

Financing Urban Sanitation in India

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Keynote Address
IGCS Winter School, IIT, Madras
February 21, 2017

Results from the 2011 Census of India

18.6% URBAN HHs WITH **NO** LATRINE FACILITY

This translates to 68 million people or
14.7 million households

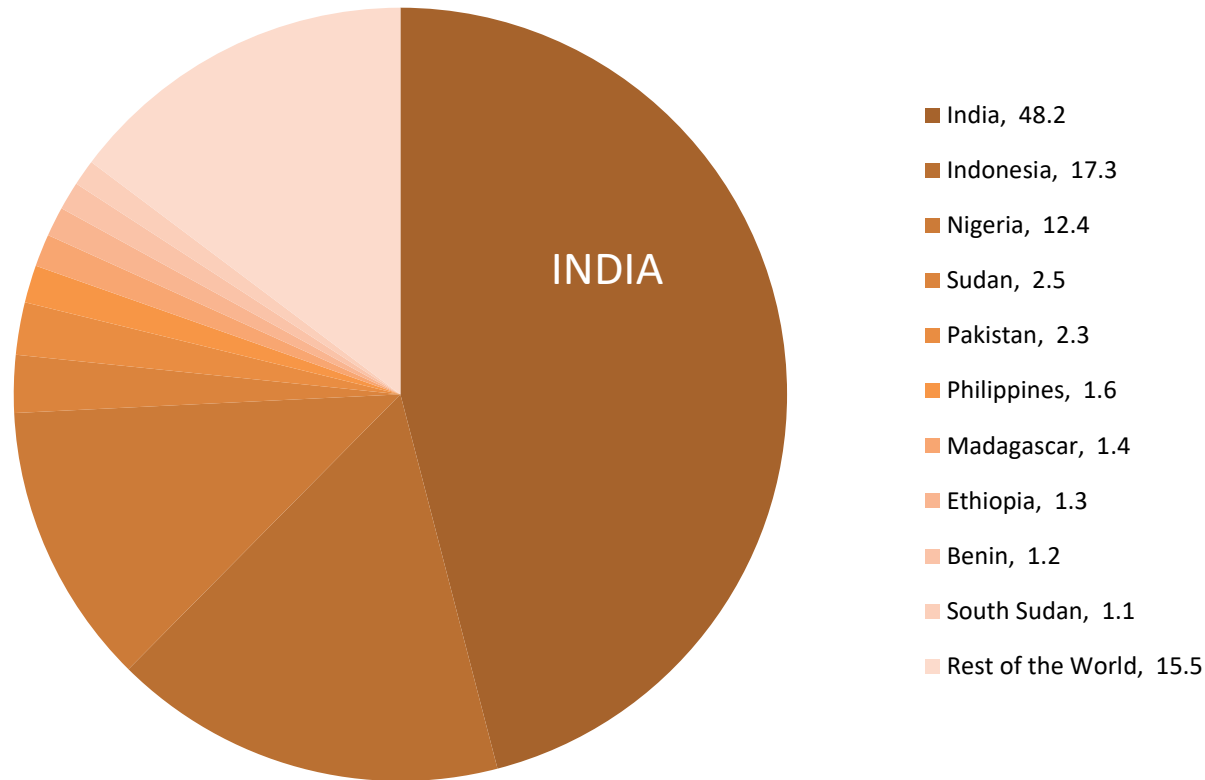
6% OF HHs DEPEND ON **PUBLIC TOILETS**

12.6% OF HHs RESORT TO **Open Defecation**

Situation is worse in smaller towns with
OD rates of 22%

Challenge of Open Defecation

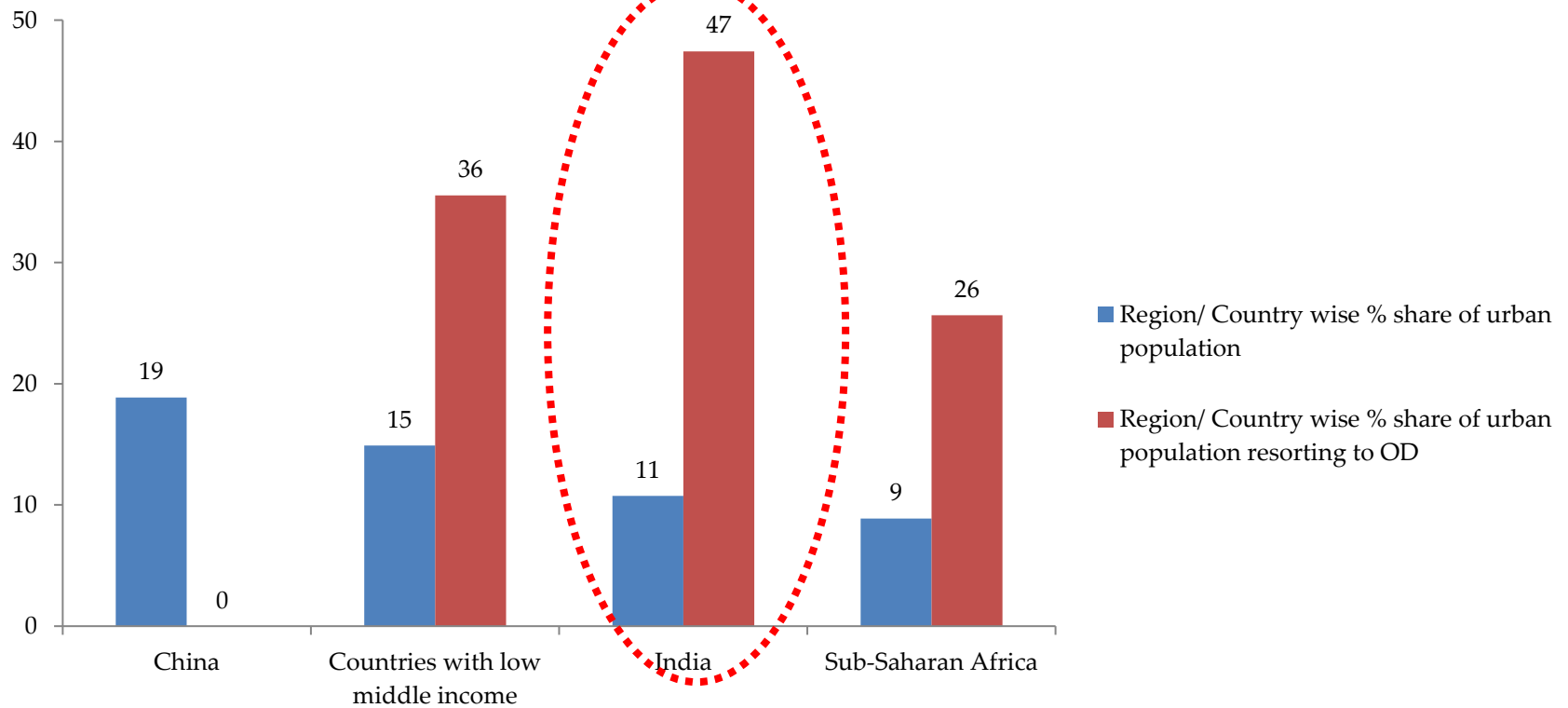
**Globally, 100 million people in urban areas resort to open defecation
Of these 48% are in India**



India Story **WAS** faltering in sanitation!!

Share of urban population for India is **11%** as compared to
India's share **47%** of urban population resorting to open defecation

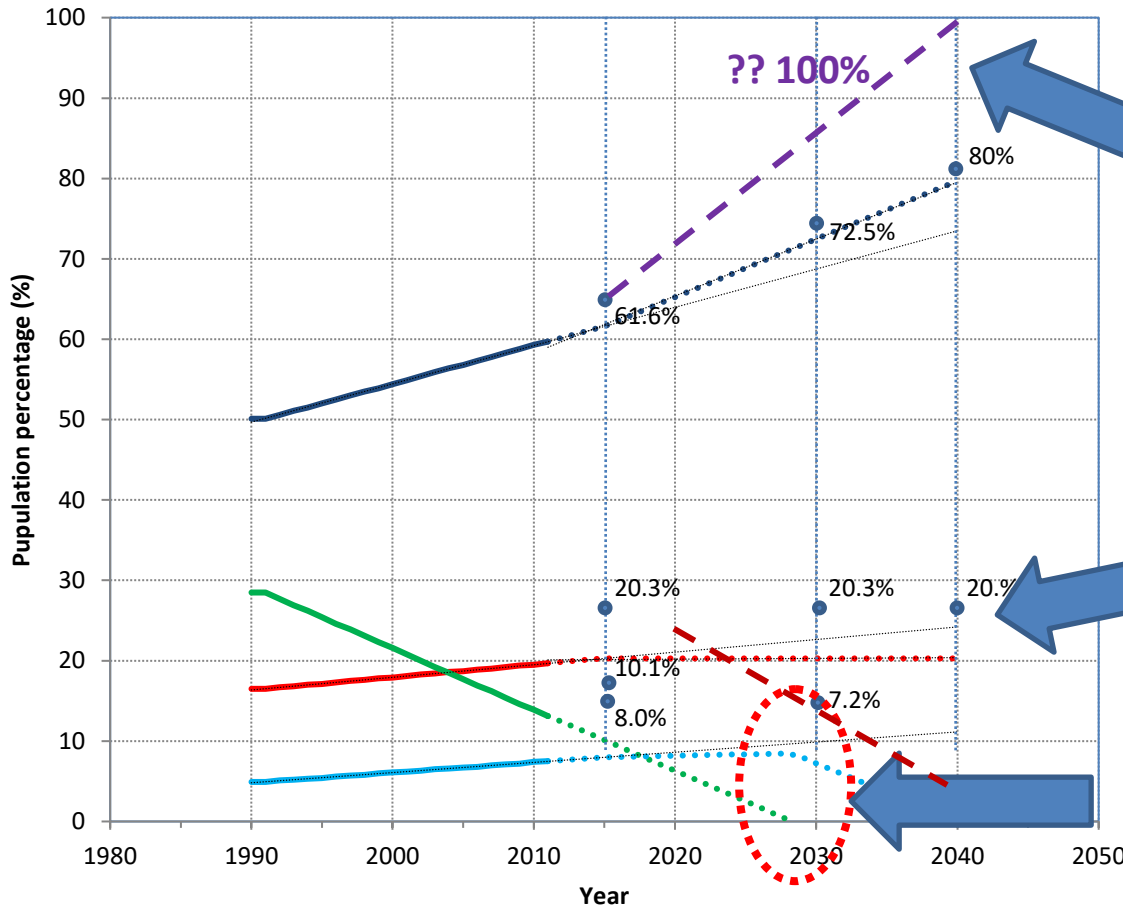
% share of urban population - versus - % of urban population resorting to OD





Progress on new 'SDG' – by 2030 / 2040?

Estimated proportion of the population using improved sanitation and population resorting to OD



Policy changes needed for universal improved sanitation by 2040

The rate of increase for 'improved sanitation at home' will need to increase significantly – double/triple

Need to convert community toilets by promoting sharing by 5 households/ families

Based on past trends open defecation from urban India is likely to be eradicated by 2028.

— Total Improved (%) — Shared (%) — Open Defecation (%) — Other Unimproved (%)

Swachh Bharat Mission (SBM) – Urban Areas



Government of India
Ministry of Urban Development

Search - Keyword/s



AND SHALL BE SCRIPTED THROUGH INSTRUMENT OF PLANNED MOBILITY

Home» Swachh Bharat Mission

Swachh Bharat Mission

Key objectives of SBM Urban Areas

- **Eliminating open defecation** with universal access and an emphasis on own toilets
- Universal services for end-to-end solid waste management
- **Awareness generation** and behaviour change
- **Capacity building** of local governments
- **Enabling environment** for private sector participation

Service components in urban sanitation

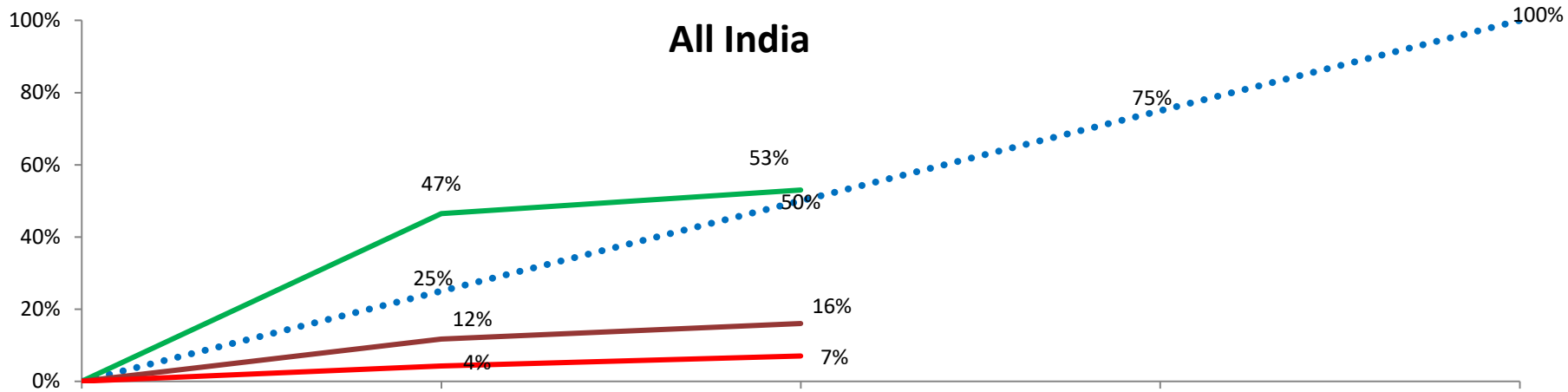
| Goals of improved sanitation | Service components in the value chain | | | | |
|------------------------------|---------------------------------------|----------------------------|------------------|-----------|------------------|
| | User interface | Collection and /or storage | Conveyance | Treatment | Reuse / disposal |
| | Access | | Waste Management | | |
| Equity and access | | | | | |
| Public health | | | | | |
| Environment | | | | | |

Major Challenges in Urban Sanitation

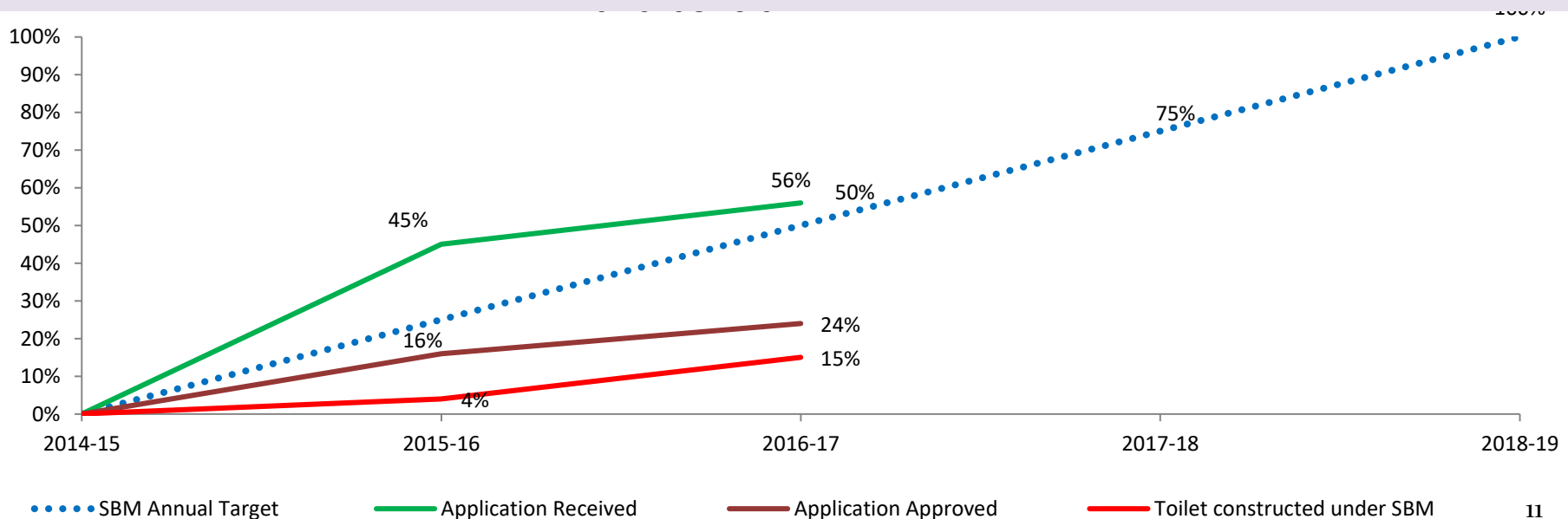
- **Access and equity**
 - ✓ Eliminate open defecation
 - ✓ Ensure universal access to adequate sanitation
- **Waste water management**
 - ✓ Treatment of waste water /fecal sludge – collection, conveyance and treatment
 - ✓ Reuse of treated waste water and sludge
- **Financing and governance**
 - ✓ Institutional capacity at local level, regulation
 - ✓ Financing options and mechanisms

SANITATION FINANCING FOR TOILETS

Status of Toilet Construction under SBM



Household surveys in Maharashtra done under the PAS Project at CEPT University in 2010 and quick assessments in two project cities of Wai and Sinnar suggest **lack of access to finance as one of the key reasons that inhibits individual toilet construction in urban areas**



Demand Side Study - Interviews with Households

| | 30 households without toilet were interviewed | 35 households without toilet were interviewed |
|-----------------------------------|--|--|
| | Wai | Sinnar |
| Range of income | 1200 - 20000 | 500 - 18000 |
| Average saving capacity per month | 550 | 950 |
| Willingness towards group toilets | 23 of 30 | 23 of 35 |
| Willingness towards taking loans | 15 of 30 | 23 of 35 |

Aspiration for an Individual Household Toilet and need for HH credit voiced by respondents

Sample surveys of those who have not built/applied for SBM shows that nearly 90% face financial challenges as a key barrier

*"I feel the need of constructing a toilet but **I don't think any institution will lend me a loan.** I do not have a capacity to repay the loan on time."*

*"I have **taken an internal loan of Rs. 5000/- through SHG for construction of toilet** in the year 2009 as we had to walk 20-25 mins. to reach to the community toilet"*



Financial Institutional Ecosystem in Urban India

BANKS

HDFC Bank
ICICI Bank
Bandhan Bank

COOPERATIVE INSTITUTIONS

Commissioner for Cooperation and Registrar, Urban credit Cooperative Societies, Urban Cooperative Banks

HOUSING FINANCE INSTITUTIONS

GRUH Finance Ltd.
Micro Housing Finance Corporation Ltd.
India Shelter Finance Corporation Ltd.
SEWA Grih Rin Ltd.

MICROFINANCE INSTITUTIONS /SFB

Grameen Koota, Ujjivan
Janalakshmi Financial Services
ESAF Microfinance
Equitas
Suryoday Microfinance

NGOs / Dev Programs/ State Dev agencies

FINISH Society
Bandhan Bank NGO
MHT
Navyadisha
MAVIM

OTHER REGULATORY/ APEX ORGANIZATIONS

National Housing Bank
NABARD
SIDBI
FWWB

Evidence on household finance for sanitation

Most MFI and HFI records show 99%+ repayment record










A number of MFIs have provided toilet loans

- Guardian has supported over 27000 households with toilet loans
- Water.org support to 20 MFI partners
- ESAF, SKSRDP, Grameen Koota have also provided sanitation loans

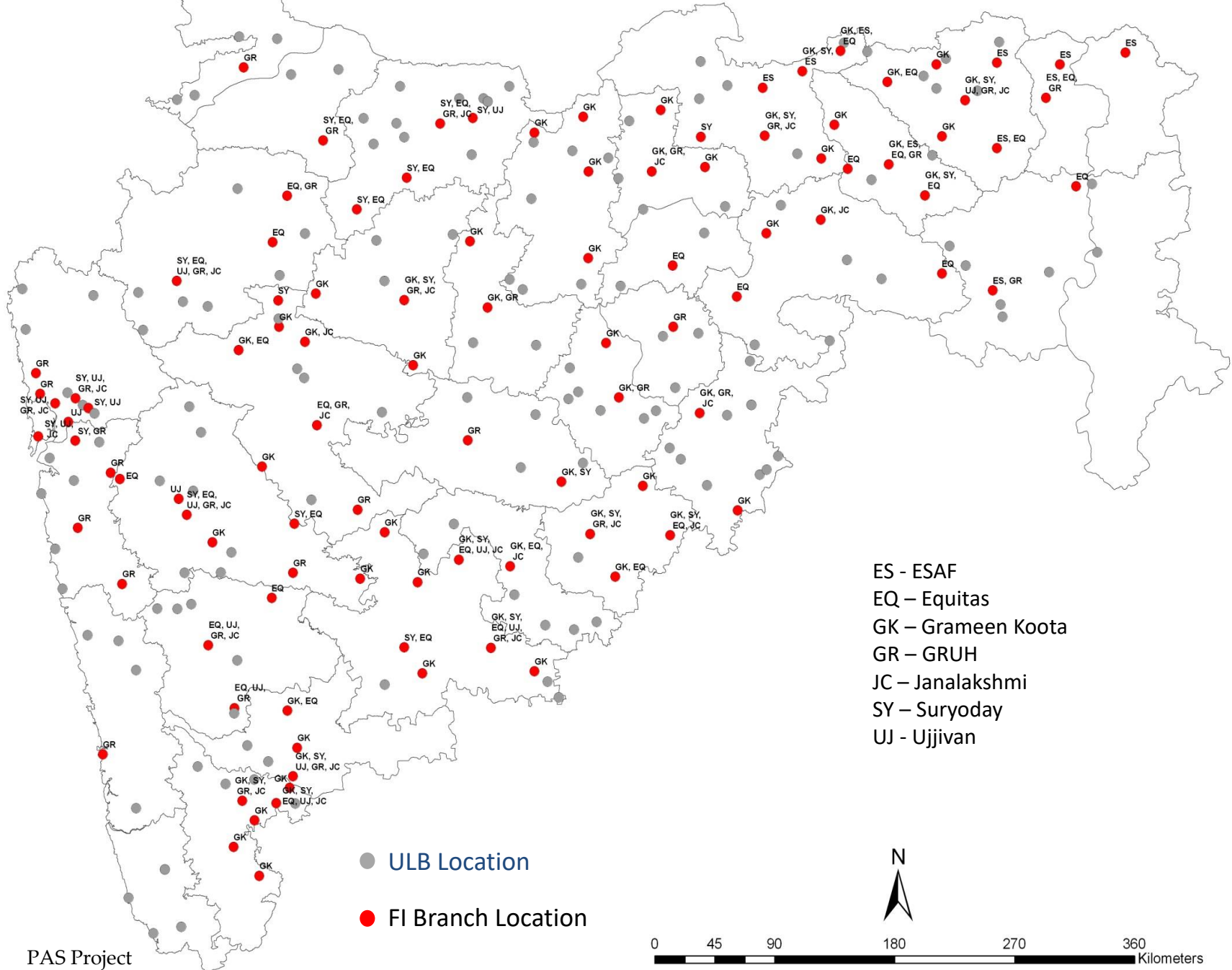
Besides MFIs, there are other institutions

- Cooperative sector
 - Coop banks, and Coop credit societies
- Scheduled commercial Banks
 - housing improvement loans
SBI, HDFC Bank, etc.
- HFIs –
 - housing improvement loans
e.g. GRUH, others

Widespread Presence of MFIs-HFIs

|  <p>FI Ujjivan Build a Better Life</p> | Type of Institution | Active Customers | Presence in Maharashtra | Total Loan Disbursed (INR) | Provides Sanitation Loans |
|--|---------------------|---------------------------|-------------------------|----------------------------|--|
|  <p>Janalakshmi likho apni kahaani</p> | MFI w/ SFB License | 27.70 L | 61 branches | 4328 Cr. FY 14-15 | No |
|  <p>ESAF MICROFINANCE Rethinking Livelihoods</p> | MFI w/ SFB License | 23.45 L | 35 branches | 4121 Cr. FY 14-15 | No, but plan to initiate Pilot in South India |
|  <p>equitas</p> | MFI w/ SFB License | 5.66 L | 21 branches | 1170 Cr. FY 14-15 | Yes |
|  <p>Suryodaya Enabling Dreams. Empowering Lives.</p> | MFI w/ SFB License | 22.92 L | 73 branches | 2,129 Cr FY 14-15 | Yes |
|  <p>GrameenKoota financial services</p> | MFI w/ SFB License | 6.80 L | 46 branches | 1,663 crore FY 14-15 | No, but willing to explore |
|  <p>Agora Microfinance India Ltd.</p> | MFI | 14 L | 102 branches | 2500 Cr. FY 15-16 | Yes |
|  <p>GRUH FINANCE LIMITED We help you build homes</p> | MFI | 11.5 K | 7 branches | 16 Cr. FY 14-15 | No, but willing to pilot |
|  <p>MICRO HOUSING FINANCE CORPORATION LIMITED</p> | HFI | n/a | 49 branches | 3,120 crores FY 14-15 | No, but willing to pilot – have designed a product |
| | HFI | 10,000 loans (cumulative) | 7 branches | 400 Cr. (cumulative) | No, but willing to pilot |

Branch Spread across the State for a few FIs (401 branches)



- ES - ESAF
- EQ – Equitas
- GK – Grameen Koota
- GR – GRUH
- JC – Janalakshmi
- SY – Suryoday
- UJ - Ujjivan

- ULB Location
- FI Branch Location

Toilet and Lender Fairs in Cities

Fair was an attempt to create a platform for interaction of all the sanitation technology providers, sanitary ware suppliers, financial lending institutions and the applicants of Swacch Bharat Mission toilet scheme.



Loans from WUCB by SHGs in a small city



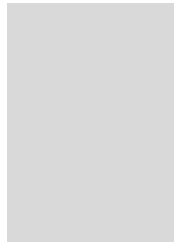
Varsha Kumbhar



Individual toilet



Rs. 20,000



Chandrakala Kumbhar Kalpana Kumbhar



Group toilet



Rs. 20,000



Alka Kumbhar



Individual toilet



Rs. 20,000

Mobilizing SHGs for toilet loans and construction

SHGs mobilization support in small cities

- **Assessment of Self Help Groups in Wai**
[Completed 150 SHGs (1500+ families) assessment]
- **Awareness generation towards need of individual toilets**
(Mobilize 200+ toilet applications)
- **Assess and establish links with potential lenders**
- **Facilitate access to loans for toilets and linkage with financial institution**



- With capacity building support, **SHGs can play an important role to expedite SBM progress**
- Mobilizing SHGs would bear results quickly

Scaling up Sanitation Credit

- Operationalizing policies such as incorporation of **Sanitation in Priority Sector Lending**
- Supporting agencies such as MAVIM/ Navya Disha /MHT to strengthen **SHG-Bank Linkages for sanitation credit**
- Work through **thousands of coop institutions** in states in Maharashtra and southern states
- Work with **NABARD to support SHG links**

FINANCING CONVEYANCE AND TREATMENT

Financing Citywide FSM Services

| Sanitation service value chain | FSM Financing | |
|--------------------------------|---|---|
| | Capital | O&M |
| Access | <ul style="list-style-type: none"> Construction of public toilets Refurbishment of septic tanks | |
| Collection and Conveyance | Procurement of Trucks | Service contract for septic tank emptying service |
| Treatment | Set up Faecal Sludge treatment plant (FSTP) | Management contract for O&M of FSTP |

Ongoing efforts under SBM and Sanitation Credit addressing the sanitation access related issues

Focus Area for FSM financing

Emerging Recognition of FSM in India



**AMRUT
Reform**

Regulatory provisions will help create a demand for FSM financing at State/City level

hygienic facilities with proper disposal and proper disposal and treatment of sludge from on-site installations; Proper operations & maintenance (O&M) of all sanitary facilities

MoUD, 2013

Recommends developing a **Septage Management Plan (SMP)** as a **part** of city sanitation plans (**CSP**)

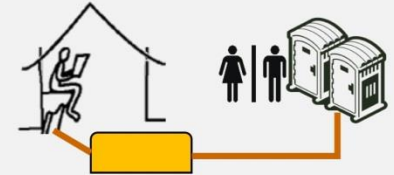
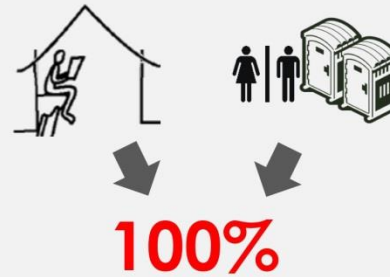
AMRUT
MoUD, 2015
June 2015

FSM in a cost-effective manner; Mechanical and biological **cleaning of sewers and septic tanks** and recovery of operational cost in full

ODF definition advocates urgent need for FSM

Maharashtra ODF, ODF+, ODF++ Framework

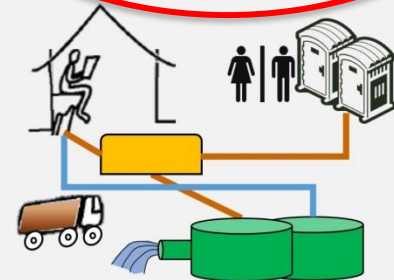
ODF



ODF+



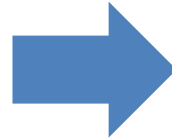
ODF++



From a **complaint redressal system** to **regular scheduled service**

Current septage management practice

~2% of tanks emptied per year
(once in >8-10 years)



Recommended septage management practice

~33% of tanks emptied /year
(once in 3 years)⁵

Current barriers

1

Emptying is done **on-call** by the household, who do not see the need for regular cleaning

2

Wai has only **1 truck** of 5kL capacity, owned and operated by the ULB

3

~**INR 1500** payment to get tanks emptied, but only once in more than 8-10 years

Proposed solutions

1

Septic tanks will be emptied on a **pre-determined schedule**. **Regulations and penalties** will be set in place to ensure periodic emptying
Awareness generation activities will educate households about the need for regular cleaning

2

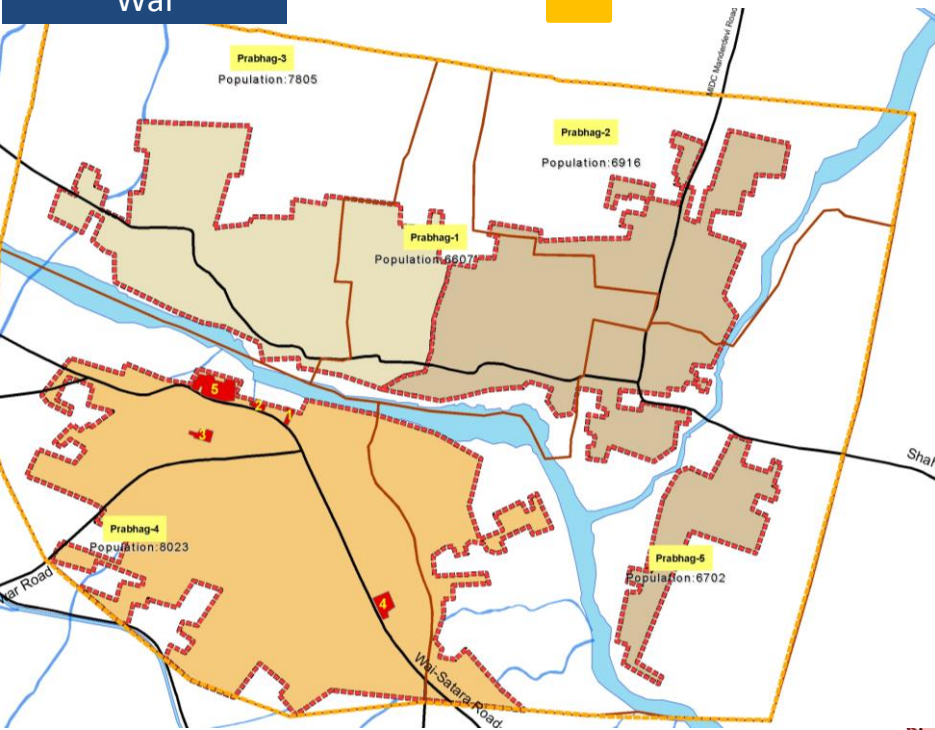
Wai will get **1 additional 5 kL** truck to empty **~6 septic tanks a day, 300 days a year**, operated by a private contractor. The existing truck will continue to empty public and community toilets

3

All property owners (residential and non-residential) will pay a '**special sanitary tax**' to be levied by the ULB as per the **municipal legislation**¹

Need to plan for a three year cycle of scheduled emptying of septic tanks

Wai



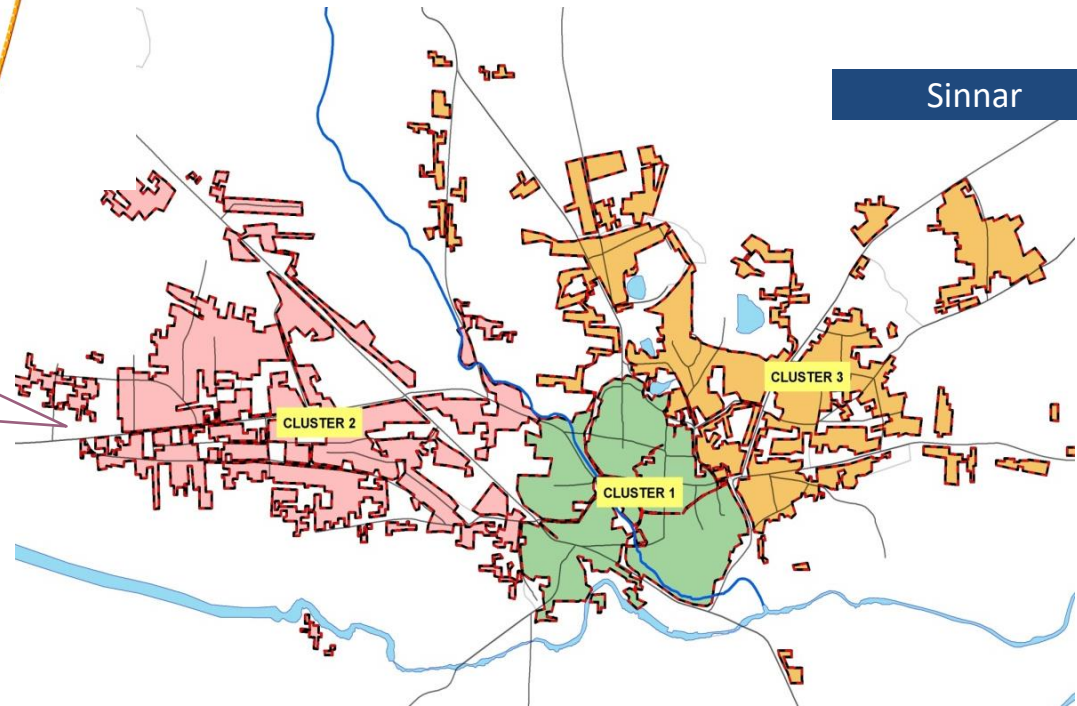
Wai requires 1 more additional suction emptier truck

~1760 septic tanks need to be cleaned annually on scheduled basis

Sinnar requires 3 more additional suction emptier truck

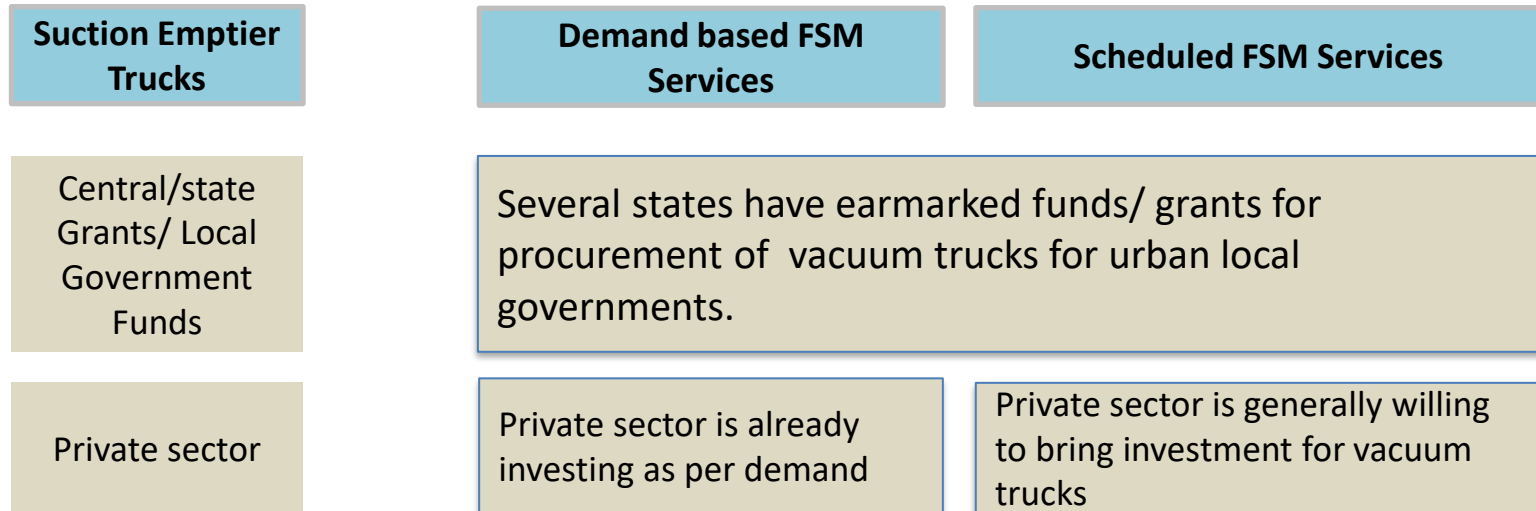
~2800 septic tanks need to be cleaned annually on scheduled basis

Sinnar

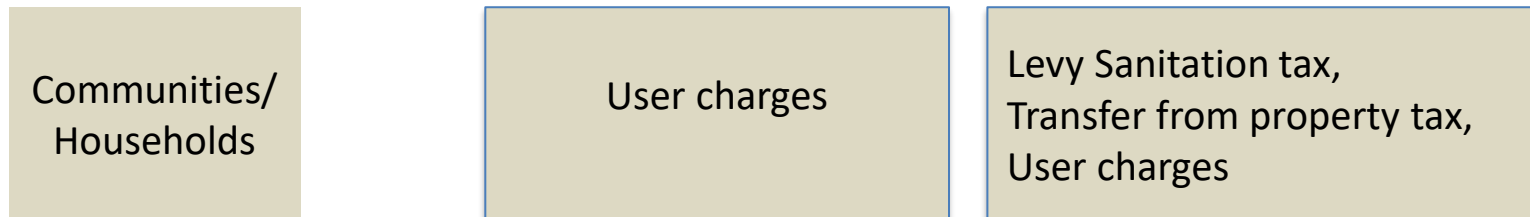


Potential sources of finance: Collection & Conveyance

A. Potential sources of finance for Capital Expenditure



B. Potential sources of finance for O&M Expenditure

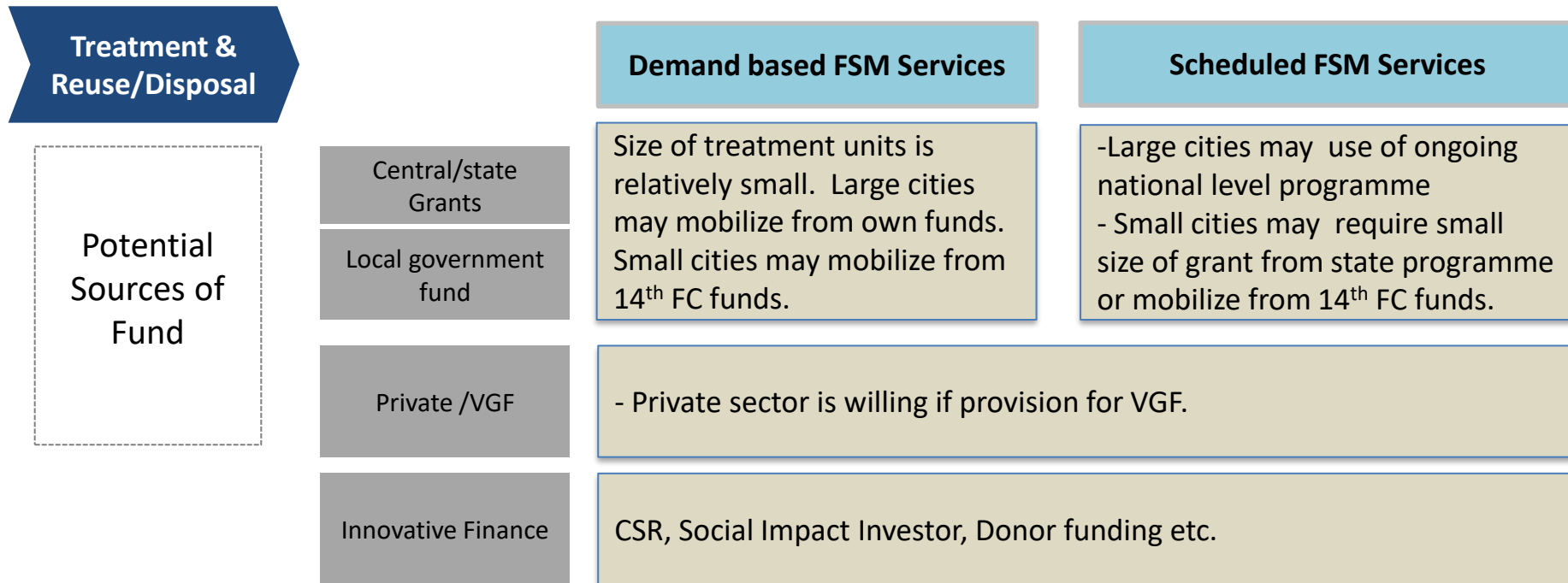


FSM Services: Collection and Conveyance

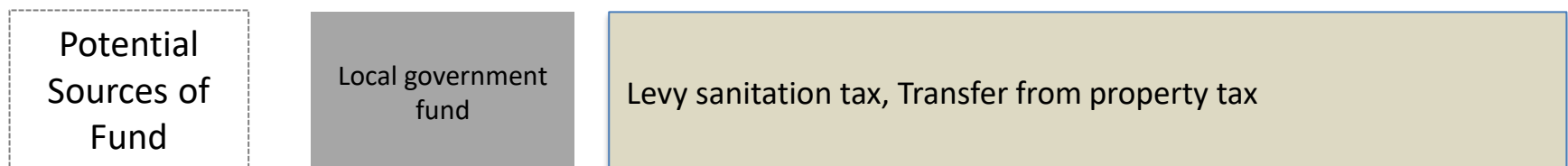
- Financing for procurement of truck is not a major constraint
- Private sector is willing to fund trucks and an attractive business model around emptying services is possible
- Scheduled emptying service can help reduce prices
- But there is a lack of experience for scheduled emptying in India

Potential sources of finance: Treatment and Reuse

A. Potential sources of finance for Capital Expenditure



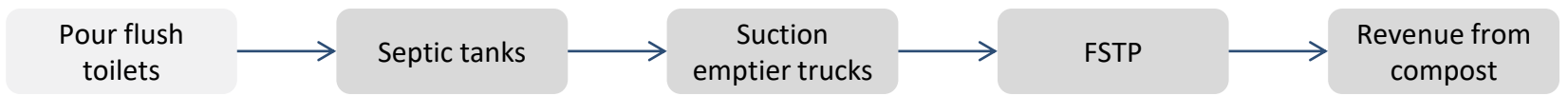
B. Potential sources of finance for O&M Expenditure



FSM Services: Treatment and Reuse

- Large cities can afford to mobilize capital funds from **ULB own funds** and from ongoing National level **programme like AMRUT**
- Small cities will need to mobilize **capital funds from state schemes, 14th FC grants**
- Need to explore the possibility of **municipal borrowing for FSTP through pooled finance**, municipal bonds etc.
- **Private sector is not willing to invest in capital funding for treatment**, as this seems a risky investment
- At present there is **no market for reuse products**

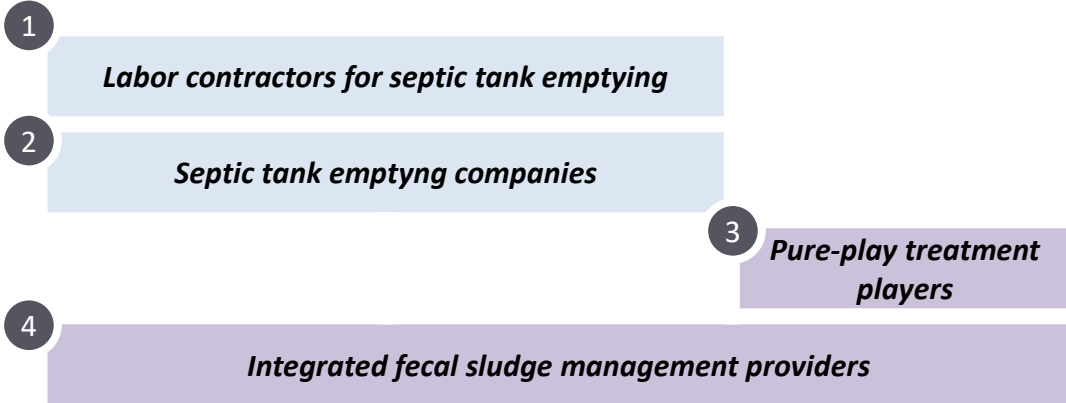
Opportunities for PSP in FSM services



Proposed value chain

Activities required

- A** Refurbishment of septic tanks with access manhole covers
- B** Periodic cleaning of septic tanks along a regulated schedule
- C** Construction of fecal sludge treatment plant (FSTP)
- D** Operation and maintenance of FSTP
- E** Revenue from end product



Assess and establish forward linkages as per end product for reuse

■ *Small scale players (<10 employees)*

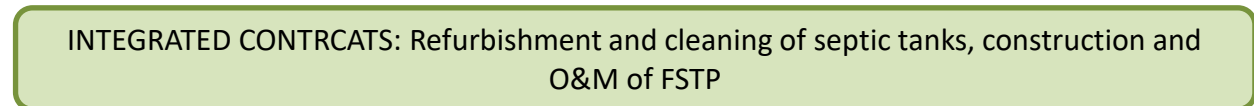
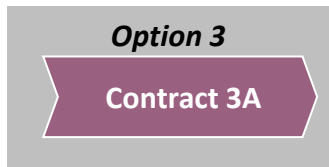
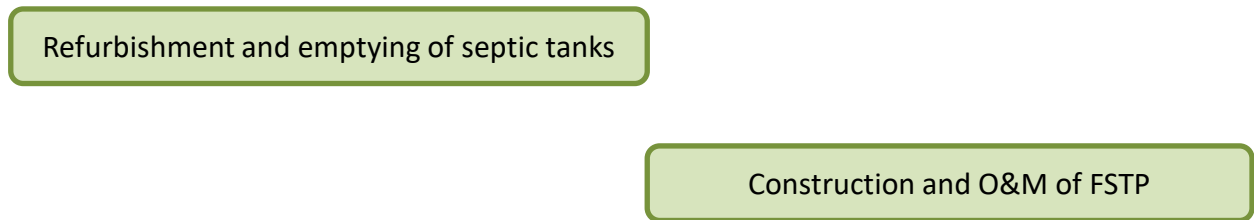
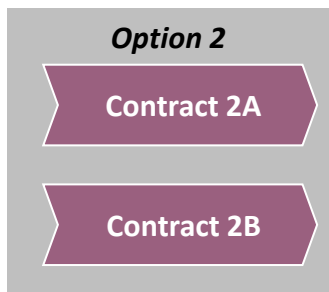
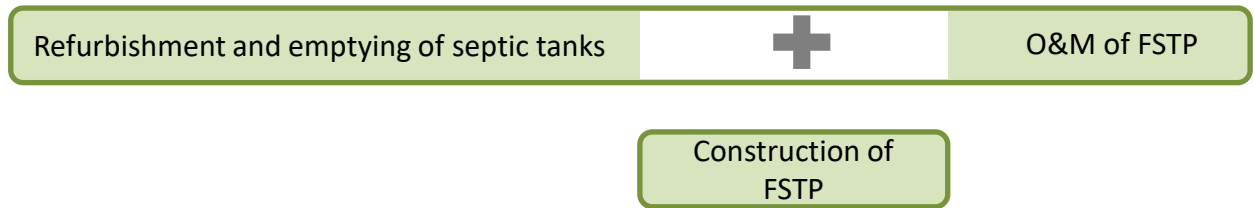
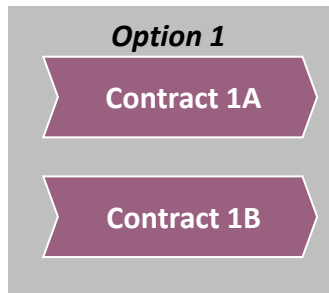
■ *Medium scale enterprises (>10-50 employees)*

Possible Bundling options: PSP in FSM services

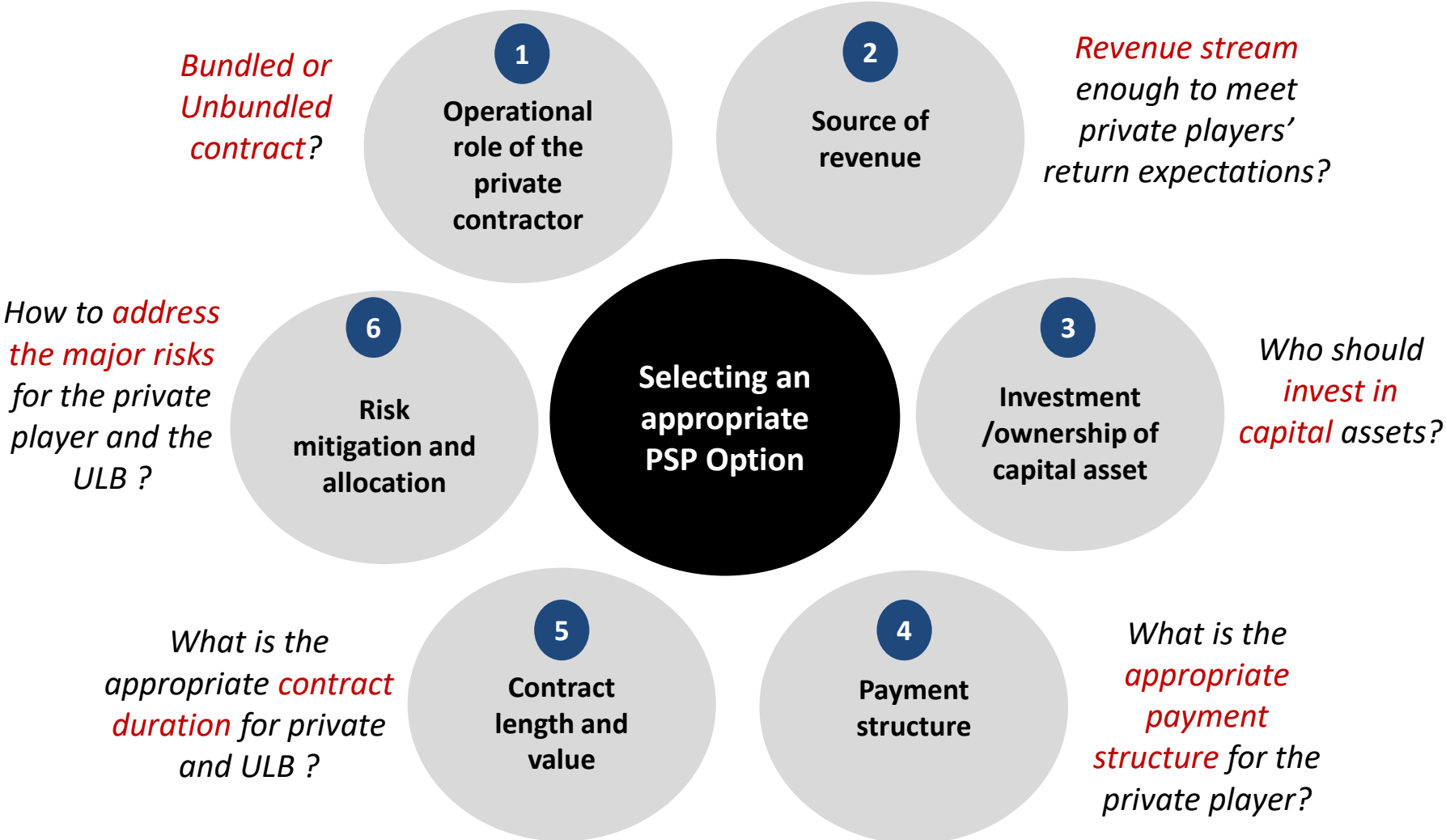


Activities required

- A** Refurbishment of septic tanks with access manhole covers
- B** Periodic emptying of septic tanks along a regulated schedule
- C** Construction of fecal sludge treatment plant
- D** Operation and maintenance of FSTP




Iterative approach to structure a PSP option for FSM





Addressing Risks in PPP for Citywide IFSM

Risk mitigation: Building a strong system for performance based monitoring and payment is critical to managing performance risk (1/2)

| Risk | Mitigation | Allocation of remaining risk |
|--|---|---|
|  Private player uses manual scavenging for cleaning septic tanks or sludge drying beds | <ul style="list-style-type: none"> Require safety gear for all personnel Include a clear description of activities that constitute manual scavenging | <ul style="list-style-type: none"> Contract terminated if complaints of manual scavenging are received from households or ULB staff |
| <div style="border: 2px dashed red; padding: 5px;">Private player does not clean household tanks as per the schedule</div> | <ul style="list-style-type: none"> Portion of the monthly payment should be tied to the number of household signatures collected from households whose septic tanks have been cleaned satisfactorily ULB to undertake random inspections of households whose signatures have been submitted A complaint redress mechanism to be opened where grievances can be lodged by the HH with the ULB | <ul style="list-style-type: none"> Penalties to be imposed if the reported number of cleanings is lower than specified in the contract, or if discrepancies are found during random sampling, or if complaints are not dealt with in a timely manner Large or persistent breaches can lead to termination |
| Private player | As above | Work on faulty septic tanks would have to |

Cleaning of septic tanks

Risk mitigation: Building a strong system for performance based monitoring and payment is critical to managing performance risk (2/2)


| Risk | Mitigation | Allocation of remaining risk |
|---|--|--|
|  Septic tanks are damaged during or as a result of refurbishment | <ul style="list-style-type: none"> Specify the type of materials required Payment tied to the number of signatures from households whose septic tanks have been repaired to their satisfaction | <ul style="list-style-type: none"> Damaged septic tanks must be repaired within a specified period days of complaint and the cost shall be borne by the private player Penalties will be imposed if discrepancies are found during random sampling, or if complaints are not dealt with in a timely manner |
| <div style="border: 2px dashed red; padding: 5px;">Sludge drying beds do not meet specified design</div> | <ul style="list-style-type: none"> ULB to undertake random inspections of households whose signatures have been submitted A complaint redress mechanism to be opened where grievances can be lodged by the HH with the ULB The ULB will specify the design and materials to be used in consultation with town consultants | <ul style="list-style-type: none"> Persistent breaches may lead to termination if the work is found to be faulty at any stage, the payment will be withheld until the corrections are made |
|  Construction of SDBs | <ul style="list-style-type: none"> Payment made in installments on the completion of specific construction milestones | |

Managing performance risk through performance based monitoring and payment

| | | |
|--|--|--|
| transportation | citizens with the ULB | specified period, to avoid a fine |
| Private player dumps septage at places other than the treatment site | A portion of monthly payment is tied to signatures collected from the SDB operator | In case the number of complaints exceeds a specified number in a given time period, the contract can be terminated |
| | | standards, a warning would be given, followed by fines. |
| | | Persistent breaches may lead to termination |



O&M of SDBs

Risk mitigation: Contracts must also clearly manage at will and at cause termination by the private player and the ULB

| Risk | Mitigation | Allocation of remaining risk |
|---|--|---|
|  Termination at cause | <ul style="list-style-type: none"> ULB does not fulfill contract conditions Private player is unable to meet service standards ULB decides to discontinue the | <ul style="list-style-type: none"> Private player compensated for investments, the cost of winding down and foregone profits ULB can compensate the private player for some portion of its capital investments but seize the performance bank guarantee X month notice period required Private player compensated for |
| | <ul style="list-style-type: none"> Establishing a clear reporting and monitoring mechanism to ensure transparent contract execution Ensuring that disputes are handled amicably through frequent communication and by appointing an agreed upon third party mediator As above | |
| | <ul style="list-style-type: none"> Up-front discussions with key stakeholders to create buy-in for | |

Termination at cause

Risk mitigation: Provisions need to be made for payment delays and cost escalation to protect private player and public interests

| Risk | Mitigation | Allocation of remaining risk |
|---|--|--|
|  Payment delays | <ul style="list-style-type: none"> Ensuring budgetary allocation for contracts before procurement Establishment of an escrow account for payment | <ul style="list-style-type: none"> ULB to pay interest for the payment, delayed by X months or more, at a negotiated rate of interest |
|  Cost escalation | <ul style="list-style-type: none"> Adjustment of contract value annually for inflation | <ul style="list-style-type: none"> Private player would be responsible for bearing the cost escalations within |

Payment delays

Cost escalation

Managing termination risk

| | | |
|--|---|---|
|  Termination at will | <ul style="list-style-type: none"> Private player wants to terminate the contract due to reasons unrelated to ULB compliance with contract terms | <ul style="list-style-type: none"> Frequent communication between ULB and private player X month notice period required Private player forfeits the performance bank guarantee |
|--|---|---|

Managing payment and cost escalation risk

Model contract document for PSP in FSM

Sinnar Municipal Council, Sinnar

TENDER DOCUMENT

Name of Work
"Scheduled cleaning of septic tanks, Sinnar"

Estimated Cost: To be given by the bidder

E.M.D. :40,000/-



Office of the
Chief Officer,
SinnarMunicipal Council, Sinnar

Sunil S. Patil **Vyanktesh R. Durvas** **Sanjay Navse** **Ashvini Deshmukh**
Municipal Engineer Chief Officer Vice President President

**Septic tank Emptying
Tender document**

CONTENTS

- I. Short Tender Notice
- II. Detailed Tender Schedule
- Notes**
- List of documents to be submitted along with tender**
- III. Detailed Tender Notice – General Conditions
- IV. Detailed Tender Notice – Special Conditions
- V. Form Formats
- Details of suction emptier trucks available with the tenderer for the use of this work**.....
- Details of work of similar type and magnitude carried out by the tenderer**
- Details of technical personnel with the tenderer**.....
- Year wise statement showing cost of completed works**
- VI. Opening of Tender
- VII. Acceptance of Tender
- VIII. Declaration of the Contractor
- IX. Financial Bid Form

Validate Print Help **Item Rate BoQ**

Tender Inviting Authority: Sinnar Municipal Council, Nashik

Name of Work: Scheduled cleaning of septic tanks, Sinnar

Contract No:

Bidder Name :

PRICE SCHEDULE

(This BOQ template must not be modified/replaced by the bidder and the same should be uploaded after filling the relevant columns, else the bidder is liable to be rejected for this tender. Bidders are allowed to enter the Bidder Name and Values only)

| NUMBER | TEXT # | NUMBER # | TEXT # | NUMBER | NUMBER # | NUMBER # | TEXT # |
|---|---|----------|----------|----------------|--|-------------------------------------|-----------------------|
| Sl. No. | Item Description | Quantity | Units | Estimated Rate | BASIC RATE In Figures To be entered by the Bidder Rs. P | TOTAL AMOUNT Inclusive of all Taxes | TOTAL AMOUNT In Words |
| 1 | 2 | 4 | 5 | 6 | 13 | 53 | 55 |
| 2 | Schedule B | | | | | | |
| 3 | Cleaning of 4000 septic tanks per year for three years of households/properties as per schedule and emergency cleaning with appropriate safety gears for septic tank emptying cleaners and operators, transportation of septage in GPS mounted suction emptier trucks owned by private sector and safe disposal of collected sludge in septage treatment facility | 1.00 | Per year | | | 0.00 | NR Zero Only |
| The bidders shall also undertake IEC activities to spread awareness about regular cleaning of septic tanks in areas where scheduled cleaning needs to be undertaken | | | | | | | |
| Total in Figures | | | | | | 0.00 | NR Zero Only |
| Quoted Rate in Words | | | | | | INR Zero Only | |

Assessing contract values and taxes to be levied

Contract valuations for Wai and Sinnar

| S. No. | Types of contract | Contract length | Wai | | | Sinnar | | |
|--------|---|--------------------------|------------------------------------|---|---|------------------------------------|---|---|
| | | | Annual contract value (INR, Lakhs) | Sanitation tax per residential property (INR) | Sanitation tax per non-residential property (INR) | Annual Contract value (INR, Lakhs) | Sanitation tax per residential property (INR) | Sanitation tax per non-residential property (INR) |
| 1A | Refurbishment and regular cleaning of septic tanks with O&M of SDBs | 2 - 3 years | 15-17 | ~190 | ~230 | 32-36 | ~270 | ~320 |
| 1B | Construction of SDBs | Duration of construction | 24-28 | N.A. | N.A. | 40-45 | N.A. | N.A. |
| 2A | Refurbishment and regular cleaning of septic tanks | 2 - 3 years | 11-13 | ~140 | ~170 | 27-32 | ~230 | ~270 |

Property owners currently have to **pay local taxes** of about **Rs 2600/annum** in Wai and Sinnar

To cover the costs of a cleaning cycle of ~3 years would require an **increase** in total annual tax spend for a household of about **7% in Wai** and **11% in Sinnar**.

5-Year FSM Investment Plan (2017-2022)

GoM's policy decision on moving toward scheduled FSM services

City Wide 100% FSM (218 Cities; Cover population of 12.5 Mn)

- Capital investments for FSTP – USD 80 Million (Public)
- Capital investments for trucks – USD 20 Million (Private)
- **Total capital investment for FSM – USD 100 Million**

Maharashtra's average annual budget allocation
for Urban WASH sector = USD 250 Million

- Annual FSM investment requirement of USD 16 Million i.e. 6.5% of
total annual WASH allocation

Sources of funds for Urban Sanitation

Sustainable urban water service

Revenue

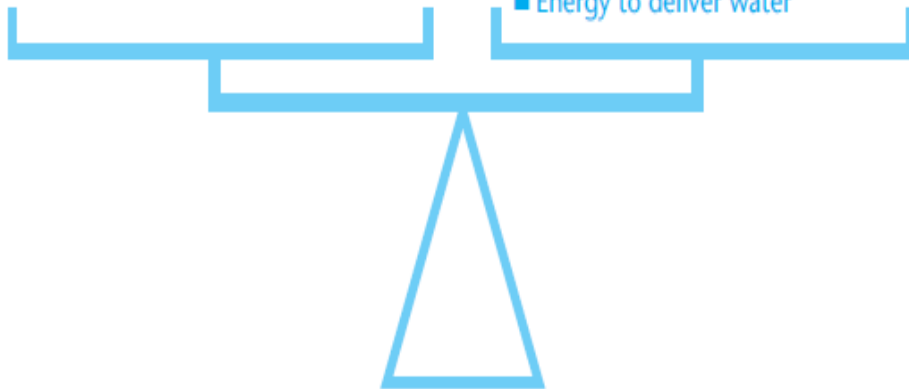
there are two primary sources of financing:

- User fees
- Public funds
- **Social investors**
- **CSR**
- **Crowd funding**

Examples of expenses

to build operate and maintain water supply and sanitation systems:

- Training and paying workers
- Repay loans for infrastructure investment
- Maintenance of pipes, pumps and equipment
- Materials for cleaning water
- Energy to deliver water



Need to identify additional sources of funds beyond user charges and public finance

Social impact investors

- “Actively placing capital in businesses and funds that generate social /environmental good and at least return nominal principal to the investor” (Monitor group)
- Social impact investors emerging as a potential new source.. **High net worth individuals (HNI), Institutional social investors, Foundations**
 - For example, a recent 3-year Debt Funds for Cancer Cure by HDFC Mutual Fund mobilized about Rs 77 + Rs 180 crore. **The dividend from this was provided to Indian Cancer Society.** The first HDFC-CC Debt Fund provided **Rs 11 crore to ICS in two years.**

HDFC DEBT FUND FOR
CANCER *cure* **2014**

A 3 year closed ended capital protection oriented income scheme®



CSR – a potential new source

- The Companies Act, 2013 allows new models of social engagement by mandating that large companies spend 2% of their three-year average annual profit towards corporate social responsibility (CSR)
 - potential estimated annual flows from CSR of **Rs 17,000 Crores**
- Challenge to direct **CSR funds to urban sanitation**
- Many companies already active in sanitation space but largely in rural areas – HUL, Ambuja Cement, ACC, Amul, GAIL, NTPC
- Swachh Bharat Kosh – mainly to be used for school sanitation



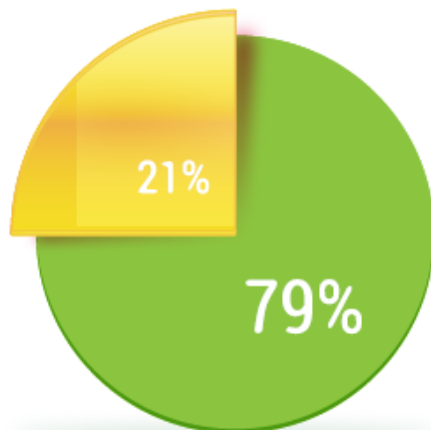
Its community development work is based on its mission and underscores our belief in communities and in our role as catalysts to bring in change.

Reality of CSR

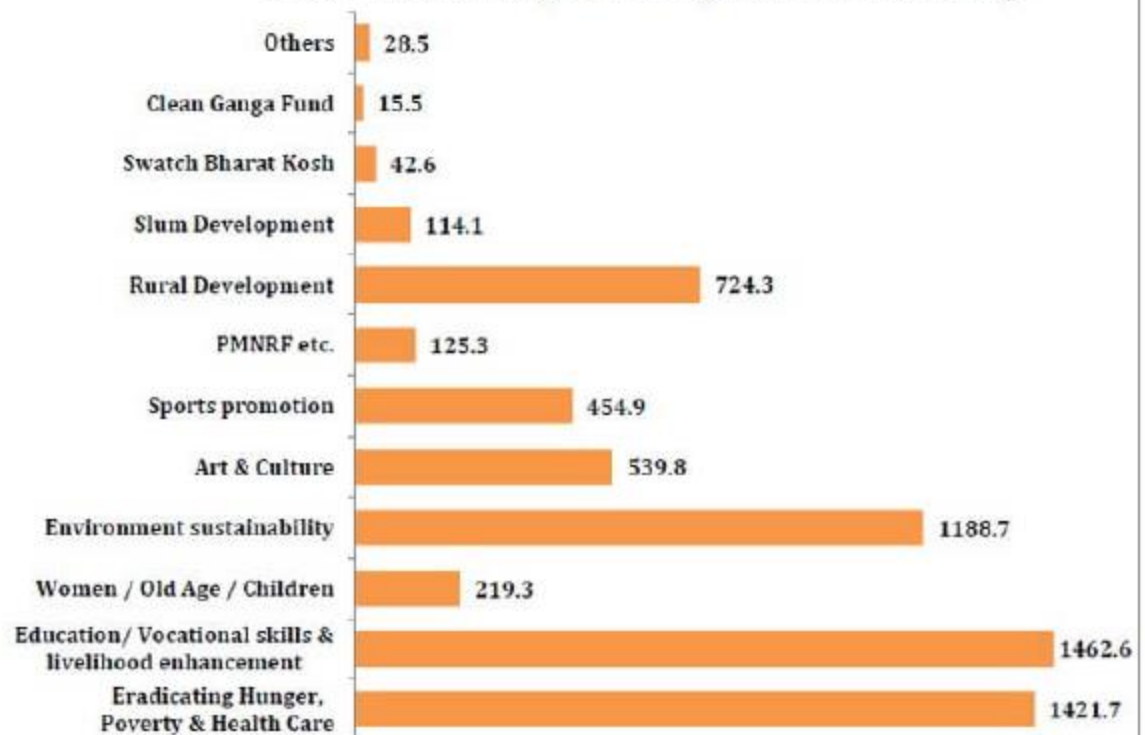
- The reality is inadequate spend (21%)
- Focused on a few sectors – RD, Education, env sustainability

Prescribed CSR Budget and Actual CSR Spent
FY 2014-15 (INR Cr)

■ Actual CSR Spent ■ Unspent CSR Budget



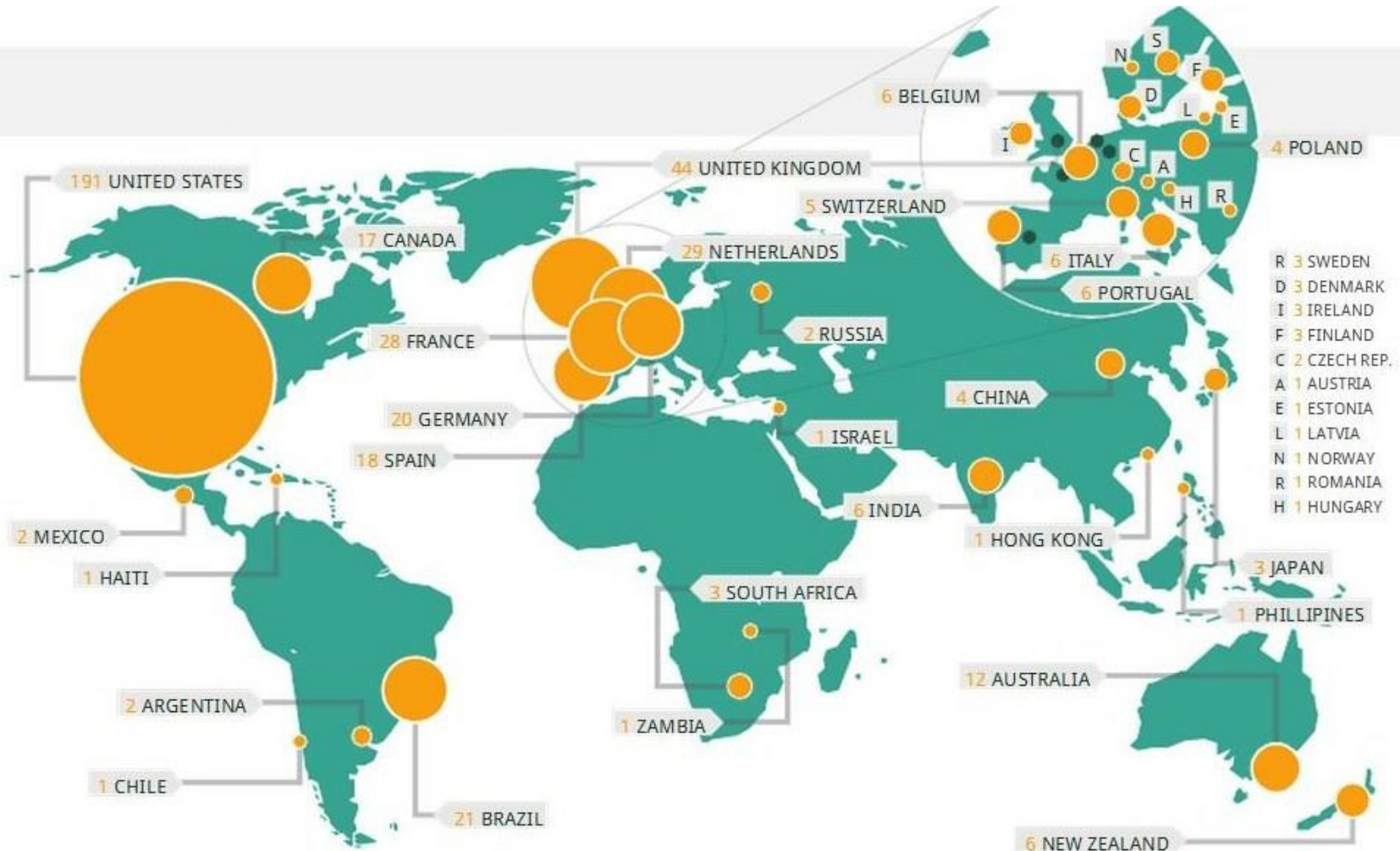
Sector wise CSR Expenditure (2014-15 in Rs Crore)



Crowdfunding is also emerging as an important source

2012- More than 450 Crowdfunding Platforms

- 2011- Amount raised **US\$1.5 billion**
- 2014- amount increased to **US\$ 5.1 billion**



Spacehive - Transforming civic spaces

- ✓ World's first funding platforms for civic projects
- ✓ Since Dec. 2011, platform to more than 240 civic initiatives in UK
- ✓ Hives- online hubs, bring local people and councils together
- ✓ Charges 5% fee (only when target is achieved)



Raised more than 792,000 pounds to build a multi-purpose, energy efficient community center



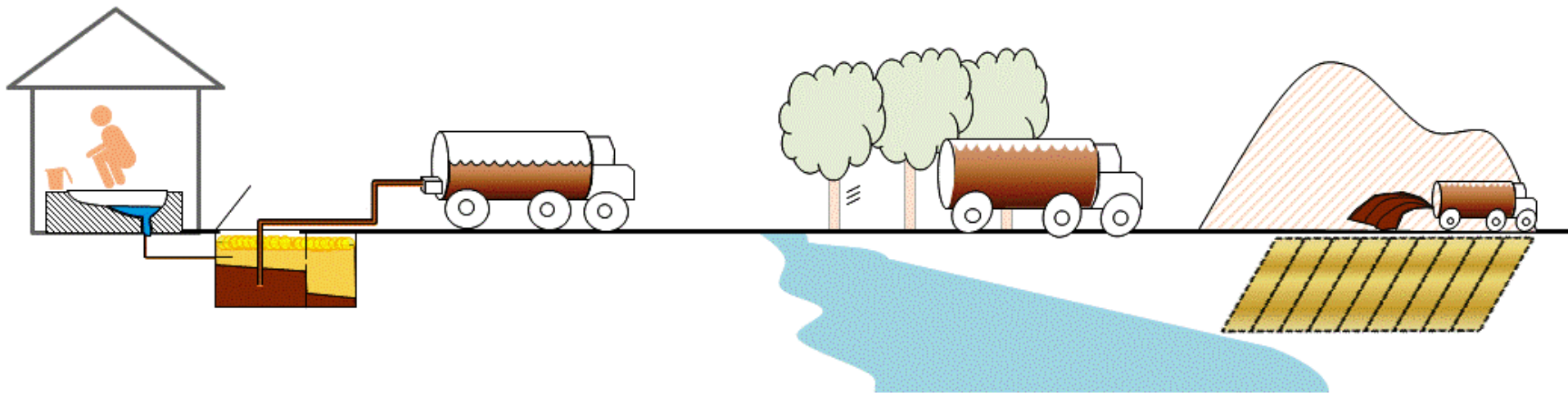
Raised 36,850 pounds to provide free access to Wi-Fi for visitors to Mansfield Town



Till now raised 40,800 pounds for turning derelict flyover into urban park, backed by City Council

Summary – Financing Urban Sanitation Systems

- ✓ SBM has put a focus on sanitation facilities – **but access to sanitation credit is crucial in achieving the ambitious targets** for toilet infrastructure
- ✓ Rich FI landscape in India but **scaling up access to sanitation credit** in urban areas requires **innovative models of aggregator support**
- ✓ For FSM conveyance – **private finance possible** but **scheduled emptying** can make it a **FSM service and help reduce /control price**
- ✓ For FS treatment - **Public Finance remains key, but there is scope for private management and innovative financing**
- ✓ For small cities, State governments will need to **prioritize FSM investments for treatment**, but citywide planning and robust procurement procedure are critical, clear **links to municipal finance for sustaining O&M for FSM services**
- ✓ Need to also explore **innovative finance**



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