

PROJECT STATUS REPORT

JULY 2017 - DECEMBER 2017

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Sustainable business model for sanitation services in Haiti

Project Number: HA-M1058 - Project Num.: ATN/ME-15767-HA

Purpose:

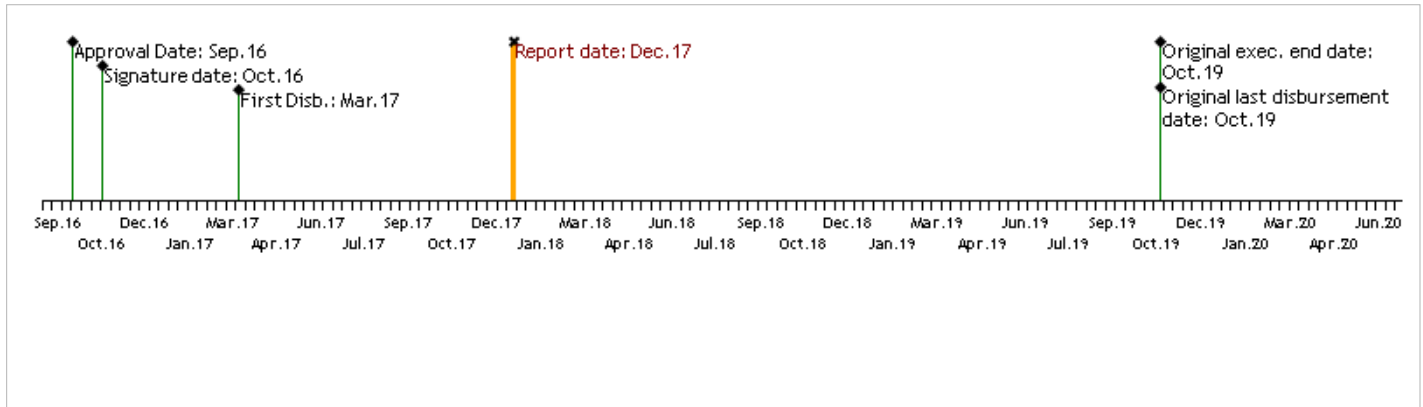
To pilot a model of ecological sanitation services that simultaneously produces and sells

compost for agriculture

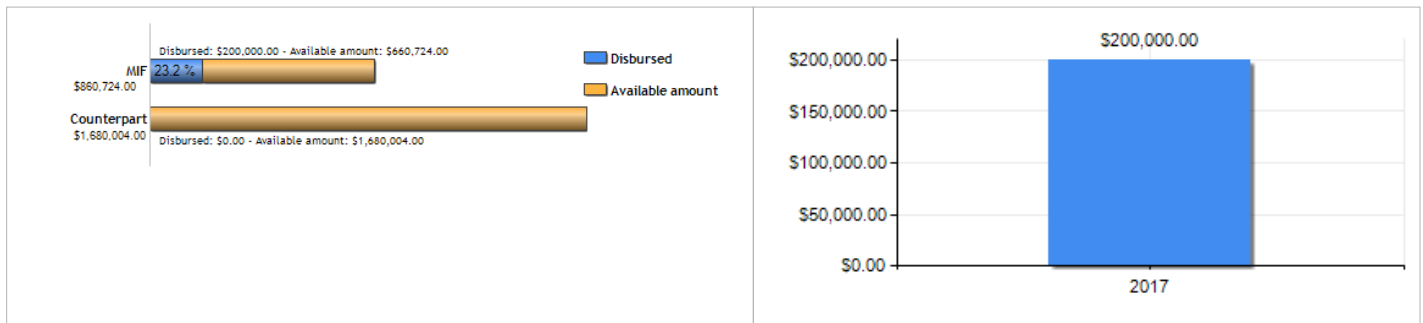
Country Admin	Country Beneficiary	Group	Subgroup
HAITI	HAITI	SME - Small and Medium Enterprise Development	BDEV - Business Development

Executing Agency:	Sustainable Organic Integrated Livelihoods	Design Team Leader:	SVANTE PERSSON
		Supervision Team Leader:	RALPH DENIZÉ

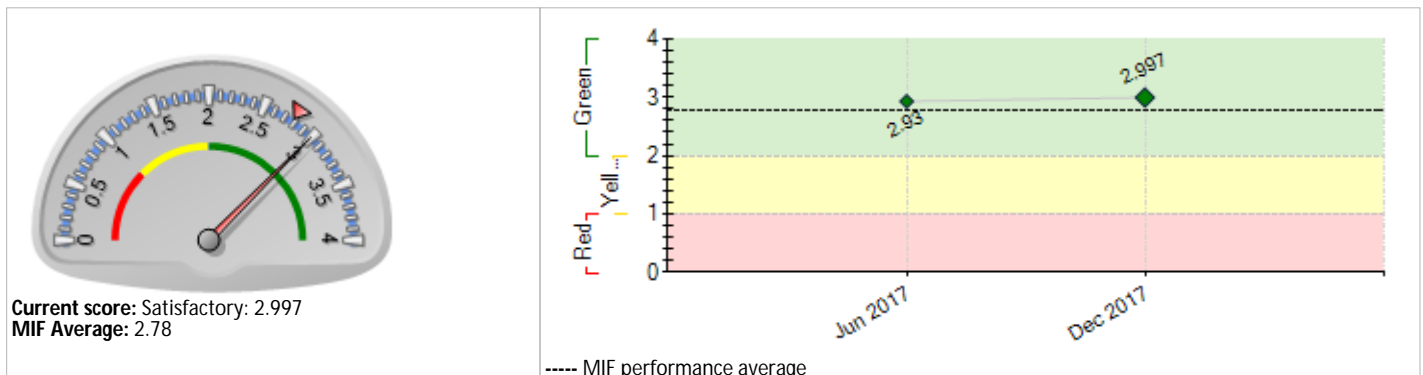
PROJECT CYCLE



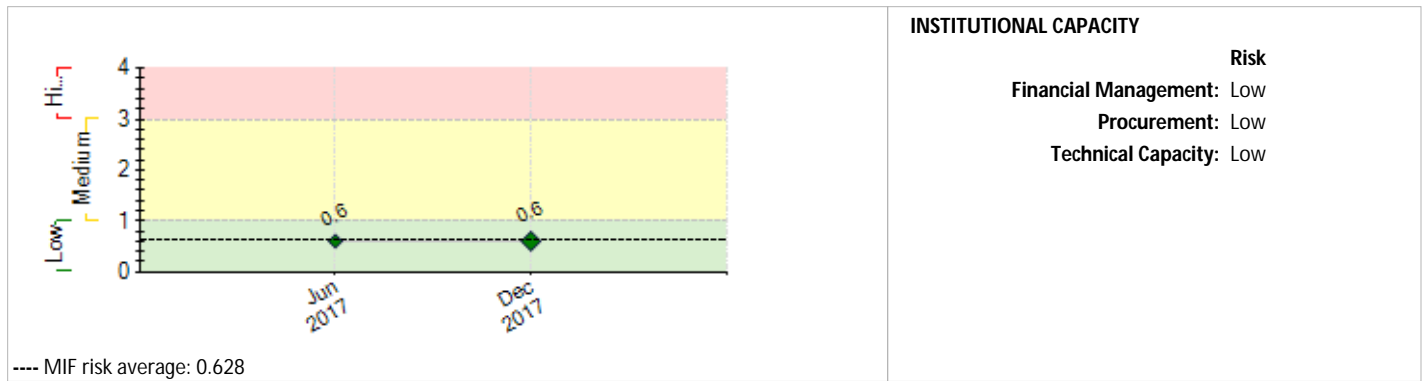
FUNDS



PERFORMANCE SCORE



EXTERNAL RISKS



SECTION 2: PERFORMANCE

Summary of project performance since inception

Over the course of this project SOIL has made positive progress on our three project components.

Main achievements include, but are not limited to:

Business Modeling collaborations with EY's low-bono Enterprise Growth Services yield updated cost and revenue figures and improved analysis of impact of business model improvements.

Sanitation Safety Planning: A Sanitation Safety Plan (SSP) has strengthened our collaboration with local stakeholders, Learn more at <https://www.oursoil.org/safety-first1710/> and <https://www.oursoil.org/how-soil-is-engaging-stakeholders-to-build-resilient-sanitation-systems/>.

World Bank report: The World Bank, using SOIL as a case study, recently conducted a "global landscaping study to formulate concrete recommendations for ways in which public sector agencies and sector donors can support Container-Based Sanitation solutions like SOIL's. While this report has not yet been released, early findings and a video produced as part of this study can be watched at www.oursoil.org/worldbankvideo-1712/.

Overall we are very pleased with the progress we made to date. We are currently on track to achieve the project milestones, and there are no significant delays or difficulties to report.

We will continue to move forward as planned and detailed in our annexes with no expected delays.

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The MIF partially agrees with the cumulative performance reported by SOIL. While the narrative relates important progress in the execution of the project, it lacks metrics that can show the extent of the progress and more importantly where lies the hurdles if any. On December 31, 2017 at least 8250 people should have had access to toilet. So far this number is 6521. For a projection of 65% increase in revenue, SOIL has achieved only 6.9%. Finally there is no mention of the formalization of Ekolakay as a business. The MIF would like to know if there are challenges associated with these indicators and what is the strategy to address them.

Summary of project performance in the last six months

Main achievements from the semester include, but are not limited to:

Component 1: Strengthen and expand sanitation businesses

+ Continued expansion of sanitation services

+ Customer satisfaction survey finds positive response to Ekolakay: <https://www.oursoil.org/port-au-prince-ekolakay-customers-report-growing-satisfaction-with-in-home-toilet-service-1708/>

Component 2: Improve waste treatment system

+ Continued operations and improvements at our waste treatment sites.

+ Collaboration on a Sanitation Safety Plan with key stakeholders.

Component 3: Knowledge management for global replication and scaling

+ SOIL's work recognized by prestigious international award. Learn more at <https://www.oursoil.org/soils-dr-sasha-kramer-wins-the-sarphati-sanitation-award-for-lifetime-achievement/>.

Overall we are very pleased with the progress we made during this reporting period. We are currently on track to achieve the project milestones, and there are no significant delays or difficulties to report.

Over the next semester we will continue moving forward on schedule with activities to include:

- > Continue to grow sanitation services
- > Increase use of mobile payments
- > Increase capacity at our waste treatment site
- > Test small adjustments to the waste treatment process
- > Present on SOIL's work at the World Economic Forum in Davos, Switzerland
- > Collaborate with research partners on business modeling

We look forward to reporting on these activities in the next report.

Comments from the Supervision Team Leader

Partially Agree with the Executing Agency comments

The reports shows significant progress in the execution of the project. Yet, it would be good to see if the peer reviewed papers will be published anytime soon for example.

SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
Goal: To contribute to reduce the spread of disease while creating job opportunities	I.1 Improved quality of life in urban areas due to access to affordable and dignified sanitation services				Oct 2019	No Dec 2017	
	I.2 Reduction of diarrheal disease incidence in communities with improved sanitation services	0 Oct 2016	10 Oct 2017			40 Oct 2019	0 Dec 2017
	I.3 Reduction in environmental pollution from fecal pathogens	0 Oct 2016	10 Oct 2017	30 Oct 2018		50 Oct 2019	0 Dec 2017
	I.4 Increased agricultural productivity in areas where compost is applied.	0 Oct 2016	10 Oct 2017			20 Oct 2019	0 Dec 2017
Purpose: To pilot a model of ecological sanitation services that simultaneously produces and sells compost for agriculture	R.1 17,500 people accessing a EkoLakay toilet and revenues increased	0 Oct 2016	10 Oct 2017			30 Oct 2019	6.9 Dec 2017
	R.2 Average EkoLakay toilet payment rate increased (50%)	0 Oct 2016	20 Oct 2017	30 Oct 2018		50 Oct 2019	2.4 Dec 2017
	R.3 Number of EkoMobil toilet users increased and EkoMobil toilet rental profit established	5000 Oct 2016	8000 Oct 2017	12000 Oct 2018		17500 Oct 2019	60787.9 Dec 2017
	R.4 Compost sale revenue increased 50%	0 Oct 2016	15 Oct 2017	30 Oct 2018		50 Oct 2019	-45.2 Dec 2017
Component 1: Strengthen and expand sanitation businesses Weight: 40%	C1.I1 EkoLakay registered as a formal social business				Oct 2017	No Dec 2017	Delayed
	C1.I2 Number of people accessing a toilet	0 Oct 2016	8250 Oct 2017	19250 Oct 2018		25850 Oct 2019	6521 Dec 2017

Classification: Satisfactory	C1.I3	Number of toilets in service	0	700	2500		4500	1150	On Course
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017	
	C1.I4	EkoLakay annual revenue increase	0	65			75	6.9	On Course
			Oct 2016	Apr 2018			Oct 2019	Dec 2017	
Classification: Satisfactory	C1.I5	EkoLakay payment rate	0	75			80	82	Finished
			Oct 2016	Oct 2017			Oct 2019	Dec 2017	
Component 2: Improve waste treatment system Weight: 30% Classification: Satisfactory	C2.I1	Annual compost sale revenue	0	18000	30000		53000	16034.58	Delayed
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017	
	C2.I2	Metric tons (MT) of human waste removed from urban communities	0	500	800		1500	570.21	On Course
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017	
Classification: Satisfactory	C2.I3	Metric tons of compost produced from human waste for agricultural purposes	0	90			275	87.47	On Course
			Oct 2016	Apr 2018			Oct 2019	Dec 2017	
Component 3: Knowledge management and strategic communication Weight: 30% Classification: Satisfactory	C3.I1	Produce and disseminate business plans for EkoLakay, EkoMobil, and the waste treatment sites	0	2	2		3	1	Delayed
				Oct 2018	Oct 2018		Oct 2019	Dec 2017	
	C3.I2	Annual number of people participating in SOIL workshops and training	0	750			1000	3884	Finished
				Apr 2018			Oct 2019	Dec 2017	
Classification: Satisfactory	C3.I3	Number of peer reviewed papers published	0	3	3		5	1	On Course
				Oct 2018	Oct 2018		Oct 2019	Dec 2017	

Milestones	Planned	Due Date	Achieved	Date of achievement	Status	
M1	Conditions Prior	1	Apr 2017	6	Mar 2017	Achieved
M2	At Least 25 metric tons of waste removed from communities and safely treated every month	25	Oct 2017	50	Jun 2017	Achieved
M4	EkoLakay Business Plan (shared with IDB)	1	Jan 2018	1	Dec 2017	Achieved
M5	peer-reviewed paper published	1	Jan 2018	1	Dec 2017	Achieved
M3	At least 38 metric tons of waste removed from communities and safely treated every month	38	Jul 2019	41	Dec 2017	Achieved
M1	At least 1000 EkoLakay toilets in service	1000	Oct 2019	1150	Dec 2017	Achieved
M6	Waste Treatment Site Business Plan (shared with IDB)	1	Nov 2019	0	Dec 2017	

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE*[None reported in this period]***SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. DINEPA, under a different government administration, might decide to not support the continuation of the project.	Medium	Advocacy for the project would continue through both the Executing Agency and the MIF. There will be event to share knowledge products with DINEPA and	Project Coordinator
2. Low demand for the products associated with social acceptance and perception about the use of human waste and the difficulty in lowering the costs to reach sustainability.	Low	The marketing component will address this issue. A social marketing campaign showing the benefits of addressing Sanitation will be conducted.	Project Coordinator
3. Exchange rate fluctuations. Mitigation: Contingency funding in budget; As many expenses as possible in Haitian Gourdes.	Low	Mitigation: keep costs low and acceptance/demand high	Project Coordinator
4. Business outcomes predict that the solution is not replicable in a profitable manner.	Low	Transparently share lessons learned to help others avoid the same mistakes.	Project Coordinator

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 4 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0**SECTION 5: SUSTAINABILITY****Likelihood of project sustainability after project completion:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY***[None reported in this period]***Actions related to sustainability which have been taken in the reporting period:**

SOIL is strengthening EkoLakay's business model by establishing and mobilizing multiple value adding and sustainable revenue streams. At either end of the service chain, SOIL applies tariffs: monthly service fees to households accessing the service at 200 – 250 HTG (~USD 3.00 - 3.75), and one-time charges for compost sales at USD 300 per ton targeting farmers and reforestation projects. Tariffs are close to covering the cost of sales, containment, and primary transport of the waste. SOIL is currently focused on researching and capturing economies of scale, operational efficiencies, and technology innovations to refine the EkoLakay

model and ensure the service is able to achieve financial sustainability in the coming years. SOIL is also pursuing a collaboration with the Haitian national sanitation authority, DINEPA, to potentially establish a public-private partnership that pays for safe secondary transport and treatment of waste through results-based finance, with the support of multinational financing institutions. This partnership could be modelled on successful solid waste management services used in many emerging economy cities.

SECTION 6: PRACTICAL LESSONS

	Relative to	Author
1. Paying for basic services: Before clients sign on for the EkoLakay service, the SOIL team talks through our monthly fee with them. What we have realized over time is that clients' ability to pay increases when they are offered more flexible payment options, such as paying several months at a time, or paying in smaller increments throughout the month. The financial needs of our clients vary widely, and we have worked to incorporate more flexible payment options into our service to accommodate those needs. SOIL currently collects toilet user fee payments through door-to-door collection and from collection at our offices or depots. However we are eager to switch to collecting only via mobile payments and phase out collection of hard currency in order to save time and money and reduce the need for our staff to carry cash on them.	Implementation	Page, Leah Nevada Page