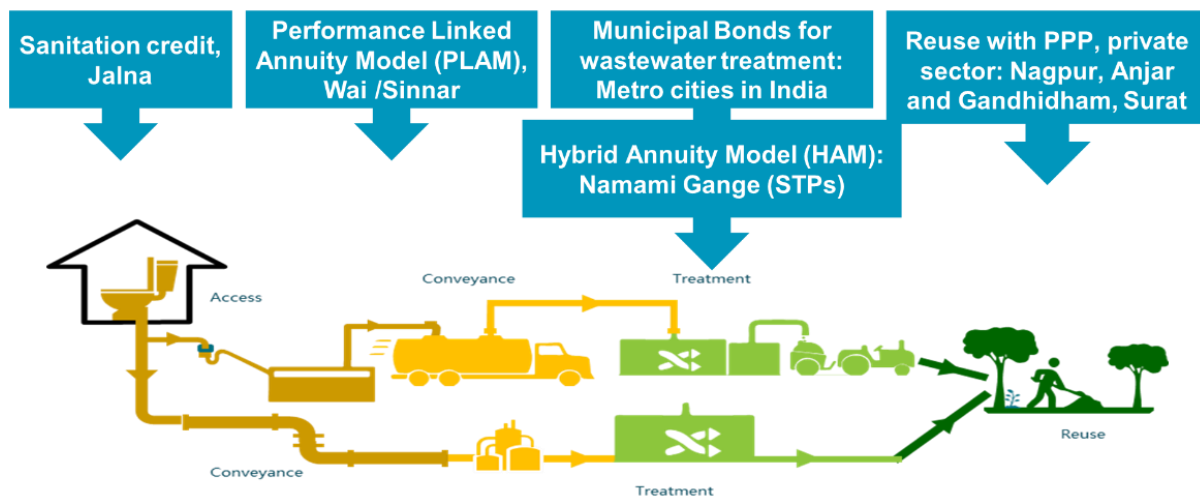


## Blended Finance Cases Across the Sanitation Service Chain: Cases from India

Meera Mehta | April 2024

No region is on track to achieve the Sustainable Development Goal target of universal access to safely managed sanitation services by 2030, and will require large investments in sanitation. In India, the government has prioritized initiatives like Swachh Bharat Mission and Jal Jeevan Mission to provide safe sanitation and water supply to households. However, to meet the SDGs by 2030 necessitates substantial investment. Blended finance models can help leverage private funding sources and offer a promising solution to mobilize investments. Blended finance models can be tailored for applications across the entire sanitation value chain. Building strong monitoring capacity and supporting new technologies are equally crucial for the successful implementation of these solutions. ([Link](#) to Video).

### Blended finance to support public-private-partnerships (PPPs) for financing across sanitation service chain



**Sanitation Credit for Individual Household Toilets ([link](#)):** Over 300 women from self-help groups (SHGs) in Jalna, India, accessed loans through banks and microfinance institutions for toilet construction. This initiative is being scaled up, with over 3,500 loans worth USD 500,000 mobilized in the last year.

**Performance-Linked Annuity Model for Safe Conveyance and Collection ([link](#)):** Cities in Maharashtra have implemented 3-year PPP models for scheduled emptying services for safe faecal sludge management. In this private operators are paid for the number of septic tanks desludged, financed by sanitation tax.

**Municipal and Green Bonds for Wastewater Treatment ([link](#)):** Metro cities in India have used debt markets to issue municipal bonds worth USD 128 million to finance wastewater treatment systems. Recently, cities of Indore and Ghaziabad have issued green bonds, mobilizing over USD 500 million.

**Hybrid Annuity Model (HAM) using PPPs for Treatment Plants ([link1](#), [link2](#) and [link3](#)):** This approach is used for several sewage treatment plants (STPs) under Namami Gange Project. The World Bank has sanctioned USD 19 million as guarantees to backstop the Government of India's payments for these HAM-PPP projects.

**PPPs for Reuse of Treated Wastewater ([link](#)):** In Nagpur, a private thermal power plant purchases 110 million litres of treated wastewater per day from the city. A private textile company in Gujarat pays two cities USD 75,000 to purchase 14,000 million litres of raw sewage per year for use in its plants.