

S-18012/13/2015-SBM
Government of India
Ministry of Drinking Water and Sanitation
Swachh Bharat Mission (Gramin)

4th floor, Pt. Deendayal 'Antyodaya Bhawan',
CGO Complex, Lodhi Road,
New Delhi-110 003

Dated: 28th February, 2017

To

The Principal Secretary/ Secretary In-charge of Rural Sanitation
(All States/ UTs)

Madam/Sir,

Swachh Bharat Mission is transforming into a Jan Andolan and the demand for toilets is growing exponentially. There may be several households in your State which have been successfully triggered, but may not have sufficient liquidity to start the toilet construction process. It may be useful to provide such households with alternate financing in the initial construction phase.

2. Micro Finance Institutions (MFIs) can play an important role in this regard. MFIs typically provide small loans to households, either individually or in groups, for small businesses and home improvement. Over the past few years, a number of MFIs have started offering sanitation loans, specifically for IHHL construction. Broadly, MFIs offer three benefits - cheaper loans, security - (MFIs are subject to RBI regulation) and help to unbanked customers to move towards financial inclusion by exposing them to a range of other financial products.

3. MFIs have expressed interest to work with the State/District authorities for achievement of SBM-G goal of making India open defecation free by 2019. You may like to explore partnership opportunities with MFIs operating in your State and support them to provide faster and cheaper sanitation loans to people.

Yours faithfully,



(Arun Baroka)

Joint Secretary (SBM-G)

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