



ACCESS TO FINANCE AND COLLABORATION WITH THE FINANCE SECTOR FOR SUSTAINABLE SANITATION FOR ALL

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Kisumu





Financial Inclusion Improves Sanitation and Health

GLOBAL PARTNERS



LOCAL PARTNERS



SDG 6.2 Safe and sustainable sanitation for all

LOAN TYPES/ SEGEMENTS

INDIVIDUALS/
HOUSEHOLDS

INSTITUTIONAL

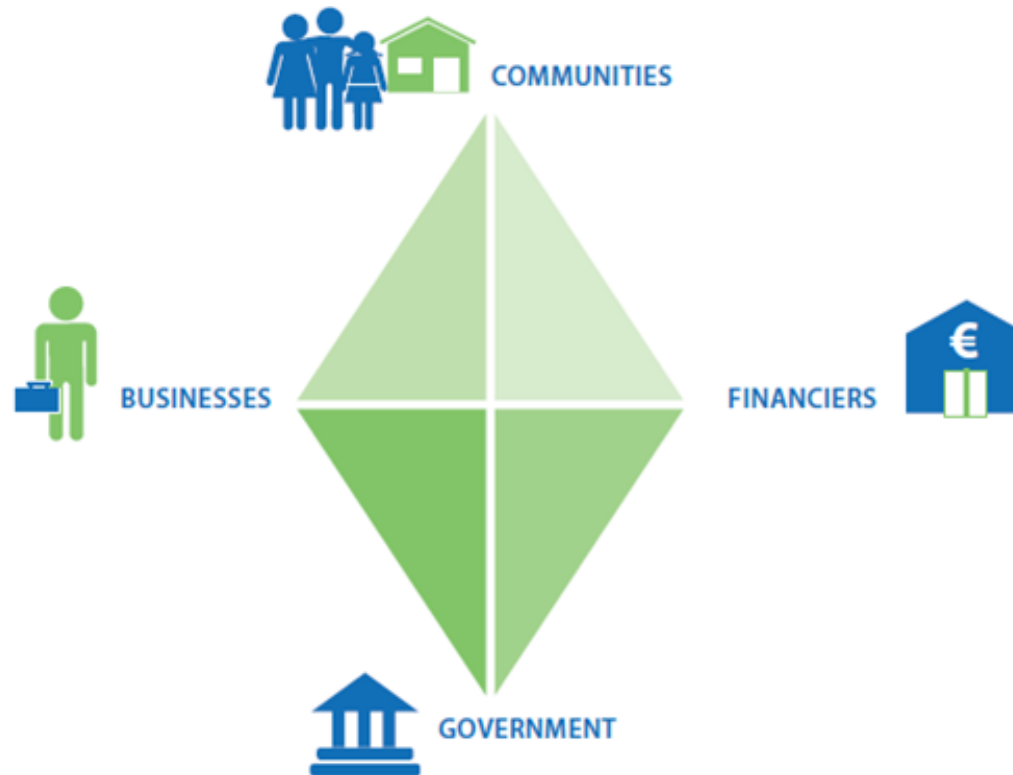
SMALL
ENTERPRISES

FINANCIAL INCLUSION COMPONENT

- Financial literacy training
 - Access to savings products
 - Access to loans
- Access to loans reducing their upfront capital expenditures on sanitation
- Business training and coaching. Support on regulatory issues such as registration
 - Access to loans and other financial products

The Diamond Approach

- Through awareness creation, the people demand improved sanitation and are willing to pay for it



- Incentivization and support to small scale providers
- Strengthening the sanitation supply side through training and coaching
- Mechanisation for mass production
- Innovations for cost reduction and quality improvement

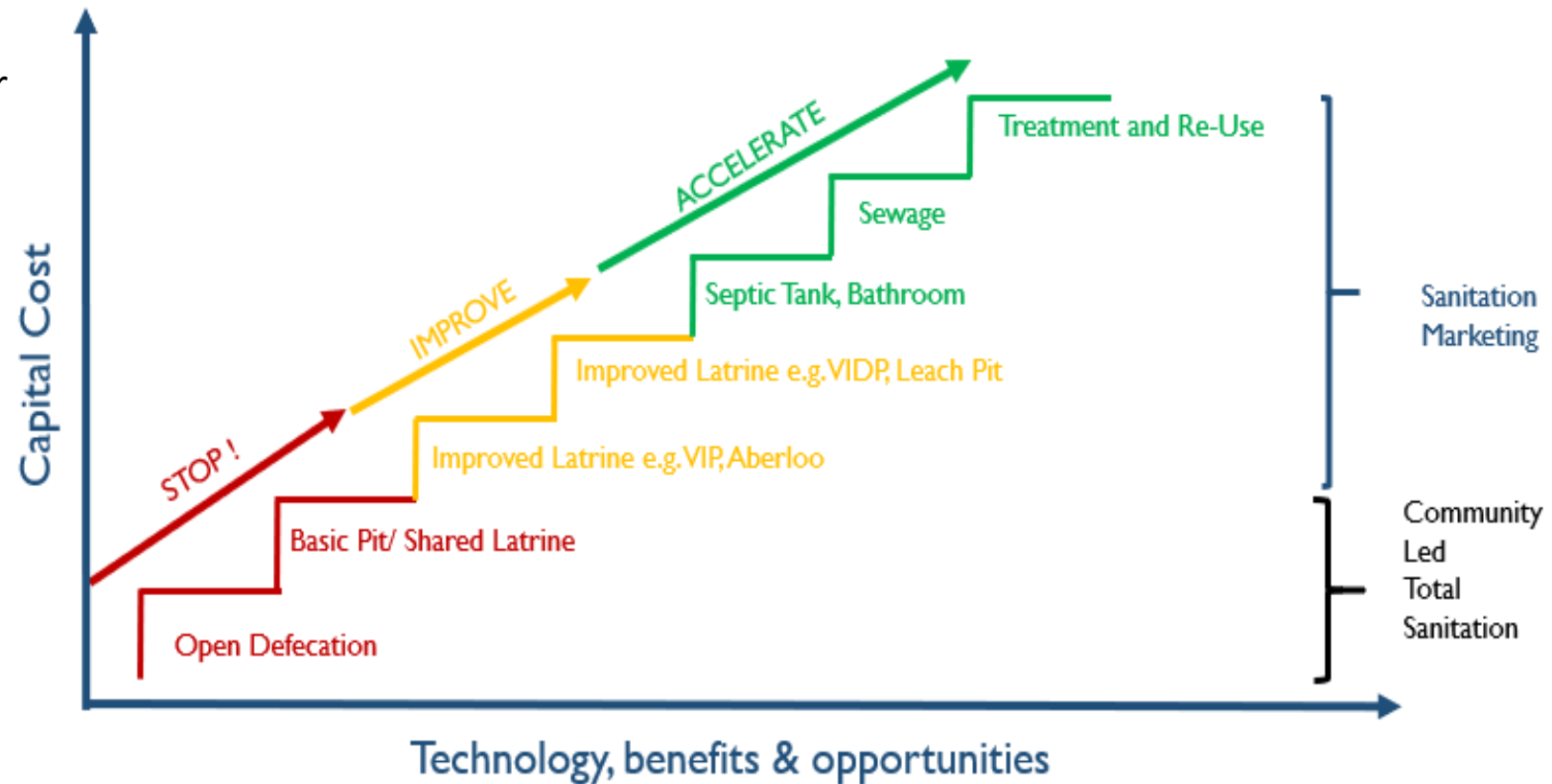
- Integration of sanitation loan products into the banks main stream products and services
- Mechanisms of derisking sanitation loan products e.g. guarantee funds,
- Integration into existing ICT platforms such as telecom based applications and lending methods e.g. mshwari

- Policy development that is supportive and encourages safe sanitation uptake by all e.g. Integration with the community health structures
- Easing the barriers of entry into small scale businesses and specifically sanitation businesses

Why Financing is needed for sanitation

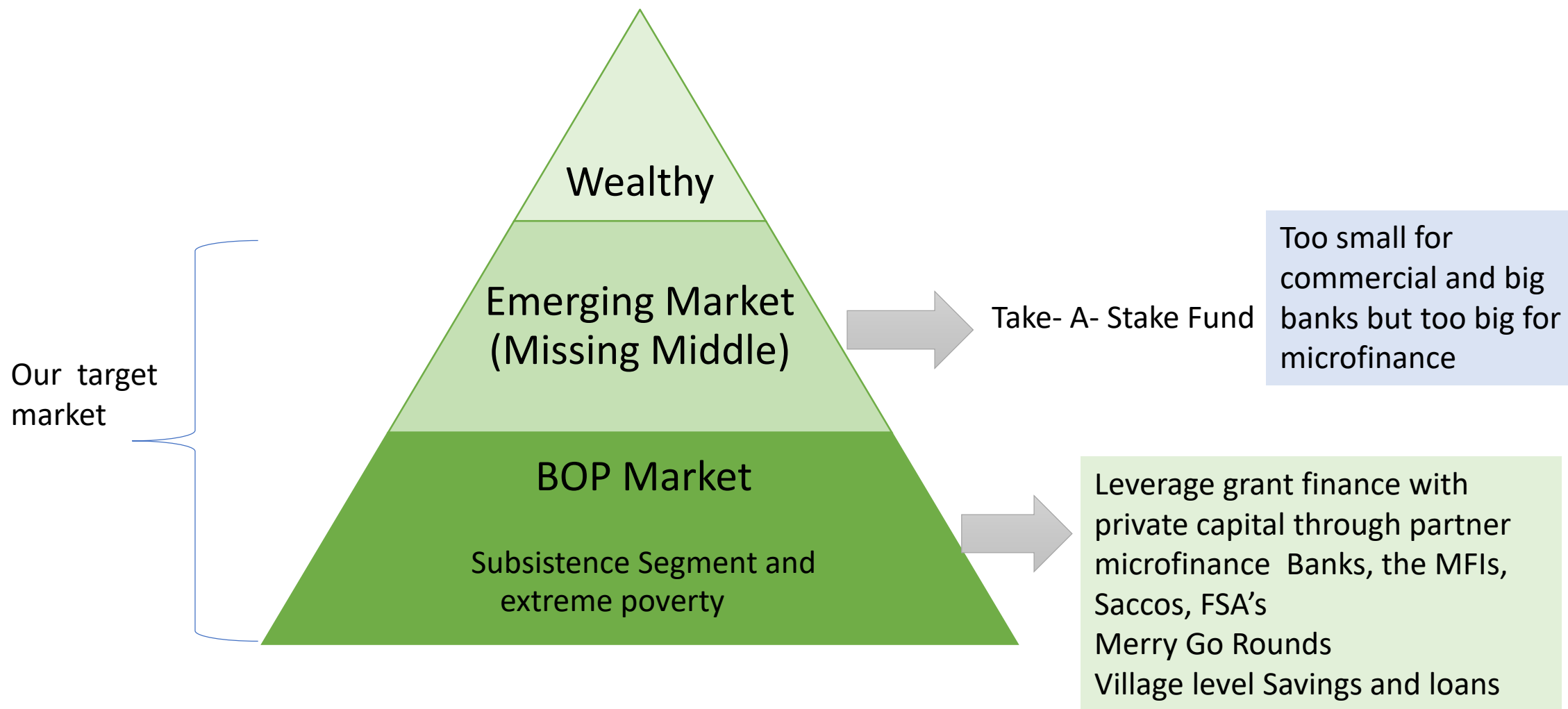
Blending of private and public sources of finance necessary to meet the increasing capital costs for improved sanitation

Technological needs increase. Opportunities for the youth and SMEs to venture into sanitation businesses i.e. the construction, supply of materials etc



Increasing social returns i.e. increased pride and ownership

Inclusive Growth and Sustainable Development through Sanitation Financing





FINISH

OUTCOMES FOR KENYA

OUR ACHIEVEMENTS

Government contribution to improved sanitation through funding school sanitation using CDF



Busia County is the first in Kenya to have achieved open defecation free status.



Financial inclusion of women

About half of sanitation loan clients are first time bankers, and more than half are women (*Kenya financial partner SIDIAN Bank*)

As at December 2018, 8,620 improved toilets built financed through sanitation loans

Through local public private collaboration in Kenya, by 2018,

Over 40,000 people enjoying the benefits of safe sanitation (Kilifi and Busia counties)



This all contributes to healthier and economically empowered communities.

Over 300,000 man hours in labor created



Households have invested €7.5 million in sanitation improvements through sanitation loans and , including €500,000 self financed

The FINISH partnership approach has proved itself in India (since 2009) and Kenya (since 2013).

Over 80% of the sanitation loans went to financing household sanitation systems, 16% to sanitation entrepreneurs and 4% to institutions



FINISH has been able to leverage significant local financing through loans for safe sanitation at a ratio of 1:6

The Present

To achieve financial inclusion, communities that get access to financial literacy lessons, savings and loans facilities.

The purpose:

- Increase economic objectives
- Mobilize savings
- Meet social objectives through loans
- Promote sustainable livelihoods

The future

- Mechanisms of DE-risking sanitation loan products e.g. dedicated line of credit for sanitation
- Integration into existing ICT platforms such as telecom based applications and lending methods e.g. mshwari

Sustainably increase sanitation coverage and improved health

Success factors

- Selection of FIs that share the vision of improving the welfare of communities
- Openness to change and continuous investigation into other ideas of improving the sector e.g. currently pursuing a dedicated line of credit for sanitation financing
- Synergy between partners, each partner playing their role to ensure that there is a working diamond model.

The Results

- Employment Creation
- Increases in real wages, earnings from self-employment
- Higher income for the poor
- Poverty Reduction
- Higher levels of earnings raising the productive capacity of the future workforce, and creating necessary conditions for achieving higher levels of economic growth

Challenges

- Identifying the right financial partner
- Adopting the concept of sanitation financing into the Kenyan context (took 2 years for the model to pick)
- Lack of knowledge by FI staff on the appraisal and evaluation of sanitation loans for
- Changing dynamics in Kenya's financial sector
- Initially skyrocketing interest rates and later interest rate capping
- Changing sector preferences and reduced liquidity in the FIs

THANK YOU

