Measuring cost-effectiveness in market-based approaches to sanitation

Greg Lestikow, Alicia May, Chris Nicoletti, Yi Wei

Cambodia and Bangladesh
What we’ll be discussing today

• iDE Sanitation Marketing model
• iDE’s approach to measuring program cost-effectiveness over time
• How we think about the relationship between cost-effectiveness and sustainability
The basics of SanMark

• We work through the private sector to build markets
• We design products to context
• We train businesses to produce and distribute products
• We recruit and train independent sales agents who are paid by suppliers
What this looks like in practice
What this looks like in practice
Measuring program cost-effectiveness

• How much does it cost to build markets for sanitation products and services?

• Do those costs change over time?

• Do unit costs differ across our portfolio?

• Is iDE improving over time?
Measuring program cost-effectiveness

• How much does it cost to build markets for sanitation products and services?
• Do those costs change over time?
• Do unit costs differ across our portfolio?
• Is iDE improving over time?
Measuring program cost-effectiveness

Cost Per Latrine = \[
\frac{\text{Monthly Program Expenses (six-mo. avg.)}}{\text{Monthly Latrines Sold (six-mo. avg.)}}
\]
Measuring cost-effectiveness: Cambodia

Cambodia SanMark - Cumulative Latrine Sales vs Cost per Unit Sold

This peak represents large program investments in personnel, product design, and management systems.

Large-scale investment increased cost-effectiveness by driving rapid sales growth.
Cost-effectiveness across our portfolio

Unit cost trends are similar in BAN and CAM...

...though costs have dropped more quickly in BAN as the program scales.
Looking forward

• How does timing of investments change ROI and path to scale?

• Can we disaggregate innovation and operational investments to better understand drivers of cost-effectiveness?

• How do we work with others to benchmark costs?
Thank you very much!
iDE would like to thank all of our funders and project partners.

Greg Lestikow— glestikow@ideglobal.org