Poor functionality of water and sanitation systems over the past decade has called into question the effectiveness and sustainability of current and past approaches. As a response, civil society organisations (CSOs), amongst others, have begun to explore new approaches that move beyond voluntary, solely community focused approaches, including engagement with private and social enterprise, to build ‘professionalisation’ of service delivery and supporting supply-chain development.

However, the evidence base to support work in this space requires interrogation.

**Approach**

As the first component of a longer 3-year study, this research adopted a systematic review approach to interrogate the evidence base on private enterprise engagement in WASH. This focused on academic and grey literature published in the period 2008-2013.

- 164 documents mapped and assessed on the rigour of their evidence
- 82 documents deemed highly relevant and reviewed in more detail
Nature of the evidence

The majority of literature were international organisation reports, followed by independent research reports and CSO reports, with formal academic literature comprising a much smaller proportion. The rigour of the studies was variable.

The growing interest in sanitation marketing as an approach to sustainably provide sanitation services was evident in the papers in the sanitation subsector. However, literature from the water subsector offered a longer history of analysis when compared to sanitation.

The majority of rigorous studies were conducted in Africa.
Factors affecting success of enterprise engagement

ENABLERS

- Increasing regulation of informal operations
- Political will and advocacy
- Subsidies?
- Polarised views

BUSINESS VIABILITY

- Financial challenges
- Lack of business and technical skills
- Limitations in demand of products or services
- e.g. inability of poor households to pay
- e.g. low population in rural areas

BUSINESS FAILURE

- Financial challenges
- Lack of business and technical skills
- Limitations in demand of products or services
- e.g. inability of poor households to pay
- e.g. low population in rural areas

Outcomes for the poor

Serving the poor was not highlighted as a specific priority for businesses. Businesses tend to prefer servicing non-poor customers to ensure sustainable collection of payments and viable earning of profits. There was emerging evidence of small-scale providers in the water sector offering flexible pricing structures to enable poor households entry into the market, however this remains a challenge in most contexts.

Conclusions

The skill-set required by small-scale WASH operators and CSOs needs further development. Drawing on skills and expertise of other sectors, businesses and academic expertise is important going forward. In addition, securing an enabling environment for businesses to grow may require more proactive support than has been provided to date. In particular, to ensure socially inclusive approaches from which the poor might feasibly benefit.

Engagement between enterprise and CSOs

Evidence describing engagement between enterprise and CSOs was limited. Most engagement consisted of CSOs offering bottom-up and capacity building support to businesses or informal operators. However, there were examples of institutional support to government on contract preparation in the water sector.