

**Thank you for joining, the webinar
“Financing to eliminate inequalities: Is the
sector putting its money where it matters
most ?”**

We will begin shortly.

SWA Webinar

Financing to eliminate inequalities: Is the sector putting its money where it matters most ?

24 and 25 July, 2019

Presenters



- Government of Philippines - Erick Planta, Assistant Director General for Investment Programming
- Government of Indonesia - Aldy Mardikanto, Directorate of Urban, Housing, and Settlements
- Water.org- Lesley Pories, Sector Strategy Manager (US),
D Buvaneswari, Senior Manager, Head of Microfinance, (India)

The SWA Framework



THE GUIDING PRINCIPLES

The *values* partners have in common and that guide all joint action.



Multi-stakeholders efforts



Sustainability of service and actions



Leaving no-one behind



Transparency and accountability



Evidence-based decision-making



Human Rights to water and sanitation



International collaboration and aid effectiveness

THE COLLABORATIVE BEHAVIOURS

How partners work together to put in place the Building Blocks.



Enhance government leadership of sector planning processes



Strengthen and use country systems



Use one information and mutual accountability platform



Build sustainable water and sanitation sector financing strategies

THE BUILDING BLOCKS

What partners are jointly putting in place to achieve an effective sector.



Sector Policy / Strategy



Institutional arrangements



Sector Financing



Planning, monitoring, and review



Capacity development

THE ACCOUNTABILITY MECHANISM

Joint initiative that grounds the Framework in specific, measurable, attainable, relevant and timely actions.

It re-enforces multi-stakeholder decision-making and mutual accountability among partners at national, regional and global level.

Water.org – Lesley
Pories, Sector
Strategy Manager



Inequalities in the WASH sector

Who is being left behind?



Inequalities in the WASH sector 2000-17

Reduction urban-rural, mixed for poorest-richest



Water

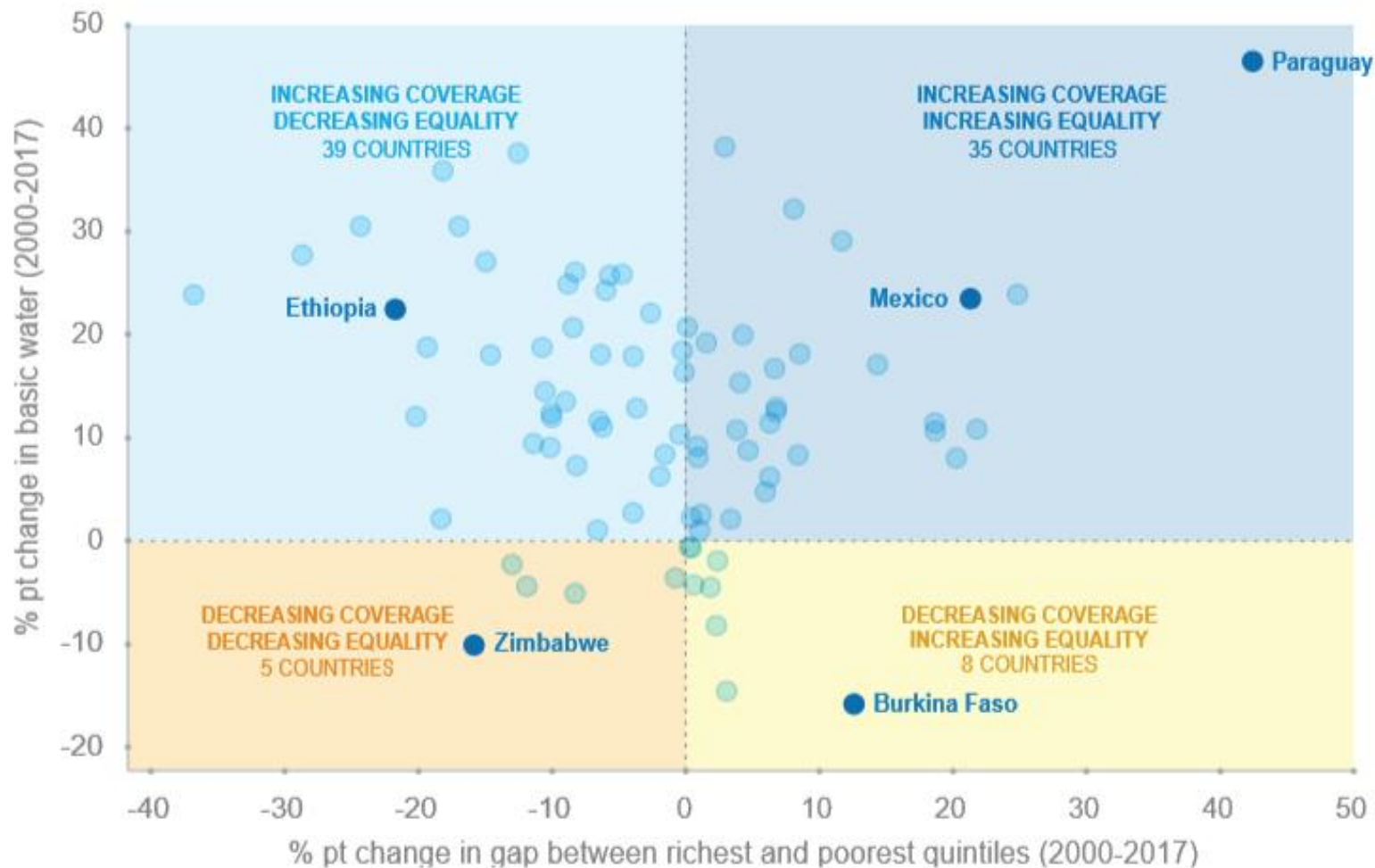
- Urban-rural coverage gap reduced 10% points between 2000-17.
- Gap between richest and poorest has been reduced in 35 countries while increasing in 39 countries.

Sanitation

- Urban-rural coverage gap decreased 26% percentage points between 2000-17.
- Gap between richest and poorest has been reduced in 52 countries, it has increased in 22 countries.

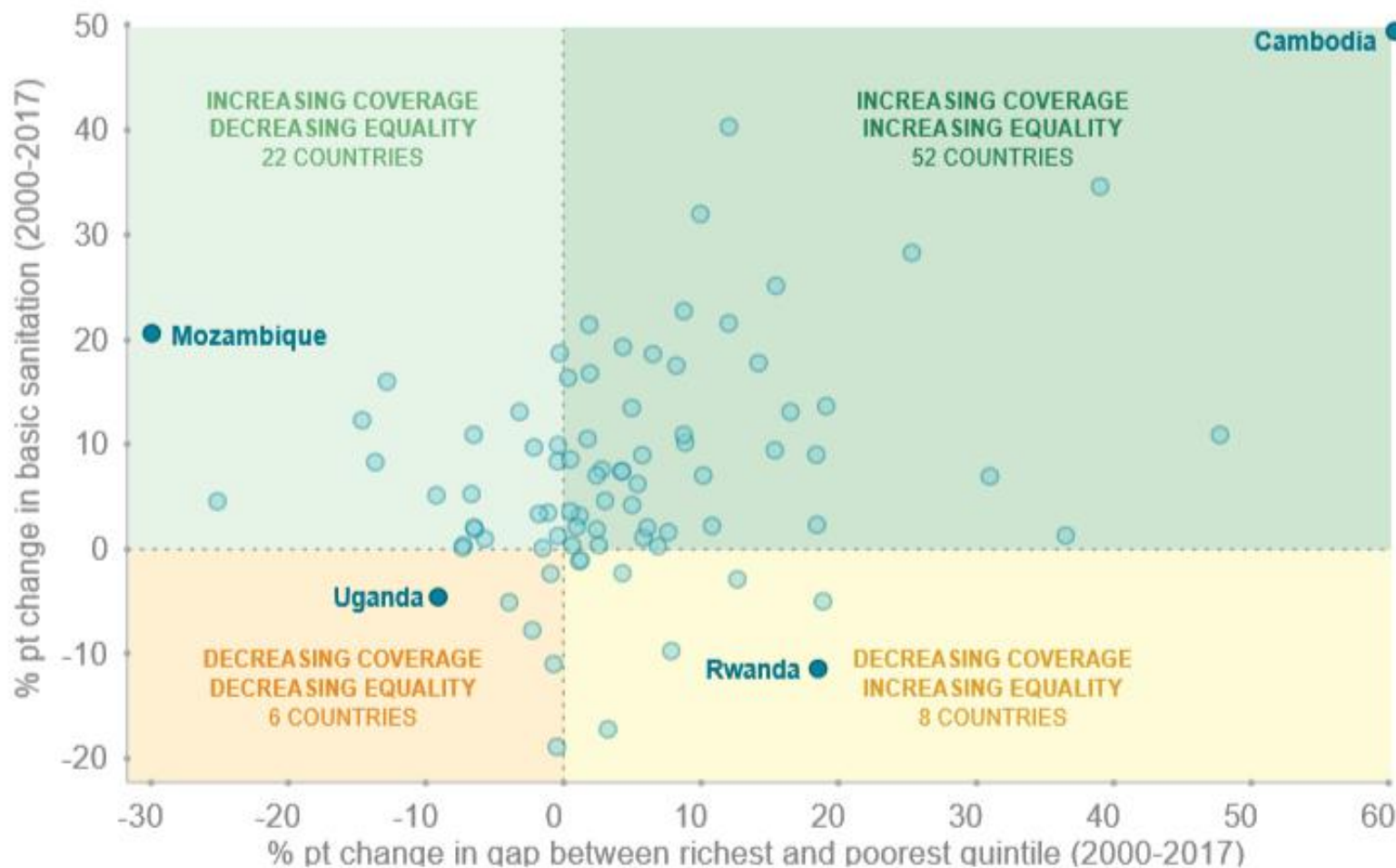
Inequalities in the sector for basic water 2000-17

Gap between richest and poorest quintile



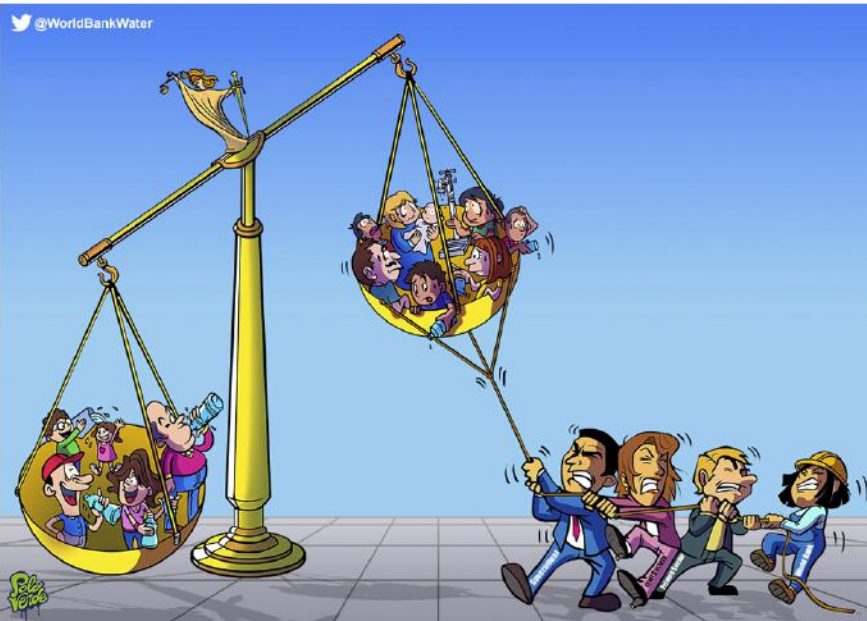
Inequalities in the sector for basic sanitation 2000-17

Gap between richest and poorest quintile



Financing inequalities in the WASH sector

Why is it critical?

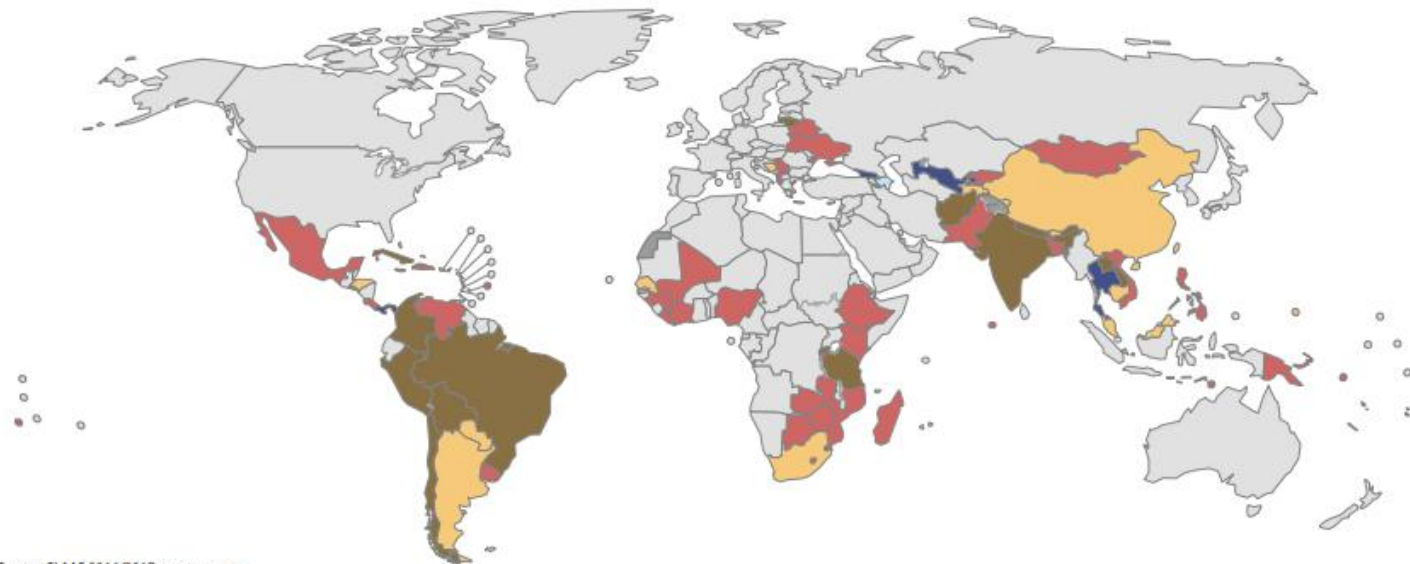


Financing gap is daunting

Lack of sufficient resources to meet WASH targets in all regions



- Over 80% of countries (n= 70) report insufficient financing (less than 75%) to meet their national WASH targets



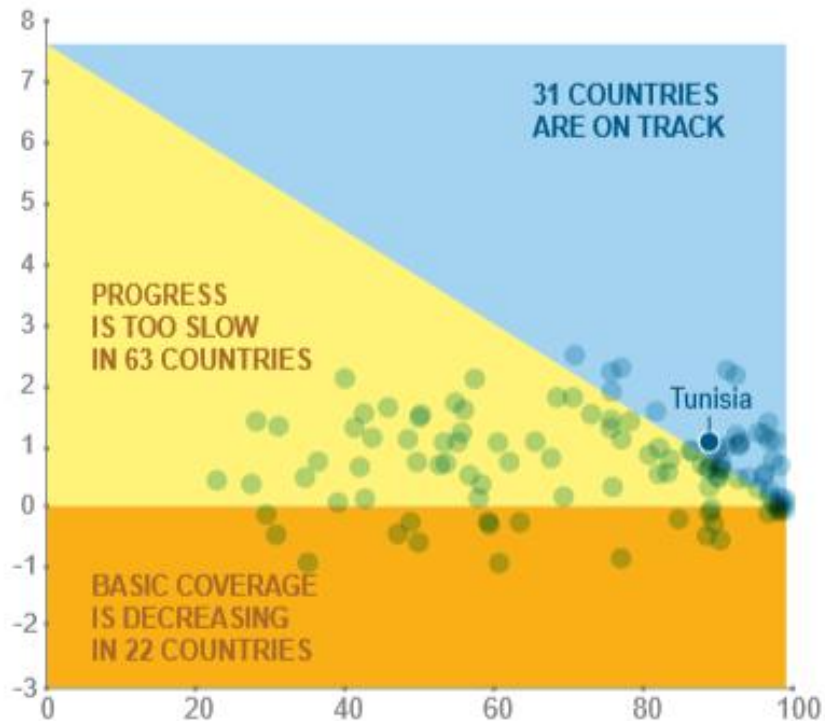
Source: GLAAS 2016/2017 country survey.

Progress too slow mainly in rural coverage

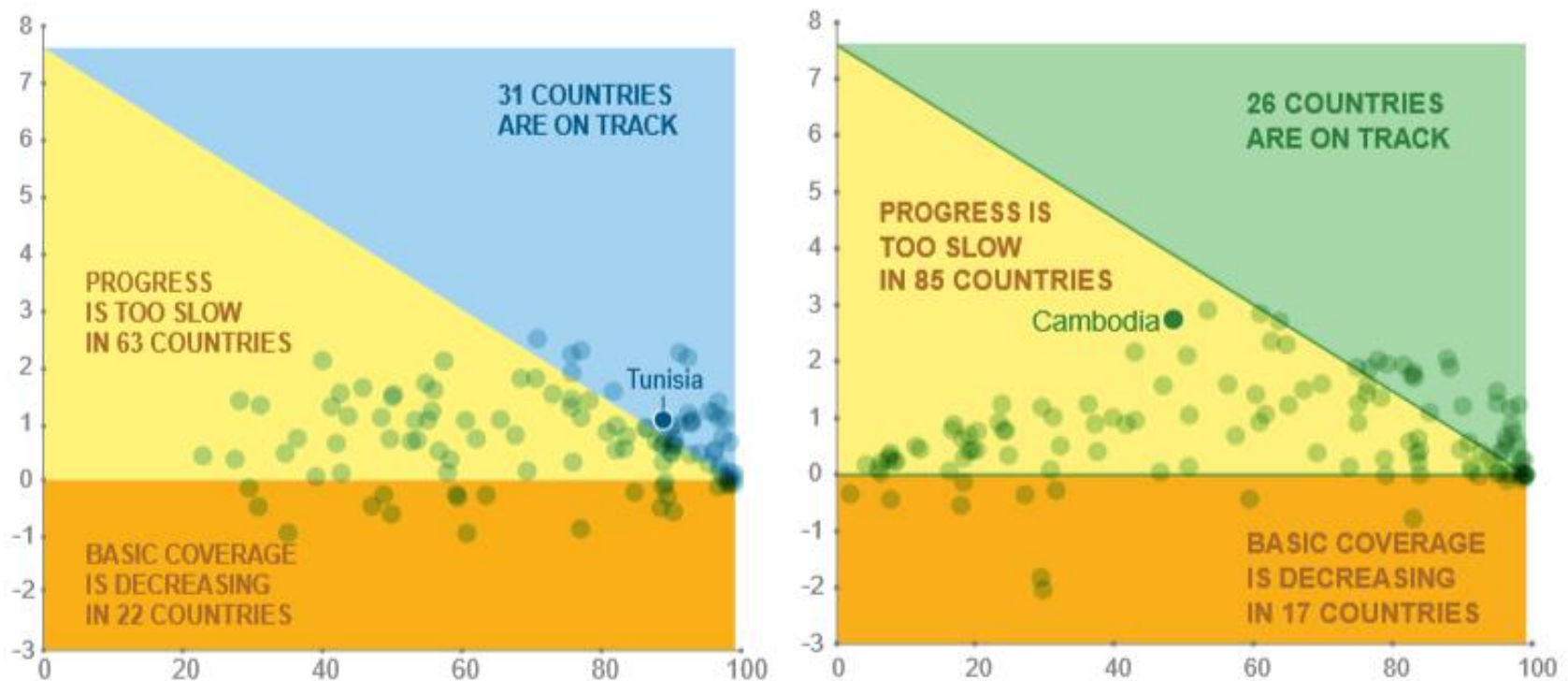
Inequalities are higher in rural areas



- Basic water, rural



- Basic sanitation, rural



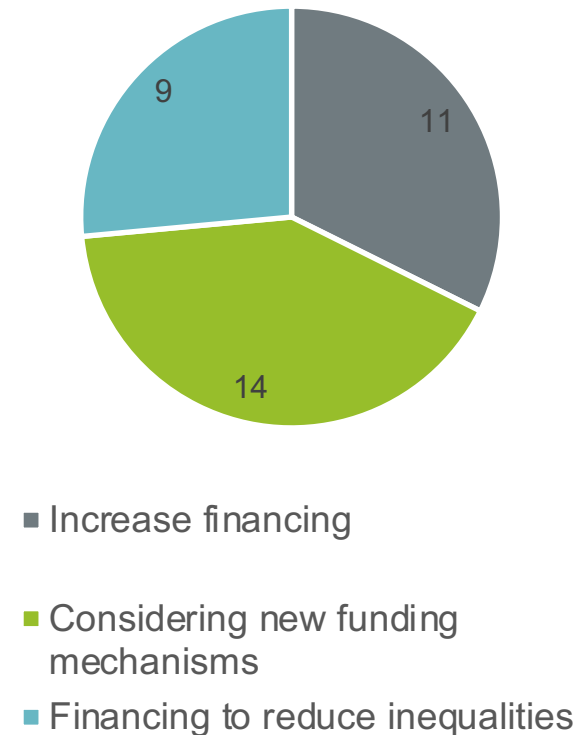
2019 Sector Ministers' Meeting

Financing as THE challenge for 21 countries



- Financing was identified as a main challenge by half of the countries which submitted briefs ahead of the SMM – 21 out of 42 countries
- SMM takeaways:
 - Data was the most discussed issue around the topic of Leave No One Behind
 - Financing for services which address inequalities must be specifically budgeted and monitored for successful allocation and expenditure of those budgets

Commitments focusing on Financing



Financing inequalities: 5 top priorities to frame the discussion



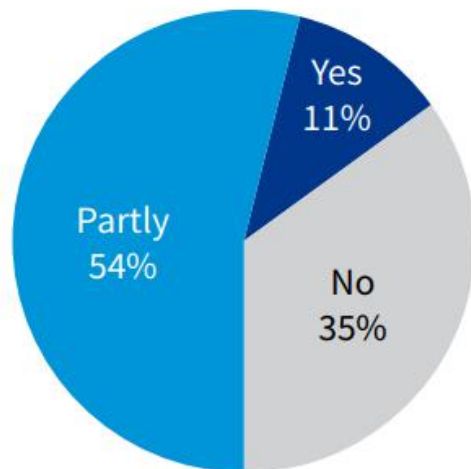
1. The need for a consultative and inclusive Financing Strategy
2. Defining who is being left behind and the reasons for lack of, or poor, services
3. Implement efficient mechanisms to reach those being left behind
4. Understanding opportunities with the most important sources of funds in the sector: tariffs and taxes
5. Ensuring the foundations for increasing funds for the sector

1. The need for a consultative and inclusive Financing Strategy

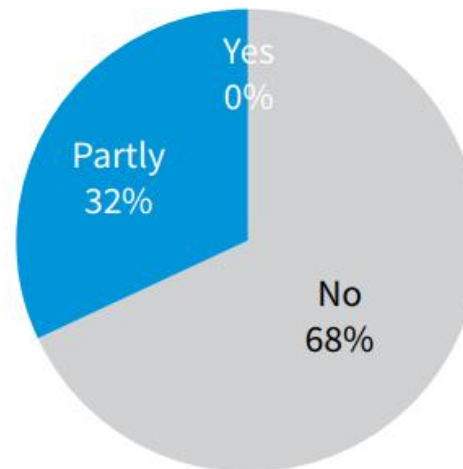


- Achieving the SDG6 needs a common vision
- A vision without a financing strategy will remain a dream
- See Annex for what a financing strategy entails (Source: UNICEF)

Sector finance plan exists?



WASH government expenditure data available?



2. Defining who is being left behind and the reasons for lack of, or poor, services



- We cannot target those who are not receiving services or who receive poor services if we don't know who they are, where they are and how many they are
- A few regulators demand this information from urban utilities and set targets (WASREB Kenya, others?)
- The reasons for lack of access will then inform the financing strategies and the sources of finance

3. Implement efficient mechanisms to reach those being left behind



Common affordability measures for those which have access to services:

- Government subsidies for infrastructure and operation and maintenance to support affordable tariffs
- Block tariff structures, with a highly subsidized first block (e.g. 0 to 7 cubic meters) to cover basic needs.
- Cross subsidisation between larger urban utilities and other service providers
- Cross subsidisation between sub-sectors (water and sanitation)
- Reduced tariffs for specific population groups (the most efficient, but least used of all mechanisms)

For those without access:

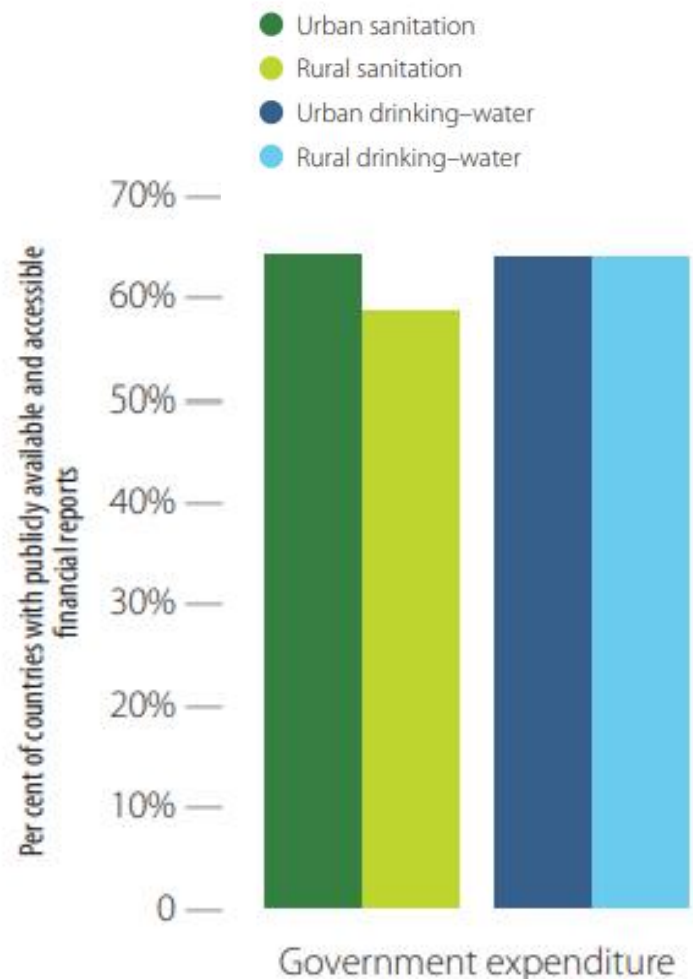
- Capital infrastructure paid for mainly by taxes (and transfers)
- Microfinance solutions for latrine construction or connection to mains

4. Understanding opportunities with the most important sources of funds in the sector: tariffs and taxes



Taxes:

- Difficulties in tracking public spending in the sector (GLAAS, 2017, n=73).
- Reducing poverty requires public finance (taxes and other local resources)
- Fiscal space overall and specifically for WASH underdeveloped (amount of taxes collected and spent in the sector)



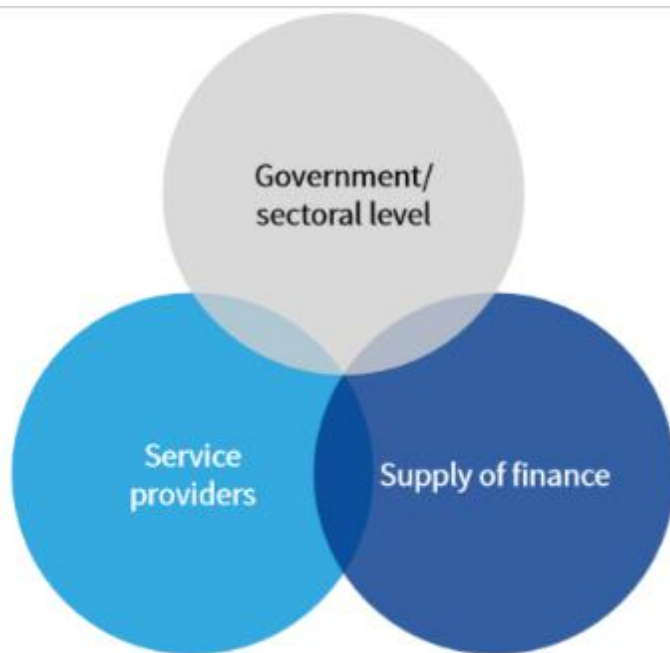
4. Tariffs

The impact of business as usual: unfairness



- Main contributors to the sector are by far the users through tariffs and self supply: more than 60% in Ghana, Mali, Senegal (Source: TrackFin, 2018)
- Few countries report that tariffs cover at least 80% of operation and maintenance (Source: GLAAS, 2017)
- In many countries non-revenue water is higher than 40%
- Losses have a high cost, reducing availability of funds for maintenance or further investments.
- Low tariffs + high losses = means maintenance has to be covered by taxes, subsidizing those who already have services. **Unequal and unfair use of public funds.**

5. Ensuring the foundations for increasing funds for the sector



1. Planning and financing strategies for maximizing public and commercial funds to achieve social objectives
2. Effective tariff-setting practices and economic regulation
3. Adequate performance regulation and transparent accountability mechanisms
4. Clarity of mandate and performance obligations of service providers

5. Solid financial and operational management
6. Capacity strengthening for business planning
7. Enhanced autonomy and legal framework

8. Rectifying the mismatch between commercial bank risk profile and WASH sector realities
9. Avoiding mechanisms that create market distortions
10. Targeting development finance for maximum impact

Resources

To read and hear more about these issues



Water.org, IRC and World Bank paper on Mobilising finance for WASH and getting the foundations right (will be available in SP and FR in August)

CABRI policy brief focused on how to optimise public investments in WASH services, while improving efficiency in the use of public funds

IRC and water.org position paper for the Sanitation and Water for All Finance Ministers Meeting 2017: How to increase funds for the sector while reducing inequalities.

SWA Tools portal a compilation of tools on sector financing

WHO UN-Water TrackFin (tracking financing) initiative a methodology that tracks financial flows to the WASH sector

Podcast: Why is finance the unavoidable building block?

Podcast: Addressing the financing gap

Annex: What does a “WASH Sector Financing Strategy & Implementation Plan” Look Like?



A WASH financing strategy is a time-bound plan for sustainable financing of capital investments, operations and maintenance costs in WASH.

It is adopted by a national, regional or local government and embraced by major stakeholders involved in WASH management and operation at each level with a view to achieving national development targets.

A strategy must be focused and effective, equitable, efficient, and must ultimately be achievable. It should clearly set out how to finance the sector investment plan.

Key questions for developing a WASH financing strategy include:

- (a) how much do we spend?
- (b) how much do we need?
- (c) what is the gap?
- (d) what are the options for filling the gap?

Also, it is critical to identify how the strategy will be implemented.

Annex WASH Sector Financing Strategy & Implementation Plan: a proposed outline



- **Executive Summary**
- **Introduction:** Purpose of the report; Why financing is central; Framework for assessing the needs and the gap (3 Ts and 6 Cs); Definitions and scope; Key population, health and economic data
- **Foundations for the Strategy** (The following sections will distinguish rural/urban/peri-urban and water/sanitation/hygiene)
 - WASH sector: Vision, goals, laws, policies, strategies, targets, standards; Institutional framework, roles and responsibilities; Service provider models, degree of decentralization and PPP regulation; Programmes
 - WASH sector performance: Outputs : Coverage, equity, quality, service gaps (status versus targets); Value for money : cost per output achieved; Investment case : financial and economic returns to WASH, business case; Processes : Sector bottlenecks
 - Domestic financial sector: degree of development, opportunities and challenges
 - WASH expenditures: Historical / existing expenditure and benefit-incidence (of public subsidies); Predicted evolution in expenditure (GDP and tax base growth)
 - Spending needs (under different development scenarios and demographic change); Capital investment needs; Recurrent expenditure needs; Resource gap per scenario

Annex WASH Sector Financing Strategy & Implementation Plan: a proposed outline (cont.)



- **The Financing Strategy** (The following sections will distinguish rural/urban/peri-urban and water/sanitation/hygiene, or else there will be separate sections for each sub-sector.)
 - Increase efficiency: Sector level (enabling environment); Service provider level (bill collection, NRW, technology choice, production costs)
 - Increases resources: Taxes : public treasury and the public investment case, fiscal space; Transfers : donors and charities; Tariffs : service users, & affordability; Potential to engage the private sector – private investment case; Lending : concessional and commercial options (by sector, municipal, service provider)
 - Better allocate resources for equity: Geographical targeting; Socio-demographic targeting
- **The Implementation Plan** (The following sections will distinguish rural/urban/peri-urban and water/sanitation/hygiene).
 - Summary actions and sequencing, with lead responsible; Institutional set up; Capacity building; Legal framework; Investments; Financing; Social protection measures; Public relations; Monitoring
- Conclusions and recommendations
- References / Glossary/ Annexes

Government of
Philippines -
Erick Planta,
Assistant
Director General
for Investment
Programming



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The Philippine Context: A WSS Sector Assessment



Water Supply



88% Access



43.6% Piped
Water Connection



322 Waterless
Municipalities

Sanitation



94% basic
sanitation



74% HH connected
to onsite or offsite
treatment

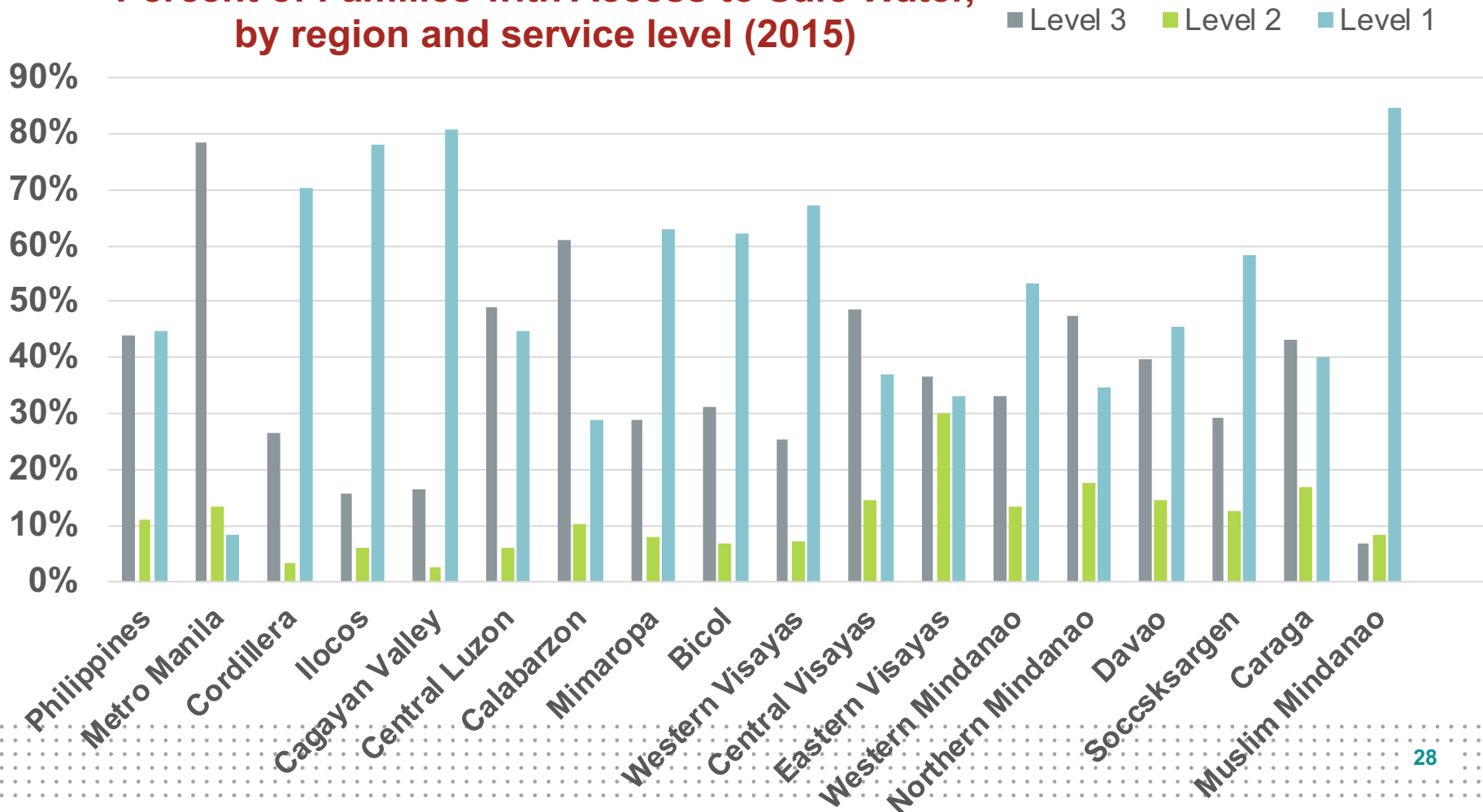


4% (or 4.3 M)
open defecation

The Philippine Context: A WSS Sector Assessment



**Percent of Families with Access to Safe Water,
by region and service level (2015)**



The Philippine Context: A WSS Sector Assessment



- Based on 2016 data, **Local Water Utilities Administration (LWUA)** oversees **748 active WDs** : **515 (69%)** are operational and **233 (31%)** are reported non-operational.
- The country has approximately **4,144 LGU-run** utilities – only **1,421** of which operate Level III systems. Currently, the **DILG** helps address the institutional development needs of these LGU-run utilities.
- There are existing regulations from **DOH, EMB and LGUs** on septage and sewerage management. However, it is reported that only **3%** and **0.10% of the population outside Mega Manila** are served by **septage management and sewerage systems**, respectively.

The Philippine Context: Challenges in the WSS Sector



- **Natural Resources System**
 - the country will experience **high water stress** due to high total water withdrawal against projected renewable water resources by 2040.
- **Socio-Economic System**
 - **increasing population** and **economic growth** increases water demand and generation of waste and wastewater.
- **Administrative and Institutional System**
 - The National Water Resources Board (NWRB) does not have appropriate **institutional structure** to complement its mandate

The Philippine Context: Challenges in the WSS Sector



- **Policies, Regulation, and Management**
 - **several economic regulatory agencies** for water, which makes the sector very inefficient in its regulatory functions
- **WSS Infrastructures and Services**
 - **insufficient investments** in WSS sector

The Philippine Water Supply and Sanitation Master Plan



- The Philippine Water Supply and Sanitation Master Plan (PWSSMP) is aimed towards achieving **Universal Access** to **Water Supply and Sanitation (WSS)** services.
- It involves the **strategies** and **policy reforms**, as well as the **priority programs and projects** (for the short, medium and long-term) in achieving the WSS-related targets in the Philippine Development Plan (PDP) 2017-2022, and the UN Sustainable Development Goals (SDG).

The PWSSMP: Targets



Water Supply Indicators	% of Population		
	2015 Baseline	2022 Target	2030 Target
With Access to Safe Water	87.7%	95.9%	100%
Without Access to Safe Water	12.3%	4.1%	-
Households with Level 3 systems	43.6%	58.3%	77.1%
Households with Level 2 systems	11.2%	15.0%	14.0%
Households with Level 1 systems	45.2%	20.1%	8.9%

The PWSSMP: Targets



Sanitation Indicators	% of Population		
	2015 Baseline	2022 Target	2030 Target
Households with septic tanks	74%	97%	100%
Households with access to septage collection services	17%	69%	100%
LGUs declared Zero Open Defecation	96%	100%	100%
Households with septic tanks	74%	97%	100%

The PWSSMP Initiatives: The Eight Key Reform Areas



No.	Reform Agenda	Focus
1	Establishing Effective WSS Sector Institutions	Addressing the fragmented sector
2	Strengthening Regulatory Environment	Regulating and managing water resources and WSPs, including water tariff
3	Balancing Water Supply and Demand	Managing finite water resources with end-users
4	Building Climate Resiliency	Adapting to climate change

The PWSSMP Initiatives: The Eight Key Reform Areas



No.	Reform Agenda	Focus
5	Creating and Ensuring Effective WSS Services	Ensuring effective and sustainable WSS services and service providers
6	Enabling Access to Funding and Financing	Improving access to funds
7	Managing Data and Information	Ensuring availability and accessibility of reliable WSS data
8	Driving Research and Development	Investing on research and innovations

The PWSSMP: Indicative Cost

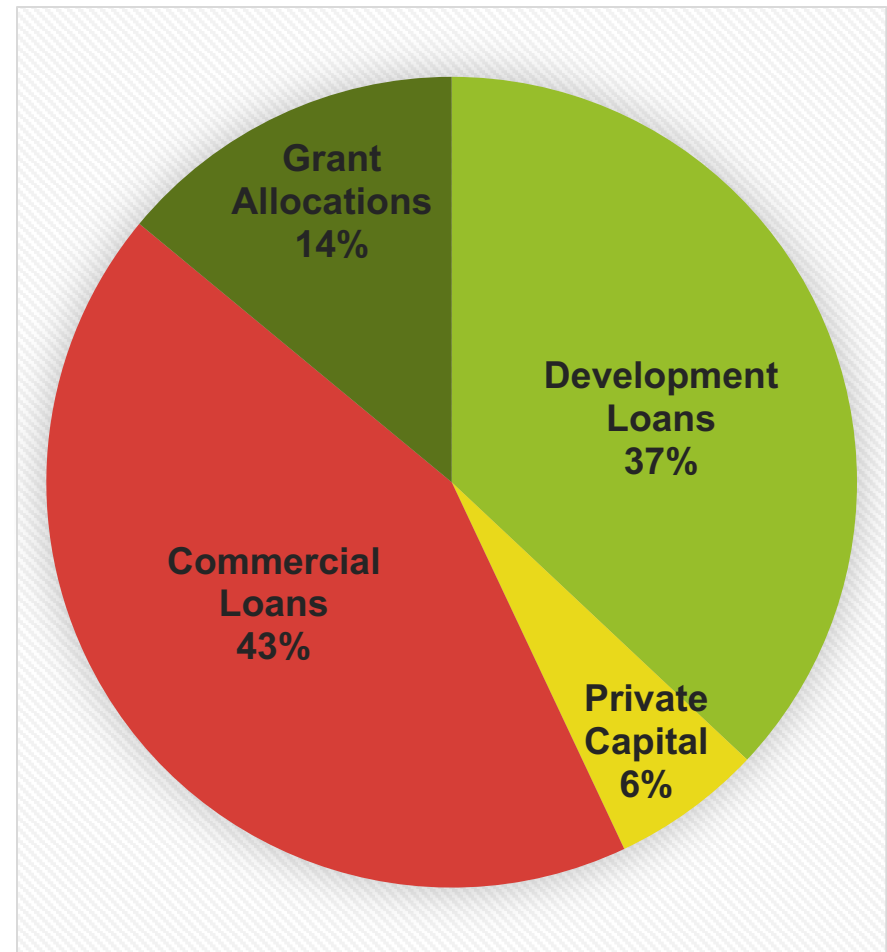


Investment Requirement (in PhP Million)	2019-2023	2024-2030
Physical	733,657	334,529
Water Supply	278,070	233,011
Sanitation	455,587	101,518
Non Physical	658	469
Reform Areas	323	-
Project Management	335	469
TOTAL	734,315	334,998

The PWSSMP: Funding Sources for Water Supply



- **Development Loans**
 - water investments from GFIs and LWUA
- **Commercial Loans**
 - private sector financing to fund water infrastructure investments.
- **Private Capital**
 - investments from WSPs' partnerships with private operators.
- **Grant Allocation**
 - subsidies for WSPs that cannot afford to extend its service to outlying areas



The PWSSMP: The Financing Plan for Water Supply

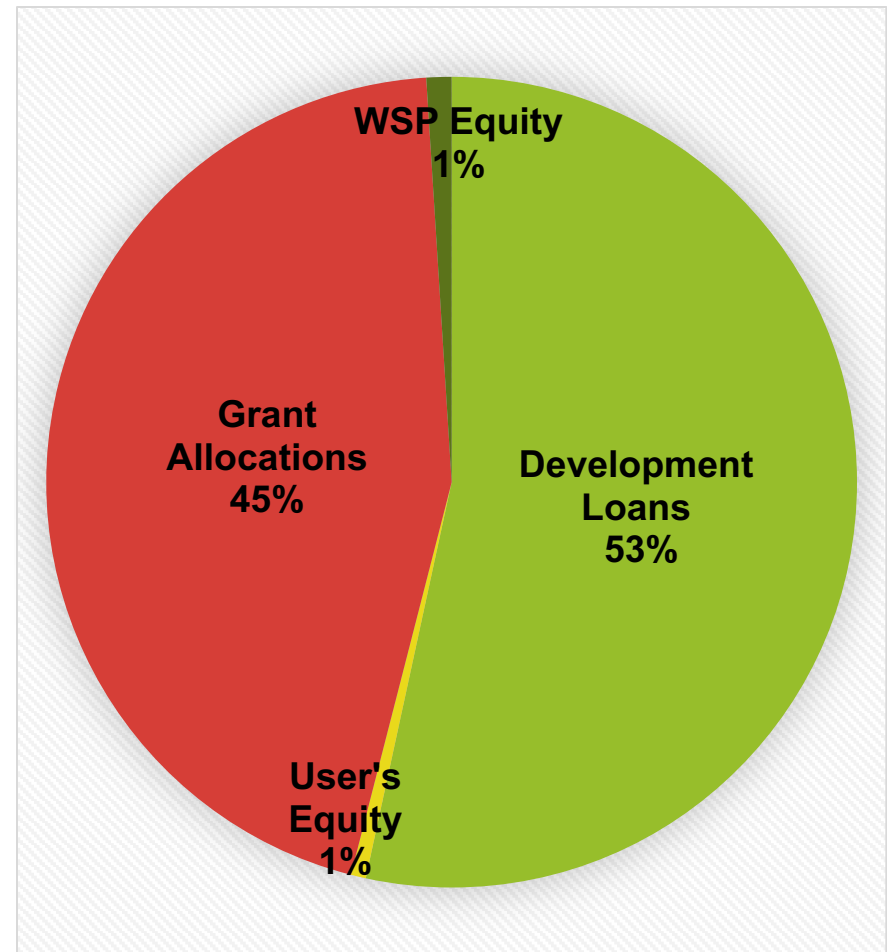


- **Level 3**
 - Grant financing (VGF and OBA) based on criteria
 - Technical assistance grants for non-operational WDs and qualified LGU-run utilities
 - Financial assistance to WDs under LWUA's revised lending policies
 - GFIs and PFIs Commercial loan programs for eligible WSPs
 - Private capital funds for HUCs and WSPs under joint venture agreements
- **Level 2**
 - 100% grant allocation for Top 20 provinces with highest poverty incidence; 50%-50% loan grant mix for the remaining provinces
 - Blended finance, through MFIs or NGOs, to fund users' equity
- **Level 1**
 - 100% grant financing to support the poor rural communities
 - target-aid also extended to community-based WSPs or institutions serving the rural areas

The PWSSMP: Funding Sources for Sanitation



- **Development Loans**
 - Water investments from GFIs and LWUA
- **User's Equity**
 - Individual private sector funds for sanitation investments
- **WSP Equity**
 - Equity from water service providers for sanitation investments
- **Grant Allocation**
 - Subsidies for users/WSPs that do not have sanitation funding



The PWSSMP: Implementation Plan



2019-2023

Pre-Investment and Program Implementation

- Drafting and Approval of Key Reform Agenda
- Preparation of TOR
- Programming and Financial Planning
- Implementation of Identified Priority Programs



2024-2030

PWSSMP Full Implementation

- Implementation of Investment Programs
- Implementation of Key Reform Agenda



2030-2040

PWSSMP Continuing Program

- Completion of Projects
- Implementation of Long Term Reforms
- Monitoring of Accomplishments

Ongoing Initiatives:



- Creation of an **apex body for the water resources sector: the "Department of Water Resources"**
 - addresses the weak, and fragmented institutional setup
 - consolidates of water-related mandates of different agencies
- Creation of an **independent regulator for the WSS sub-sector: the "Water Regulatory Commission"**
 - separates economic and financial regulation and operation functions of agencies vested with dual functions
 - harmonize regulatory practices, processes and fees in the sub-sector

Ongoing Initiatives:



- **Unified Financing Framework (UFF)**
 - aims to address the inequitable delivery of basic WSS infrastructure caused by inadequate financing, low technical capacities of small service providers, and institutional challenges
 - provides a structure for rationally allocating available resources towards expediting the improvement and expansion of WSS services
 - currently, a preliminary design for the initial operationalization program of the UFF (which will be applied to existing programs, such as the *SALINTUBIG and LWUA Loan Program*) is being prepared for inclusion in the 2020 general budget appropriations

Government
of Indonesia
- Aldy
Mardikanto,
Directorate
of Urban,
Housing, and
Settlements



Financing to Eliminate Inequalities on Sanitation : Indonesia Case

Directorate of Urban, Housings, and Settlements



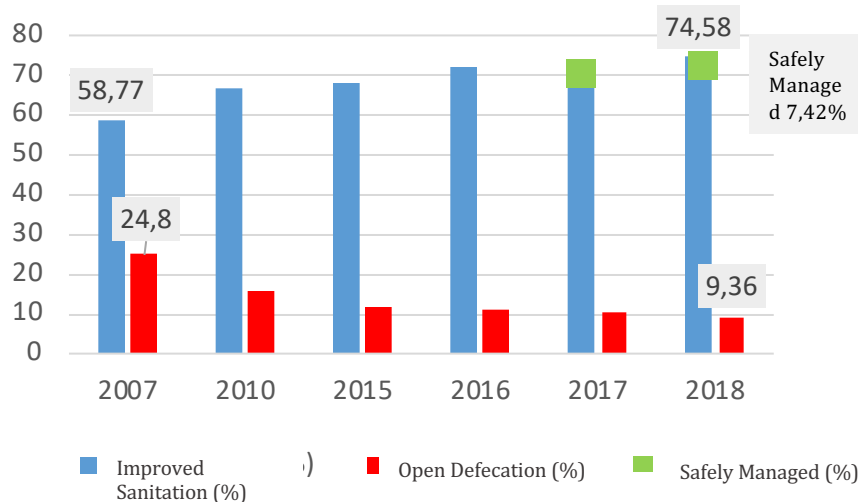
*Ministry of National Development Planning/
National Development Planning Agency*

Outline

- Target and National Development Plan on Sanitation
- Current Sanitation Condition
- Trend of Inequalities on Sanitation in Indonesia
- Allocation of funds needed
- Channelizing existing resources
- Existing strategies on financing inequalities and its implementation
- Move forward

POTRAIT OF INDONESIA SANITATION CONDITION

Percentage of Indonesia Households with Access to Improved Sanitation



Source: *The National Socio – Economic Survey, BPS-Statistic Indonesia , analyzed by Min. of National Development Planing, 2018*

1. Growth rate on access to improved sanitation 2015-2018: $\pm 2,5\%$ per year
2. Growth rate on access to safely managed sanitation during 2016-2018: 1.4% per year
3. Reduction rate of open defecation (OD) number 2011-2018: $\pm 1.2\%$ per year

Indonesia has improved its sanitation access and reduced its ODF. However ..

1. RANKED 2ND IN G20

..for the lowest improved access to sanitation

2. RANKED 3RD IN THE WORLD

..for the largest number of people still practicing open defecation (29 Million People)

ACHIEVEMENT AND TARGET FOR SANITATION DEVELOPMENT IN INDONESIA

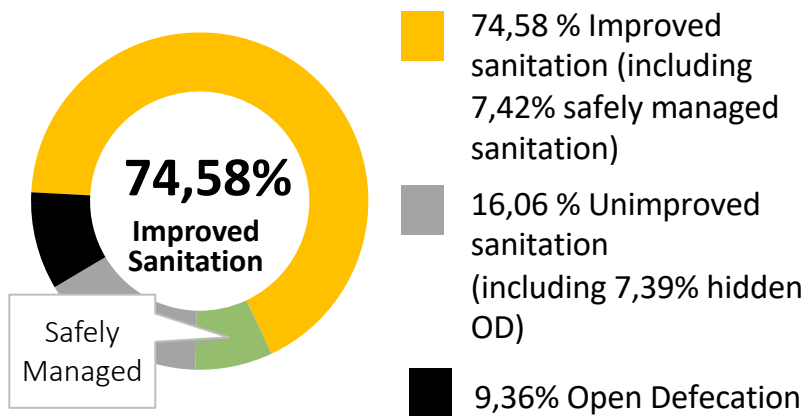
SDG

Goal 6

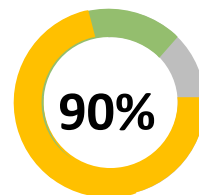
6.2 Access : Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation

6.3 Quality : Halving the proportion of untreated wastewater

Sanitation Access 2018

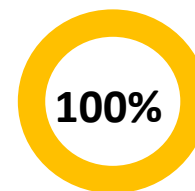


Middle-Term National Planning 2020-2024



90% Improved sanitation, with 20% safe access sanitation

SDGs Target Indication 2030

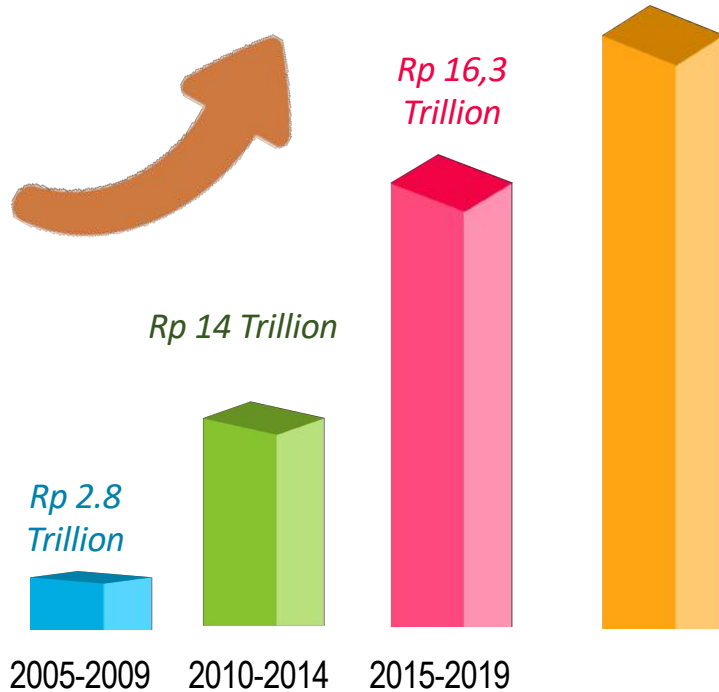


100% Improved sanitation, with 53,7% safely managed sanitation

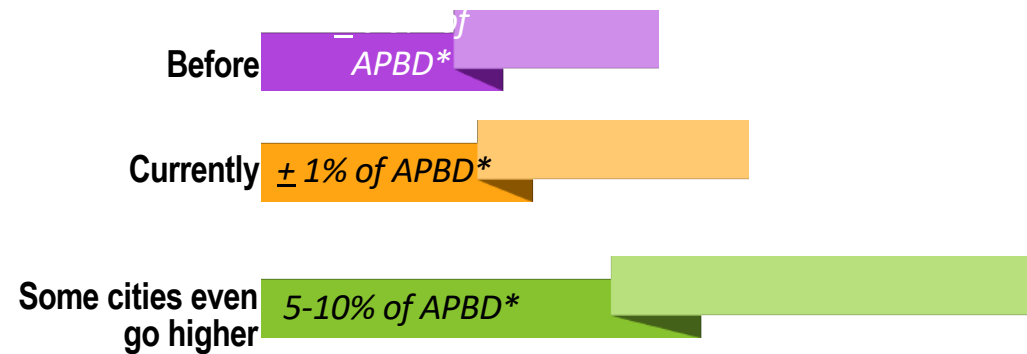
Source : Susenas KOR 2018, analyzed by Bappenas based on SDGs sanitation ladder

Increase Budget for Sanitation

Increase Central Government Budget for Sanitation



Increase Local Government Commitment: Increase Local Budget for Sanitation



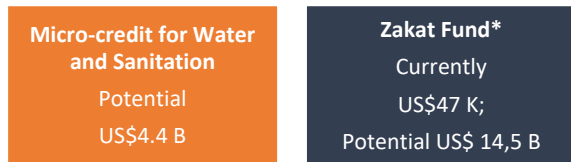
*) Local govt budget

Financial Policy Framework: Harmonize Various Financing Sources



A. NATIONAL GOVERNMENT BUDGET

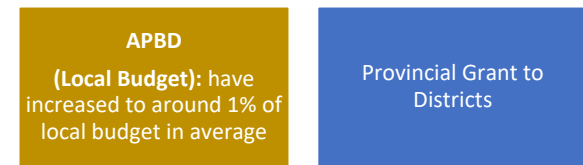
**) Budget allocation for sanitation at DG Human Settlements at Min of Public Works and Housing



D. INNOVATIVE FINANCING

Objectives

- Provide safely managed water and sanitation
- Ensure WASH access and services for all



B. LOCAL GOVERNMENT (Province/Districts/Cities) BUDGET

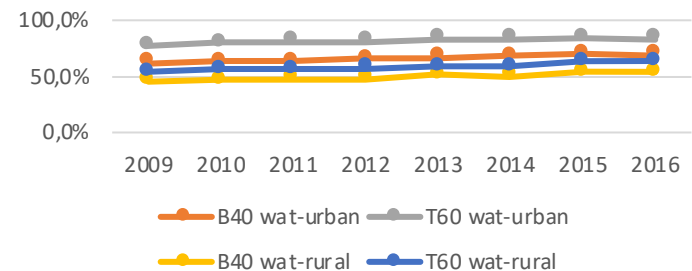
C. PRIVATE SECTORS and DONORS



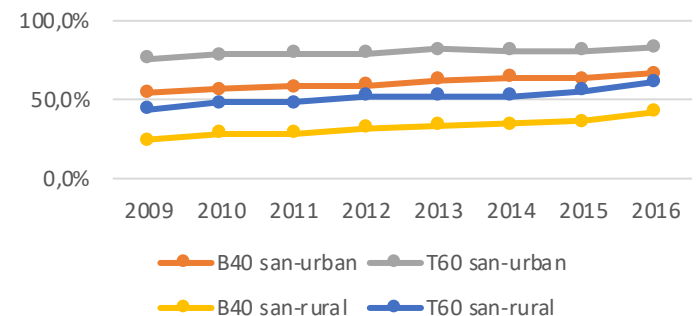
Inequalities of WASH access in Indonesia

- Poverty is only one determinant of WASH access
- Persistent gaps in service quality as the main challenge facing Indonesia at the outset of the SDGs period
- Some data:
 - Only 7.5% of B40 get access to piped water supply in urban areas, whereas 22.1% for T60
 - More than 25% B40 drink unsafe groundwater compared with 14% T60 relies on groundwater for drinking
 - Most of those who lack sanitation are poor and live in rural areas, and recent trends show the gap is widening

Access to Water Supply for B40 vs T60



Access to Sanitation for B40 vs T60



Why it happens?

- Limited local government budget allocation and spending (and its quality) for WASH
- Financial sustainability and performance of water utility to expand piped water supply system, including for the poor
- Lack of financial capacity of very poor households to move up the sanitation ladder, from OD/unimproved to improved sanitation

Government Programs and Financing (1)

- Expand **financing options for low-income households** to connect to piped water and safely managed sanitation
 - Provide **results and performance-based finance**; to increase the accountability and effectiveness of the investments, including to incentivize local governments to invest in their water and sanitation utilities to increase service connections as well as to initiate safely managed sanitation by reimbursing the numbers of constructed septic tanks following national standards.
 - Facilitate local banks to deliver **micro-finance** to allow communities as well as individual entrepreneurs and small businesses to access financial services, including loans for WASH investment
 - Elaborate innovative financing sources, such as **Zakat Funds**, as a religious obligation or tax, which refers to alternative scheme emerges from the Moslem society

Government Programs and Financing (2)

- Align existing governmental fiscal transfer to address needs at local level
 - Optimize **transfer funds to local governments**, such as Special Allocation Funds (DAK) to expand WASH infrastructures mainly in rural areas, and Village Funds to build WASH facilities as subjects to the village's obligation.
- Improve the **efficiency and performance of water utility**
 - National program to provide **capacity building to water utilities**
 - Provide subsidy on interest rate and guarantee to those who are getting commercial loans
- Create **synergy of funding** (and programs) at local level
 - Develop **City Sanitation Strategy/CSS** (with embedded sanitation mapping and **investment plan**)
 - Facilitation of **CSS implementation** at local level

Towards SDGs Achievement in Sanitation Development INDONESIA

Keep improving the commitment to sanitation development through:

- Establishing creative financing
- Implementing sustainable sanitation services
- Synchronizing all stakeholders' effort

The keys to accelerating sanitation development are

COMMITMENT AND COLLABORATION

Thank You



*Ministry of National Development Planning/
National Development Planning Agency*

Three Sanitation Successes or Innovations in INDONESIA

Support to local level sanitation PLANNING

City/District Sanitation Strategy – a decentralized government plan that guides investment in domestic sanitation and wastewater/sludge treatment facilities at district or city level.

Support to local level sanitation IMPLEMENTATION and SUSTAINABILITY

National fund transfer to LGs for sanitation –

- **Special Allocation Fund for sanitation.** Can be used for upgrading sanitation facilities in rural areas. Increased from USD 12.7 M (2010) to USD 149.4 M (2019); ~10%/year.
- **Village Fund**, with total amount around USD 16.2 B (2016-2018) and keep increasing per year, can be used for sanitation development.
- **Water and Sanitation Grant**, output-based aid from national government to LGs for constructing water and sanitation infrastructure, more than USD 103.1 M already spent.

Religious community financial and mobilization engagement –

- Engagement of religious volunteers/leadership, in disseminating messages & creating social norms
- Zakat* Fund for water and sanitation development; currently used for water and sanitation: USD 47 K, potential: USD 14.5 B
- Combination of Zakat funds and religious organizations could help further entrench sanitation achievements.

Three Main Sanitation Challenges Facing INDONESIA

Main Challenges

1. Sustaining behaviour change:

- Slippage: going back to open defecation from ODF
- Modified STBM for urban areas: institutional basis
- Leveraging ODF outcomes to attain other related behaviours, i.e. household water, wastewater and solid waste management, and handwashing with soap → towards the next step in sanitation ladder

2. Improve effectiveness of spending on water and sanitation at local governments (LGs)

3. Getting local leaders' commitment and affirmative policy for sanitation



D Buvaneswari, Senior Manager, Head of Microfinance, (India)

Unlocking financing opportunities for SDG 6

Buvanewari D, Senior Manager Microlending Partnerships, Water.org |
July 2019



It would require

\$114 B

per year starting in 2015 to
solve the global water crisis by
2030

This is

3x

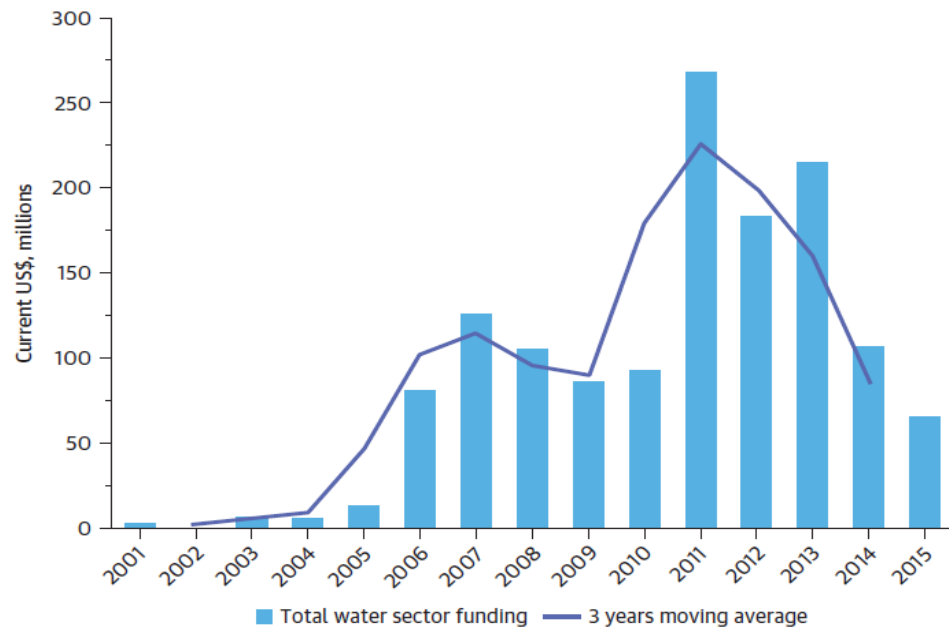
more than current global
investment in water and sanitation

Philanthropy constitutes

2%

of global funding for
water and sanitation

FIGURE 2.4. Philanthropies' Contributions to the Water Sector, 2001-15



Source: Adapted from WASHfundrs data, accessed October 10, 2016.

WaterCredit – a proven and powerful approach



We identify a region that is ready for a microfinance solution and then we partner with carefully selected financial institutions to provide affordable water and sanitation loans to families in need.



These microfinance partners establish water and sanitation loans in their portfolio of offerings. We support them by providing resources, education, outreach and assistance to get them started.

Every repaid loan can empower another family with safe water.



Borrowers use these small, affordable loans to put a tap or toilet in their homes and get access to local resources who can do the work.

A look at the numbers

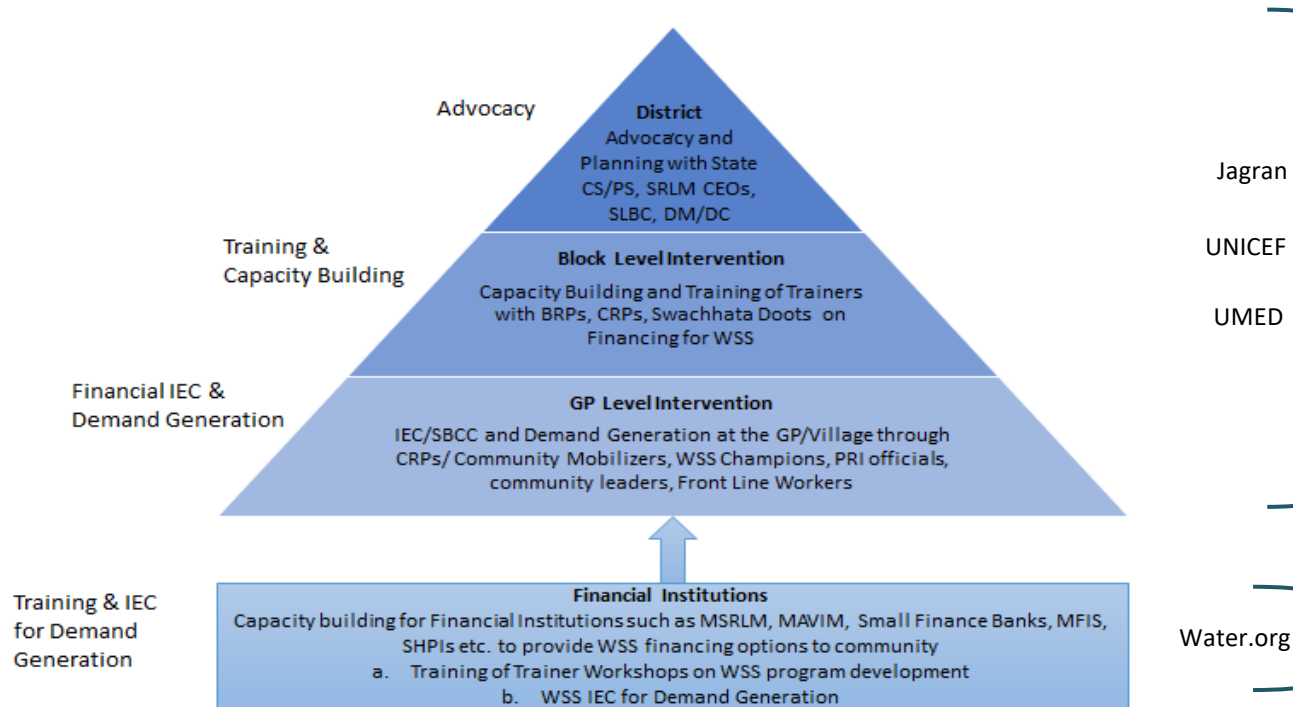
Country: India	FY18	Cumulative
Total Loans	6,66,335	21,13,346
People reached	33,14,341	1,01,44,060 (84% rural)
Amount Lent (₹ Million)	9,830	30,700

Water and Sanitation Accessibility in India (2017)..

Community	Access to water at premises	Access to basic sanitation
Rural	56%	53%
Urban	77%	72%

Source: JMP 2019

Ecosystem Approach



Enabling policy landscape and progress



In 2015, RBI declared household water and sanitation infrastructure as a category under **priority sector (PSL) for banks and RRBs under a new category 'social infrastructure'**; Toilet construction included as a category for which **SHGs linked to the NRLM/SRLMs** can avail loans



1% of current PSL portfolio of banks can release around Rs. 25,000 to Rs. 30,000 crores – around 1.7 crore toilets; 1% of PSL portfolio of RRBs can release Rs. 1,175 crores of credit – around 8 lakh toilets



Over 12 lakh loans (Rs. 1700 crores) have already been extended, by banks directly or with the help of last mile partners. These include SHGs/State Rural Livelihood Missions (SRLMs), Microfinance Institutions (MFIs) and Banks.

Financing to address inequality...Way forward

- 1. Trigger State, District and Block level banking committee to accelerate credit flow to SHGs
- 2. Greater push required at Branch manager level to lend to rural households for WSS solutions.
- 3. Align with other programs run by Government to maximize the last mile reach E.g. SRLMs, NRLMs in which the last mile delivery channel is strongly established
- 4. Instead of 12,000 Rupees incentive, Government shall consider providing interest subvention to rural households

Thank you



Presenters



- Government of Philippines - Erick Planta, Assistant Director General for Investment Programming
- Government of Indonesia - Aldy Mardikanto, Directorate of Urban, Housing, and Settlements
- Water.org- Lesley Pories, Sector Strategy Manager (US),
D Buvaneswari, Senior Manager, Head of Microfinance, (India)