

#### Project objectives & approaches

- **Water:** A public private partnership project to enable private sector investment in, and operation of, four small scale local **water supply schemes** in one district of Sayaboury Province (in partnership with GRET).
- **Sanitation:** Demonstrate that donor and government investment in rural sanitation can be optimised through the use of 'smart subsidies'. The design of such subsidies is crucial in order to promote the desired behaviour change, target the poor, not distort the market or dampen demand.
- This project studies the potential for outputs-based aid (OBA) payments to accelerate latrine uptake among the poor as well as the achievement of **open defecation free (ODF)** status in 58 communities of Champasak and Sekong provinces.

#### Lessons learnt

- WASHOBA was the first project of its kind in the sanitation sector of Lao PDR. We are enthused that health sector staff from provincial and district levels have learned to implement the OBA approach and are excited by the results they are achieving under the program.
- Officials from the health sector appreciate the OBA approach as it has strong latrine construction results among the poor and also behaviour change through the verification of hand washing facilities and ODF achievement.
- Four water supply schemes have been licenced following a competitive bidding process with deep engagement from the Provincial Department of Public Works and Transport. The provincial government has demonstrated their commitment and appreciation for this project approach, and is contributing USD 15,000 per water scheme
- More than 50% of households in the water supply service area pre-financed 50% of their connection fee. This is the result of a successful marketing and community engagement campaign conducted by the private enterprise and supported by GRET. The money available from these pre-financed connections makes a big difference to the small enterprises investing in the water schemes.

#### Project challenge

The Champasak provincial government cancelled funding for their Community Led Total Sanitation (CLTS) program part way through a fiscal year. This wavering commitment and resourcing was worrying as CLTS is their national approach to sanitation. The decision triggered discussions on cost effectiveness, potential adjustments to the CLTS process, resource availability and government commitment to sanitation.

#### Sustainability

- Lessons learned on the OBA mechanism for both PPP water supply and sanitation need to be consolidated and reflected on with the target change agents and broader sector stakeholders in order to jointly decide the value and application of this mechanism in Laos for the future.
- Mechanism established to monitor the private water operators beyond project completion to track the quality of their service and their financial sustainability.
- To target and reach poor households, Laos needs an efficient poor-identification system and would benefit from a nation-wide roll out of the scheme developed under WASHOBA. Thrive will identify dissemination approaches regarding this poverty identification approach.

#### We are proud of:

Somsavanh water service will be delegated to Ms Sivily Vongsack, the first female investor in the public-private partnership water supply system program in Laos.



L-R: Khounkeo Ardpasouk & Hai Huong



L-R: Parmer, Chansouk, Arnaud Vombel, Hai Huong and partner

