Using philanthropic grants to catalyze domestic commercial capital for the BOP’s water & sanitation needs

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August 2018
A little goes a long way…

Water.org uses philanthropic funds to provide small grants that provide partial risk mitigation to financial institutions that are wary of lending for water and sanitation. The financial institutions then provide water and sanitation loans to the poor with their locally-sourced capital, and the households repay with their own funds.
The blended finance solution is working in India

- **7.8 M+** more than 7.8 million people reached with water and sanitation
- **1.7 M+** more than 1.7 million loans disbursed with 99%+ repayment rate
- **$12.4 M** in philanthropic funds catalyzed
- **$379 M** capital disbursed in loans by domestic financial institutions
It’s a matching game

The blended finance solution needs to meet the commercial lenders’ requirements

Cost of origination
- WSS loans to existing customers
- Ease of demand generation

Cost of delivery
- Simplify loan products
- Training to lenders
- Technical assistance
- Leverage technology for monitoring

Appropriate risk mitigation
- Philanthropic grants
- Credit enhancement
Enabling environment is critical for success and scale

- Water and sanitation lending included in Priority Sector definition by the Reserve Bank of India
- Swachh Bharat Mission tailwinds
- Partnering with orgs that have complementary strengths (UNICEF)
- Building the evidence base
- Acceptance and adoption by Government
Thank you
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