

# PROJECT STATUS REPORT

JULY 2018 - DECEMBER 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

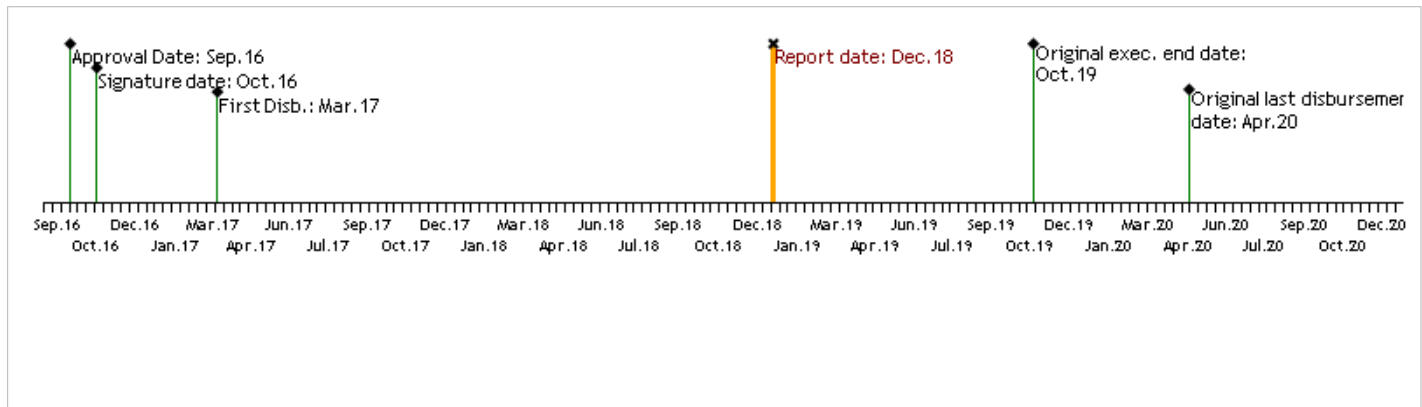
compost for agriculture

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

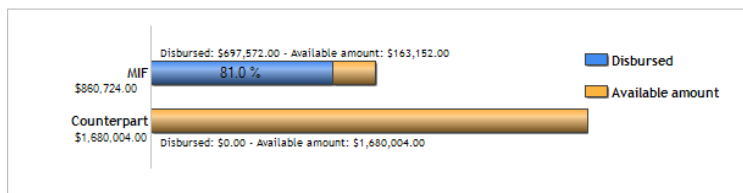
**Executing Agency:** Sustainable Organic Integrated Livelihoods

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

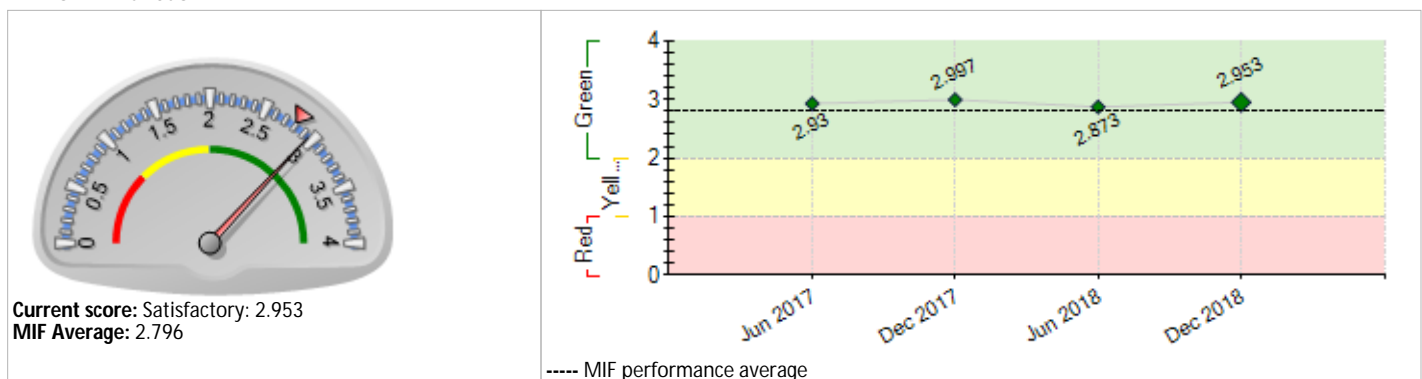
**PROJECT CYCLE**



**FUNDS**



**PERFORMANCE SCORE**

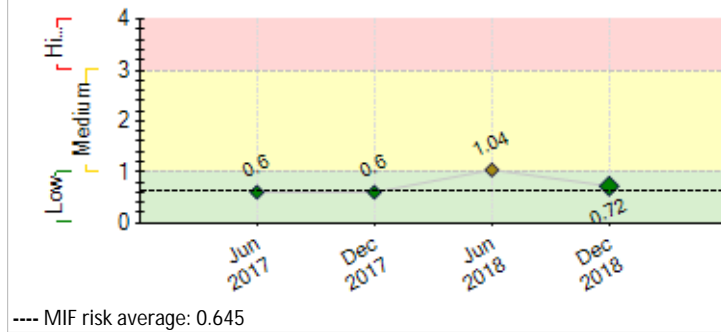


**EXTERNAL RISKS**

**INSTITUTIONAL CAPACITY**

**Risk**  
**Financial Management:** Low  
**Procurement:** Low

Technical Capacity: Low



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

#### 1. Results (Oct '16 – Dec '18) include/ but not limited to

**Component 1:** SOIL has 984 toilets in service. See lessons learned for SOIL's growth strategy.

**Component 2:** SOIL treats 100% of EkoLakay toilet waste. In 2018, we removed and safely treated 480 tons of waste.

**Component 3:** 1088 people were reached by SOIL's educational programming in 2018.

#### 2. Delays

As we shared in our recent meeting with the IDB team in Haiti, SOIL has been busy implementing innovations and operational changes which are critical for long-term growth, although they have reduced the specified project outcomes in the interim.

#### 3. Risks

2018's growing political crisis and inflation rates led to increased economic hardship for SOIL clients and operational challenges.

#### 4. Likelihood of achieving objectives

We are pleased to report that we have met several of our final objectives and outcomes, although we are off track on our growth goals. We're confident that the changes we're implementing is building a strong foundation for SOIL's scale and the success of a groundbreaking urban sanitation business for Northern Haiti.

#### 5. Key actions planned

- Continue to implement costs reduction measures and develop business model
- Implement strategies for preventing the accumulation of client toilet user fee debt
- Prepare to scale up sanitation and waste treatment services in Cap-Haitien in partnership with IDB and DINEPA

Secure blended-revenue financing for scale up and sustainability

Comments from the Supervision Team Leader

Agree with the Executing Agency comments

The SOIL team has been in contact with the IDB Water and Sanitation team to identify ways to scale up the through the upcoming IDB operation with DINEPA. The plan is to scale up to 8000 households from 2019-2025. SOIL has prepared and submitted a business plan to this effect.

Soil has been restructuring to improve its business focus. Some difficulties experienced with the mobile payments through Mon Cash. Growth has been slowing and SOIL is losing some customers.

Nonetheless, SOIL has revised its business plan and is seeking blended financing through IDBs public sector operations.

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

#### Achievements include:

#### Component 1

- + 5 year planning session with business strategy expert to ensure future financial stability [bit.ly/2LoiIE](https://bit.ly/2LoiIE)
- + Worked with Clean Team CEO to implement change management program
- + Increased mobile payment rates and reduced client debt
- + Worked with EY to assess business strategy for EkoMobil mobile sanitation service [bit.ly/2KRSDfe](https://bit.ly/2KRSDfe)
- + Operated EkoLakay as other services shut down during protests and flooding [bit.ly/2RhDjuN](https://bit.ly/2RhDjuN)

#### Component 2

- + Sold 39 tons of compost to reforestation project, in one of SOIL's biggest compost sales yet [bit.ly/2VEa9Vc](https://bit.ly/2VEa9Vc)

#### Component 3

- + Won UN Momentum for Change Prize [oursoil.org/momentumforchange](https://oursoil.org/momentumforchange)
- + Presented at 7 international conferences
- + Upcoming peer-review paper demonstrates climate impact [bit.ly/2A4KcVg](https://bit.ly/2A4KcVg)
- + Continued collaboration with Container-Based Sanitation Alliance in support of global replication [bit.ly/2M1Q6tD](https://bit.ly/2M1Q6tD)

**2. Delays:** As we transition from a non-profit R&D organization to a social enterprise poised for scale, SOIL has been implementing changes to our systems and operations that are designed to strengthen our sustainability and foundation for growth. As such, we have not been prioritizing service expansion.

### 3. Next semester

- Continue change management program

Expand waste treatment site in Cap-Haitien

- Move forward negotiations for a blended financial model with IDB and DINEPA to finance scaling our service to reach 15% of the Cap-Haitien population, or 8,000 households, by 2025.

#### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

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Soil has been restructuring to improve its business focus. Some difficulties experienced with the mobile payments through Mon Cash. Growth has been slowing and SOIL is losing some customers.

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### SECTION 3: INDICATORS AND MILESTONES

Indicators	Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Goal:</b> 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	Yes Jan 2019	
	I.2 Reduction of diarrheal disease incidence in communities with improved sanitation services	0	10		40	1	
		Oct 2016	Oct 2017		Oct 2019	Jan 2019	
	I.3 Reduction in environmental pollution from fecal pathogens	0	10	30	50	1	
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jan 2019	
	I.4 Increased agricultural productivity in areas where compost is applied.	0	10		20	1	
		Oct 2016	Oct 2017		Oct 2019	Jan 2019	
<b>Purpose:</b>  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	5905	
		Oct 2016	Oct 2017		Oct 2019	Jan 2019	
	R.2 Average EkoLakay toilet payment rate increased (50%)	0	20	30	50	5.2	
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jan 2019	
	R.3 Number of EkoMobil toilet users increased and EkoMobil toilet rental profit established	5000	8000	12000	17500	11699	
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jan 2019	
	R.4 Compost sale revenue increased 50%	0	15	30	50	39.5	
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jan 2019	
<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				Oct 2017	No Jul 2018	Delayed
	C1.I2 Number of people accessing a toilet	0	8250	19250	25850	5965	Delayed
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jul 2018	
	C1.I3 Number of toilets in service	0	700	2500	4500	1052	Delayed
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jul 2018	
	C1.I4 EkoLakay annual revenue increase	0	65		75	-1.7	Delayed
		Oct 2016	Apr 2018		Oct 2019	Jul 2018	
	C1.I5 EkoLakay payment rate	0	75		80	87	On Course
		Oct 2016	Oct 2017		Oct 2019	Jul 2018	
<b>Component 2:</b> Improve waste treatment system  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	C2.I1 Annual compost sale revenue	0	18000	30000	53000	11473.88	Delayed
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jul 2018	
	C2.I2 Metric tons (MT) of human waste removed from urban communities	0	500	800	1500	519.18	Delayed
		Oct 2016	Oct 2017	Oct 2018	Oct 2019	Jul 2018	
	C2.I3 Metric tons of compost produced from human waste for agricultural purposes	0	90		275	116.52	On Course
		Oct 2016	Apr 2018		Oct 2019	Jul 2018	

<b>Component 3:</b> Knowledge management and strategic communication  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	C3.11	Produce and disseminate business plans for EkoLakay, EkoMobil, and the waste treatment sites	0	2	2	3	1	Delayed
	C3.12	Annual number of people participating in SOIL workshops and training	0	750		1000	2178	On Course
	C3.13	Number of peer reviewed papers published	0	3	3	5	2	Delayed
				Oct 2018	Oct 2018	Oct 2019	Jul 2018	

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	Jul 2018	

#### 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. 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
3. 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
4. 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
5. Business outcomes predict that the solution is not replicable in a profitable manner.	Low	in the long-term, public financing is required for the sustainability of waste treatment. We are working with IDB and DINEPA to plan a blended financing bridge to a long-term PPP.	Project Coordinator

**PROJECT RISK LEVEL:** Low **TOTAL NUMBER OF RISKS:** 6 **IN EFFECT RISKS:** 6 **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 has identified Results-based Financing (RBF) as being the key to financial sustainability. With the support of the FOMIN funds, we were able to move forward with business planning and drafted a business plan for sustainably scaling sanitation services with blended finance. To take advantage of this unprecedented opportunity, SOIL is implementing a change management program ensure SOIL is poised to scale. Key areas of focus to ensure sustainability include

- ? Reducing organizational complexity to reduce costs, simplify management at scale, and better ringfencing operations and HR management between business units (EkoLakay, waste treatment, non-profit work)
- ? Improving management skills through focused performance reviews, training, and hiring new staff
- ? Incorporating performance and KPIs into staff evaluations
- ? Implementing an aggressive debt management program to reduce attrition
- ? Investing in the financial and operational systems changes needed to reduce costs and scale rapidly like a new CRM data-base for container-based sanitation services

We encourage the reviewers to read the RBF business plan submitted with documentation and we welcome questions on this exciting plan.

## SECTION 6: PRACTICAL LESSONS

	Relative to Implementation	Author
<p>1. + After studying the market potential for SOIL's mobile toilet business EkoMobil with partners at EY, SOIL decided to strategically pivot away from the program and focus our energy on the opportunity ahead of us to significantly scale EkoLakay across Cap-Haitien. We may return to EkoMobil in years to come, but we are now satisfied with our overall business strategy to be more laser-focused on preparing EkoLakay for growth.</p> <p>+ Learning from global partners: A month long visit to Cap-Haitien from Peter Townsley, the CEO who transformed Clean Team into a rapidly growing enterprise in Ghana, helped SOIL streamline operations and improve cost-efficiency. Since the visit SOIL has implemented intensive changes as part of an ongoing change management program, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>- Increased efficiency of depot management</li> <li>- Refining strategy to ensure that customer debt never exceeds 600 HTG</li> <li>- Introducing salary incentives for the collection team to increase efficiency</li> </ul>		Page, Leah Nevada Page