

SanUp

Scaling Next Gen Sanitation Enterprises

LANDSCAPE ASSESSMENT



An Initiative by



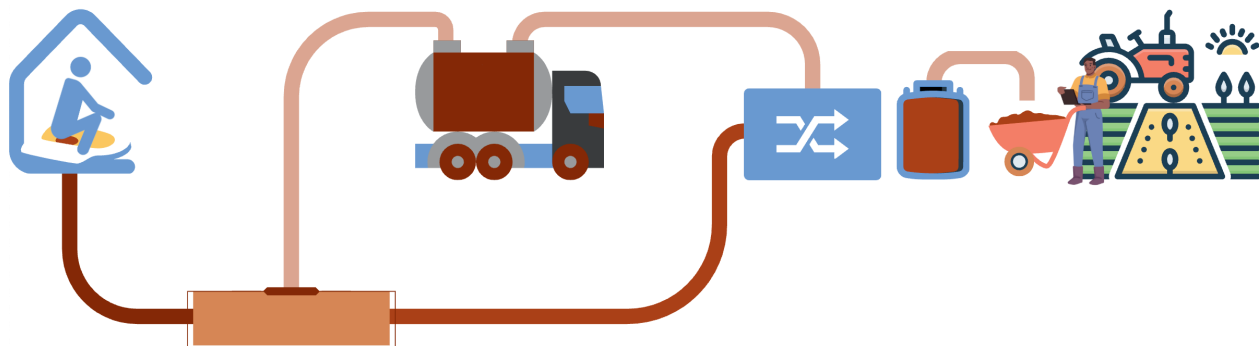
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EXECUTIVE SUMMARY

The following landscape assessment constitutes a foundational component of SanUp, an enterprise support initiative by the UN's Sanitation and Hygiene Fund (SHF) and implemented by Cewas. The programme aims to accelerate the growth and sustainability of small and medium-sized enterprises (SMEs) operating in the urban sanitation value chains in Kenya and Uganda.

The assessment provides a detailed evaluation of the sanitation market potential, the operational and institutional context, and the state of enterprise activity across both countries. Its findings are expected to inform the design and delivery of tailored technical assistance (TA) and catalytic financing instruments to support enterprise-led solutions.



The present document provides an executive summary of the assessment's key findings. It was written by Hannah Wuzel, with support by Janek Hermann-Friede and Marlies Batterink of Cewas. We express our gratitude to the numerous experts who were consulted in the framework of this research, including representatives from governmental and non-governmental entities, the business and policy spheres, enterprises at different growth stages, and in-country specialists with vast knowledge of the (local and global) sanitation sector.

More information at: san-up.creation.camp

KEY FINDINGS



ENTERPRISE LANDSCAPE AND TYPOLOGIES

The enterprise ecosystem across both countries includes a wide variety of actors, ranging from micro-scale toilet construction businesses and informal pit emptiers to container-based sanitation (CBS) and more advanced model for decentralized treatment and resource recovery through anaerobic digestion, black soldier fly (BSF), briquetting and composting.

COUNTRY FINDINGS

In Kenya, the enterprise landscape is comparatively more diverse and mature, with 94 enterprises mapped – many of which are engaged in faecal sludge management, treatment, and reuse. In Uganda, an additional 94 enterprises were identified, with a strong concentration around Kampala and a predominance of basic service providers.



ECOSYSTEM CHALLENGES

Despite this activity, most sanitation enterprises remain small, undercapitalized, and under-supported. Technical capacity varies widely, and many businesses operate in challenging environments with unclear regulatory mandates, inadequate treatment infrastructure, and limited access to growth capital.

ENTERPRISE CATEGORISATION

Toilet Construction: Local businesses building affordable toilets for homes, schools, and institutions, often using prefab parts or local materials.

Container-Based Sanitation (CBS): Companies offering toilets with regular waste collection via subscription or pay-per-use models.

Pit Emptying: Providers removing faecal sludge from latrines and septic tanks using tools from manual pumps to vacuum trucks, serving homes and institutions.

Small-Scale Sewer Systems: Operators running decentralized sewers for residential areas or institutions, typically under utility or community agreements.

On-Site DEWATS: Firms designing, building, and maintaining modular wastewater treatment systems for compounds, schools, and small towns, often with long-term service.

Black Soldier Fly (BSF) Enterprises: Businesses turning organic or faecal waste into animal feed and compost via insect farming, supporting circular agriculture.

Anaerobic Digestion: Firms using biodigesters to convert waste into biogas for energy and fertilizer for farming or landscaping.

Technology Providers: Companies offering sanitation tech like smart sensors, mobile apps, or portable treatment units, usually for utilities or NGOs.

Advisory Services: Firms providing consulting, training, research, and technical support for planning, policy, and capacity-building in sanitation.

KENYA: ECOSYSTEM MATURITY AND POLICY MOMENTUM

In Kenya, the sanitation ecosystem is relatively advanced. The country has made considerable strides in the expansion of household toilets, the establishment of decentralized faecal sludge treatment plants, and the introduction of circular economy initiatives such as briquette production and nutrient recovery. However, treatment coverage remains limited – just 11% of wastewater is treated – and a substantial proportion of faecal waste continues to be disposed of unsafely. Governance of the sector is highly fragmented, particularly under the devolved county structure, which complicates coordination and service delivery.

While public-private partnerships are emerging, many enterprises, particularly smaller ones, continue to face regulatory, financial, and operational barriers that inhibit scaling. Demand is increasing across income levels, driven by urbanisation, and rising socio-economic aspirations, but affordability challenges persist, particularly for lower-income households.

94 sanitation actors were mapped in Kenya. The majority of Kenyan enterprises are engaged in pit emptying (37.8%), followed by anaerobic digestion (17.1%) and on-site DEWATS (15.9%). Toilet Construction and tech provision are less common, indicating a strong operational focus on waste handling and treatment infrastructure. Most businesses are in the micro (≤ 5 employees) and small (5–10 employees) categories, with a few medium-sized enterprises. This suggests the sector is primarily made up of early-stage or modestly scaled operations with potential for growth. A dominant number of businesses are registered as Limited Companies, reflecting a strong formal private-sector presence. This aligns with the commercial orientation of many of the activities, especially in waste processing and decentralised treatment systems.

UGANDA: GROWTH POTENTIAL AMID STRUCTURAL GAPS

Uganda's sanitation sector exhibits many of the same characteristics, but with greater structural weaknesses and fewer mature enterprise models. The sanitation value chain is largely informal outside of major urban centres such as Kampala, where some progress has been made in integrating private pit emptying services, expanding treatment capacity, and piloting reuse models. Nevertheless, national treatment coverage is estimated at just 4%, and open defecation remains widespread in rural areas.

The sector is hindered by a lack of dedicated infrastructure in secondary towns, limited enforcement of sanitation standards, and the absence of sustainable financing models to support enterprise participation. However, like Kenya, Uganda shows rising demand for improved sanitation solutions, particularly in urban areas and among youth and middle-income populations.

In Uganda, another 94 enterprises were identified, of which nearly 95% were registered as limited companies. Most enterprises fall into the small and medium-sized categories, with 39% employing between 10 and 25 people, and 38% employing between 6 and 10. Micro-enterprises with five or fewer staff account for 11%, while 13% of businesses have grown to large enterprise status with over 25 employees. This distribution suggests a sector that is accessible to smaller operators but also capable of scaling. Pit emptying is the most common business activity (31%), followed by anaerobic digestion at 23% and waste-to-resource solutions at 15%, indicating a growing interest in sustainable waste management. Smaller shares of enterprises are engaged in toilet construction (which is often conducted by informal actors that thus could not always be included in the mapping - the actual share is much higher), technology provision, and advisory services, each accounting for around 6 to 7 percent of the total.

PROGRAMME DESIGN LESSONS

Flexibility and Tailored Approach in Technical Assistance Design is Crucial:

Sanitation enterprises in Kenya and Uganda operate in diverse contexts—from dense slums to remote pastoralist areas—making a one-size-fits-all technical assistance (TA) approach ineffective. SanUp will offer a flexible, customizable menu of support services, such as business planning, marketing, regulatory guidance, health and safety training, and supply chain optimization. Each TA package must be carefully tailored to the enterprise's market context and maturity, ensuring efficient use of resources and targeted support.

Partnerships with Local Governments Enhance Impact: Local governments in Kenya and Uganda play a critical role in sanitation through infrastructure ownership, regulation, and standards enforcement. SanUp-supported enterprises should be encouraged to engage with county and district authorities to align with public plans like ODF roadmaps and CWIS strategies. TA can include support to secure licenses or MoUs, strengthening enterprise legitimacy, stability, and potential to scale within the broader public sanitation system.

Support Must Focus on Impact and Address Gender and Equity Gaps: Women and vulnerable groups face the greatest challenges from poor sanitation but are underrepresented in the sector. To promote social equity, SanUp should actively support women-led enterprises through dedicated funding, tailored TA, and mentorship. Awardees must also show how their solutions benefit low-income, disabled, or marginalized populations and/or bring overall health and environmental benefits. TA should cover gender-sensitive facility design, menstrual hygiene integration, and inclusive pricing models.



HOW DOES SANUP ADD VALUE?

The assessment finds that both Kenya and Uganda face significant and persistent challenges in achieving universal access to safely managed sanitation. Despite substantial progress in improving basic toilet access – particularly through community-led and household-level efforts – major deficiencies persist in the downstream stages of the sanitation value chain, including faecal sludge management, transport, treatment, and safe reuse. This breakdown limits public health outcomes and environmental safety, while also constraining the growth of sanitation-related enterprises.

SanUp empowers those SMEs along the sanitation value chain to grow sustainable sanitation solutions through tailored technical assistance, catalytic funding, and preparedness support for larger follow-up investments.

OUTLOOK

Several persistent barriers hinder enterprise growth. These include high service costs relative to customer ability to pay, low levels of infrastructure in secondary cities, complex and fragmented governance, weak regulatory enforcement, and limited access to affordable financing. Cultural resistance to the reuse of human waste and the absence of mainstreamed product standards for reuse-based outputs also restrict enterprise scalability.

Conversely, there are several emerging opportunities. These include growing government and donor recognition of the importance of non-sewered sanitation, increased openness to circular economy approaches, the rise of urban and peri-urban demand, and the entrepreneurial energy of young, innovation-driven enterprises. Kenya in particular shows signs of policy reform and institutional change, such as new KPIs for water service providers, that could catalyse better alignment between public services and private sector capacity.

SanUp is well-positioned to catalyse this momentum by providing targeted support to high-potential enterprises. This will require flexible and context-sensitive assistance models tailored to each enterprise's growth stage, market environment, and service focus. Key areas of support should include business model development, financial readiness, regulatory navigation, partnership building with utilities and local authorities, and investment in inclusive innovation.

Strengthening links between enterprises and local governments will be essential, given the central role of governments in infrastructure provision, regulation, and public health enforcement. Furthermore, the programme aims to promote enterprises that make an impact – in the case of end-user focussed solutions, gender, equity, and inclusion are at the forefront to ensure access for women, youth and BoP communities. Overall, all enterprises should incorporate inclusivity in their business and operational set-up and emphasise the environmental and health benefits that come with treating significant volumes of wastewater that would otherwise go untreated.

In summary, this assessment confirms both the complexity and opportunity of the urban sanitation landscape in Kenya and Uganda. With tailored enterprise support, strengthened governance coordination, and strategic use of financing tools, there is a clear pathway toward more inclusive, efficient, and sustainable sanitation systems in both countries. SanUp has the potential to serve as a catalyst for this transformation by empowering enterprises that are well-positioned to deliver impactful, locally rooted solutions.

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