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## Consumer choice: the service ladders

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Lahiri, Santanu, and Soutsakhone Chanthaphine. 2019. "Consumer Choice: The Service Ladders". figshare.  
<https://hdl.handle.net/2134/29433>.



## Consumers choice: the service ladders

*Santanu Lahiri and Dr. Soutsakhone Chanthaphine, Lao PDR*

THE LAO PEOPLE'S Democratic Republic (Lao PDR) is located in the Greater Mekong Region, a land lock country, bordering with Cambodia, China, Myanmar, Thailand and Vietnam. The current population of Lao PDR is 5.2 million with a population growth rate is 2.8%, ranked 131st out of 161 countries in UNDP Human Development Index (2001). The current coverage on rural water supply is 60% and rural sanitation is 36% in Lao PDR. The aim of the Lao PDR is "to quit once and for all the status of a least developed country by the year 2020". Achieving this goal is synonymous with eradication of mass poverty by ensuring economic growth with equity, while safeguarding the social, cultural, economic and political identity. The goal of Lao PDR is to have 90% coverage of rural water supply and 70% rural sanitation coverage by 2020.

To support the progress towards the goal, in November 1997, the lead sector agency National Centre for Environmental Health and Water Supply under Ministry of Health<sup>1</sup> (commonly known as Nam Saat), successfully launched the 'Lao PDR Rural Water Supply and Sanitation (RWSS) Sector Strategy and Guideline National Framework'. One of the key strategic principles of this nationally led strategy is to support the use of a demand-responsive approach in the provision of improved water supply, sanitation and hygiene. To make this happen, the challenge is to find optimal local solutions without sacrificing technical feasibility and quality. Informed choice involves decisions by consumers from available feasible technical, financial and organizational options based on an adequate understanding of alternative consequences. Potential consumers need to be provided with accurate information about the different technological options and level of services available, but also need to be provided with the trade-offs between the different options, service levels and investment costs.

### Lao PDR RWSS sector strategy and the strategic principles

The Lao PDR RWSS Sector Strategy was developed through a nationally led process, with support from World Bank Water and Sanitation Program East Asia and Pacific (WSP-EAP) in collaboration with UNICEF and other sector partners, with funding from the Swedish International Development Cooperation Agency (Sida). A step-by-step process was followed to develop the Lao PDR RWSS Sector Strategy and Guideline National Framework initiated in 1994. The Ministry of Health launched the Strategy in 1997.

The National RWSS Sector Strategy is based upon the premise that there must be maximum community participation for RWSS services to be used and sustained. With use, sustainability and impact as priorities, several guiding principles were developed to assist with the administration of RWSS services in the Lao PDR. Some of the main Strategic Principles are as follows<sup>2</sup>:

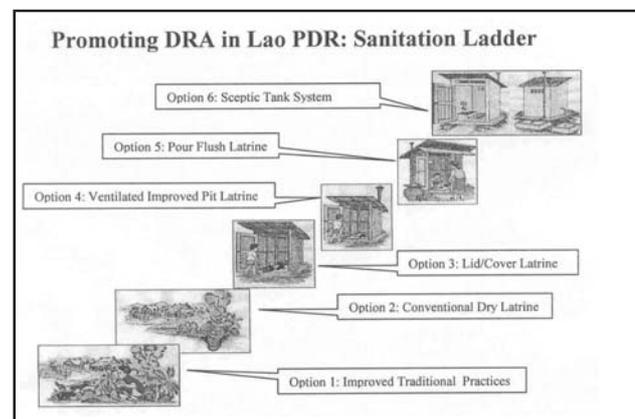
- Equity of service, accountability and transparency
- Establishing Partnerships and bottom-up decentralized planning
- Informed choice - participatory approach – community management and ownership
- Monitoring, evaluation and instituting learning

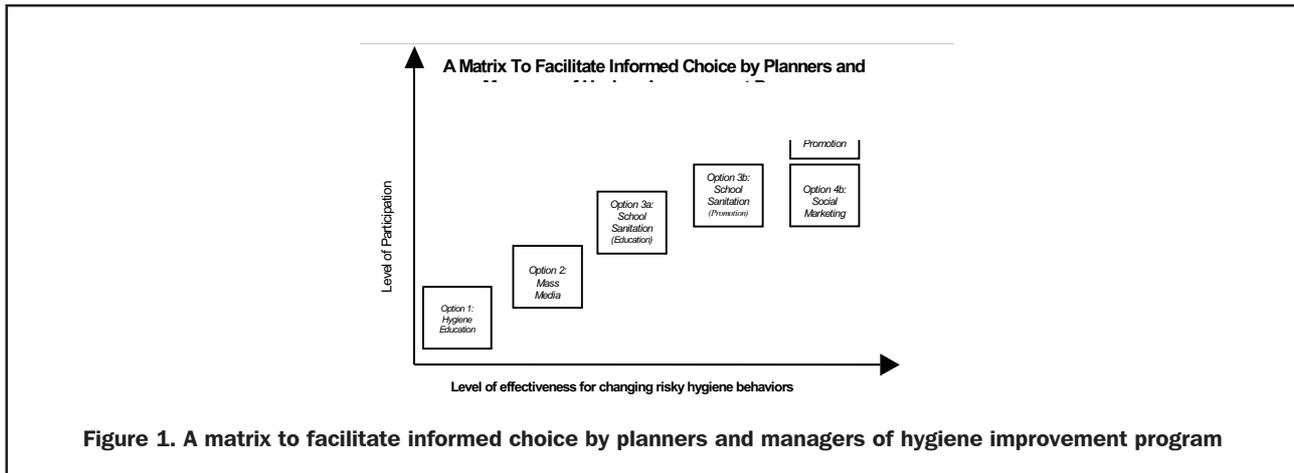
Nam Saat in consultation with partners agreed that while putting the strategy into practice the following measures will be taken:

- Ensuring a Lao-led participatory approach
- Balancing the technical assistance support style
- Promoting step-by-step progressive improvements
- Assessing demand through community dialogue by offering service ladders, a participatory methodology (based on PRA and PHAST) designed and initiated through a consultative process, and being adapted to the Lao context.

### Vehicles for application of the strategy and service ladders

Nam Saat designed the RWSS Component of the Provincial Infrastructure Project (through IDA Credit) and Nam Saat's Phase-II National Programme (funded by Sida) as vehicles to put the above-mentioned Strategic Principles into practice. These, and other projects, are progressively enabling other sector partners, line agencies, ESAs and





NGOs to come in line with the National Strategy and support government in its demand responsive initiatives.

One of the key strategic principles of this nationally led Strategy is to support the use of demand-responsive approaches in the provision of hygiene, sanitation and water supply services. To make this happen water supply, sanitation and hygiene ladders have been developed, whereby increasingly higher levels of service options are offered.

The “ladders” are presented during a “community dialogue” process as simple sketches, which trigger consumer discussions. The main feature of this community dialogue process is an exercise of “listening” to rural communities about the types and levels of services they want, are willing to pay for, use and sustain. The dialogue starts not begin by asking ‘what type of services you want?’ or ‘how much you can pay?’ Instead, the dialogue starts with participatory analysis of hygiene behavior and practices. Communities identify where they stand in the ladders related to their existing hygiene, sanitation and water supply practices. They then discuss where they would like to move to in the service ladders and how. The understanding, knowledge and skills of facilitators are most important in this overall dialogue process.

The Community Dialogue facilitates discussion, and enables communities to make an informed and well-considered selection of the best technical solution to meet their own requirements, resources and local conditions. Such ladders present summaries – for each option – of:

- basic characteristics of improved services and the environmental conditions for which each is suitable;
- advantages and disadvantages;
- estimated capital and recurrent costs;
- productive life of the improved services;
- users’ responsibilities for operation and maintenance;
- materials required.

A systematic process was adopted by Nam Saat Central to develop these Service Ladders (with support from WSP-EAP in collaboration with other partners). This process took more than four years to mainstream these DRA tools for scaling-up of the community-based approach.

### Whose voice and choice are being measured?

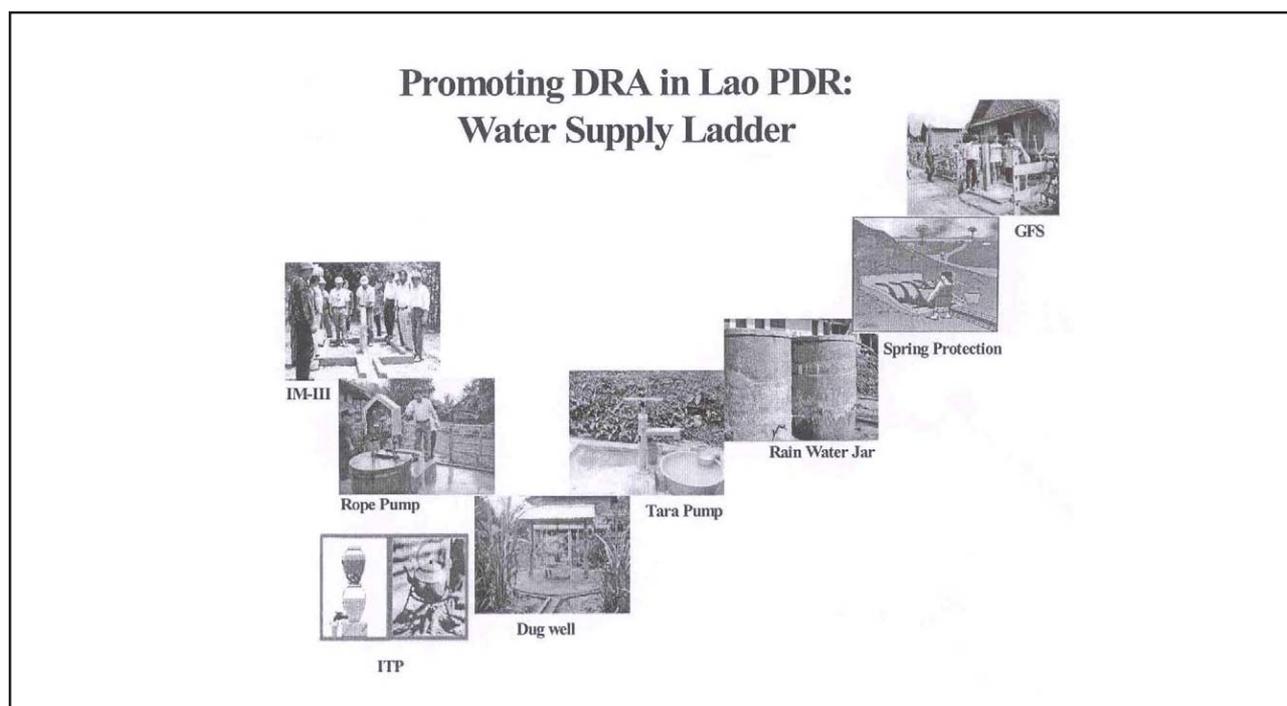
The ‘12 Steps of Community Dialogue’<sup>1</sup> process is one of the main elements to promote the Service Ladders. One of the main objectives of this *Community Dialogue* process is to enable the District and Provincial Nam Saat and its partners to assist the communities to assess their own demand for improved hygiene, water supply and sanitation services by analysing their problems and local situation by using participatory hygiene assessment as an entry point.

During Community Dialogue, generally all communities appreciated the participatory dialogue process, of letting ‘people talk through pictures and sketches’ and creating a dialogue with open-ended questions. The Community Dialogue process, which generally takes 6-7 hours, produces exciting and reliable information. The demand for sanitation and hygiene are being analysed through Sanitation and Hygiene Ladders by individual households in focus group discussions (men and women separately). The demand for water supply is analysed in a village meeting. Village Mapping ensures that poorest of poor from the community are well represented during community dialogue.

### How service ladders are being promoted?

Nam Saat Program has been decentralized. Now the community is progressively becoming fully responsible for implementation; District Nam Saat with guidance from the District Public Health is responsible for planning; the Provincial Department of Health along with Provincial Nam Saat is responsible for providing the strategic guidance, with overall advice of Nam Saat Central. However, the major constraints that were faced during initial stages of the promotion of Service Ladders were:

- lack of understanding on Nam Saat’s RWSS Sector Strategy by local partners;
- lack of man power, new skills and capacities of local Nam Saats to support the demand responsive approach by offering Service Ladders;
- lack of understanding on resource mobilization.



To counter these constraints, Nam Saat Central developed horizontal and vertical partnerships with local and supporting partners, which enables them to tackle the burden of new transitional responsibilities. Nam Saat created linkages with local Lao Women’s Union, Youth Union, Rural Development Committee, Department of Education, NGOs, and supporting partners. By establishing the new partnerships and providing on-the-job-training for local partners, Nam Saat started receiving a positive response in the application of Service Ladders from some selected Spearhead Provinces. In the last couple of years, two separate Studies were conducted. The first one was the Mid-Term Review by Sida through independent consultants for the National Program during year 2001. The second Study was conducted during January – December 2002 by a Core Team comprising Nam Saat, its line agencies, selected NGOs and ESAs. Both studies clearly reveal that Community Dialogue by offering Service Ladders is now being accepted throughout the country in all provinces, increasing community ownership and capital cost sharing by communities.

**What are the practical intricacies to promote service ladders?**

The following factors are required to put Service Ladders into practice:

**Conduct on-the-job-training**

The process of application of Service Ladders and building-up the confidence of local facilitators is essential. Therefore, to develop facilitation skills and knowledge on how to carry out the community dialogue is best done through on-the-job-training in demonstration schemes. This on-the-job facilitation builds on class-room training.

**Develop technology mix assumption and subsidy policies:**

Prior to putting the Service Ladders into practice, the potential technology mix assumption and subsidy policies need to be developed. It is important to know how to address the subsidy policy in actual community dialogue. The current technology mix assumption and subsidy guidelines presently being practiced in Lao PDR RWSS Sector are highlighted in the following table.

**Table 1. Technology assumption and subsidy modules**

Sanitation Service		Water Supply Service	
Assumption on Technology Options	Subsidy US \$ Per Person	Assumption on Technology Options	Subsidy US \$ Per Person
Improved Traditional Practices: 10%	0.44	Improved Traditional Source: 5%	0.30
Dry Pit Latrine and other: 30%	1.32	Protected Dug Well and Hand Pumps: 40%	\$ 0.87 to 3.69
Ventilated Improved Pit Latrine: 30%	1.92	Spring Protection: 20%	2.64
Pour Flush Latrine: 30%	2.52	Gravity Fed System: 20%	6.3
		Rain Water Jar and others: 15%	0.54 to 2.10

### Develop supply chains

Communities and local government need access to procure materials locally to support construction activities and suppliers. Without this, the process of Service Ladders will not work properly. Thus, efforts need to be made to develop supply chains through supportive bidding and procurement mechanisms.

### Expand partnership linkages

As mentioned earlier, Nam Saat has a shortage of human resources. In addition, the promotion of DRA takes more human resources. Therefore, partnership linkages with mass organizations, line agencies, NGOs, and ESAs are essential to plan and utilize human resources strategically without overlapping the work and to utilize the full benefit of future program investment.

### Analysis and results

Nam Saat is periodically analysing the findings and learning of the application of Lao Strategic principles. The main lessons learned are as follows:

#### Technology mix

The technology mix and subsidy didn't work out well during the early stages of 1998-1999. The initial assumption was that in the southern part of Lao PDR, which is a low land area, communities will mainly prefer hand pumps; whereas in northern hilly areas communities will choose less expensive spring protection and a few communities will choose more expensive gravity-fed piped systems. In reality, these assumptions didn't work; communities expressed their choices as per their own ability to pay and their own perception about improved services. It was interesting to observe that in many occasions communities chose gravity-fed systems rather than spring protection and paid higher contributions. This affects the overall planning of the investment costs of the RWSS Sector. Therefore, Nam Saat in consultation with partners (after organizing a donor meeting in April 2002) is currently revising the technology mix and subsidy policies.

The current subsidy policies highlight the percentage contributions and unit cost per person. The unit cost per person has worked out well, but the percentage calculations didn't work at community level. The experience reveals that the percentage calculation for cost sharing is important for ESAs but not useful at local level - communities want to know in simple terms what they have to share and what support they will receive from the Government and ESA. Therefore, Nam Saat in their recent community dialogue process doesn't discuss about any percentage calculations. Nam Saat calculates the percentage contribution separately (not with community) to make sure whether the cost-sharing pattern is within current subsidy policies. If not, Nam Saat staff explain that external support funds will not be adequate to cover all external materials and, therefore, the community need to contribute more if they would like to construct the proposed scheme.

### Subsidy

The current subsidy policy doesn't address the remoteness and size of the village. Therefore, Nam Saat (along with its partners) is modifying the subsidy policy to consider other factors that are influencing the investment costs.

### Time vis-à-vis ownership

Community dialogue takes time to build ownership. Now the question often arises 'what will be the balance between time and ownership? Nam Saat is currently following all on-going projects and keeping a log of all the resource inputs that are currently being received to answer this specific question at the end of Nam Saat's Phase-II that will end in December 2002.

### Monitoring, evaluation and learning

Nam Saat has initiated a monthly and quarterly reporting system for all the spearhead provinces. In addition, Nam Saat has also initiated a weekly meeting at Central level. These measures have now been practiced for more than two years, which is helping Nam Saat to monitor the progress and take appropriate measures accordingly. However, Nam Saat's monitoring on water quality is weak, which Nam Saat would like to address as an urgent basis.

### Conclusion: looking into the future

Nam Saat has initiated a process of *learning by doing* as it goes through a transitional phase to promote DRA by offering Service Ladders. Now the big challenge ahead is to demonstrate the scaling-up of this DRA in the national program to make the Sector able to fulfil its goals.

### References

- National Water Supply and Environmental Health Programme, Ministry of Health, Rural Water Supply and Environmental Health Sector, Sector Strategy and Guideline National Framework, Vientiane, Lao PDR, November 1997.
- Lahiri S, and Chanthaphone Dr. S, Lao PDR Country Situation Analysis: Water, Sanitation and Hygiene, 2nd IFH Conference, Delhi, India, April 2002.

### Notes

- <sup>1</sup> Previously known as the National Water Supply and Environmental Health Programme.
- <sup>2</sup> For further information please visit the following web site: <http://www.wsp.org/english/eap/pubs.asp#lao>
- <sup>3</sup> For further information please visit the following web site: <http://www.wsp.org/english/eap/pubs.asp#lao>

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