43.2%) are larger, are more likely to own a television, mobile phone, motorcycle, and bed than households which do not have a latrine.

• Households which are in a group loan are more likely to be current MFI clients; they are also less likely to have an outstanding loan and have been ever an MFI client, although difference are not statistically significant.

• Motivations for purchasing and the types of financing used by current latrine owners are shown in Table 3. Only 37.8% of the latrine owners had used a loan from an MFI to purchase their latrine.

• Results are similar for respondents who purchased a latrine at the meeting at which they were surveyed, and for respondents who intended to lay at some point in the future.

• Motivations for Purchasing of and Types of Financing Used by Current Latrine Owners

<table>
<thead>
<tr>
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<th>None</th>
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<tbody>
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<td>58.7</td>
<td>30.8</td>
<td>0.007</td>
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<td>Getting an old toilet replaced</td>
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Conclusions

• There is significant interest among community members in loan to purchase latrines as measured by loan applications; however, often these loans do not fulfill the leading criteria set forth by the MFI.

• A survey of over 25% of those who use the presentation from the credit officer either for a latrine financing options or for any other future. This is much higher than the 5% of current latrine owners who had financed their latrine with an MFI loan.

• Those that do not intend to purchase a latrine, knowing that getting a loan from an MFI is an option may have more interest in latrine ownership.

• Integration of microfinance with existing sanitation marketing campaigns require time and personal dedication exclusive to coordination of marketing and lending activities to ensure that the intended benefits are achieved.

• In the absence of direct financial incentives for the MFI to participate, a commitment on the part of MFI to social programming was found to be particularly important as a motivation for continued MFI participation.

• Important areas for future exploration include measuring the effectiveness of continued marketing and microfinance integration over a longer period.

• Measuring the effectiveness of continued loan products available at marketing meetings more closely with the latrine owners who had financed their latrine with an MFI loan.

Acknowledgements

We would like to thank Phreu Roth and Dara Pou for excellent assistance in project implementation.

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References

• e.g.,

• Microfinance and WASH integration: The effect of microcredit on latrine uptake in rural Cambodia

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Department of Health Policy and Management, Gillings School of Global Public Health, University of North Carolina at Chapel Hill, Chapel Hill, NC; USDA Department of State, Washington, DC; WaterSHED Asia, Phnom Penh, Cambodia

Figure 1: Map of Cambodia with study regions highlighted. Source: mapsof.net

Figure 2: Latrine components ready for delivery. Source: WaterSHED Asia

Figure 3: Calculations based on households who have a poor flush latrine and could afford to purchase a better latrine. Results could be more than one reason, so totals may add up to more than 100%.