

# WaSH-UP Sustainable Livelihoods and Business Operations



## Abstract

The Water, Sanitation and Hygiene Upgrading Programme (WaSH-UP) is an innovative solution to South Africa's longstanding crisis around water and sanitation in informal settlements. For the past three years, a partnership consisting of the WPI Cape Town Project Centre (CTPC), the Community Organisation Resource Centre (CORC) and the Municipality of Stellenbosch has funded the construction and operations of a WaSH-UP facility in Langrug, which not only addresses key water and sanitation issues, but also provides the community with a dignified social space. The goal of our project was to create an integrated business model to adequately maintain and manage the current WaSH-UP facility. To realize this goal, the team worked with community members to devise a business plan, create a management structure for their savings group, identify possible revenue sources, and implement a kiosk. The kiosk would add to the WaSH programme by selling health, education and wellness (HEW) goods, while also providing a new source of income for the facility. The project and partnership resulted in a formalized constitution for the savings group, large exterior renovations to market the facility, a fully stocked and operational kiosk business and a business plan and guidelines to sustain a savings group business in similar WaSH facilities.

*This is an executive summary of a WPI Cape Town Project Centre project that is fully reported at: <http://wp.wpi.edu/capetown/projects/p2014/wash-up-business/>*

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## Authors

Nicole Baker  
Stephanie Esmond  
Konstantinos Georgiadis  
Reed Gontarek

## Project Advisors

Professors Scott Jiusto and  
Stephen McCauley

## Partners

Community Organisation  
Resource Centre (CORC)

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## SUSTAINABILITY: AN ONGOING ISSUE FOR WASH FACILITIES

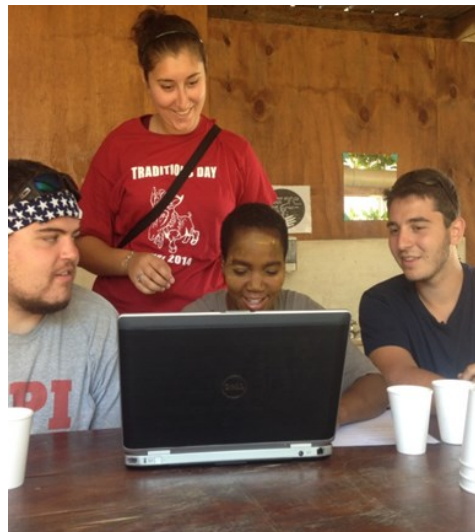


Throughout the world, there exist countless communities whose citizens live in poverty, with poor health, education and an overall low standard of living. Specifically within South African informal settlements, community members experience a critical inaccessibility to health, sanitation and social services. Community toilets are often poorly maintained due to insufficient funding, and a low sense of community ownership often leads to vandalism. Under these circumstances, community toilets become an unsanitary, unhealthy, and dangerous place.

Approximately 5,000 people live in the informal settlement of Langrug, with limited access to proper facilities, as well as personal hygiene and sanitary goods and services. (Tavener-Siviith 2012) The WaSH-UP (Water Sanitation and Hygiene Upgrading) facility was built in 2013, by a partnership between

the Municipality of Stellenbosch, Community Organisation Resource Centre (CORC) and Worcester Polytechnic Institute (WPI), to provide a community-owned, clean and functional toilet, laundry and a social space. (Elwell et al 2012) Like any public facility, this facility requires some source of funding to remain operational. As of late, even after the initial funding for the Langrug facility expired, the facility has remained properly maintained and operational due to the diligence of the caretakers. While a lack of funding is a fundamental problem, it also provides an opportunity for the community to take ownership of the facility.

The unique strategy of WaSH-UP involves securing revenue streams to support full-time caretakers. These revenue streams include municipal funds, and non-government organisation funds and grants. While the inadequate funding is



a challenge, it provides a unique opportunity to address another large community problem: access to health education and wellness products (HEW). The kiosk will be used to provide access to the HEW products as well as provide caretaker income. Community members must spend a substantial amount of time and money traveling great distances to obtain these goods. Without easier access to these products, it is incredibly difficult for communities to maintain sanitary lifestyles. Through providing easier access, our team had the opportunity to improve the health and wellbeing of the community.

### PREPARING TO LAUNCH A WASH-UP BUSINESS IN LANGRUG

Prior to arriving in Cape Town, the team spent seven weeks researching the context of small businesses in South Africa and potential business models for the WaSH-UP facility. During this time the team worked to devise a business plan to start a health and wellness kiosk in the facility with the existing community savings group. Our team used these four main questions to guide our research.

#### QUESTION 1: WHAT BUSINESS MODEL WILL BE THE MOST APPROPRIATE?

There were four different business models that were considered for this project. These four models are: small for-profit business, co-op, savings group and so-



cial enterprise. These four strategies are remarkably different, therefore, when deciding on which would work best the team also considered combinations of the models that would be the most sustainable while utilizing assets already in the community.

**Small Business:** a formally recognized business structure that must be registered with the government and pay taxes.

**Co-op:** incorporates the same concepts as a small business, but must provide a benefit to those using its services and profit distribution among members.

**Savings Group:** not a formally recognized business structure, but may be used to form a management structure and provide community-based revenue. (Ledgerwood J. and S. Rasmussen, 2011)

**Social Enterprise:** a business whose primary purpose is the common good of the community. This structure addresses a social need and is often supported by other financial programs.

#### QUESTION 2: HOW CAN THE FACILITY BE MANAGED?

Savings groups are small organizations that are implemented to aid community members in saving money for specific uses. The money generated by a savings group may be for personal use by each

member, or for community use. (Invested Development, 2012) These groups operate on the basis of scheduled member contributions and are common in informal settlements to fund community purchases. For this reason, the team hoped to use the existing savings group in Langrug, Sidiniwe Savings Group, as a vehicle for the kiosk business.

#### QUESTION 3: WHAT GOODS ARE APPROPRIATE FOR THE KIOSK?

In order to determine what goods would be best suited for the kiosk, the team compiled a short checklist. The list, shown below, addresses some key issues faced when selecting products for a small kiosk.

### Item Checklist

- Can we get it for a good price?
- Can we purchase it locally?
- Can we buy it in bulk?
- Is it new to the community?
- Is it beneficial to the community?

#### QUESTION 4: WHAT LOCAL ASSETS CAN BE INTEGRATED INTO THE PROJECT?



In conventional development approaches, assets are understood as the monetary or tangible resources that are available to a community. However, in community-based development approaches, especially in the informal settlement context of Cape Town, the most important assets in a community are the skills and capabilities of the community members. The foundation for Asset Based Community Development (ABCD) is built upon using the skills and capabilities of community members as a driving force for development. Some of the skills we hoped to find included entrepreneurial, business, communication, leadership, and teaching.

#### PROJECT OBJECTIVES

After taking into consideration our background knowledge, sponsor input and lessons learned from previous projects, our team compiled a list of objectives that we hoped to realize throughout our time in Cape Town. The objectives were as follows:

1. Create relationships with community members
2. Introduce project goals to community and select co-researchers
3. Assess and improve savings group

#### 4. Renovate facility and implement business model

##### TAKING ACTION: STEPS TO A SUSTAINABLE WASH-UP MODEL

Following the established objectives, the team put our plans into action once on site in Langrug. Before arriving in the community, we evaluated the current situation in Langrug, and began to explore possible business models that would best serve the community.

##### CREATING RELATIONSHIPS WITH COMMUNITY MEMBERS

Perhaps the most fundamental step to starting any project is establishing strong relationships among project partners.



Before arriving on site in Langrug, our team met with Sizwe Mxobo, our sponsor from CORC. The team was certain that he would play a key role in establishing strong relationships with the community. After arriving on site and introducing ourselves to the community, the team used the first few days to con-



nect with community members on a personal level; Sizwe's presence and translations aided us greatly in connecting with our co-researchers. Name games, rugby games, and talk of our personal lives helped lay the foundation for strong relationships early on. The importance of this step cannot be overstated; a sense of familiarity is necessary for this type of close and personal community work. We hoped that connecting with the community would put us in a position to give them guidance, support, and empowerment, as well as concrete ideas for improvement. This would only be possible with the trust and cooperation of the co-researchers.

##### INTRODUCING PROJECT GOALS AND SELECTING CO-RESEARCHERS

The next step for our team was dividing the co-researchers into working groups. The co-researchers expressed their own goals and expectations for both the business project as well as the services project. Afterwards, our teams also introduced our project goals, and expectations. This led to open discussions about each co-researcher's interests, skills, and involvement, which provided insight for which team each of the community members would best be suited.

##### ASSESSMENT OF AND IMPROVEMENT TO SAVINGS GROUP

All of the members that were selected to work with the WaSH-UP Business Operations Team were members of the Sidiniwe Savings Group. This was an important aspect because our team had hoped to utilize the savings group to start the kiosk business. We were fortunate to be working with two co-researchers that held officer roles within the savings group. These members became key assets to our project and gave us great insight about the current operations of the savings group. However, there were key issues within the group, involving the management and organization of the group, which needed to be addressed in order to continue with our planned objectives.

After weeks of conversation and evaluation of the savings group, our project team brought in an experienced savings group leader from another informal settlement to further analyze the operations of the savings group. It was realized that the lack of proper structure and regulations within the savings group hindered its progress within the community. It was concluded that a formal constitution was necessary in order to provide the Sidiniwe Savings Group with the structure and guidance it needed. Drafting a constitution was a monumental success for all involved because it reflected the ideas of the members in a clear, concise manner.



## FACILITY RENOVATIONS AND BUSINESS START-UP

Writing the constitution entailed weeks of intellectual challenges and struggles surrounding the organization of the group, money management and social intricacies. Once the constitution was completed, our project team decided to begin a few more tangible projects. The team began external renovations to the facility to market WaSH-UP and create an identity for the facility. Other tangible projects included the establishment and implementation of a kiosk business within the facility.

To provide the WaSH-UP facility with a source of income to fund its upkeep, the team constructed a small kiosk to operate out of the caretaker's office within the facility. The kiosk was built using recycled boards and brackets over the course of a week. The products selected by the savings group members were based on the needs of the community, with the focus being on health and wellness (HEW) products. Inventory and transaction forms were created in order for the women running the kiosk to track the progress of the business.

### MAJOR OUTCOMES: ESTABLISHING A FOUNDATION FOR THE FUTURE OF WASH-UP

#### Major Outcomes

1. Drafted a constitution for the Sidiniwe Savings Group
2. Renovated the Mandela Park WaSH-UP Facility
3. Implemented a kiosk to sell health, education, and wellness products and services
4. Developed a WaSH-UP Business Model

#### CONSTRUCTED A CONSTITUTION

The creation of a constitution for the Sidiniwe Savings Group was one of the major outcomes of this project. After facility funding came to an end in the summer of 2014, the idea that a community savings group could manage and operate the facility surfaced. This group would act as a voluntary association and welcome any and all community members who desired to join. After the savings group was established, numerous issues arose, causing many community members to leave the group. When the team began our project, the Sidiniwe Savings Group consisted of only six of the original fourteen members. While the group had been operating for several months, there were many internal, organizational conflicts as well as poor communication among members, which



hindered operation of the group. When we arrived, the savings group expressed their desire to draft a constitution for the group. This type of formalized document that clearly states the purpose of Sidiniwe as well as responsibilities of the members was essential to the groups' progress. The team worked with the Sidiniwe Savings Group to establish a clear understanding of the goals, purpose, and operations of the group. This information was then used to establish a constitution for the savings group.

This formalized and structured document introduced a sense of organization

to a group that had been limited by its informal nature. Furthermore, a constitution template was also created to aid future savings groups in their organizational development.

#### MARKETABLE RENOVATIONS TO THE WASH-UP FACILITY

The implementation of a WaSH-UP marketing scheme became a crucial aspect of our project. This created an identity, not only for the Mandela Park WaSH-UP Facility, but for future WaSH-UP facilities.

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The group worked together to renovate the exterior of the Mandela Park WaSH-UP Facility and the adjacent storage building. The co-researchers determined that a light shade of blue, combined with an assortment of bright yellows,

reds, and oranges, would create a vibrant and inviting environment. The rapid and tremendous renovations soon garnered attention and admiration from the Langrug community. The marketing scheme proved to be a huge success! Within days, the facility had attracted a whole new crowd of children and adults.

In addition to renovations, the team created a brochure (pictured to the left) detailing the operations of the facility and the positive impact of the facility within the community. This brochure creates an opportunity for the savings group and/or CORC to inform organizations about WaSH-UP and apply for new funding.

## A BUSINESS EMERGES

After the success of the constitution and marketing techniques, the momentum of the project continued when the group implemented a kiosk within the facility to be managed by the Sidiniwe Savings Group. Through the kiosk, the savings group would become the managing organization of the WaSH-UP facility and would employ caretakers for daily tasks and facility operations. We worked with the co-researchers to determine the products to be sold, eventually deciding on HEW products, such as shampoo, soap and nappies. Inventory sheets were created in order to provide the caretakers with a method for tracking purchases.



Though this business alone was not expected to provide full financial support for the facility, the importance of the kiosk resided in the savings group's ability to create a sense of community responsibility. This would increase community investment in the facility by generating internal revenue, rather than relying entirely on external funding. This kiosk would also provide the opportunity for the group to develop good business practices, organizational skills, and a strong management structure. Our team's hope is that other revenue streams, specifically external grants and funding, will be incorporated to assure the sustainability of the facility.

## THE FUTURE OF WASH-UP

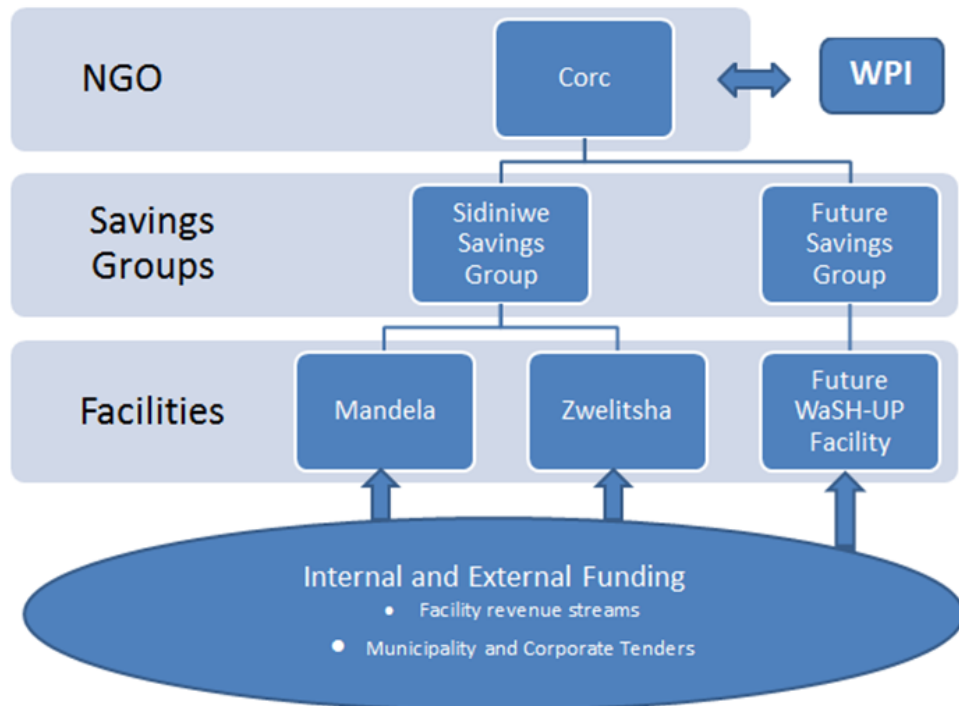
This project aimed to create a replicable business model that would underpin the expansion of WaSH-UP to address

South Africa's water, sanitation and health crisis on a larger scale. Each action that was taken by our group contributed towards designing an effective model that could be reproduced.

The diagram on the following page shows the overarching idea behind expansion of WaSH-UP to new facilities. For this WaSH-UP program, CORC is the facilitator for program development. Below CORC exists each of the individual savings groups, including the Sidiniwe Savings Group. These savings groups would have the responsibility of overseeing the facilities and employing the caretakers within each facility. In addition, each savings group should work with CORC to come to an agreement regarding the financial management of their facility. The final portion



# WaSH-UP Program



of the diagram shows the ability of one savings group to manage more than one facility. This is a key component of the program because it may be inefficient to have multiple savings groups managing facilities within the same community.

The individual facilities will not be expected to function solely on their own revenue streams. External funding from the municipality and various non-government organizations, including CORC, will aid the facilities as well.

Though the most sustainable option is to have the facilities operate independently of any external funding, this is not the most practical or reasonable solution. Having the assistance from an organization such as CORC will help the facility attract more funding than it would otherwise be capable of doing independently.

## AN UNEXPECTED FINDING

Our team came into this project with a

clearly defined set of objectives to accomplish. We had compiled systems and guidelines to follow throughout this process. However, the team encountered a very unexpected, yet key, part of the informal settlement upgrading process that is seldom mentioned in any manual or guidelines. After working a few weeks in Langrug, the team noticed that there were deeply rooted community dynamic challenges. These challenges included trust, communication, collaboration and motivation. These challenges are key elements of the social infrastructure of many informal settlements. Unfortunately, these challenges had strong implications for the coherence and effectiveness of the community groups, and presented obstacles to the goals of the savings group.

Once these problems were discovered, the team decided to address them directly with the community members. This involved holding open, facilitated group discussions, which were often long, exhausting and unproductive.

While these issues hindered progress of the business and savings group, it was an incredible accomplishment in itself that they were unearthed and the experience helped us develop important insights about facilitation, cross-cultural project work, and community development.

While the goal of this project was to create a sustainable business model for

WaSH-UP, the team learned an invaluable lesson. There is a very fragile community dynamic within informal settlements. However, with a strong effort to collaborate, community members can work together to make progress on tangible projects as well as community unity. Establishing a network of trust and creating a working environment conducive to open discussion is equally as important as all other tools for informal settlement upgrading. By shedding light on these challenges our team catalyzed community discussions, which are imperative to the progress of the facility and the community. After achieving this breakthrough accomplishment, our team believes that the WaSH-UP facility and supporting business models, which we worked with the community to create, have great potential to succeed.



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**WPI Cape Town Advisors:** Professors Scott Jiusto and Steve McCauley