



SANITATION FINANCING



Approximately **USD 30 billion** has been earmarked by Government of India for sanitation activities under the Swachh Bharat Mission (Clean India Mission)

Government Financing



USD 20 billion allocated so far by the Central Government for SBM-Rural (Commonly called SBM-Grameen or SBM-G) and USD 3 billion on SBM-Urban



Upto USD 170 per household being given as incentive to more than 80 million households



Additional USD 5 billion mobilized by various Central Ministries such as Railways, Health and Family Welfare, etc. for *swachhata* activities



Convergence with other development schemes for sanitation works

Alternative Financing Support



USD 118 million contributed by corporates and public sector units under *Swachh Bharat Kosh* (SBK)



USD 350 million of capital mobilized for water, sanitation and hygiene (WASH) under credit financing to support construction and repair of toilets



Government Financing

Progress under SBM-G

- ◆ More than 85 million toilets constructed from October 2014 till September 2018 under SBM-G in rural India.
- ◆ Incentive amount of upto USD 170 per household is being provided to eligible beneficiaries, with 60% of the amount being covered by the Central Government and 40% by state governments.
- ◆ 8% of the total allocated budget is spent on IEC and capacity building activities.

Fund allocation for SBM-G in the last 5 years (in USD billion)



Financing through Convergence under SBM-G

Ministry of Drinking Water and Sanitation (MDWS) is collaborating with various other ministries such as Ministry of Rural Development and Ministry of Panchayati Raj to drive the sanitation agenda.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

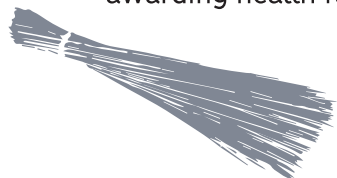
MGNREGS provides 100 days of wage employment in a financial year to adult members in a household for unskilled manual work. Funds from MGNREGS are also channeled for construction of individual household latrines (IHHL), school toilets and carrying out solid and liquid waste management (SLWM) works.

Fourteenth Finance Commission of India

The fourteenth Finance Commission has devolved funds directly to gram panchayats (village level units), the grass-root level local self government. Various works such as construction of drains, sanitation assets and SLWM activities are being undertaken by gram panchayats which leverage the Finance Commission funds.

Swachhata Action Plans of 76 Central Ministries

Apart from rural and urban sanitation ministries, other central ministries have also earmarked funds in their budget allocation for carrying out cleanliness activities. Seventy-six national ministries have integrated *swachhata* in their annual action plans of FY 17-18 and FY 18-19 by allocating around USD 5 billion for activities such as construction of sanitation infrastructure, SLWM, maintaining school toilets, cleaning and awarding health facilities, maintaining iconic places, etc.



Alternative Financing

Swachh Bharat Kosh (SBK)

(A corpus of donations from corporates, PSUs, individuals for the Clean India campaign)

SBK was set-up by the Government of India to channelize the corporate and philanthropic contributions for the purpose of implementation of Swachh Bharat Mission. SBK has received a total of USD 118 million in the last 3 years. Sixteen corporates have contributed funds towards SBK. These funds are primarily being used to construct institutional toilets and repair dysfunctional toilets.

Corporate Social Responsibility (CSR)

Corporates primarily contribute to Swachh Bharat through human resource support for the Mission, behaviour change campaigns, capacity building initiatives and construction of community and institutional toilets. Initiatives like Zila Swachh Bharat Prerak (ZSBP where young professional are placed with district administrations at no cost to the government), are stellar examples of public-private partnership. Some of the leading public sector units have contributed towards special initiatives such as Swachh Iconic Places, which aims to clean important cultural and tourist sites.

Credit Financing

In India, around 1.8 million sanitation loans have been disbursed with a capital mobilization of USD 350 million. These loans enable households to build new toilets or repair existing ones. Credit financing in various forms includes:

Self Help Groups (SHGs)

SHGs are groups of 5–20 members, mostly women, who pool their funds and allow lending of the group's funds to members of the group.

Micro-Finance Institutions

Over the past few years, some micro-finance institutions (MFIs) with reasonably sized portfolios have focused on sanitation.



Commercial Banks

A significant source of funding for sanitation also comes from commercial banks that provide loans to households and SHGs under priority sector lending at comparatively cheaper rates.

Impact and Opportunities

Impact of Swachh Bharat Mission in Rural Areas

In 2017, UNICEF conducted a study in 12 states on a sample of more than 18,000 respondents to measure the economic impact of SBM-G. The study showed that sanitation is a great investment. The total benefits accrued to a household by using a toilet exceed total costs (government and individual spend) by **4.7 times**. **Sanitation has a Return on Investment (RoI) of 470% in India!**



USD 110 of annual savings from reduction in health cost



USD 350 of productivity benefit savings due to reduced time on illness and time lost during open defecation



USD 270 one-time increase in value of assets



USD 250 of economic value of saved lives due to lower mortality rate

Source: UNICEF Study (2017)

The sanitation market in India is estimated to reach **USD 62 billion** annually by 2021, creating a large number of opportunities for small and medium enterprises.



Source: Toilet Board Coalition



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