

# PROJECT STATUS REPORT

JANUARY 2018 - JUNE 2018

## 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

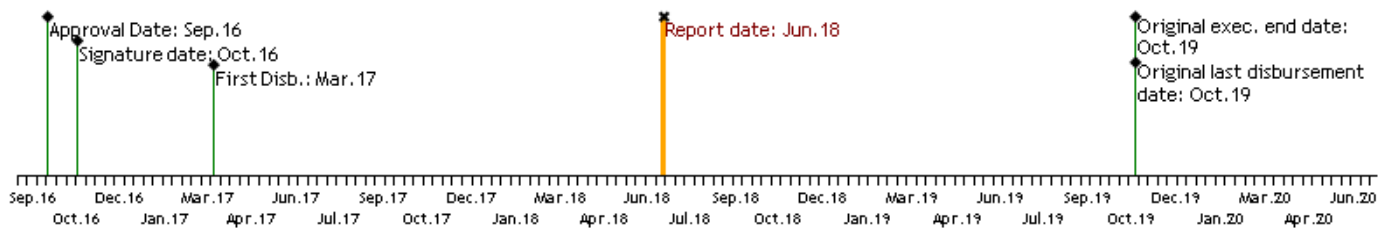
compost for agriculture

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

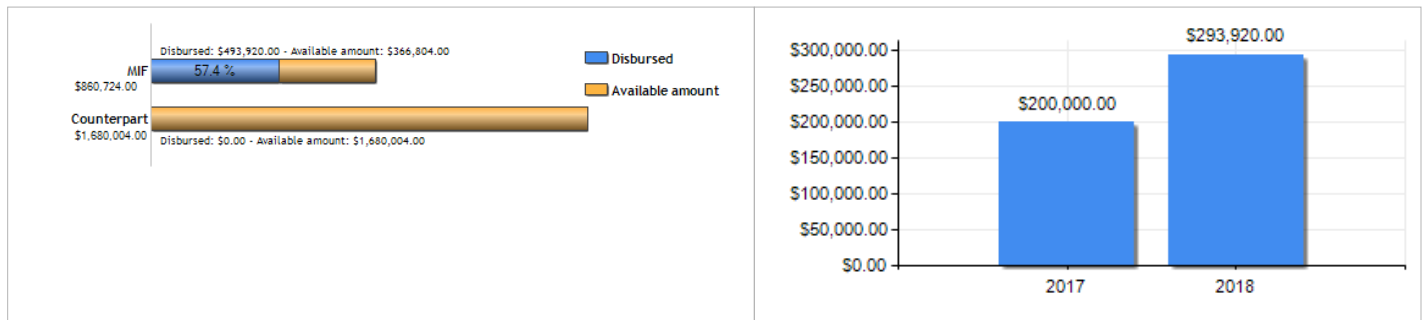
**Executing Agency:** Sustainable Organic Integrated Livelihoods

**Design Team Leader:** SVANTE PERSSON  
**Supervision Team Leader:** YOLANDA STRACHAN

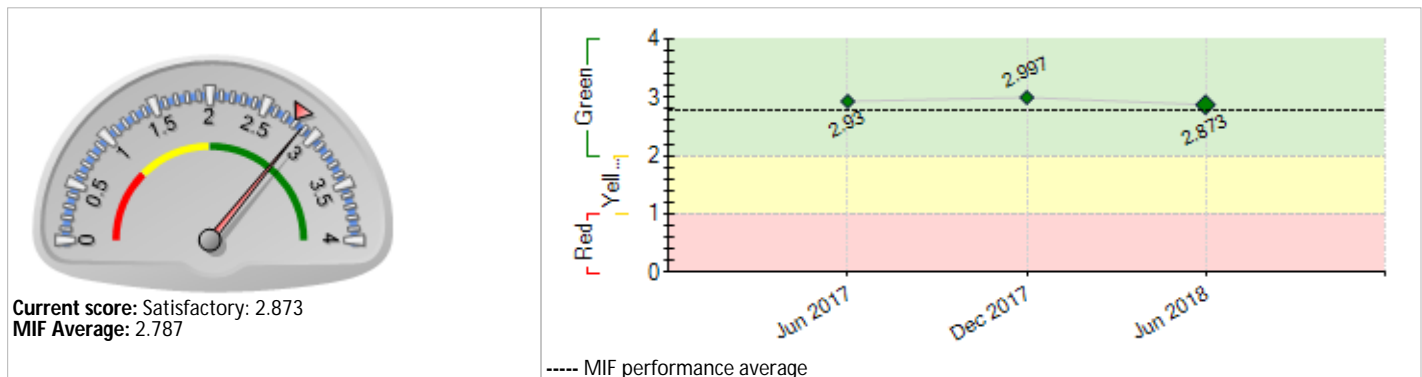
**PROJECT CYCLE**



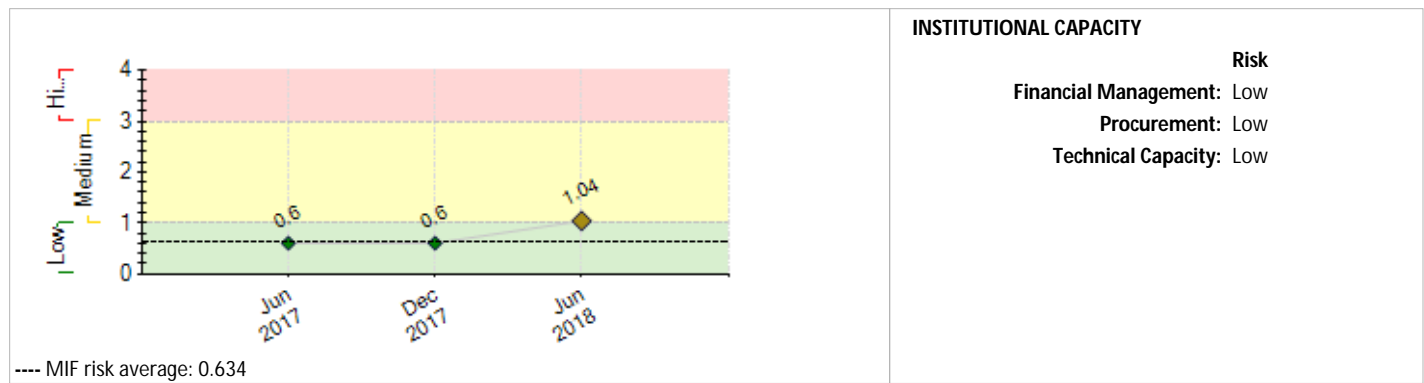
**FUNDS**



**PERFORMANCE SCORE**



**EXTERNAL RISKS**



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

#### 1. Results (10/16 - 06/18) include/ but not limited to

**Component 1:** With 1,052 toilets in service, SOIL has met the 06/2018 milestone to have 1,000 EkoLakay toilets on the service.

**Component 2:** SOIL treats 100% of the waste generated by our toilets. We're currently treating 40+ tons of waste monthly (exceeding 06/2017 milestone "25+ metric tons of waste removed from communities and safely treated every month by >60%.")

**Component 3:** SOIL's peer reviewed publication on our cost analysis allowed us to identify productive areas for cost reduction. See <http://www.oursoil.org/process-costs-paper-1807/>. (Meets 12/2018 milestone "1 peer-reviewed paper published")

#### 2. Delays

We have been focused on implementing innovations (such as mobile payments). These actions are critical for long-term viability, although they reduce growth in the interim.

#### 3. Risks

The recent fuel price increase and the resulting protests slowed operations for several days. Gas price increases could have a negative impact on our ability to provide services while achieving cost reduction goals. We built a contingency sum into our budget to allow for the risk of doing business in Haiti.

#### 4. Likelihood of achieving final objectives

We are optimistic that we will meet our final objectives and milestones.

#### 5. Key actions planned

- Continue to reduce sanitation service costs
- Scale up sanitation services and waste treatment capacity
- Secure blended-revenue financing for further scale up and sustainability

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

### Summary of project performance in the last six months

**Component 1:**

- + Refined business model in preparation for Ekolakay expansion
- + Migrated to new financial platform, NetSuite, to ringfence business units and keep a focus on costs and revenues
- + Continued transition to mobile payments: [bit.ly/2li0NOj](http://bit.ly/2li0NOj)
- + Built a depot to reduce transportation costs: [bit.ly/2lqIMre](http://bit.ly/2lqIMre)

**Component 2:**

- + Expanded treatment site: [bit.ly/2MQLUif](http://bit.ly/2MQLUif)
- + Testing by lab services company confirmed that our compost is pathogen free: [bit.ly/2JFzQhy](http://bit.ly/2JFzQhy)

**Component 3:**

- + Won the Lush Spring Prize: [oursoil.org/springprize](http://oursoil.org/springprize)
- + Presented at 3 international conferences
- + Published a peer reviewed paper: [bit.ly/2Jh3wAP](http://bit.ly/2Jh3wAP)
- + Presented at IDB's sanitation workshop at the Cap-Haitien mayor's. DINEPA's Director General said, "SOIL is not some pie in the sky idea, SOIL is on the ground with us... we have to find a way to sit with SOIL, the IDB, and DINEPA to develop a public private partnership!"

**2. Delays**

- + Frustrated with entrenched overhead costs at our Port-au-Prince office, we decided to switch to a more streamlined operational structure that can nimbly grow in the future.
- + In Cap-Haitien we are setting aggressive targets for mobile payments and increasing the service fee for clients who pay with cash. We expect this to lead to a temporary reduction in toilet numbers but in the long-term will allow us to reduce costs and scale rapidly.

**3. Next semester**

- Increase mobile payments
- Increase waste treatment capacity

Present at World Water Week  
**Comments from the Supervision Team Leader**

Agree with the Executing Agency comments

**SECTION 3: INDICATORS AND MILESTONES**

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Goal:</b> To contribute to reduce the	I.1	Improved quality of life in urban areas due to access to				Yes	

spread of disease while creating job opportunities	affordable and dignified sanitation services						Oct 2019	Jul 2018	
	I.2	Reduction of diarrheal disease incidence in communities with improved sanitation services	0	10			40	1	
			Oct 2016	Oct 2017			Oct 2019	Jul 2018	
	I.3	Reduction in environmental pollution from fecal pathogens	0	10	30		50	1	
Purpose:  To pilot a model of ecological sanitation services that simultaneously produces and sells  compost for agriculture			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Jul 2018	
	I.4	Increased agricultural productivity in areas where compost is applied.	0	10			20	1	
			Oct 2016	Oct 2017			Oct 2019	Jul 2018	
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	10			30	6512	
			Oct 2016	Oct 2017			Oct 2019	Jul 2018	
	R.2	Average EkoLakay toilet payment rate increased (50%)	0	20	30		50	10.4	
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Jul 2018	
	R.3	Number of EkoMobil toilet users increased and EkoMobil toilet rental profit established	5000	8000	12000		17500	25506.68	
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Jul 2018	
	R.4	Compost sale revenue increased 50%	0	15	30		50	11.66	
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Jul 2018	

<b>Component 1:</b> Strengthen and expand sanitation businesses  <b>Weight:</b> 40%  <b>Classification:</b> Satisfactory	C1.I1	EkoLakay registered as a formal social business					No	Delayed
							Oct 2017	Dec 2017
	C1.I2	Number of people accessing a toilet	0	8250	19250		25850	6521
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017
	C1.I3	Number of toilets in service	0	700	2500		4500	1150
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017
<b>Component 2:</b> Improve waste treatment system  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	C1.I4	EkoLakay annual revenue increase	0	65			75	6.9
			Oct 2016	Apr 2018			Oct 2019	Dec 2017
	C1.I5	EkoLakay payment rate	0	75			80	82
			Oct 2016	Oct 2017			Oct 2019	Dec 2017
	C2.I1	Annual compost sale revenue	0	18000	30000		53000	16034.58
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017
<b>Component 3:</b> Knowledge management and strategic communication  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	C2.I2	Metric tons (MT) of human waste removed from urban communities	0	500	800		1500	570.21
			Oct 2016	Oct 2017	Oct 2018		Oct 2019	Dec 2017
	C2.I3	Metric tons of compost produced from human waste for agricultural purposes	0	90			275	87.47
			Oct 2016	Apr 2018			Oct 2019	Dec 2017
	C3.I1	Produce and disseminate business plans for EkoLakay, EkoMobil, and the waste treatment sites	0	2	2		3	1
				Oct 2018	Oct 2018		Oct 2019	Jan 2018
<b>Component 3:</b> Knowledge management and strategic communication  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	C3.I2	Annual number of people participating in SOIL workshops and training	0	750			1000	3884
				Apr 2018			Oct 2019	Dec 2017
	C3.I3	Number of peer reviewed papers published	0	3	3		5	1
				Oct 2018	Oct 2018		Oct 2019	Dec 2017

Milestones		Planned	Due Date	Achieved	Date of achievement	Status
M1	Conditions Prior	6	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. Gas price increases or inflation could increase sanitation servicing costs.	Medium	Continue to improve logistics and operations to minimize transport needs.	Project Coordinator
2. Gas price increases or inflation could increase sanitation servicing costs.	Medium	Continue to improve logistics and operations to minimize transport needs.	Project Coordinator
3. 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. In addition, SOIL has developed strong relationships with technical employees throughout DINEPA that will not change with a new administration.	Project Coordinator

4. 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
5. 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
<b>PROJECT RISK LEVEL:</b> Medium <b>TOTAL NUMBER OF RISKS:</b> 6 <b>IN EFFECT RISKS:</b> 6 <b>NOT IN EFFECT RISKS:</b> 0 <b>MITIGATED RISKS:</b> 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 – 350 HTG (~USD 3.00 – 5.18), and charges for compost sales at USD 300 per ton. Tariffs are close to covering the cost of containment and primary transport of the waste. SOIL is 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. We have been operationalizing lessons learned from our process costs analysis research, which identified new areas for innovation. SOIL is also pursuing a collaboration with the Haitian national sanitation authority, DINEPA, to 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 modeled on successful solid waste management services used in many emerging economy cities.

## SECTION 6: PRACTICAL LESSONS

1. Stakeholder engagement – We work to build support for our work among key stakeholders within the Haitian government across the country, knowing it's critical to our ability to successfully expand a durable citywide sanitation service. Learn more about how we've invested in this intentional collaboration during the past semester at <a href="https://bit.ly/2Cknszn">bit.ly/2Cknszn</a> .	Relative to Sustainability	Author Page, Leah Nevada Page
2. Customer satisfaction – Household toilet customers paying for our service is critical to our long-term success and SOIL is dedicated to building a service that meets the needs and desires of our market base at an affordable price. In the long-term we believe investments in customer satisfaction will pay off with reduced attrition and higher referral marketing rates. Learn more about our work to document customer feedback at <a href="https://bit.ly/2wn18mL">bit.ly/2wn18mL</a> .	Implementation	Page, Leah Nevada Page