

# **Opportunities and limits to market driven sanitation services; evidence from urban informal settlements in East Africa**

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**Environment & Urbanisation**

Volume 27 Number 2

October 2015

**Environmental Social Sciences, Eawag, Dübendorf, Switzerland**

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## **Abstract:**

Sanitation is a critical issue. Millions of people, especially children under five, are malnourished or die because of diarrheal related diseases. Improved sanitation facilities, where people are not in contact with faeces, can reduce the transmission of pathogens. The improvement of sanitation conditions in informal settlements is difficult because of the economic and institutional environment that often prevent private or public investment in infrastructure.

This analysis of the current impasse of sanitation conditions in informal settlements in two East African capitals, Nairobi and Kampala, compares user practices, access arrangements identifies the main actors involved in the provision of the different and overlapping waste management systems. The overlapping systems of consumption and provision have no coherence due to the multitude of small scale providers. The current system of service provision lacks regulation and does not account for externalities created by dumping of waste. In Nairobi, a new market-based approach to improving sanitation developed by a social enterprise, Sanergy. The company is responsible for the construction of facilities and the collection and treatment of wastes. The system improves user satisfaction, community well-being and environmental quality.

There is a clear opportunity for market-based sanitation interventions because a customer base already pays for sub-standard services. The collection, transport and treatment of wastes is where the private sector can most fruitfully engage with the sanitation sector. But there remains challenges around the ability to scale and finance these providers. In complex operating environments, where land tenure is insecure, there is increase transactional costs for companies. Regulation and enforcement of companies are required from local and municipal government offices if sustainable systems are to be developed.

## **Key words**

Sanitation, informal settlements, East Africa, bottom of the pyramid, social enterprise