

Evaluation Report – Final Version

Final Evaluation of SanMarkS – "Scaling up Sanitation Market Systems in Bangladesh" project Phase 2

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Table of Contents

Acronyms and Abbreviations iii
Acknowledgements iv
Executive Summary v
1 Introduction 1
2 Objective and Scope of the Evaluation 2
3 Evaluation Process and Methodology 2
3.1 Overall methodology and analytical framework 2
3.2 Evaluation questions 3
3.3 Time frame 3
3.4 Data sources 3
3.5 Limitations 4
4 Description of the Project 5
4.1 Background and Rationale 5
4.2 Theory of Change and Key Outcomes 5
4.3 Project Set-up and Financing 6
4.4 No cost extension and change management 6
5 Key Findings 8
5.1 EQ 1 – Relevance 8
5.2 EQ 2 – Theory of change 9
5.2.1 Outcome 1 – Demand 9
5.2.2 Outcome 2 – Supply 10
5.2.3 Outcome 3 – Enabling Environment 12
5.2.4 Final Considerations on the Theory of Change 14
5.3 EQ 3 – National scaling strategy 16
5.4 EQ 4 – Project set-up 18
5.5 EQ 5 – Signs of system change 19
5.6 EQ 6 – Sustainability 21
6 Conclusions 23
7 Lessons learned 25
7.1 Market system actors and business development 25
7.2 Demand creation and marketing approaches 25
7.3 Public sector and institutional engagement 25
7.4 Scaling and sustainability challenges 26
7.5 Project management and implementation 26
8 EQ 7 – Main recommendations for exit 27
8.1 Recommendations until November 2025 27
8.2 Recommendations until December 2027 28
9 Annexes 29

Acronyms and Abbreviations

AAER	Adopt-Adapt-Expand-Respond
ADP	Annual Development Plan
A2F	Access to Finance
BAPARD	Bangabandhu Academy for Poverty Alleviation and Rural Development
BARD	Bangladesh Academy for Rural Development
BBS	Bangladesh Bureau of Statistics
BDT	Bangladeshi Taka
BNKS	Bolipara Nari Kalyan Somity
CBA	Cost Benefit Analysis
CEDRIG	Climate, Environment and Disaster Risk Reduction Integration Guidance
CHF	Swiss Franc
CHT	Chittagong Hill Tracts
CLTS	Community Led Total Sanitation
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
DPHE	Department of Public Health Engineering
EQ	Evaluation Questions
FGD	Focus Group Discussion
FSM	Fecal Sludge Management
GNP	Gross National Product
GoB	Government of Bangladesh
HH	Households
iDE	International Development Enterprises
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
LCG	Local Consultative Groups
LGD	Local Government Division
LPs	Latrine Producers
MFIs	Microfinance Institutes
MoLGRD&C	Ministry of Local Government, Rural Development and Cooperatives
MSD	Market Systems Development
MTR	Mid Term Review
NGO	Non-governmental Organisation
NILG	National Institute of Local Government
OECD DAC	Organisation for Economic Cooperation and Development's Development Assistance Committee
PKSF	Palli Karma Sahayak Foundation
PMC	Project Management Committee

PSB	Policy Support Branch
PSC	Project Steering Committee
RDA	Rural Development Academy
RFL	Rangpur Foundry Limited
SanMarkS	Sanitation Market Systems
SBA	Sanitation Business Association
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SDP	Sector Development Plan
TAPP	Technical Assistance Project Proposal
UP	Union Parishad
WASH	Water, Sanitation and Hygiene
WB	World Bank
WSP	Water and Sanitation Program

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Executive Summary

The SanMarkS (Scaling up Sanitation Market Systems) Phase-2 project, jointly funded by the Swiss Agency for Development and Cooperation (SDC), UNICEF and the Government of Bangladesh, aimed to provide access to improved sanitation for rural households through a sanitation market systems approach in 35[1] districts in Bangladesh. This evaluation has been conducted as SDC approaches its exit from the project by November 2025, while implementation continues under the Government of Bangladesh and UNICEF until 2027.

Phase-2 was designed to reach 4.5 million rural people in 1.2 million households through a comprehensive three-tiered approach: Use of Services, Service Delivery, and Enabling Environment. The project built upon the successful foundation of Phase-1 (2015-2019), which demonstrated that involving the private sector in promotion and marketing of improved rural sanitation serves the needs of rural households more efficiently, particularly the poor, by strengthening the supply chain for improved sanitation up to the last mile. The total investment for phase 2 totals CHF 16 million, with Switzerland contributing CHF 6.0 million. The project operates through partnership between the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C) and its agency the Department of Public Health Engineering (DPHE), SDC, UNICEF, and International Development Enterprise (iDE), implementing a market systems approach that targets actors across the sanitation supply chain for improved sanitation from lead firms to latrine producers to households.

Methodology

This external evaluation was conducted at the end of Phase-2 by a team of three consultants (one international lead consultant and two national consultants) to assess overall project performance according to OECD DAC criteria, identify emerging evidence of systemic change, and collect lessons learned for future replication. The evaluation combined comprehensive desk review of project documents with extensive fieldwork including key informant interviews, focus group discussions, and field observations in eleven districts across six divisions. The analysis applied market systems development frameworks to identify signs of system change and assess the sustainability of the project interventions.

Key findings

The project approaches remain highly relevant in addressing poor rural households within the current economic and political context, with the market systems development approach proving effective for improved sanitation challenges in rural communities. The theory of change for strengthening sanitation markets worked reasonably well, achieving substantial progress in training latrine producers and reaching households, with 3,710,823 persons accessing improved sanitation and on track to reach 4.5 million by project end. The scaling strategy demonstrated effectiveness in geographic expansion from 6 to 25 districts and training over 2,883 latrine producers, though implementation faced challenges with uneven rollout and 10 additional planned districts not covered due to unclear allocation of responsibilities and insufficient funding (GoB, UNICEF) for DPHE to engage other training institutions until the time of this evaluation.

However, the project achieved mixed results against targets, with outputs related to access to finance remaining unachieved. Gender-specific indicators remaining underachieved across the outcomes. In terms of observed changes, the outcome 3 related to the “enabling environment” (the use and facilitation of market-based solutions for sanitation by national and local government) appears to have been less effective as the promotion of market-based solutions remains mainly project related. The delayed involvement of the Policy Support Branch (PSB) and DPHE through the Technical Assistance Project Proposal (TAPP) as well as a clear definition of the role and

[1] 25 direct intervention districts and 10 indirect districts

interaction of institutional actors (DPHE and Union Parishads) in the market system and within the project set-up have hindered the transfer of leadership of institutional actors.

The project demonstrated reasonable efficiency through strategic adaptations, particularly reducing training duration from 6 to 3 days, but remained reliant on large numbers of project staff and could not leverage sufficient private sector involvement and ultimately investment. Evidence shows positive system actor behaviour changes with LPs reporting increased sales and business expansion, though sustainability concerns persist regarding limited crowding-in of new market actors, the focus on single product line, and the training, coaching and monitoring of LPs exclusively done by iDE, creating an "iDE franchise" feeling rather than genuine market development.

SanMarkS Phase-2 achieved considerable scale in terms of geographic coverage and household reach, demonstrating that market-led approaches can accelerate sanitation access in rural Bangladesh. The project's strength lies in its systematic capacity building of latrine producers and creation of business models that respond to rural household needs. However, implementation faced significant challenges including uneven rollout across districts, insufficient lead firm engagement (both the further involvement in phase II of the existing lead firm in last-mile promotion and distribution of products, as well as the involvement of additional firms in other key supply chains), and smart subsidy schemes remaining at relatively low scale with transparency concerns. The project represents a valuable contribution to understanding market systems approaches in sanitation, with clear evidence of demand-driven adoption and willingness to pay among rural households, though questions remain about the depth of market systems transformation and sustainability beyond direct project support.

Recommendations

For the remaining period until November 2025, the evaluation team recommends immediate actions to ensure project knowledge transfer and institutional capacity building as SDC approaches its exit from the project.

- Ensure adequate training of trainers for LPs training while reducing the ambitions for the 10 indirect districts.
- Ensure the full integration of the LP graduation in DPHE so it can be mobilised in future for quality control and providing institutional sanitation.
- Ensure availability of the project information (LP database after LP graduation) and tools (training materials, videos, etc.) for further use through handover to DPHE.
- Ensure knowledge and experience exchange with MFIs and supporting institutions (PKSF, World Bank) to enrich their approaches with SanMarkS experience.
- Clarify the funding situation until the end of the TAPP in 2027 and therefore better understand current expenditure situation (financial analysis/audit).
- Share knowledge and promote the visibility of Switzerland.

Until the end of the TAPP in 2027, the following recommendations are made to further capitalize and expand on the project’s experience.

- Strengthen the involvement of DPHE to support the sanitation market.
- Strengthen the enabling environment supporting the sanitation market system – expand smart subsidies.
- Market research to identify innovations for continued progress towards SDG targets.
- Continue to maintain technical assistance presence for implementation of TAPP.
- Continue involvement of SDC in the follow-up of the TAPP.

Conclusion

SanMarkS Phase-2 demonstrated the viability of market systems approaches for rural sanitation in Bangladesh, achieving considerable scale and proving household willingness to invest in improved sanitation when products are available and affordable. While implementation challenges prevented achievement of all targets, particularly concerning access to finance and gender-specific indicators, the project's core hypothesis has been validated. The most significant contribution lies in demonstrating a replicable model for market-driven sanitation programming and building implementation capacity within government and private sector partners. However, ensuring sustainability requires continued attention for market system integration, strengthened government ownership, and reduced dependence on external implementation support. The lessons identified provide valuable insights for scaling similar approaches across Bangladesh and in other developing country contexts where market failures constrain sanitation access despite household demand.

1 Introduction

The Sanitation Marketing System (SanMarkS) project, jointly funded by the Swiss Agency for Development and Cooperation (SDC) and UNICEF, with additional co-funding from the Government of Bangladesh (GoB) through the Department of Public Health Engineering (DPHE) and contribution from iDE, is approaching the conclusion of its second phase (2019-2025). The project concept was primarily built on **the success of market-led approaches, focusing on strengthening the supply chain, improving consumer demand, and strengthening local government to create an enabling environment** where smart nudges drive greater uptake and utilisation of sanitation products.

The project began with a four-year Phase 1 (2015-2019) itself based on experience by the implementing agency iDE (2013-2014) and action-research initiatives. **This initial phase 1 pilot** aimed **at facilitating the local sanitation market by applying a market systems approach for sanitation services** in six selected districts. The successful pilot demonstrated that a market-led approach involving the private sector in the promotion and marketing of improved rural sanitation is more efficient in serving the needs of rural households, particularly the poor, by strengthening the supply chain up to the last mile.

Phase 2 (2019-2025, incl. a no-cost extension from 2024 to 2025) **was designed to scale the Phase 1 model to the national level** while exploring innovative ways to accelerate progress through increased efficiencies and multiplier effects. The project is currently being implemented in 25 districts across 8 divisions of the country and follows three outcomes:

1. **Use of Services:** Increase access to and use of improved sanitation services and hygiene behaviour by poor and disadvantaged individuals and households.
2. **Service Delivery:** Stimulate private and public sanitation service providers to sustainably expand equitable provision of improved sanitation services to poor and disadvantaged individuals and households.
3. **Enabling Environment:** Accelerate and coordinate the equitable provision of improved sanitation services through sector development, strengthening WASH sector institutions, harnessing political will, generating technical and policy-level stakeholder buy-in, mobilising resources, and providing technical support.

While **SDC funding of SanMarkS will end by November 2025,** the project will continue until end 2027 under the leadership and financing of the Government of Bangladesh (through the Department of Public Health Engineering) and UNICEF with a recently signed Technical Assistance Project Proposal (TAPP).

The primary target audience of the evaluation is SDC in the intent to **assess the overall effectiveness and collect possible evidence of systems change** through support to the Sanitation Market Systems approach that has been pioneered in the Bangladesh WASH sector by SDC and iDE through the SanMarkS projects. The evaluation will inform internal learning of SDC, while also inform immediate adjustments in the final project phase and provide **strategic recommendations** for maximising impact after Swiss development cooperation exits the project.

The evaluation is being conducted by a team of three consultants (one international lead consultant and two national consultants). The evaluation team bases its analysis on a desk review and a 10-day in-country visit between 21 May and 01 June, allowing for field visits and exchanges in 10 districts (out of 25) with ongoing activities and 1 district only covered in phase I of the project and exchanges with project stakeholders and key informants in Dhaka.

2 Objective and Scope of the Evaluation

The final evaluation of the SanMarkS Phase II (2019–2025) project is commissioned by the SDC. The evaluation has three core objectives:

1. **Assess the overall project performance** using OECD DAC criteria — relevance, effectiveness, efficiency, impact, and sustainability.
2. **Evaluate the effectiveness of the project's theory of change and the national scaling strategy** for developing sanitation market systems by leveraging the private sector. The focus is particularly set on the durability of market-led approaches and gathering evidence of systemic change in the sanitation sector.
3. **Extract lessons learned and provide recommendations** for the exit strategy and future replication, including pathways for continued support to sanitation through market systems.

The evaluation is set within a transitional context marked by economic challenges affecting household purchasing power, political changes impacting the functioning of the government from national to local level, both for elected government representatives as the public administration, and SDC's planned exit from Bangladesh by the end of 2028. The evaluation intends to inform internal learning for SDC, guide strategic adjustments for the remaining project period, and provide recommendations for sustaining and scaling the sanitation market systems approach beyond Swiss involvement.

3 Evaluation Process and Methodology

3.1 Overall methodology and analytical framework

The evaluation assesses the overall performance of the second phase project following the **OECD DAC criteria**. Specific sub-questions have been provided by the terms of reference and were assessed qualitatively in complementarity with the quantitative data readily available through the projects monitoring (indicator target monitoring by the project based on various surveys done by the project such as household surveys, monitoring of marketing and sales by LPs, cost benefit analysis, etc.). This allowed to assess the relevance of the project, the effectiveness of the theory of change as well as effectiveness and efficiency of the project set up.

In addition, a particular focus is set on the **scaling strategy deployed in phase 2 of SanMarkS and the intended changes in the sanitation market system**. The evaluation mobilises the relevant analytical framework provided by the market system development (MSD) approaches and looked at signs of change of behaviour of actors targeted by the project that can last beyond project intervention.



Figure 1: Adapt, Adopt, Expand, Respond (AAER) framework.

For the scaling strategy, analysis is done against the scaling strategy foreseen by the project for the second phase and based on a scalability review conducted.

The analysis of the intended changes in the sanitation market system focused on key system actors targeted by the project. These actors are the ones related to the core functions of the main supply chain (lead firms → latrine producers → households) but also the actors providing support functions and normative settings (Sanitation Business Associations, Micro Finance Institutions, training providers such as NILG, DPHE) of the market system. The evaluation team collected indication of changes in the system guided by the adopt/adapt, expand/respond framework provided by MSD as presented in the figure 1[2], while through the

[2] The Springfield Centre. (2015). *The Operational Guide for Making Markets Work for the Poor* (2nd edition funded by SDC & DFID).https://beamexchange.org/uploads/filer_public/6f/94/6f9444bf-da88-45b3-88d7-5118a7479517/m4pguide_full_compressed.pdf

knowledge management approach of the project, a more comprehensive review of system changes is foreseen.

The approach taken mixed **theory-based methods by identifying and confirming theory of change and result chain** in the given context at the end of the program and trying to demonstrate plausible association of the observed system changes to the project. Through the **visit of different districts of intervention, including districts in which the project only worked in during Phase I and not in phase 2 different cases and settings of interventions was compared** to try to identify possible factors that influenced development of the system change in various settings.

The synthesis of findings from the OECD-DAC analysis, scaling and system changes described above allowed to gather the main **learning identified in the implementation of the project and elaborate the recommendations for the final steps** of the project and continuity of the approach after closing of the project.

3.2 Evaluation questions

As presented in the approach paper, the objectives of the evaluation and the key questions according to the OECD DAC criteria were combined in the following 7 evaluation questions. These seven evaluation questions structured the analysis of the collected data and provided the reporting structure for the findings and recommendations of the evaluation report.

- **EQ 1 -** Are the project approaches **relevant** in addressing the poor rural households?
- **EQ 2 -** How effective is **the theory of change** of the SanMarkS project to foster demand for improved sanitation products, supply of improved sanitation products and improving the enabling environment?
- **EQ 3 -** How effective is the **national scaling strategy** rolled out in the phase II of the SanMarkS project?
- **EQ 4 -** How **effective and efficient was the project set up** for the implementation of the project in the two set-ups encountered in the second phase?
- **EQ 5 -**To what extent have **system actors have changed** their practice (signs of buy-in by system actors and crowding-in)?
- **EQ 6 -** How likely is it that these changes are going to **last beyond project implementation** and continue to contribute to **further acceleration** of access to improved sanitation for rural households?
- **EQ 7 -** What further action should be taken by project stakeholders to **continue accelerating** access to sanitation in rural households?

3.3 Time frame

The evaluation took place in the period from May 14 and August 10, 2025. The in-country mission took place in Bangladesh from May 18 to June 1.

3.4 Data sources

The evaluation bases on a blend of different sources (both primary and secondary) to inform the assessment by the evaluation team. The list of key informant interviews, focus group discussions and assessed documents are provided in annexe C.

- **Desk review of key documents:** This included review reports, the project document and operational reports, technical documents, steering documents, previously conducted cost benefit analysis and CEDRIG analysis.
- **Key informant interviews (KII):** The evaluation team gathered experts' opinion and perspectives from stakeholders such as Local Government Division (LGD) officials, DPHE engineers, UNICEF representatives, MFIs, sanitation entrepreneurs at national (lead firms) and local level (latrine producers), as well as local leaders. The evaluation team also sought to interview actors

of the system not directly targeted by the project (such as NGO/CSO, INGOs, donors and LP not targeted by the project) as well as non-adopters of the promoted technologies at the local level. It assisted to understand policy alignment, setbacks and recommendations for scaling up sanitation markets. This information shaded light upon private sector engagement, financing mechanisms and sustainability strategies. Overall, this data altogether contributed to visualising the project's effectiveness and impact on local businesses and communities.

- **Focus Group Discussions (FGD):** Through FGD the study team involved improved latrine users and potentially non-users to capture community-level insights. This allowed discussions on sanitation product affordability, accessibility and user experiences. The qualitative data acquired thereby contributed to identifying behaviour change trends, challenges in adoption, and existing social perceptions of sanitation improvements. Some other insights like gender inclusion, equity, and cultural aspects regarding the project were also gained from this data.
- **Field observations:** The evaluation includes field visits to 10 districts across six divisions, and consultations with stakeholders such as government officials, latrine producers, microfinance institutions, private sector partners, and community members.

3.5 Limitations

The methodology used has the following limitations:

- Analysis is based exclusively on project documents and monitoring information provided by the project partners and stakeholders. No additional quantitative data was collected during the evaluation, while the provided data have been critically assessed.
- While the monitoring system in place in the project, under the leadership of the implementing partner, is robust, it did not invest in monitoring control groups, challenging the attribution of results to the project.
- Some information such as district-wise SaTo pan sales data, partner-wise contribution of actual expenses incurred till June 2024, etc. was not available for review/analysis. Most of the interviews were conducted with project stakeholders informed ahead of time of the evaluation visit, while some few interviews were conducted with key systems actors not involved in the project and some spontaneous visits were conducted.
- The updates of achievements against the Logical Framework indicators and targets are based on information provided by the project team in the reporting up to March 2025.
- The evaluation team consisted only of male evaluators.

4 Description of the Project

4.1 Background and Rationale

Bangladesh has achieved the end of open defecation, supported by the CLTS movement and the 2003 campaign under DPHE. Despite this about 40 million rural Bangladeshi still lacked access to improved sanitation in 2022 and 54 million lacked access to safely managed sanitation (54% of the rural population). The economic cost of poor sanitation is estimated at **USD 4.2 billion annually**, equivalent to 1.5% of the country's GNP in 2018. The Government of Bangladesh is therefore aiming to achieve 80% access to safely managed sanitation by the end of the SDG period in 2030.

Therefore, to meet the SDG 6.2 target, **14.5 million rural households** must adopt improved toilets by 2030 — representing a **USD 1.2 billion market**. At current trends, the project estimated that over **7,000 LPs** will be needed, assuming this is the sole supply source for households to access improved and safely managed sanitation.

To increase access to sanitation, working through the market is widely recognised as key to ensure sustainable shifts in sanitation patterns at household levels. The **Sanitation Market Systems Development (SanMarkS)** project exemplifies this strategy, with the aim not only to work through the sanitation market (i.e. not working with latrine donations) but also to strengthen the market system by addressing the demand, supply, support and enabling environment for the provision of improved and safely managed sanitation.

Phase 1 (2016–2019) piloted the approach, based on experiences iDE started collecting since 2012 in various markets, and specifically adapting the SaTo products of Lixil to the local market and making it available by linking a national lead firm (RFL) with trained LPs. The project trained over **500 LPs** and facilitated the sale and installation of more than **160,000 improved toilets**, reaching over **720,000 people** in six districts.

Phase 2 (2020 – November 2025, including a one-year cost extension) builds on this foundation, aiming to scale the model to **35 districts** and aiming to reach **4.5 million people** in **1.2 million households**, particularly women, children, and youth. The project follows a scaling strategy based on several multiplication factors, principally the increased efficiency of the training provided by iDE to LP and increase of the number of districts covered (scaling out). This is further described and analysed in EQ 3.

4.2 Theory of Change and Key Outcomes

SanMarkS II is structured around a **three-tiered theory of change**. Further details on the theory of change and key indicators are presented under EQ.3 as well as in the logical framework assessment in annexe A.

- **Use of Services**: Increase access and use of improved sanitation and hygiene practices among poor and disadvantaged households.
- **Service Delivery**: Stimulate private and public providers to sustainably expand equitable sanitation services.
- **Enabling Environment**: Strengthen sector institutions, mobilise resources, and integrate market-based approaches into national and subnational WASH strategies.

On the supply side, the project continues to work exclusively on the promotion of SaTo products produced for Lixil in Bangladesh by RFL allowing through the SaTo pan and its innovative flap to provide a low-cost solution for improved sanitation for rural areas. The SaTo pan, moulded in a round or rectangular slab is set directly above a pit lined by concrete rings by the LPs. The introduction of offset double-pit latrines makes it in theory possible to ensure access to a safely managed sanitation system with onsite treatment. In phase II, the project upgraded its product range by introducing second generation SaTo products (I-Trap and V-Trap) as well as more aspiration user interfaces (such as non SaTo ceramic pans).

The project also includes a range of cross-cutting areas linked to leaving no one behind (addressing sociocultural minorities and marginalised persons, people with disabilities and life-cycle limitations (e.g. children, pregnant women, elderly), hard-to-reach areas), gender equity and disaster resilience.

4.3 Project Set-up and Financing

The total budget is **CHF 16 million**, co-financed by **SDC and UNICEF**, and contributions from the Government of Bangladesh and iDE. This does not include the investments made by households to access sanitation, as well as the investments made by latrine producers.

The project's main implementing partner is iDE, contracted by and reporting to UNICEF. In CHT there is a local partner NGO implementing the activities and is contracted by iDE. UNICEF and DPHE on their side are both funders and in charge of implementing several activities.

SDC contributes with its funds to the common pot of CHF 16 million and receives financial and operational reporting from UNICEF, mainly based on the reporting done by iDE to UNICEF.

The phase 2 of the project was to be supported from the onset by a TAPP with the Government of Bangladesh. Setting up and signing the TAPP however took longer than expected and it was finally signed in 2023 and runs until 2027. The TAPP *"WASH Sector Development, Policy, Advocacy and Sanitation Market System Development Project in Bangladesh"* comprises two components:

- **WASH Sector Development, Policy and Advocacy**. This is executed by the Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C), jointly funded by the Ministry and UNICEF.
- **Scaling Up Sanitation Market Systems**. This supports the implementation of the SanMarkS project by allowing the involvement of the PSB and DPHE. This part is linked to the SanMarkS phase 2 as described.

The WASH Project Steering Committee (PSC), chaired by the Secretary LGD and comprising of representatives from relevant ministries and departments, UNICEF, SDC, and individual thematic components, was responsible for overall supervision and coordination of project activities. The Project Director, LGD was the Member Secretary to the Steering Committee.

Additionally, a Project Management Committee (PMC) was established with the Project Director (PD), LGD as its chair, and comprising of representatives from DPHE, relevant Government Departments, institutes, UNICEF, SDC, iDE and MFIs/ NGOs, SME foundations and Government institutes like DPHE, NILG/BARD/ RDA/ BRDTI/ BAPARD, etc. The PMC was responsible to identify and address common implementation issues, scrutinize budgets and work plans and recommend those for PSC approval, and to ensure overall day-to-day coordination of component activities. The Deputy Project Director is the Member Secretary to the Management Committee.

4.4 No cost extension and change management

Justified by the challenging context with the Covid-19 pandemic (2019-2020), elections (2023) and political unrest (2024), the project had not managed to achieve several activity lines while having sufficient funds for one year no-cost extension.

This extension was accompanied by a change management plan, whereby the implementing modality was planned to be shifted from iDE to institutional system actors such as DPHE, Union Parishad, and PSB, as well as UNICEF for certain activities. Further, the following key objectives were included in this change management plan:

- Operational restructuring, notably by integrating iDE field office with the DPHE Executive Engineer's office and gradual reduction of iDE staff.
- Focus by iDE on LP capacity Development, SBA and Lead Firms engagement and Graduation process with District Business Association.
- Roll out 10 indirect district LP training through DPHE.

- Policy dialogue with the advocacy for 2024-2025 budget ADP allocation for SMART Subsidy and the incorporation of learning in the formulation of the National Rural Human Development Program with WASH Services.
- Initiating activities on FSM (training through DPHE and BUET-ITN) for registered sweepers and LPs.
- Conduct several documentations, awareness raising and knowledge sharing activities. DPHE will gradually take over the lead from iDE for sanitation marketing.

The intention of these changes was to strengthen the sustainability of the project in view of the project exit.

5 Key Findings

The key findings of the evaluation are presented according to the evaluation questions (EQ 1 to EQ 7) in the section hereafter.

5.1 EQ 1 – Relevance

EQ 1 – *Are the project approaches **relevant** in addressing the poor rural households?*

The SanMarkS project has been instrumental in making affordable, improved sanitation accessible to rural households – aligning with the GoB priorities to reach 80% coverage of improved sanitation and is as such clearly relevant. Through the training of a large number of Latrine Producers (LPs), 2,883 [F 84, M 2,699] and the establishment of local supply chains for SaTo products, the project enabled the widespread availability of improved latrines. Across regions, trained LPs reported significant increases in sales and business expansion selling over 958,869 latrines over the reporting period. This confirms that the market-based approach effectively reached rural consumers and allowed the local entrepreneurs to develop their businesses.

While awareness of improved sanitation has increased, affordability remains a barrier for non-adopters. As highlighted by the household surveys (non-adopters report 2024) conducted by the project and confirmed by exchanges with the household, the main limiting factor for not upgrading towards improved latrines is affordability, while they are in general aware of the benefits of improved latrines. Given the high percentage of adopters in communities, this hindering factor, however, applies specifically to the poorest segment of households that cannot afford even the most basic latrine sets and highlights the relevance of the deployed strategies to ensure the most vulnerable populations are not left behind. The project addressed this both through the supply side (ensuring a range of different sanitation options is offered by the latrine producers) and supporting the demand side by using a comprehensive approach to reach middle income (loans), low-income (promotion) and hardcore poor households (smart subsidies).

The evolving preferences of users reflect the relevance of an expanded product range. A growing segment of households is transitioning from basic SaTo or plastic pans to ceramic pans and offset pit systems, indicating rising expectations and a willingness to invest in higher-quality sanitation solutions. This shift validates the project's strategy of training LPs to offer a broader range of products. However, stakeholders also noted that sanitary plumbers could be more actively engaged to support the installation of more complex systems and aspirational user interfaces, such as double pit latrines or customised ceramic pans fitting the desire and available pace of households. This was not pursued by the project but could have been an opportunity to further strengthen the supply ecosystem by integrating additional technical actors.

Market-based approaches remain relevant and sustainable, even as household incomes and preferences evolve. The coexistence of fully subsidised latrines — often poorly installed or unused — with those purchased through LPs reinforces the value of demand-driven, marketing-oriented approaches. Households that invest in their own sanitation solutions are more likely to use and maintain them, suggesting that ownership and choice are critical to the long-term impact. While the project's strategies remain relevant in the current socio-economic context, stakeholders acknowledged that as household incomes rise, preferences may shift towards more advanced technologies. The challenge will be to ensure that the market continues to evolve and respond to these changing demands.

Design of the project. The project design is of good quality and reflects the needs and priorities of the rural households as the main target group to reach through LPs. Some objectives, however, were not entirely realistic, partly explaining the underperformance on specific indicators and target (see chapter on theory of change).

Challenging context, challenging adaptation. Finally, the project undeniably faced several contextual changes in its second phase (Covid-19 pandemic, change of government, current change in international funding landscape, inflation, etc.). While the objectives and design of the project remained relevant, even in changed circumstances, changes and adaptation to the context was at times

slow (e.g. adaptation to changes within government structures, changes in government policies such as reduction of safety net budgets for sanitation, delay in TAPP). The complex project set-up and unclear definition of roles and responsibilities within it appears to be a key explaining factor (see also under EQ-4) hindering close monitoring of context change and strong adaptive project management.

5.2 EQ 2 – Theory of change

***EQ 2** – How effective is the **theory of change** of the SanMarkS project to foster demand for improved sanitation products, supply of improved sanitation products and improving the enabling environment?*

The theory of change of SanMarkS phase 2 is presented in the figure below. The colour-coded analysis of the LogFrame targets and their current achievement status can be found in annexe A and serves as the basis for the analysis for this EQ.

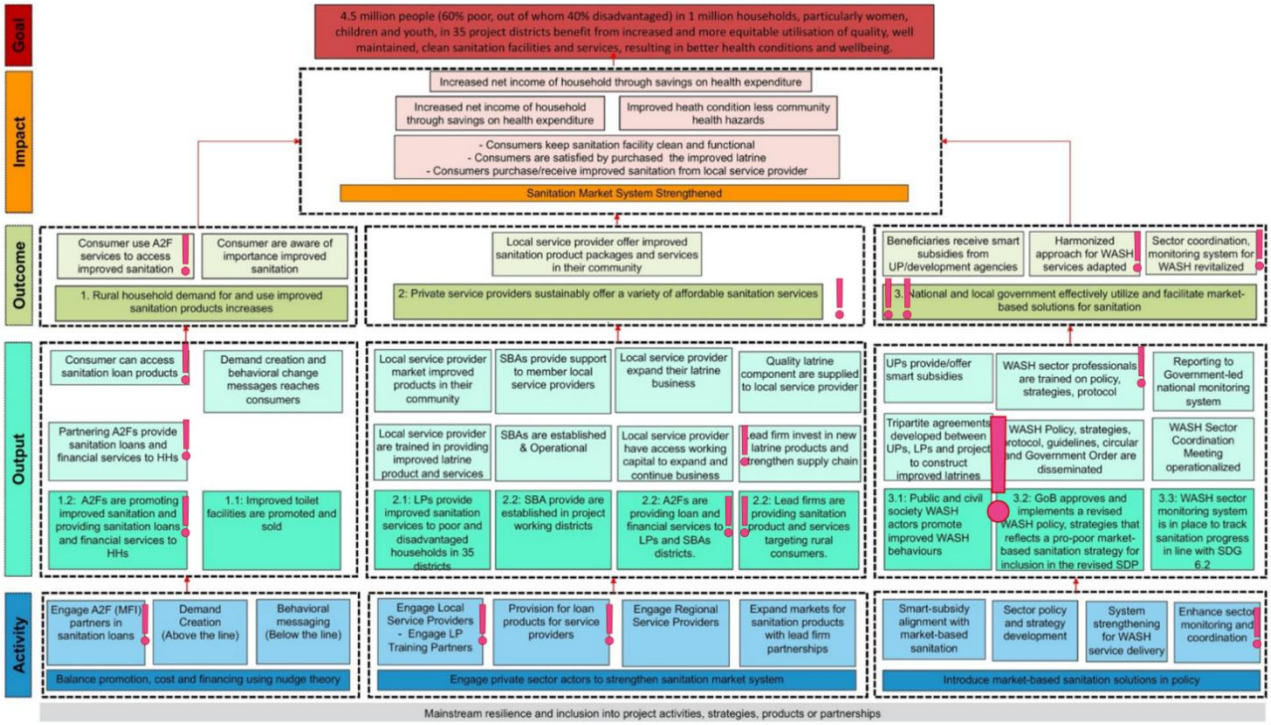


Figure 1: Theory of change of SanMarkS phase 2. Exclamation marks indicate the elements that are offtrack according to the monitoring framework.

5.2.1 Outcome 1 – Demand

Outcome 1 reads as "Rural household demand for and use improved sanitation products" and is subordinated by two outputs, one focusing on the number of toilets sold and one on the number of A2Fs that are promoting improved sanitation and providing sanitation loans and financial services to households.

- **Increase access to sanitation for households (Output 1.1)**

According to the project LogFrame, one key indicator for the measurement of success for outcome 1 is the number of persons that have access to improved sanitation. This number is reported as being 3,710,823 persons for the period 2019 to 2025, on track to reach 4,5 million persons by the end of the project duration if considered until 2027 and considering some additional districts (part of the 10 additional districts remaining) might be covered through the foreseen replication by DPHE.

This number is directly linked to output 1.1 and related indicators. It consists of the percentage (86%) of households that have purchased a latrine (958'869) and that are using clean and functional ones, according to the sampled household survey. The progress is then multiplied by the average number

of persons per household (4.5). The number does not account for the number of latrines used to be sold by latrine producers prior to the project interventions and natural growth (increase of latrine sales that would have happened without project intervention due to general increase in income levels for example) as no control group has been included in the project design (i.e., monitoring sales in districts not covered by the project) and sales data outside of project interventions could not be obtained through RFL. While this adds additional monitoring costs to the project, it is particularly recommended for future market system change oriented projects to facilitate the assessment of the changes that can be attributed to the project.

- **Access to finance for households (Output 1.2)**

To provide access to support the demand for improved sanitation, the project aimed to facilitate access of households to loans and subsidies (subsidies are considered under "enabling environment" according to the theory of change). This is measured by two outcome level indicators that are off track: i) the number of beneficiaries accessing financial services for improved sanitation (180 HH actual, 12'000 HH target) and ii) the number of female-headed HHs access financial services for improved sanitation (166 HH actual, 3'600 HH target).

The engagement of the project with MFIs for providing access to households for microfinance did not reach the expected results. Five loan providers have been identified (Brac, BEES, HUS, TMSS, RDRS) and a Sanitation Development Loan (SDL) was approved by PKSF, but without further apparent engagement with the project – mainly due to a lack of coordination between iDE and UNICEF. It is however noted that though the simultaneous presence of other micro-finance institution in the project area, some households ended up using loans from these organisations but without direct involvement by the project. In view of phasing out and continued interventions under the TAPP, it is therefore recommended to ensure LPs trained by the SanMarkS project are known to MFIs working in the same districts and among the MFIs partnering with WB.

While according to the household survey, corroborated by focus group discussion with households during the evaluation, affordability remains the main hindering factor for improving the access to sanitation (both for shifting from unimproved to improved or for shifting from improved to safely managed), the access to financial services is not a main constraint. Despite many households having existing loans for other purposes (e.g., agriculture, housing), most appear to not use loans specifically for latrine upgrades.

A more common practice for disadvantages households to access sanitation is through partial credit from LPs directly (payment in several instalments, defer payment until after harvest or sometimes even discounted sells by LPs). On the other hand, the less poor households have access to loans and tend to have one or several loans with micro-finance institutions. These loans are not directly tied to sanitation but rather for construction (expansion or improvement of housing situation). As such, the approach of the WB-PKSF working through a cash-back model for households improving their access to sanitation on standard loans appears a promising venue to expand credits for sanitation that could have been further explored by the project. It will be important to share this learning with other international organisations (donors and implementers) before project closure. Under the remaining TAPP period the connection with the WB-PKSF should be sought to further explore this approach.

5.2.2 Outcome 2 – Supply

Outcome 2 reads as "Private service providers sustainably offer a variety of affordable sanitation services" and is subordinate by four outputs focus on latrine producers, sanitation businesses associations, A2Fs for LP and SBAs, and finally the partnership with lead firms.

- **Latrine producers providing improved sanitation services (Output 2.1)**

By training 2,883 LPs [F 84, M 2,699], the project managed to overachieve its target of 2,500 latrine producers trained. This was accomplished through comprehensive training covering technical aspects (introduction of new products under RFL and their integration into concrete slabs, better casting, precasting with ceramic pans and tiles), business development skills (management and bookkeeping),

product knowledge, and linking up with public and private sector actors. As part of the scaling strategy, the training was reduced from 6 to 3 days to increase efficiency and reach.

In addition to training, LPs received promotional support including samples, demonstration budgets, and marketing materials, which proved to be important elements for increasing LP visibility and sales, in addition to below and above the line marketing done by the project. Furthermore, after the training, LPs also received on-the-job coaching. This comprehensive support package effectively allowed LPs to increase their sales significantly, with many reporting sales increases of more than two-fold.

However, this approach created strong dependency on iDE as the unique service provider, raising challenges for system change and sustainability (EQ4 and EQ5). Further, the project deliberately focused on one single product line (SaTo products), leading to an "iDE franchise" feeling with standardised models and marketing driven by the project. While the product range was diversified in phase II with new products (I-trap, V-trap) and double offset pit latrine systems, this narrow focus primarily addressed users transitioning from unimproved to improved/safely managed sanitation.

- **Sanitation Business Associations (Output 2.2)**

The project successfully established 36 SBAs (target: 30), with 18 SBAs officially registered and 18 additional functional without registration. SBAs provided a platform for LPs to network, share ideas, collaborate for collective benefits (such as providing credit to members), and negotiate with external stakeholders for bulk orders. Some SBAs secured dealership rights and began bulk purchasing and distribution among members which indicates a strong potential to go forward and continue their enabling role for member LPs. However, not all SBAs achieved the same level of functionality, and their sustainability beyond project support remains uncertain.

- **Loans for LPs and SBAs (Output 2.3)**

This component significantly underperformed, with only 5 LPs receiving loan services (target: 500) and only 1 financial service provider engaged instead of the targeted 15. The project struggled to effectively engage MFIs in providing specialized loans to LPs and SBAs. Most LPs already had access to standard business loans from MFIs and did not require specialized sanitation financing. Some LPs accessed group loans through SBAs, which proved to be an attractive alternative financing mechanism.

- **Involvement of lead firms (Output 2.4)**

The project established partnerships with 2 lead firms (Lixil and RFL) against a target of 3 (while as RFL acts as manufacturer of Lixil’s SaTo products, they are closely intertwined). The engagement with other potential lead firms (cement, ceramic, other plastic pan manufactures) were less successful and remained exploratory without materializing into concrete partnerships.

The inclusion of RFL in the production of the SaTo products undeniably represent a key milestone achieved by the project since phase I. RFL successfully developed and produced first-generation SaTo products and extended to new products (I-trap, V-trap, ceramic pans, filtration for pits, etc.) while these products could not reach market penetration of the scale of the first-generation products.

RFL also established a distribution network reaching dealers and retailers across project areas allowing to continue to ensure market supply. Despite various attempts, the evaluation team could not get access to RFL SaTo Products sales data in other districts than those covered by SanMarkS II and could therefore not assess to which extent the growth was driven by support of the project or happens organically in other areas.

RFL's engagement was primarily driven by CSR considerations rather than commercial viability, selling SaTo products at minimal costs to keep prices affordable for households. This CSR-focused approach, while beneficial for affordability, limited RFL's economic incentives for further marketing investments and supply chain development activities such as onboarding more LPs or expanding market reach. The low-margin business model limits RFL’s commercial motivation to actively promote the products beyond basic distribution.

A critical limitation of the engagement with RFL was that iDE retained most operational responsibilities for LP training, market activation, and demand creation rather than successfully transferring these functions to the private sector partners. This created continued dependency on the project rather than building sustainable market systems where lead firms would independently drive market development. The partnerships, while functional, did not achieve the systemic market transformation envisioned in the theory of change, where lead firms would become self-motivated drivers of sanitation market development beyond project support (e.g. local market activation or capacity building).

5.2.3 Outcome 3 – Enabling Environment

Outcome 3 reads as "National and local government effectively utilize and facilitate market-based solutions for sanitation" and is subordinated by three outputs focusing on smart subsidies, policy development, and sector monitoring.

- **Smart Subsidies (Output 3.1)**

The project reported achievement of significant results in smart subsidies, reaching 59,460 households against a target of 18,000, although the numbers cannot be solely attributed to project activities. The project has reported institutional sales made by trained LPs to Union Parishads, UNO Offices, DPHE and host of different NGOs as households receiving smart subsidies. Moreover, implementation was inconsistent across Union Parishads (UPs), with 340 unions providing smart subsidies against a target of 750. Many UPs reported minimal budget allocations for sanitation and competing priorities that limited their engagement. The selection process for targeting households often lacked transparency, with relatives and voters of UP members sometimes receiving preference over genuinely poor households. While the mechanism showed potential, institutional buy-in and systematic implementation remained weak.

- **Institutionalisation of pro-poor market-based sanitation strategies (Output 3.2)**

The project achieved its target of developing 3 policies/guidelines, including: (1) Approval of Sanitation Market System Development Guidelines, (2) Revision of pro-poor strategy, and (3) Revision of the National Water and Sanitation Strategy. Additionally, 150 WASH sector professionals were trained on sanitation marketing guidelines and climate-resilient sanitation approaches. However, the impact of these policy instruments on actual government programming and budget allocation remained limited. The project's efforts to secure a separate budget code for the WASH sector within government nomenclature were unsuccessful.

- **WASH sector monitoring system (Output 3.3)**

Progress on this output was mixed. While 10 WASH sector coordination meetings were held against a target of 15 (minutes of the meeting were not verified), the establishment of a robust sector monitoring system remained incomplete. The project reported developing a sanitation monitoring system in coordination with Bangladesh Bureau of Statistics (BBS), planned for public availability by December 2025. However, the functionality and sustainability of this system beyond project support is uncertain. The broader goal of creating an effective monitoring framework to track sanitation progress in line with SDG 6.2 was not fully realized.

Box 1: Overall OECD DAC assessment (detail in Annex B)

SanMarkS II is a large-scale, unique and a pioneering initiative in the WASH sector, not only in Bangladesh but across the globe. While it has been highly relevant, coherent and impactful, with careful design considerations and sincere execution, it could have been more effective, efficient, and its results could have been more sustainable. Nevertheless, it provides important evidence and means for other organisations to consider future interventions in WASH or similar sector. Below is a quick assessment of the project on different evaluation criteria:

Relevance (Score 2.25 out of 4.00): The objectives and design of SanMarkS positively responds to the needs and priorities of beneficiaries and involved stakeholders. By adopting a comprehensive approach, it creates access to a broad range of safely managed sanitation options for middle-income (loans), low-income (promotion) and hardcore poor (smart subsidies) households, and provides means and evidence for the involved stakeholders to follow. The objectives and design of SanMarkS are relevant, even in changed circumstances; it was able to adapt to the outbreak of pandemic and political unrest and post moderate achievement.

Coherence (Score 1.67 out of 4.00): SanMarkS is coherent to Swiss international cooperation strategy that emphasises on scalable and sustainable impact. It is consistent with other Swiss interventions which targets improved well-being of rural households, and it complements ongoing efforts of other organisations by filling the gap and strengthening systems and structures that benefits all.

Effectiveness (Score 2.50 out of 4.00): At the time of the evaluation, SanMarkS was only able to achieve a few targets (LPs trained, SBAs formed, and smart subsidies mobilised). By the end of the phase, it is likely to achieve latrine sales and HHs using improved sanitation targets but will miss or not achieve several other targets related to access to finance and results from indirect implementation in +10 districts. Due to lack of control data, the latrines sales and smart subsidies mobilised could not be solely attributed to SanMarkS. The project missed to reach targeted number of women-led households, and it did not address the issue of unintended impact (e.g., non-trained LPs losing business, etc.).

Efficiency (Score 2.67 out of 4.00): SanMarkS was economically less efficient as it relied on large number of project staff for LP training, follow-up and promotional activities, rather than leveraging investments from private sector partners. Although several issues were identified through the management, monitoring and steering mechanisms, corrective actions were not enough to attain the targets it would miss or not achieve at all, due to poor organisation, timeliness and less allocation of funding.

Impact (Score 2.33 out of 4.00): SanMarkS was largely successful in improving access (LP training, product supply) and use of safely managed sanitation by rural households (awareness building), barring the fact that the sales of latrines and smart subsidies could not be fully attributed to the project. SanMarkS missed to reach targeted number of women-led households, and it did not address the issue of unintended impact (e.g., non-trained LPs losing business, etc.).

Sustainability (Score 2.67 out of 4.00): The benefits of the project, both at the service provider (LP) level and beneficiary (household) level, are likely to last, as it has happened in Phase I locations. But their upgradation might be slow, as the project was not able to adequately engage the private sector and public agencies. Lack of resources and misaligned priorities of government and development partners might hamper continuation of the results achieved thus far. Nevertheless, the benefits of the project are going to last for a long time as the solutions it promoted are likely to remain relevant for the target group; significant changes in public policies, reforms and processes are unlikely that might affect the benefits.

5.2.4 Final Considerations on the Theory of Change

In conclusion, the overall effectiveness of the project is mixed and as such not entirely satisfactory. On the one hand, there is good performance on ambitious activities and targets, while on the other some are largely off-track. Out of 12 outcome level indicators, 4 are well on track or fully achieved – while 8 are not on track (while the impact level indicators are not reported yet). Hence, while the project managed to report notable success in terms of households benefiting from access to sanitation, the strong focus on reaching a high number of beneficiaries through the training of LPs that was kept in hands of iDE has somewhat put the project offtrack its initial vision of supporting broader market transformation. Instead, a stronger focus by iDE on market system facilitation by engaging lead firms and training service providers for conducting LP training or working through the lead firms to conduct promotional campaigns would have been more in line with market system approaches. This is addressed and detailed in the following EQs.

Further, it is noted that across the 3 outcomes all gender-specific indicators were underachieved. This includes for example the number of local “service providers” (mainly LPs) that employ women (67 reached out of a target of 635), or the number of women led household receiving subsidized sanitation (2,577 out of 10,800 set as target) (see annexe 1). The same accounts for most gender disaggregated indicators. Beyond the number, where arguably some indicators have been set too high in view of the current structure of targeted marker (few female masons overall), gender inequalities appear to not have been addressed through targeted activities by the project. It is however noted that the role of women in triggering changes of behaviour within the household has been effectively targeted by the project mainly in the below the line marketing activities.

The enabling environment outcome showed the least effectiveness among the three outcomes. While some policy documents were developed and smart subsidies were implemented, systemic integration of market-based approaches into government operations remained limited. Weak coordination between national, district, and local levels of DPHE hindered the institutionalization of lessons learned. Under the TAPP, coinciding with the evaluation, DPHE shared instructions with district and local levels defining their involvement in the project. While this is a good first step, it is recommended to actively facilitate the organisation of learning exchange workshops (until November 2025) and additionally planning workshops until 2027, involving central, regional district and upazila level of DPHE.

Box 2: Climate resilience

Through a **CEDRIG Operational** workshop in 2022, SanMarkS II identified two major climate-related risks to sanitation infrastructure specific for the Satkhira region: salinisation affecting latrine component quality and durability, and cyclone damage rendering latrines non-functional.

The project developed climate-resilient **latrine designs incorporating raised slabs and circular shapes to withstand floods and cyclones**. Pilot implementations included 14 disaster-resilient latrines in Satkhira district, 40 elevated twin-pit latrines in Chattogram Hill Tracts (CHT), and 50 household toilets in Cox's Bazar using household contributions. Additionally, 100 Latrine Producers (LPs) were trained in resilient technologies, with location-specific adaptations for cyclone-prone and flood-prone areas.

Field observations revealed potential adoption barriers. In one household visited in Satkhira, the climate-resilient latrine was not in use due to accessibility issues, particularly steep ramps, though this single observation is not representative of overall adoption patterns. This however remind that fully subsidised installations may show poor uptake, potentially contradicting the project's market-based approach.

Field visits also revealed construction quality issues with some household latrines that are not entirely sealable, with holes between rings, slabs and earth cover, **making them particularly prone to flooding.** These elements could also be addressed through further awareness raising of households and masons.

On salinisation, some LPs demonstrated awareness of salinisation challenges and received technical guidance from cement producers.

Box 3: Cost Benefit Analysis

The cost-benefit analysis (CBA) of a project evaluates its financial viability and impact under certain conditions and context. The SanMarkS project aimed to enhance access to improved sanitation by leveraging market-based solutions and financial mechanisms in rural Bangladesh.

Estimation of Cost and Benefit

The estimation of various costs data of the SanMarkS is available throughout Phase I and II. The benefit estimation reported in phase-I was generated from the World Bank's Water and Sanitation Program (WSP) proxy multiplier from 2012 developed from data captured in 2009[3]. This estimate measured total financial impact and respective gain due to improved sanitation and hygiene[4] and respectively used by iDE under the assumption that in case the inadequate sanitation is addressed the loss will be prevented, and the amount in its entirety could be considered as a gain. However, the report claimed that the economic gains can be achieved '*by implementing sanitation and hygiene interventions in Bangladesh, where interventions include improving access to and use of sanitary toilets, improved hygiene behaviour, safe disposal of human excreta, and improved access to good quality water*[5] whereas the SanMarkS only promoted an effective sanitary marketing system in nearly half of the country.

a) Cost

Phase-I: Over a four-year period (2015-19), the initiative reached over 170,000 clients, with steadily growing uptake due to increased latrine business penetration and consumer demand. The total household and operational costs were estimated at CHF 7.72 million, reflecting both initial latrine investments and annual maintenance.

Phase-II: Phase II (2019–2025) of the project has a total budget of CHF 16 million, with SDC contributing CHF 6 million and UNICEF providing additional co-funding. The initiative was scaled up to cover 35 districts, aiming to reach 1 million rural households — approximately 4.5 million individuals — and empower more than 3,000 trained latrine producers.

b) Benefit

It's really a complicated exercise to estimate the benefits of a project, like the SanMarkS, in an absolute monetary term. However, the evaluation team identified some of its benefit during the field visits in six divisions of the country. The key aspects of the benefits are:

- **Economic Benefits**: Increased household investments in sanitation lead to better health outcomes, reducing medical expenses and improving productivity. During group discussion with community people, they shared that their improved latrine helped them to reduce the frequency of diseases like diarrhea, cholera etc. There is no estimate of financial gain due to this, but community people mentioned it with no exception.
- **Market and Business Growth**: Strengthening sanitation supply chains fosters entrepreneurship and job creation in local communities. It was observed that after the LPs received the training from SanMarkS II their sales raised two to fourfold. This is an obvious success of the program which not only helped to grow their business but also engaged more people in activities. Masons and sweepers are they key examples in this regard.
- **Environmental Impact**: The evaluation team couldn't obtain any statistics in this matter, but the community people opined that their surroundings have been safer than before. Nowadays they rarely notice any faeces in open areas which reduces the spread of germs leading to some public health benefits.
- **Financial Costs and Benefits**: Overall total investments in infrastructure, training, and awareness campaigns are associated with immediate and long-term monetary gains.

[3] Water and Sanitation Program (WSP). (2012). Economic Impacts of Inadequate Sanitation in Bangladesh. World Bank https://documents1.worldbank.org/curated/en/379261468210888740/pdf/717330WP0Box370SI0Bangladesh0Report.pdf

[4] Page 48, Ibid

[5] Page 49, Ibid

5.3 EQ 3 – National scaling strategy

EQ 3 - *How effective is the national scaling strategy rolled out in the phase II of the SanMarkS project?*

The scaling strategy of the SanMarkS II project was identified starting with the MTR of SanMarkS I and then further elaborated in the concept note "Scaling Up Sanitation Marketing Systems in Bangladesh" that served as basis for the elaboration of the project document. In the end a set of 8 actions (6 expected to lead to increase in improved latrine production, 1 leading to better inclusion, 1 to higher quality of service) were identified. The level of achievement is illustrated in traffic line coding in graph hereafter.

In line with the overall theory of change, the national scaling strategy of SanMarkS Phase II showed mixed effectiveness, achieving significant quantitative results while having limited success in establishing the system changes necessary for large and sustainable scaling. The scaling strategy deliberately focused and **succeeded in scaling out** (geographic expansion) (1) and **scaling down** (efficiency improvements on the trainings) (2) but had limited success in integrating the approaches within institutions and permanent system actors.

The project maintained a project-dependent and implementing partner dependent approach to LP training despite achieving scale. The training remained conducted by project staff, with DPHE participating but not taking an active role. At the time of the evaluation, the project **did not handover the training to other actors** – such as public system actor such as DPHE (Department of Public Health Engineering) or NILG (National Institute for Local Governance), or private training centres. Integrating LPs with lead firms that could also provide training on the utilisation of their own products could also have been explored further.

In terms of nudging (5, 7), the project was successful in increasing the range of its products and introducing through the support of LPs aspiration products at the level of the user interface (ceramic pans, colourful last "polishing") and introducing offset pit latrines setting the pathway towards safely managed sanitation (7). However, also on the side of below the line marketing the actions remained highly dependent on the project and implementing organisation. Further, above the line marketing was limited to local level actions (billboards, micing and demonstration plots) but did not manage to trigger a national level campaign for the promotion of improved and safely managed sanitation.

Generally, the SanMarkS phase II had limited success in **expanding its relationship** and partnership with other entities, public or private, national or international active in the sector. Next to the provision of training of LPs, this also affected the aspects on A2F (4 and 6). The identified actions point to experiences made by the World Bank, that rightly would allow for a good entry point to jointly work on further developing this aspect, however, there appears to have been limited coordination and awareness of SanMarkS Phase II. However, World Bank representatives noted limited coordination or awareness of SanMarkS Phase II and other partnership with a highly developed micro-finance scene in Bangladesh (BRAC, etc.) did not materialise. Overall, the project had limited success in establishing strong exchanges on technical and thematic aspects while also having limited success in mobilising other NGOs or development partners to adopt the SanMarkS model.

The project took an active role in the facilitation of smart subsidies to ensure transparency, rather than building institutional capacity for independent implementation. Union Parishads implementation was inconsistent and often deprioritized due to limited local budgets and competing priorities. The project had limited success in creating an enabling environment for smart subsidies, with underlying institutional and budgetary constraints limiting uptake.

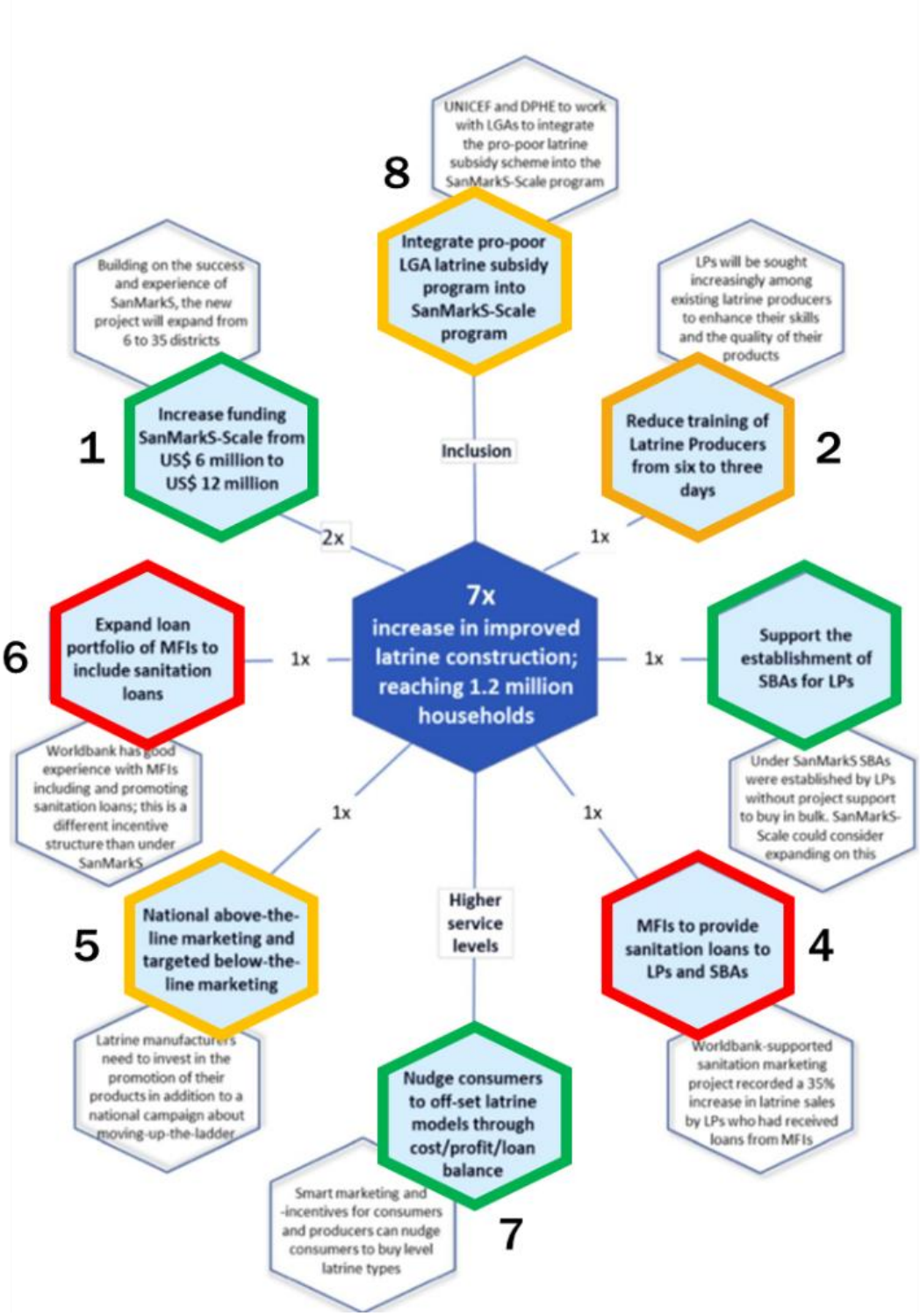


Figure 2: Assessment of the deployment of the scaling strategy foreseen for SanMarkS phase 2

5.4 EQ 4 – Project set-up

EQ 4 - *How* ***effective and efficient was the project set up*** *for the implementation of the project in the two set-ups encountered in the second phase?*

The set-up of the project was complex with multiple funding and implementing partners involved. Different contracts, amendments and currencies used in executing the contracts created challenges in project management and reporting.

Although the objective was to leverage their expertise and existing relationship with various project stakeholders for a successful Phase II, at times it led to ambiguities in roles and responsibilities, requiring additional effort for clarification and to avoid miscommunication.

Delayed approval of the TAPP hampered project steering and collaboration with stakeholders for the indirect districts. Project management, monitoring and steering mechanisms identified several issues but could not undertake timely/corrective actions to attain the targets that the project is likely to miss or not achieve at all.

Despite the above and the obstacles encountered during Phase II, the project could achieve a few targets (e.g. LPs trained, SBAs formed, etc.) but failed to attain others perhaps due to lack of capacity, focus or lack of (timely) resources mobilisation.

This has led to questions and confusions about the extent to which resources were secured/mobilised versus reported, as contrary to physical progress, financial progress has been quite at par with planned budget. The evaluation team identified a few questionable expense items but could not arrive at a conclusion due to lack of adequate information, explanation and limited duration of the evaluation.

While iDE led majority of the implementation activities on the ground, they were reliant on large numbers of project staff for delivering training, follow-up with public and private sector actors, and organising promotional campaigns for LPs. Although a lot of emphasis were placed (and resources allocated) on private sector engagement, the project could not leverage sufficient investments and engagement from the private sector. Moreover, LP training duration and certain promotional activities could have been reduced further based on their effectiveness.

In preparation of the no-cost extension, the project set-up was changed with a reduction of number of project staff on the side of iDE, also in the aim of a better integration of DPHE in the implementation of the project's activities. The increased involvement of DPHE did however not take place until the moment of the evaluation, not allowing to completely cover the reduction of the number of project staff and to increase institutionalisation of the interventions (see also EQ 6).

Box 4: Chittagong Hill Tracts (CHT) and Cox's Bazar

Both the context and working conditions are different in Cox's Bazar and CHT than the rest of the districts SanMarkS stepped in and worked with. Due to Rohingya influx in Cox's Bazar many projects are active in the area on various thematic areas. The WASH Sector coordination group brings together all entities from government and NGOs favouring coordinated approaches towards improvement of sanitation. Although iDE is no more working for SanMarkS they have other program like TLTN (Transforming Lives through Nutrition) in those areas that also has WASH components through which the local people are benefitting. Other NGOs like World Vision (with funding from JICA) are setting up community-based latrine blocks. Government also provides some support to install latrines. The coordination is not limited within the agencies or organisations; the masons, LPs and sweepers are also very coordinated and well connected that facilitate the installation and maintenance of safe sanitation system at household level.

On the other hand, the situation in CHT is rather backward, mainly due to the communication hurdle. iDE is working with support from BNKS (local NGO) and in UNICEF supported *'Para Kendro'* (community centres). *'Para Kendro'* was introduced in the early 2000s in the CHT. The word *"para"* refers to a small village or cluster of households, and the centres were designed to be community-based hubs offering pre-primary education, basic healthcare awareness, and nutritional support.

In most of the areas in CHT, the transport cost is higher than the price of the sanitary products like slab and rings. In other areas, it was found that the SaTo was delivered to the LPs centre by the dealers whereas the LPs need to collect the SaTo Pan from the dealer or sales representative in CHT. The conditions in further remote areas like distant upazila or unions are even worse. The other major barrier to ensure widespread safe sanitation in CHT is the Jhum farming. For Jhum farming, farmers often stay in temporary shelters near the fields for several weeks to a few months during the cultivation season. This period typically spans from land clearing in late winter to harvesting in the monsoon or post-monsoon months. During this time, they use temporary or traditional unsafe latrine. However, iDE CHT team is experimenting some new ways to build safe latrine in the hilly areas by using traditional knowledge and SaTo technique. If it works well the transport hassle would be reduced, and hopefully it would inspire people to use safe sanitation in a higher number.

5.5 EQ 5 – Signs of system change

EQ 5 -*To what extent have* ***system actors have changed*** *their practice (signs of buy-in by system actors and crowding-in)?*

Many sanitations projects directly aim to increase access and awareness which limits scale and sustainability of service delivery and use of sanitation services beyond the project. SanMarkS, in its Phase II, as an exception by design, continued to facilitate the private and public actors to adopt new products, processes and policies to ensure that the service delivery and use of improved sanitation services function during and beyond without SanMarkS interventions. The Phase II of the project was designed well considering MTR recommendations and the contextual realities of Phase I. However, during implementation, the project fell short to some extent in engaging the private sector actors, and in mobilising public agencies which affected achievement of certain targets/objectives of the project. The evaluation team used the AAER (adopt-adapt-expand-respond) framework, which is commonly used in market systems development programming, to capture and report various signs of systemic change observed during field visits and stakeholder interviews. This tool was also used by the MTR of Phase I, providing a baseline for comparison of additional changes since then. Additional observations, which were not covered in the framework have been listed afterwards.

The MTR had identified positive indicators of systemic change, particularly at the adopt phase, but with emerging indications of adapt, expand and respond phase. A similar trend was observed during this evaluation but with some exceptions.

- **LPs were instrumental in driving the change in the sanitation market**. Strong buy-in was observed among the LPs who benefited from the information/knowledge on new products, production processes, and business management. Most of them (to be confirmed through LP graduation assessment scheduled for June-July 2025) have done well in delivering a variety of improved latrines to HHs and expanding their business in the process. Some took advantage of the networking facilitated by the project through LP training and SBA formation to gain additional information/knowledge, but it would be interesting to see how they further adapt/expand and get access to new information/ knowledge, as the sanitation market evolve in the future.
- **The project developed training materials and conducted training of the LPs by the project staff.** The project engaged lead firms like RFL (and Lixil) but mainly to design, produce and ensure supply of improved sanitation products at the last mile to be integrated by the LPs. The project could engage neither lead firms nor standalone training service providers to provide training to the LPs, leaving a weak link for the LPs to get access to information/knowledge on new products and production techniques in the future or to continue expansion of the number of trained LPs. Moreover, the project conducted awareness raising activities with limited engagement of the LPs and almost no engagement of the lead firms, which might affect households' access to information on features and benefits of improved sanitation in the future.

- **The project could not engage the public agencies as planned for training the LPs and mobilising MFIs to offer sanitation loans to households.** While this directly affected the achievement of the targets set out in the project document, this also limited the opportunity to positively impact the behaviour (adopt-adapt-expand) of these institutions. Project's engagement for policy level changes was limited/constrained which reduced the chances of market "response".

Table 1: AAER analysis

Adopt - *Partner takes up a pro-poor change that is viable and has concrete plans to continue it in the future* • LPs trained by SanMarkS adopted improved products (SaTo pans, ceramic pans, offset latrines) and marketing practices (expanding "showrooms"); they participated in marketing activities (e.g. courtyard meeting, micing) but most would not continue to do so without project support. • RFL adopted SaTo production in partnership with Lixil and their sales representatives participated in awareness campaigns. • Public agencies (DPHE, UP, etc.) participated in training and awareness events, though coordination and funding remain weak. • Households in project areas adopted improved latrines after exposure to awareness campaigns and LP demonstrations.	**Expand** - *Similar or competing players copy the pro-poor change or add diversity by offering variants of it* • Non-trained LPs began copying trained LPs' practices, sometimes using lower-quality materials. • SBA formation in multiple districts encouraged peer learning and collective action. • Azad Plastics, a company that supplied normal plastic pans, started producing and selling SaTo pans, by copying the design. They did not use the best materials to keep the costs down. • Retailers and dealers increased stock and distribution of SaTo pans and related products. • Households influenced by neighbours or relatives adopted improved latrines, showing social diffusion.
Adapt - *Initial partner has 'invested' in the pro-poor change adopted independently of programme support* • LPs independently expanded product lines within sanitation and construction items. • RFL adjusted product lines and marketing strategies, exploring new channels (e.g., plumbers) and product innovations (I-trap/V-trap, using recycled plastics, etc.) • RFL appointed selected LPs as SaTo dealers to increase reach and sales. • Some LPs/SBAs started operating independently with savings/loans. • Households upgraded to ceramic pans, showing demand growth.	**Respond -** *Non-competing players adjust their own practices in reaction to the presence of the pro-poor change (supporting functions and rules)* • DPHE expressed interest in collaborating with trained LPs post-project. • MFIs introduced sanitation-specific loans with reduced interest and incentives. One of the MFIs tweaked the loan product to align with their other product offerings. • NGOs (e.g. BRAC) integrated sanitation loans into broader WASH programs, as they identified it to be a key driver. • World Bank and PKSF scaled up sanitation financing and LP training through large-scale programs.

Box 5: Swiss visibility

Water, Sanitation and Hygiene (WASH) has been a sector dominated by government and NGOs adopting a direct delivery approach, as opposed to private sector led market systems approach preferred by SDC. SanMarkS has been SDC's only large-scale initiative in the WASH sector in Bangladesh. The long-term commitment of SDC to this approach since the piloting of SanMarkS has allowed to strategically influence the sector with several organisations (such as World Bank and BRAC), including the project partners UNICEF and to lesser extent DPHE, shifting to the similar approaches. SDC successfully exploited an initial niche for advancing the sanitation sector in Bangladesh.

While SDC's logo has been included in project's communication materials as one of the funders, the attribution of the project to SDC is rather low due to the strong presence and recognition of iDE and UNICEF among project stakeholders. iDE has a strong engagement and presence among the LPs, and among the households through the LPs. UNICEF has a long-standing collaboration with DPHE and recognition among the government ministries/ agencies and development organisations working in the WASH sector. SDC's role was limited to the steering committee meetings and through the contribution modality also less involved in direct interaction and steering of the project. Therefore, for supporting an innovative project in the WASH sector, SDC could have gotten more recognition for its contribution to the sector.

5.6 EQ 6 – Sustainability

EQ 6 - *How likely is it that these changes are going to* ***last beyond project implementation*** *and continue to contribute to* ***further acceleration*** *of access to improved sanitation for rural households*?

With the non-cost-extension and the signing of the TAPP, the project adopted a change management strategy as an exit strategy for the end of the project allowing to hand over certain activities to other actors, such as DPHE and UNICEF and seeking stronger involvement of entities such as UP and PSB. Due to prevailing low engagement of DPHE across levels and the absence of a clearly agreed vision and strategy on how this would happen (requiring clarifications on roles and responsibilities among partners) this plan is lagging on the shift in roles and responsibilities.

This shift in roles towards system actors and UNICEF is important for sustainability and for carrying further system changes, but it has not materialised. It has not been accompanied by a realistic approach and action plan and adequate resources to support it. Many of the shifts suggested are in fact linked to activities of the project initial theory of change to further include system actors that have been missed.

The sustainability of the changes at the different key actors the project targeted can be assessed as follows.

- **Sustainable adoption of technology and level of service at household level.** Most households that gained access to improved sanitation during the SanMarkS project are expected to maintain it. However, a few cases of reversion to unimproved sanitation have been observed, often due to lack of funds for repairs or dissatisfaction with certain technologies (e.g., noise from flaps, breaking down of the flaps).
- **LPs will maintain their business, with limited growth and diversification.** Evidence from Phase I visited LP, who were not covered in Phase II, shows that most LPs can sustain their businesses, especially if they are active in other sectors (dealership of other concrete products, cement dealership, etc.) while some dropouts of LPs will naturally occur. However, LPs lack confidence to adopt new technologies without external support. Promotional efforts have largely ceased in the absence of project backing. Institutional orders have also significantly declined without project facilitation. After project end, LP should therefore be able to continue to supply the current range of products and allowing households to avoid falling back the sanitation ladder if a product would need reparation. However, they might miss market evolutions and therefore see their business reduce with time.

- **There is a strong training institutional gap.** Training led by iDE was instrumental in building LP capacity, but the knowledge remains largely within the organisation. The one-time training-of-trainers model has not been institutionalised, and there is a lack of ongoing capacity building through national training institutions. The experience and knowledge made by the project is therefore at risk to stay within the project implementing organisation. Therefore, the training of further LPs with the methodologies and contents developed by the project will likely not continue after the project end.
- **Government Role and Systemic Barriers.** The DPHE faces unclear role definitions, limited funding, and weak integration across administrative levels. These systemic issues (going beyond project scope) have hindered the national adoption of the SanMarkS market-based approach, with major programs still prioritizing infrastructure over sustainable service delivery models despite the adaptation of the Sanitation Market.
- **Sustained lead firm engagement.** RFL as key lead firm engaged in the SanMarkS project is very likely to continue its engagement in producing and distributing the SaTo products. As their engagement in the SaTo product line is motivated by CSR considerations mainly, RFL is however unlikely to keep scaling and diversifying this product line without further facilitation by a project.

Overall, although the project managed to achieve sustainable results, due to the challenges in achieving further system changes (see EQ 5), it is unlikely that further acceleration towards access to improved sanitation will continue without project intervention. There is however potential to harness some further system changes through the TAPP. Further, the period until 2027 can also be used to promote collaboration between NGOs and government across levels (from local to national) to develop more coordinated approaches towards sanitation market system strengthening.

6 Conclusions

- **Operational success but limited system level transformation**

The SanMarkS II project represents a significant achievement in applying market system approaches to rural sanitation in Bangladesh, demonstrating remarkable operational success whilst revealing important limitations in achieving systemic transformation. The project successfully reached 3.7 million people through training 2,883 LPs and facilitating the sale of over 958,000 improved latrines, validating the relevance and effectiveness of market-based approaches.

However, the evaluation reveals a fundamental tension between achieving impressive quantitative results and fostering the deep systemic changes necessary for sustainable market transformation. Whilst the project effectively scaled out geographically and scaled down operationally (increased efficiency), it fell short of triggering lasting system level change, for example though institutional change at DPHE, involvement of training institutions or MFIs.

- **Differentiated effectiveness across outcomes**

The project's performance across and within its three core outcomes was markedly uneven. Supply-side interventions achieved notable success, with LPs demonstrating sustained business growth and SBAs creating valuable networking platforms. The enabling environment outcome showed mixed results, with smart subsidies exceeding targets but remaining project-dependent rather than institutionally driven and all range of policy dialogue results that have been missed. Access to finance components consistently underperformed due to misaligned assumptions about household and LP financing preferences, though alternative credit arrangements with LPs enabled continued sanitation access. Notably, all gender-specific indicators were off-track across outcomes.

- **Limited system change**

Using the adopt-adapt-expand-respond framework, the evaluation found encouraging signs of adoption among direct beneficiaries but limited evidence of deeper systemic transformation. Latrine producers successfully adopted improved products and business practices, with some expansion through non-trained producers copying successful models. However, critical system actors showed limited behavioural change that would ensure continued market development beyond project support.

The partnership with lead firm RFL remained primarily driven by corporate social responsibility rather than commercial viability. This CSR-focused approach, combined with iDE's retention of key market development functions, limited private sector incentives for independent innovation. Similarly, the DPHE's engagement remained constrained by absence of the signed TAPP, but leading to unclear roles, limited funding, and limited mobilisation and coordination from the national to local level of the leading institutions.

- **Sustainability**

The project's sustainability presents a mixed picture. At the household level, adoption of improved sanitation is likely to persist. LPs are anticipated to continue their businesses, though with limited growth capacity without external support. However, critical knowledge gaps threaten long-term impact. The project maintained a project-dependent approach to LP training despite achieving scale, missing opportunities to integrate training within government institutions or private training providers of which some had been identified.

- **Overall assessment**

Despite limitations, SanMarkS II delivers substantial strategic value as a pioneering demonstration of market system approaches in the WASH sector, supported by SDC’s long-term commitment in funding this market-based approach. The project's initial influence on sector led organisations including UNICEF and the World Bank to adopt similar market-based approaches for sanitation, though Phase II saw limited interaction with these and other organisations implementing comparable strategies.

Moreover, strategic opportunities were missed. Key lessons emerge around the effectiveness of comprehensive LP support packages and the critical importance of early engagement with permanent

system actors for institutional change and having the project implementer taking the role of a facilitator. The delayed TAPP approval hindered institutional integration and sustained capacity building, though its implementation until 2027 provides a remaining window to work on institutionalisation with DPHE through knowledge transfer. Insufficient coordination with other development partners represents a missed opportunity for sector-wide impact.

Hence, the scaling strategy of SanMarkS succeeded in operational replication but had limited success in achieving the institutional integration and system actor behaviour change necessary for sustainable scaling.

7 Lessons learned

As a pioneer project in applying market system approaches to the sanitation sector at a large scale, several important learnings have been gathered that can serve future projects working with similar approaches in Bangladesh and internationally. These lessons learned are further well documented. The list of lessons learned hence is not exhaustive.

7.1 Market system actors and business development

Training, diversity of products and promotional packages worked as effective combination for business growth of latrine producers: Many of the LPs benefited from the technical aspects of the training which had a direct impact on their business and less from the other aspects – business, marketing and linkage. The promotional package and networking facilitated by the project helped to position themselves as innovative, equipped and reliable provider of quality products among the users. The package of support for the LPs, however, could be evaluated for its effectiveness and future application.

Sanitary workers are key for latrine upgrades: Linking them with private sector and training can drive progress in sanitation access as households move up the sanitation ladder and require a more diversified range of products allowing them to access safely managed sanitation.

SBAs served as a platform for future system change: SBAs provided a platform for LPs to come together, share ideas, collaborate for collective benefits (e.g. provide credit to members) and negotiate with external stakeholders (e.g. place bulk order). Such networking could be further facilitated through offline and online (Facebook groups/pages) to increase the audience and constitute a good entry point to disseminate new products/innovations to the rural market.

MFIs are key driver for access to finance for LPs: LPs usually already have access to finance and often take loan products of MFIs targeted to business development. Alternatives such as group loans through LPs seem to be attractive alternative for HHs.

Private Sector (e.g. RFL, Lixil) is critical for future evolution of market towards safely managed sanitation: The second generation of products (I-trap and V-trap, etc.) have not seen the same success as SaTo pans, as more and more HHs are switching to ceramic pans. Both Lixil and RFL need to assess this evolution and devise strategies for product development and promotion in absence of SanMarkS.

7.2 Demand creation and marketing approaches

Some marketing activities (group sales meetings, school sessions, etc.) were more effective than the other: Targeting women through group sales meetings and children through school sessions were effective means of creating demand for improved latrines, as women cared more for the health and wellbeing of the family members. This also ensured access to information for women and girls and helped them to participate in the decision-making process. Some other tools like miking, billboard, etc. were less effective.

MFIs could be strong change agents providing finance and information to households: MFIs do not have clear incentives to offer flexible (tenure, interest rate) loans for sanitation purposes. Moreover, they are not interested in offering loans smaller than 20,000-30,000 BDT, which may be required for many HHs to switch to improved latrines. On the demand side, while households often have access to loans, they do not prioritize investment in sanitation often use it for other upgrades in the house. A main added value of MFIs rather lies on the dense network of agencies and agents that could be leveraged (through incentives).

7.3 Public sector and institutional engagement

UP – facilitating access to smart subsidies: Union Parishads has the reach and contacts of HHs who need subsidies to switch to improved latrines. Through fund mobilization, budget allocation and proper monitoring these HHs could be brought under coverage of safety managed sanitation.

Government and development partners could enable UPs to reach more HHs through necessary policies and guidelines.

DPHE – as supporters of LPs: DPHE used to have its own latrine producing facilities. Through their institutional orders and technical capacities, it has a key role in further supporting LPs. Taking the lessons from SanMarkS, it could harness the potential of LPs through further capacity building, effective engagement and proper monitoring. If DPHE considers one staff per Upazilla to support the LPs, it can reach more HHs than it would reach through traditional hardware support programs.

Engagement and learning through implementation are necessary for institutionalization: The project, as planned, could not engage the public agencies for training of LPs and mobilising MFIs to offer sanitation loans to households. The experience of implementation of two critical activities would have strengthened the capacity of the public agencies, if the project had succeeded.

Policy dialogue to structure across levels needs investment: There were no dedicated staff to work on policy interventions. Dedicated project staff, strategies and resources are needed from the onset of such programs to allow for sufficient time for change. Experience and evidence-based policy dialogue efforts need strong engagement and articulation across levels.

7.4 Scaling and sustainability challenges

Direct delivery of LP training and awareness campaigns limited future scalability and sustainability: The Project should have considered engagement of the lead firms or standalone training service providers for LP training, even if they had to bear the costs. Similarly, the project should have considered promotional activities that are more feasible for the LPs and lead firms to organize. That would have reduced the reach and effectiveness but increased chances of scale and sustainability.

Limitations of scaling through replication only: To ensure further growth in scaling, involvement of permanent system actors that have key support functions (training, innovation) and regulatory functions (quality control) is essential – but also add to the complexity of the programs.

Complexity of addressing safely managed sanitation: Addressing safely managed sanitation and as such including faecal sludge management is a complex task and requires addressing an entirely new market with differentiated studies and approaches.

7.5 Project management and implementation

Climate resilient latrines require a holistic approach beyond technical design solutions: While CEDRIG workshops effectively identify climate risks and guide the development of resilient infrastructure designs, successful implementation depends on balancing technical adaptation with user accessibility, market-based financing mechanisms, and construction quality assurance. The experience demonstrates that climate-resilient WASH interventions must integrate user-centred design principles and maintain market system approaches.

Monitoring of system level change should start from the beginning of the program: While there is a study still planned on the identification of system level change in Q3 2025, it would be important for such projects to clearly define indicators from the onset and establish monitoring systems that allow to follow-up on changes in the systems throughout the project (change in actors behaviour, control districts, etc.); adequate monitoring resources should be allocated by donor (either internal or external of project).

Stakeholder management and knowledge sharing are important: Stakeholder engagement is key for improving project's visibility and sharing the lessons to facilitate sector wide impact. This should have been a priority as even the closest implementers (BRAC and World Bank) were not well informed about SanMarkS II.

Complexity of financing modalities requiring close monitoring: Financial management and control are critical for management and/or reallocation of resources for achievement of the program objectives. Financial and progress monitoring has been challenging throughout the project phase and a simpler distribution of funds would have been beneficial.

8 EQ 7 – Main recommendations for exit

EQ 7 – *What further action should be taken by project stakeholders to* ***continue accelerating*** *access to sanitation in rural households?*

The recommendations for exit are grouped by immediate recommendations until November 2025 (end of SanMarkS phase II) and until end of 2027 (end of the TAPP). Recommendations until 2027 are made with the understanding that in the phasing out period of SDC from Bangladesh, no additional financial contributions can be made by SDC to the project partners, while some limited support can be provided for dialogues within TAPP. Further, it is also noted that the funding through UNICEF after 2025 is also not secured yet.

8.1 Recommendations until November 2025

R.1 – Ensure adequate training of trainers (ToT) for LPs training while reducing the ambitions for the 10 indirect districts. The absence of progress so far on the training of 500 LP in 10 additional districts and absence of clear strategy and repartition of responsibilities will make this objective difficult to materialise. Due to the already high number of beneficiaries reached by the project and in order to increase sustainability by ensuring the best transfer of knowledge and experience possible to permanent system actors, it is recommended to reduce the ambition in terms of numbers of LPs and districts, but rather focus on providing a ToT for the DPHE (respectively NILG) and other relevant training institutions that were already identified such as (BARD/BAPARD/RDA). As one-off training initiatives are not conducive to capacity building, it is then recommended to ensure that a limited amount of training to LPs can be piloted by DPHE and conducted by relevant training institutions to ensure further action can be continued after 2025 under the TAPP. While the ToT should take place until November 2025, implementation of the training and roll-out of follow-activities would continue under the TAPP.

R.2 – Ensure the full integration of the LP graduation in DPHE so it can be mobilised in future for quality control and providing institutional sanitation. The planned graduation assessment of the LP trained by the SanMarkS is key to ensure buy-in of DPHE on the LP training process. It can allow to trigger interaction of DPHE with LP (providing refresher training, mobilising them for institutional orders) and could be further mobilised to ensure quality control. It is recommended to fully engage DPHE in the graduation assessment.

R.3 – Ensure availability of the project information (LP database after LP graduation) and tools (training materials, videos, etc.) for further use through handover to DPHE. It is recommended to ensure that the knowledge products of SanMarkS are transferred adequately to the DPHE. This handing over should not be limited to a simple transfer of documents but be done as interactively as possible in a series of project closing events at different levels of DPHE, from the national to the local level, allowing to showcase the relevant learning and include key learning directly into action plans for the TAPP.

R.4 – Ensure knowledge and experience exchange with MFIs and supporting institutions (PKSF, World Bank) to enrich their approaches with SanMarkS experience. MFIs do not have clear incentives to offer flexible (tenure, interest rate) loans for sanitation purposes. Moreover, they are not interested in offering loans smaller than 20,000-30,000 BDT, which may be required for many HHs to switch to improve latrines. Alternatives such as group loans through LPs, and incentives for MFIs should be explored in the future. It is recommended to ensure a knowledge exchange events with MFIs and supporting institutions to exchange and capitalise on these learning.

R.5 – Clarify the funding situation until the end of the TAPP in 2027 and therefore better understand current expenditure situation (financial analysis/audit). To assess the actual fund utilization and partner contributions in the period December 2019 to November 2025) and plan the reallocation of funds for the remainder of the TAPP project period, it is recommended to conduct a comprehensive financial audit. The complexity of the contractual structure and reporting in the project

set-up did not allow the project evaluation team to obtain a clear understanding of the actual expenses made by the project and the amounts of the contributions made by SDC project partners.

R.6 – Share knowledge and promote the visibility of Switzerland. Based on the different knowledge products that are being produced until the end of the project phase, it is recommended to invest into sharing experience of the project with other key organisations working int the water and sanitation sector to ensure sustainability of knowledge that can be mobilised in similar projects and to advocate for the approach (e.g. BRAC, Practical action, SNV, WaterAid, World Bank, etc.). This also represents a good opportunity to showcase the role of Switzerland in pioneering the Sanitation Market System approach in Bangladesh. SDC should therefore be actively involved in knowledge sharing activities done by project partners.

8.2 Recommendations until December 2027

R.7 – Strengthen the involvement of DPHE to support the sanitation market. The implementation of the TAPP gives an opportunity to fully involve the DPHE in several key activities foreseen under the SanMarkS II project to allow for a real uptake of the approaches by DPHE. These activities need to be planned and followed up jointly with DPHE in view transfer of experience but be kept under the leadership of DPHE to foster engagement and mind-shifts that can trickle to other sanitation projects implemented by DPHE. Key actions of focus include: i) training and follow-up of LPs trained with SanMarkS phase II, ii) undertake campaigns for promoting safely managed sanitation following a market-based approach, iii) dialogue with PKSF to further develop sanitary loan products for LPs, SBAs and households.

R.8 – Strengthen the enabling environment supporting the sanitation market system – expand smart subsidies. Smart subsidies are a key mechanism supporting access to sanitation through the sanitation market for poor households. It is recommended i) to continue to advocate to LGD for the further improvement of the smart subsidy mechanisms (increase allocation and proper distribution among target HHs) while also ii) exploring the possibility to further integrate MFI in the smart subsidy mechanisms though the identification of target households through the community agents of the MFIs and disbursing the subsidy through MFIs to the LP.

R.9 – Market research to identify innovations for continued progress towards SDG targets. As the sanitation market continues to evolve, it will be key to continue engage the public and private sectors to identify and adapt sanitation solutions that respond to the changing needs and aspirations of households allowing at the same time to expand the range of products that could be offered by LPs and other last mile resellers. One avenue to be explored with RFL is the further evolution of the SaTo products or complement the SaTo products with other lines of products of RFL. Additionally, market research and identification of adequate technologies for local decentralized sanitation could also be explored (e.g. septic tank shared among 3-4 households).

R.10 – Continue to maintain technical assistance presence for implementation of TAPP. To support follow-up of the above recommendations, it is recommended to maintain a minor technical assistance presence (ideally through iDE) to ensure adequate transfer of experience and knowledge. This technical support was initially foreseen in the TAPP and intended to allow the institutionalisation and transfer of knowledge and experiences from iDE to government institutions. Due to delayed implementation of key activities for the project under TAPP, this support is key but should not focus on implementation but stay limited to transfer of knowledge and experiences by coaching and advising.

R.11 – Continue involvement of SDC in the follow-up of the TAPP. It is recommended to remain actively engaged in the steering of the TAPP activities and policy dialogue. While this would happen without additional funds, it is recommended to dedicate a human resource on a part time basis for operational follow-up. This continued engagement would also allow to support the policy dialogue through the Embassy of Switzerland in Bangladesh and would allow to reinforce the positioning of Switzerland as a key actor in the development of the Sanitation Market System approach in Bangladesh.

9 Annexes

A. Results according to LogFrame indicators
B. Assessment table of OECD DAC criteria
C. Mission Plan and List of Persons Met (available internal only)

Annex 1: Progress status of SanMarkS Logframe Targets

Not on track	In progress	On track	Completed

Hierarchy of objectives Strategy of Intervention	Key Indicators	Targets	Progress (Nov 2019-March 2025)	Overall Status (colour)	Narrative assessment/ summary of progress
Impact (Overall Goal)	**Impact Indicators**				
4.5 million people (60% poor, out of whom 40% disadvantaged) in 1 million households, particularly women, children and youth, in 35 project districts benefit from increased and more equitable utilisation of quality, well maintained, clean sanitation facilities and services, resulting in better health conditions and wellbeing.	• % reduction in incidence of diarrhea among under 5 children • Total net additional income due to health expenditure savings (disaggregated by poor and disadvantaged, target: 10%) • Number of HHs which use an improved sanitation system (as per JMP list of improved latrine types, • % of people surveyed who reported change in perception relating to dignity and privacy due to increase access of improved sanitation facility mainly by women and disadvantaged groups		NA		No reporting is found regarding the impact level indicators. There was a major incident of Corona outbreak globally. In Bangladesh, it started in March 2020 and continued for nearly two years. Thus, one of the key assumptions (no pandemic) didn't hold for a significant time period. Besides, there was a nationwide movement and political instability in Bangladesh almost for the second half of 2024.

Outcomes/Outputs	Outcome/Output Indicators	Targets	Progress (Nov 2019-March 2025)	Overall Status (colour)	Narrative assessment/ summary of progress
Outcome 1. Rural household demand for and use improved sanitation products increases	Number of beneficiaries accessing financial services for improved sanitation	12,000 HHs/ 54,000 people	180 HH/ 810 people		Reported as 'constrained'
	Number of female-headed HHs accessing financial services for improved sanitation	3,600 HH	166 HH		Reported as 'constrained'
	Number of people using improved sanitation services as per JMP list of improved latrine types (disaggregated by sex)	4.5 million individuals (male 2.30 million, Female 2.20 million).	3,710,823 (Male: 1,836,670 Female: 1,874,153)		The demand for improved sanitation and its utilization have been improved in rural households.
	Number of local government agencies adopting harmonized approach for WASH services				*Comment by UNICEF: Not yet done. Next 1 and half year will try to execute through PD Office.*

Outcomes/Outputs	Outcome/Output Indicators	Targets	Progress (Nov 2019-March 2025)	Overall Status (colour)	Narrative assessment/ summary of progress
Output 1.1 By 2024, at least 1.2million improved toilet facilities are sold	Number of sanitation products sold and installed	1.2 million Latrines	958,869		On track and on rise.
	Number of HHs (disaggregated for poor and disadvantaged) who are satisfied with the improved sanitation services	960,000 HHs (Poor HHs: 230,000 Hardcore Poor: 100,000)	805,450 Poor= 442,997 Disadvantaged = 201,362		The satisfaction percentage from the survey has been utilized on the total purchase of latrines. 84% or 86% of the households who purchased improved latrines are satisfied
	Number of beneficiaries reached through behaviour change interventions (disaggregated by sex)	1.25 million individuals (M: 0.64 m F: 0.61 m)	995,855 F 4%, M 96%		On track and on rise
	Total investments (USD) by HH through cash, in-kind or loans into sanitation services	USD 21m	USD 14,574,809		Reach around 80% of planned targets by March 2025.
Output 1.2 By 2024, at least 5 A2Fs are promoting improved sanitation and providing sanitation loans and financial services to households	Number of financial services providing loan product and services to households for purchasing improved latrines	15	5		Reported as 'constrained'
	Total value of loan	USD 250,000	USD 46,598		Reported as 'constrained'
	Terms of loans (interest rate / duration / method)				No reporting. *Comment by UNICEF: This indicator is also complex to report as there are no uniform interest rate/duration/method*
Outcome 2. Private service providers sustainably offer a variety of affordable sanitation services	Number of service providers who offer affordable or subsidised sanitation services	2,500 (125 F)	2,883 [F 84, M 2,699]		On track although it is to be noted that A all service providers (LPs) are considered here without assessment of "affordability".
	Number of sanitation business association established	30	36 (Registered 18, Functional 18)		Fully achieved
	Number of LPs or SBA receiving loan services from access to finance providers of whom at least 10% are female sanitation entrepreneurs	500 (50 women)	5 (0 women)		Reported as 'constrained'
	Number of local service providers that employ women	635	67		Reported as 'constrained'
Output 2.1 By 2024, at least 3,000 latrine producers provide improved sanitation services to poor and disadvantaged	Number of latrine producers trained by the project (disaggregated by sex)	2,500 (125 F)	2,883 [F 84, M 2,699]		Fully achieved
	Number of latrine producers trained by the project partners (disaggregated by sex)	500 (50 women)	0		Not achieved

Outcomes/Outputs	Outcome/Output Indicators	Targets	Progress (Nov 2019-March 2025)	Overall Status (colour)	Narrative assessment/ summary of progress
households in 35 districts	Number and type of training providers	3	1		The one reported training provider is iDE. Other training providers like Government and microfinance institutions have not yet stepped in.
Output 2.2 By 2024, 30 Sanitation Business Association are established and functioning in project working districts	Number of sanitation business associations established and registered	30	36 18 (registered) and 18 (functional)		Fully achieved
Output 2.3 By 2024, at least 5 A2Fs are providing loan and financial services to latrine producers and Sanitation Business Associations	Number of financial services providing loan products and services to LPs and SBAs for their business expansion	15	1		Reported as 'constrained'
	Number of A2Fs which do not participate in the project, that have included sanitation loans in their portfolio because of exposure to the project	5	5		Fully achieved
Output 2.4 By 2024, at least 3 lead firms are providing sanitation product and services targeting rural consumers	Number of partnerships with lead firms to providing sanitation product and services targeting rural consumers	3	2 (Lixil, RFL)		While the project reports 2 lead firms with partnerships, it has to be noted that
Outcome 3. National and local government effectively utilize and facilitate market-based solutions	Number of households receiving smart subsidies	18,000HHs	59,460 HHs		Fully achieved
	Total value (USD) of improved sanitation services procured by public and civil society from the private sector	USD 2.1m	USD 903,791		Reported as 'constrained'
	Number of women led household receiving subsidized improved latrine	10,800HHs	2,557 HHs		Reported as 'constrained'
	Sector coordination, monitoring system for WASH revitalized	15	10		*Comment by UNICEF: This is LCG Meeting for Sector Coordination.*
Output 3.1 By 2024, public and civil society WASH actors promote improved WASH behaviour	Number of unions providing smart subsidies	750	340		Reported as 'constrained'
	Number of tripartite agreements between union parishad, latrine producers and project to construct improved latrines				No tripartite agreement was noticed between union parishad, latrine producers and project to construct improved latrines *Comment by UNICEF:* No Tripartite agreement happened yet.

Outcomes/Outputs	Outcome/Output Indicators	Targets	Progress (Nov 2019-March 2025)	Overall Status (colour)	Narrative assessment/ summary of progress
Output 3.2 By 2024, the Government of Bangladesh approved and implements a revised WASH policy, guidelines and GoB circulars that reflect a pro-poor market-based sanitation strategy for inclusion in the revised Sector Development Plans (SDP)	Number of policies, strategies, protocol, guidelines, circular and Government Order endorsed	3	3		(1) Approval of Sanitation Market System Development Guidelines, (2) Revision of Pro poor strategy and (3) revision of the National Water and Sanitation Strategy
	Number of WASH sector professionals trained on policy, strategies, protocol		0		This is not reported *Comment by UNICEF: Training on Sanitation Marketing Guideline and Climate Resilient Sanitation through BUET-ITN leading to 150 professionals trained.* No evidence could be received.
	WASH sector will be part of the Ministry of Planning and Ministry of Finance nomenclature with separate budget code				Not reported. These indicators are mostly associated with national policy adaptation and/or development, which is understandably not an easy endeavor! *Comment by UNICEF: Continuous advocacy on going but not yet achieve to get Separate Budget Code*
Output 3.3 By 2024, WASH sector monitoring system is in place to track sanitation progress in line with SDG 6.2	Number of WASH Sector Coordination Meeting held	15	10		*Comment by UNICEF: WASH LCG Meetings* Note this is the same indicator as outcome 3.
	The Sanitation monitoring system established within Government- led national monitoring system				This is reported as completed in the narrative of the annual report, while no evidence found. *Comment by UNICEF: System Developed with coordination of BBS and in Dec 2025, it will be publicly available.*

Assessment grid for project/programme evaluations of the SDC interventions (October 2023)

This assessment grid is a mandatory annex to external evaluations (and internal assessments in the case of SECO) of SDC and SECO financed projects and programs (hereinafter referred to as an 'intervention'), be they commissioned by SDC, SECO or external partners. It is based on the OECD Development Assistance Committee evaluation criteria and guidance.[1] Its purpose it to help make results of evaluations more transparent and quantify them (transform the qualitative information in the evaluation reports into quantitative scores) in a standardized manner. This serves accountability purposes and helps for the aggregate reporting, steering and learning.

How to use this assessment grid:

- Evaluators should provide the filled assessment grid in ***Word***.
- All *applicable* sub-criteria should be scored and a short explanation provided. If the evaluation ToRs explicitly exclude some DAC criteria, they should not be filled in the assessment grid. To guarantee coherence, it is advised to match each evaluation question in the ToRs to a sub-criterion in the assessment grid.
- The 20 sub-criteria shall not be modified, however additional sub-criteria may be added to reflect specific objectives and learning interests of the commissioner.
- If specific results are not yet measurable at the time of the assessment, it requires analysing the likelihood of achieving those results (in particular for the criteria effectiveness, impact and sustainability). Please mention this in the dedicated section (evaluability assessment on p. 2).
- There are hyperlinks on each evaluation criterion in the assessment grid, which lead to the OECD guidance on each specific criterion. The guidance also includes information on the interlinkages and differences between the DAC criteria.
- When applying a gender and climate lens, evaluators are expected to use the relevant guidance.[2]
- To rate each sub-criterion, select your rating (0-4, kindly only use integers) in the column “score”:

	Relevance / coherence / efficiency	Effectiveness	Impact	Sustainability
1= Highly satisfactory	There were **no shortcomings** in relation to the intervention’s relevance/ coherence/ efficiency.	Objectives at outcome level were (or are likely to be) **fully** achieved or exceeded.	The intervention had (or is likely to have) a **significant positive** impact.	**All** of the intervention’s benefits (will) last. *Note: for this rating, clear evidence is required (not only assumptions).*
2= Satisfactory	There were **moderate shortcomings** in relation to the intervention’s relevance/ coherence/ efficiency.	Objectives at outcome level were (or are likely to be) **largely** achieved.	The intervention had (or is likely to have) an **overall positive** impact.	**A majority** of the intervention’s benefits (will) last.
3= Unsatisfactory	There were **important shortcomings** in relation to the intervention’s relevance/ coherence/ efficiency.	Objectives at outcome level were (or are likely to be) only **partially** achieved (at a rather low level). *Note: if outputs are achieved, but do not result in the expected outcomes, consider rating effectiveness as unsatisfactory.*	The intervention had (or is likely to have) **no** impact.	**A minority** of the intervention’s benefits (will) last.
4= Highly unsatisfactory	There were **very severe shortcomings** in relation to the intervention’s relevance/ coherence/ efficiency.	Objectives at outcome level were **not** achieved (or are **un**likely to be achieved).	The intervention had (or is likely to have) an unexpected **negative** impact.	**None** of the intervention’s benefits (will) last.
0= Not assessed	The criteria statement cannot be assessed. Please explain in the justifications section.			

[1] Two guiding principles were set out by the OECD DAC Network on Development Evaluation alongside the definitions of the six criteria. These are:
a. Principle One: The criteria should be applied thoughtfully to support high-quality, useful evaluation.
b. Principle Two: Use of the criteria depends on the purpose of the evaluation.
The OECD guidance Applying Evaluation Criteria Thoughtfully (2021) explains these principles and provides advice as well as examples for the use of the criteria.

[2] See for instance Applying a Human Rights and Gender Equality Lens to the OECD Evaluation Criteria

Along with the assessment grid, please also fill in this table with data on the evaluation, on the evaluated intervention and on the evaluability of the intervention.

Evaluation data			
Title of the evaluation report	Final Evaluation of SanMarkS – "Scaling up Sanitation Market Systems in Bangladesh" project Phase 2		
Evaluation mandated by	SDC Bangladesh	Evaluation dates (start – end)	14-May-25 10-Aug-25
Evaluation carried out by Name of lead evaluator (if relevant) Name of company	Lucien Blaser Skat Consulting Ltd. 2 independent national consultants	For external evaluations: Total evaluation budget (including all fees and costs) and currency	24 days international consultant, 32 days total for the 2 national consultants
Has any member of the evaluation team been involved in the intervention?	No	If yes, how?	Briefly explain the type of involvement here
Evaluated intervention data			
Intervention title (including phase number)	SanMarkS – "Scaling up Sanitation Market Systems in Bangladesh" project Phase 2		
Intervention internal number (if available) (e.g. 7F-…, UR_...)	7F-09082.02	Dates of the evaluated phase (start – end)	20-Dec-19 30-Nov-25
Is it the final phase?	Yes	Total budget for the evaluated phase; SDC/SECO contribution if applicable	16,070,400 CHF 6,000,000 CHF
Evaluability[3] assessment by evaluator			
To which extent do you consider that the intervention can be evaluated in a reliable and credible fashion?	2 - reliable		
If applicable, please select the type of limitation(s) to the evaluation and provide a brief explanation *Note: when assessing evaluability also consider the representativeness and participation of specific stakeholders/groups involved in the evaluation as well as the influence of conflict/fragile context on the quality and validity of the data and access to target groups (if applicable)*	☐ Objectives are not adequately defined (e.g. weaknesses in intervention design, lack of baselines and targets) ☐ Results are not verifiable (e.g. too early to tell, lack of sufficiently robust data and evidence) ☒ Other limitation(s) Some information (district-wise SaTo pan sales) were not available for verification, and some achievements (e.g. latrine sales) could not be attributed solely to the project. Moreover, partner-wise contributions for the actual expenses incurred between November 2019 to December 2024 were not available for review and analysis till the submission of draft report.		

[3] See definition of evaluability in OECD (2023), Glossary of Key Terms in Evaluation and Results Based Management for Sustainable Development (Second edition), OECD Publishing, Paris https://www.oecd-ilibrary.org/docserver/632da462-en-fr-es.pdf?expires=1690787009&id=id&accname=guest&checksum=ED10CC16AE8370653438B9C7A52688E0

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
1 Relevance: Is the intervention doing the right things? Summary: The extent to which the intervention's objectives and design (at the time of design and at time of evaluation) respond to beneficiaries' and involved stakeholders' needs and priorities, and continue to do so if circumstances change. *Note: Understanding gendered power dynamics and reflecting on the SDG commitment to "leave no one behind" are crucial in understanding relevance.*	2.25	The objectives and design of the intervention positively respond to the needs and priorities of beneficiaries and involved stakeholders. By adopting a comprehensive approach, it creates access to a broad range of safely managed sanitation options for middle-income (loans), low-income (promotion) and hardcore poor (smart subsidies) households, and provides means and evidence for the involved stakeholders to follow. The objectives and design of the intervention are relevant, even in changed circumstances; it was able to adapt to the outbreak of pandemic and political unrest and post moderate achievement.
1.1 ***Responsiveness to needs, policies and priorities***: the extent to which the objectives (at output, outcome and impact levels) of the intervention respond to the needs and priorities of the beneficiaries (target group), involved stakeholders (involved in funding, implementing and/or overseeing the intervention) and, when relevant, to indirectly affected stakeholders (e.g. civil society, etc.). *Note: A particular emphasis should be placed on beneficiaries. If there are trade-offs, please describe them in the justification.*	2 - satisfactory	The objectives of the intervention address the need for Bangladesh to achieve 80% safely managed sanitation coverage by 2030. It allows the beneficiaries to access safely managed sanitation options and improve their well-being, and provides evidence and means for the involved and indirectly affected stakeholders.
1.2 ***Sensitiveness and responsiveness to the context and capacities of the beneficiaries and involved stakeholders****:* the extent to which the context was considered in the design of the intervention (e.g. economic, environmental, equity, social, cultural, political economy and last but not least capacity considerations). *Note: Evaluators are encouraged to describe which contextual factors are most pertinent to the intervention.*	2 - satisfactory	The intervention builds on successful Phase I, and uses a comprehensive approach to reach middle income (loans), low-income (promotion) and hardcore poor households (smart subsidies). The phase 2 of the project successfully extended the range of products offered through the LP to address a great range of household's aspirations.
1.3 ***Quality of design****:* the extent to which core design elements of the intervention (such as objectives and their related indicators, logframe, theory of change including related assumptions, choice of services and intervention partners, exit strategy) reflect the needs and priorities of the target group, are appropriate, realistic, clearly defined, measurable and feasible (technical, organisational and financial feasibility). *Note: the exit strategy should be planed from the outset of the intervention to ensure the continuation of positive effects as intended, whilst allowing for changes in contextual conditions.*	2 - satisfactory	The intervention is aligned to the needs and priorities of the target group; although appropriate, clearly defined and measurable, some targets are less realistic and less feasible.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
1.4 ***Adaptation over time****:* the extent to which the intervention has meaningfully adapted to changes over the course of its lifespan (e.g. evolving policy and economic contexts, change of funding, new opportunities, outbreaks of conflict or pandemic, etc.).	3 - unsatisfactory	The intervention managed to achieve certain targets despite outbreak of pandemic and political unrest, but missed to achieve several others due to poor organization and less allocation of funding.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
2 Coherence: How well does the intervention fit? Summary: The compatibility of the evaluated intervention with other interventions in a country, sector or institution, i.e., the extent to which other interventions (in particular policies) support or undermine the intervention and vice versa.	1,67	The intervention is coherent to the Swiss international cooperation strategy that emphasizes on scalable and sustainable impact. It is consistent with other Swiss interventions which targets improved well-being of rural households, and it complements ongoing efforts of other organizations by filling the gap and strengthening systems and structures that benefits all.
2.1 ***Internal policy alignment***: the extent to which the intervention aligns with the wider policy frameworks of the Swiss Development Cooperation, including the most recent Swiss international cooperation strategy overall and at country level, as well as to relevant international norms and standards to which Switzerland adheres (international law, international agreements, etc.).	2 - satisfactory	The intervention falls within the policy frameworks of SDC, and the Swiss international cooperation strategy overall and at country level, which underscores private-sector led development and systemic changes for scalable and sustainable impact.
2.2 ***Internal compatibility***: the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country/region and thematic field (consistency, complementarity, synergies, avoiding duplication of efforts, subsidiarity). *Note: if feasible, evaluators are encouraged to also take into account compatibility with the interventions of different levels / departments of the Swiss government in the same operating context (e.g.: development, diplomacy, trade, security, etc.)*	2 - satisfactory	The intervention is consistent to SDC's earlier interventions, has the complementarity and synergy with other intervention as it targets the rural sanitation market and rural households (particularly low-income). It avoids duplication of other interventions and subsidiarity.
2.3 ***External compatibility***: the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity, synergies, overlaps and gaps, value-added, use of existing systems and structures for implementing activities, harmonization, coordination, etc.).	1 - highly satisfactory	The intervention is unique and large-scale. It complements the efforts of other organizations (e.g., BRAC, World Bank) to increase coverage of safely managed sanitation, fills the gap left by other implementers, and strengthens existing systems and structures. It could do better in harmonization and coordination.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
3 Effectiveness: Is the intervention achieving its objectives? Summary: The extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.	2,5	At the time of the evaluation, the intervention was only able to achieve a few targets (LPs trained, SBAs formed, and smart subsidies mobilized). By the end of the phase, it is likely to achieve latrine sales and HHs using improved sanitation targets but will miss or not achieve several other targets related to access to finance and results from indirect implementation in +10 districts. Due to lack of control data, the latrines sales and smart subsidies mobilized cannot be solely attributed to the intervention. The intervention missed to reach targeted number of women-led households, and it did not address the issue of unintended impact (e.g., non-trained LPs losing business, etc.).
3.1 ***Achievement of objectives**:* The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs and outcomes) as originally planned (or as modified to cater for changes in the environment), including its transversal objectives (e.g. gender, climate) *Note: If some – but not all – of the objectives were achieved the evaluators will need to examine their **relative importance** to draw conclusions on the effectiveness.*	3 - unsatisfactory	The intervention has achieved a few targets (latrine producers trained, SBAs formed, smart subsidies mobilized, etc.), is expected to achieve certain targets (latrines sold and HHs using improved sanitation services) but are likely to miss or not achieve other targets (related to access to finance for LPs and households and results from indirect implementation in +10 districts. Due to lack of counter factual, the latrines sales and smart subsidies mobilized cannot be solely attributed to the intervention.
3.2 ***Unintended effects***: The extent to which the intervention has responded adequately to the potential benefits/risks of the positive/negative unintended results.	0 - not determined	Although this was not assessed thoroughly, the evaluation team observed examples of not trained LPs driven out of business or resorting to low quality, low price offerings as the benefits of the intervention did not trickle down to them. This was not addressed by the intervention.
3.3 ***Differential results**:* the extent to which the intervention results (outcomes) were inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.	2 - satisfactory	The intervention targeted a broad spectrum of households from different income level through a wide variety of activities. While it worked for low-income households who could afford to purchase improved latrines and households requiring subsidies, but it fell short in reaching women-led households as it did not have adequate control on the selection of the households.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
4 Efficiency: How well are resources being used? Summary: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.	2,67	The intervention was economically less efficient as it relied on large number of project staff for LP training, follow-up and promotional activities, rather than leveraging investments from private sector partners. Although several issues were identified through the management, monitoring and steering mechanisms, corrective actions were not sufficient to attain the targets it would miss or not achieve at all, due to poor organization, timeliness and less allocation of funding.
4.1 ***Economic efficiency*****:** The extent to which the intervention delivered the results (inputs → outputs; inputs → outcomes) in the most cost-efficient way possible (including allocation of resources between target groups and time periods; available options for purchasing inputs according to market conditions, etc.).	2 - satisfactory	The intervention was reliant on large number of project staff on the ground delivering training, following up on activities with public and private actors, and organizing promotional campaigns. The training duration for latrine producers has been reduced in the second phase to increase efficiency. Certain promotional activities could have been reduced based on their effectiveness. The intervention could not leverage sufficient investment from private sector partners.
4.2 ***Timeliness*****:** The extent to which the intervention delivered the results (outputs, outcomes) in a timely manner (within the intended timeframe or reasonably adjusted timeframe) and the extent to which efforts were made to mitigate delays. *Note: in case timeliness was unsatisfactory for reasons outside of the intervention's control, the rating should still be unsatisfactory and explanation provided in the justification field.*	3 - unsatisfactory	Despite the obstacles, the intervention could achieve targeted number of LPs trained, SBAs formed and smart subsidies mobilized but failed to attain other targets owing to poor organization and lack of less allocation of funding.
4.3 ***Operational efficiency***: The extent to which management, monitoring and steering mechanisms supported efficient implementation (resource allocation, spending and redirection, risk management, logistics and procurement decisions, etc.)	3 - unsatisfactory	The management, monitoring and steering mechanisms identified the issues but failed to undertake corrective actions to attain the targets that the intervention is likely to miss or not achieve at all.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
5 Impact: What difference does the intervention make? Summary: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic indirect, secondary and potential consequences	2,33	The intervention was largely successful in improving access (LP training, product supply) and use of safely managed sanitation by rural households (awareness building), barring the fact that the sales of latrines and smart subsidies could not

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment. *Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual impacts (i.e. already evident) and foreseeable impacts.*		be fully attributed to the intervention. The intervention missed to reach targeted number of women-led households, and it did not address the issue of unintended impact (e.g., non-trained LPs losing business, etc.).
5.1 ***Intended impacts*:** The extent to which the intended (planed and, where applicable, revised) 'higher-level effects' (i.e. lasting changes in the lives of beneficiaries) of the intervention were (or are expected to be) achieved. *Note: also consider the extent to which the intervention contributed to "holistic and enduring changes in systems or norms" and transformational change (addressing root causes or systemic drivers of poverty, inequalities, exclusion and environmental damage).*	2 - satisfactory	The intervention was successful in improving capacity and expanding the offering of the LPs, and creating awareness, access and use of safely managed sanitation among rural households.
5.2 ***Contribution to intended impacts:*** The extent to which the intervention actually contributed (or is expected to contribute) to the intended higher-level effects. *Note: results of contribution analysis, etc.*	3 - unsatisfactory	While the above is true, in absence of control data, the evaluation team could not conclude if the results – particularly the sales of latrines and smart subsidies – could be fully attributed to the intervention.
5.3 ***Unintended impacts***: Has the intervention brought about (or is it expected to bring about) any unintended (positive and/or negative) higher-level development results? If yes, to what extent have these higher-level effects been positive (or are likely to be positive)? *Note: consider here any kind of unintended effects such as escalating or deescalating effect on a conflict or context of fragility, effect on the legitimacy of the state or non-state actors, effect on the inclusion or exclusion of vulnerable groups, unintended pollution, etc.* *If there wasn't any noteworthy unintended impact (higher-level effect), mark this question as non-applicable (n/a) and do not give a rating.*	0 - not determined	Although this was not assessed thoroughly, the evaluation team observed that the LPs not trained by the intervention was driven out of the business or they resorted to low quality, low price offerings as the benefits of the intervention did not trickle down to them. This was not addressed by the intervention.
5.4 ***Differential impact***: the extent to which the intervention's intended and unintended higher-level results (impacts) were (or are expected to be) inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation. *Note: Keep in mind that positive impacts overall can hide significant negative distributional effects.*	2 - satisfactory	The intervention targeted a broad spectrum of households from different income level through a wide variety of activities. While it worked for low-income households who could afford to purchase improved latrines and households requiring subsidies, but it fell short in reaching women-led households as it did not have adequate control on the selection of the households.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
6 Sustainability: Will the benefits last? Summary: The extent to which the net benefits of the intervention continue or are likely to continue. Includes an examination of the enabling environment for sustainable development, i.e. financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analysis of resilience, risks and potential trade-offs. *Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual sustainability (i.e. the continuation of net benefits created by the intervention that are already evident) and prospective sustainability (i.e. the net benefits for key stakeholders that are likely to continue into the future)*	2,67	The benefits of the intervention, both at the service provider (LP) level and beneficiary (household) level, are likely to last, as it has happened in Phase I locations. But their upgradation might be slow, as the intervention was not able to adequately engage the private sector and public agencies. Lack of resources and misaligned priorities of government and development partners might hamper continuation of the results achieved thus far. Nevertheless, the benefits of the intervention are going to last for a long time as the solutions it promoted are likely to remain relevant for the target group; significant changes in public policies, reforms and processes that might affect the benefits are unlikely.
6.1 ***Capacity and resilience development***: The extent to which the beneficiaries and development partners have strengthened their capacities (at the individual, community, or institutional level), have the resilience to overcome future risks and external shocks that could jeopardise the intervention's results and have improved their ownership or political will.	2 - satisfactory	The changes observed at the beneficiary level and service provider level are likely to last, as observed in Phase I locations. But the process of upgradation in absence of the intervention might be slow for the LPs and households, as the engagement of private sector and government agencies to address that were nominal.
6.2 ***Financial sustainability***: The extent to which development partners have the financial resources to maintain the intervention's net benefits over time (e.g. increased national, and where applicable subnational, financial or budgetary commitments).	3 - unsatisfactory	The government and development partners do not seem to have adequate financial resources available to continue the efforts undertaken by the intervention. Moreover, their priority and choice might not align with the efforts of the intervention.
6.3 ***Contextual factors***: The extent to which the context is conducive to maintain the intervention's net benefits over time (e.g. policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; improved processes for public consultation in development planning). *Note: It includes assessing the trade-offs associated between instant outcomes and potential longer-term effects as well as the trade-offs between financial, economic, social and environmental aspects.*	3 - unsatisfactory	The benefits of the intervention is going to last for a long time as the solution is likely to remain relevant for the target group. This may not be positively or negatively affected as significant changes in policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; improved processes for public consultation in development planning, etc. is unlikely. Despite the strong evidence of the intervention, there is limited buy in from the government to undertake similar or follow-up programs. Other development partners have different mandates, priorities and preferred mode of implementation.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
7 General comments Summary: this section is only for free text (no score). The evaluator may provide an overall assessment of the evaluated intervention, explore and reflect on relationships and synergies between different criteria (this includes considering if and how they are causally related).		The intervention is large-scale, unique and a pioneering initiative in the WASH sector, not only in Bangladesh but across the globe. While it has been highly relevant, coherent and impactful, with careful design considerations and sincere execution, it could have been more effective, efficient, and it results could have been more sustainable. Nevertheless, it provides important evidence and means for other organizations to consider future interventions in WASH or similar sector.

Management response to the Endline evaluation of SanMarkS-II (7F-09082.02)

Management Response

The Management Response (MR) states the position of the SDC on the recommendations of the endline evaluation of SanMarkS-II. The MR provides a solid basis for strategic decision-making.

Assessment of the evaluation

The evaluation was conducted by a team of independent experts in accordance with international standards. The evaluation process was well managed and included close involvement of the SDC's reference group comprising project beneficiaries, and public and private stakeholders.

The main objectives of the mission were to assess the project's overall performance based on OECD DAC criteria, identify emerging evidence of systemic change, and gathering lessons learned for future initiatives. These objectives have been met by the evaluators. The SDC appreciates the comprehensiveness of the evaluation report and the sound analysis of key elements of the SDC's performance in Scaling up Sanitation Market Systems SanMarkS.

The report's analysis and resulting recommendations are useful for strengthening the strategic orientation of SanMarkS.

Main findings

The SanMarkS evaluation was carried out utilizing the standard OECD DAC criterion, which is useful analysis based on its relevance, effectiveness and sustainability parameters. The findings of this mission were analyzed within the current economic and political landscape and most of the recommendations are practical with regards to the institutionalization of training service for latrine producers, knowledge transfer to the market actors to effectively tackle sanitation challenges in rural communities.

Out of the seven recommendations provided, six are intended to be implemented within the Swiss support period, which concludes in November 2025. Among the six recommendations due by November 2025, four have been classified as 'fully agreed' (green) and two are 'partially agreed' (orange). While another category of recommendation extends beyond this timeframe, lasting until 2027, and classified as 'partially agreed' (orange). SDC recognizes this as an opportunity to enhance its outcomes by adopting specific measures aligned with the recommendations within November 2025.

1.	Ensure adequate training of trainers (ToT) for LPs training while reducing the ambitions for the 10 indirect districts	
2.	Ensure the full integration of the LP graduation in DPHE so it can be mobilised in future for quality control and providing institutional sanitation.	
3.	Ensure availability of the project information (LP database after LP graduation) and tools (training materials, videos, etc.) for further use through handover to DPHE.	
4.	Ensure knowledge and experience exchange with MFIs and supporting institutions (PKSF, World Bank) to enrich their approaches with SanMarkS experience.	
5.	Clarify the funding situation until the end of the TAPP in 2027 and therefore better understand current expenditure situation (financial analysis/audit).	
6.	Share knowledge and promote the visibility of Switzerland	

7. [Recommendation until 2027] Strengthen the involvement of DPHE to support the sanitation market, and the enabling environment by expanding smart subsidies. Also, Market research to identify innovations for continued progress towards SDG targets and continue to maintain technical assistance presence for implementation of TAPP as well as continue SDC involvement in the follow-up of the TAPP.		
Fully agree	Partially agree	Disagree

Overview of recommendations, management response and measures

Recommendation 1		
Ensure adequate training of trainers (ToT) for LPs training while reducing the ambitions for the 10 indirect districts. The absence of progress so far on the training of 500 Latrine Producers (LPs) in 10 additional districts and absence of clear strategy and repartition of responsibilities will make this objective difficult to materialise. Due to the already high number of beneficiaries reached by the project and in order to increase sustainability by ensuring the best transfer of knowledge and experience possible to permanent system actors, it is recommended to reduce the ambition in terms of numbers of LPs and districts, but rather focus on providing a ToT for the DPHE (respectively NILG) and other relevant training institutions that were already identified such as (BARD/BAPARD/RDA). As one-off training initiatives are not conducive to capacity building, it is then recommended to ensure that a limited amount of training to LPs can be piloted by DPHE and conducted by relevant training institutions to ensure further action can be continued after 2025 under the TAPP. While the ToT should take place until November 2025, implementation of the training and roll-out of follow-activities would continue under the TAPP.		
Management response		
Fully agree	Partially agree	Disagree
The recommended approach is both feasible and essential. Central to SanMarkS's strategy is the capacity building of latrine producers through training and the institutionalization of the LP training model, which is vital for ensuring the sustainability of these training initiatives beyond the support of SDC. This recommendation will be collaboratively discussed with UNICEF and iDE-Bangladesh to formulate a short-term action plan for a Training of Trainers (ToT) program for DPHE field staff. The implementation of this recommendation is planned for completion by October 2025.		
Measures	Responsibility	Timing
a) Organise steering meetings with UNICEF and iDE and identify actionable plan within October 2025.	Programme Manager, SDC	By August 2025
b) Develop staff ToT calendar for DPHE field staff	iDE, UNICEF along with DPHE	By August 2025
c) Implement staff ToT to DPHE	iDE, UNICEF and DPHE	By early September 2025

Recommendation 2		
Ensure the full integration of the LP graduation in DPHE so it can be mobilised in future for quality control and providing institutional sanitation. The planned graduation assessment of the LP trained by the SanMarkS is key to ensure buy-in of DPHE on the LP training process. It can allow to trigger interaction of DPHE with LP (providing refresher training, mobilising them for institutional orders) and could be further mobilised to ensure quality control. It is recommended to fully engage DPHE in the graduation assessment.		
Management response		
Fully agree	Partially agree	Disagree
The LP Graduation assessment plays a crucial role in ensuring the quality control of sanitation products produced and marketed by LPs. This evaluation will focus on essential indicators such		

as the LPs' capacity to run independent businesses, achieve consistent sales, participate in training programs, and build robust business networks. Consequently, recommendations will be presented to UNICEF, with the goal of implementing these measures in the field by the end of October 2025.		
Measures	Responsibility	Timing
a) Discuss the recommendation with UNICEF and jointly develop a feasible work plan	Programme Manager-SDC	By August 2025
b) Finalise LP graduation process based on sustainable indicators	UNICEF and iDE	By end of September 2025
c) LP Graduation event organised and at least 1,000 – 1,500 LPs are certified	UNICEF, DPHE, iDE	By end of October 2025

Recommendation 3		
Ensure availability of the project information (LP database after LP graduation) and tools (training materials, videos, etc.) for further use through handover to DPHE. It is recommended to ensure that the knowledge products of SanMarkS are transferred adequately to the DPHE. This handing over should not be limited to a simple transfer of documents but be done as interactively as possible in a series of project closing events at different levels of DPHE, from the national to the local level, allowing to showcase the relevant learning and include key learning directly into action plans for the TAPP.		
Management response		
Fully agree	Partially agree	Disagree
UNICEF, in collaboration with DPHE and iDE, will develop handover strategies that facilitate an interactive knowledge transfer and establish a data repository within the DPHE system at the national level. To ensure the seamless continuation of field operations and the involvement of local stakeholders in sanitation efforts until 2027, this transition will remain confidential at the field level. iDE and UNICEF will work together to compile a list of knowledge products created thus far and will engage with DPHE to explore the handover process. Additionally, UNICEF will craft a forward-looking strategy to integrate key insights into the action plans for the TAPP, as detailed in the final report for SDC.		
Measures	Responsibility	Timing
a) Discuss the recommendation with UNICEF and iDE and jointly agree	Programme Manager-SDC	By August 2025
b) Develop list of knowledge products and plan for an interactive handover process	UNICEF and iDE	By early October 2025
c) Execution of the knowledge transfer plan	UNICEF and iDE	By mid-November 2025

Recommendation 4		
Ensure knowledge and experience exchange with MFIs and supporting institutions (PKSF, World Bank) to enrich their approaches with SanMarkS experience. MFIs do not have clear incentives to offer flexible (tenure, interest rate) loans for sanitation purposes. Moreover, they are not interested in offering loans smaller than 20,000-30,000 BDT, which may be required for many HHs to switch to improve latrines. Alternatives such as group loans through LPs, and incentives for MFIs should be explored in the future. It is recommended to ensure a knowledge exchange events with MFIs and supporting institutions to exchange and capitalise on these learning.		
Management response		
Fully agree	**Partially agree**	Disagree
Access to customized financial services for sanitation market participants, including local producers and household consumers, continues to pose a significant challenge for SanMarkS. With the SDC's support for SanMarkS concluding in November 2025, opportunities for collaboration with		

microfinance institutions and the Palli Karma-Sahayak Foundation (PKSF) will be limited. In contrast, the World Bank's sanitation loan initiative, facilitated through PKSF, is anticipated to implement a different financial service model, providing loans starting at Tk. 50,000 to local producers. This model does not align with a sustainable financial solution that serves all stakeholders in the rural sanitation sector, as it focuses on specific segments within that market. Consequently, UNICEF will need to take the lead in identifying potential synergies between the SanMarkS initiative and the World Bank's approach, while also benefiting from knowledge-sharing events with financial service providers. To this end, SDC plans to engage with the World Bank to gain insights into their sanitation loan program, which allocates $300 million through PKSF, and to explore potential synergy under A2F along with UNICEF.

Measures	Responsibility	Timing
a) Discuss with UNICEF and agree on the measure	Programme Manager, SDC	By early September 2025
b) Fix a kick-off meeting date with WB	UNICEF	By early October 2025
c) Discussion with WB, identify possible synergy creation steps within their loan programme	UNICEF	By end of October 2025

Recommendation 5

Clarify the funding situation until the end of the TAPP in 2027 and therefore better understand current expenditure situation (financial analysis/audit). To assess the actual fund utilization and partner contributions in the period December 2019 to November 2025) and plan the reallocation of funds for the remainder of the TAPP project period, it is recommended to conduct a comprehensive financial audit. The complexity of the contractual structure and reporting in the project set-up did not allow the project evaluation team to obtain a clear understanding of the actual expenses made by the project and the amounts of the contributions made by SDC project partners.

Management response

Fully agree	**Partially agree**	Disagree

SDC may not perform a financial audit due to its framework agreement with the UN; however, it will request written clarification from UNICEF regarding the financial management observations related to SanMarkS mentioned in the report. After receiving these clarifications, SDC will carry out an internal review to assess the information and decide on the appropriate subsequent steps.

Measures	Responsibility	Timing
a) Discussion with UNICEF and explain the observation regarding the financial management of the project	SDC- Head of Finance, Portfolio Lead and Programme Manager	By August 2025
b) Send those financial management observation over an official email to UNICEF and request for written clarifications	Programme Manager, SDC	By August 2025
c) Review the clarifications from UNICEF, and internally decide on the next steps.	Head of Finance, SDC	By end of October 2025

Recommendation 6

Share knowledge and promote the visibility of Switzerland. Based on the different knowledge products that are being produced until the end of the project phase, it is recommended to invest into sharing experience of the project with other key organisations working in the water and sanitation sector to ensure sustainability of knowledge that can be mobilised in similar projects and to advocate for the approach (e.g. BRAC, Practical action, SNV, WaterAid, World Bank, etc.). This also represents a good opportunity to showcase the role of Switzerland in pioneering the Sanitation Market System approach in Bangladesh. SDC should therefore be actively involved in knowledge sharing activities done by project partners.

Management response		
Fully agree	Partially agree	Disagree
SDC is committed to leveraging both internal and external platforms to enhance knowledge and experience sharing. Additionally, SDC will recommend that UNICEF and iDE invest in disseminating the insights and experiences gained from SanMarkS among other development organizations that share similar goals.		

Measures	Responsibility	Timing
a) SDC will discuss with UNICEF and iDE regarding the possible knowledge dissemination events in the sanitation sector	Portfolio Head and Programme Manager at SDC	By August 2025
b) SDC will actively participate in an internation conference to share learnings and experience of the project	Programme Manager, SDC	By August 2025
c) UNICEF and iDE will include like-minded development actors, NGOs in the national dissemination event of SanMarkS experiences	UNICEF and iDE	By mid-November 2025

Recommendation 7 (until 2027)		
Strengthen the involvement of DPHE to support the sanitation market, and the enabling environment by expanding smart subsidies. Also, Market research to identify innovations for continued progress towards SDG targets and continue to maintain technical assistance presence for implementation of TAPP as well as continue SDC involvement in the follow-up of the TAPP.		
Management response		
Fully agree	**Partially agree**	Disagree
The management has indicated that SDC's support for SanMarkS is set to conclude in November 2025. While the management in principle agrees with this recommendation, it is crucial to recognize that ongoing innovations in sanitation products and services aimed at meeting SDG targets require institutional ownership from DPHE and the Local Government Division. Consequently, the responsibility for providing continued technical assistance and fostering public-private collaboration in rural sanitation rests with UNICEF and the Government of Bangladesh.		

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