

Research into Use Summary

- 1. Research project:** Microfinance for sanitation: Evaluating experiences, learning the lessons
- 2. Lead researcher:** Sophie Trémolet, LSHTM
- 3. SHARE partners:** LSHTM, WaterAid, SDI
- 4. Research budget:** £30,000
- 5. Location:** India, Tanzania

Research description:

This research aims to investigate how household financing for sanitation could be mobilised via microfinance in order to accelerate sustainable access to sanitation. This is to be achieved through the study of existing microfinance activities in India, including a questionnaire for water and sanitation microfinance providers, and an assessment of the potential for the development of microfinance for sanitation in Tanzania. Interviews with key microfinance figures in Tanzania will assess whether there is a demand for sanitation products, and analyse general experiences with microfinance in the country. A one-day workshop will identify potential microfinance providers for sanitation, and provide them with recommendations on the type of microfinance instruments which could be considered in order to address the sanitation gap in Tanzania.

What is the relevance of the research to national and/or global sector challenges?

Investment in sanitation is increasingly constrained as public funding is mostly directed towards the water sector. Moreover, household resources for investing in sanitation are often limited, reducing access to improved sanitation. As a result, available financial resources should be used in the most efficient way possible. It has been identified that microfinance can help leverage this limited public funding to mobilise household financial resources for sanitation. However, there exists no comprehensive evaluation of existing microfinance schemes for sanitation or guidance on the development of microfinance products tailored to this sector. Therefore, it is valuable to identify the models which work best in order to expand sanitation coverage, sustain sanitation services and leverage public funding. Filling this urgent knowledge gap will support much needed progress in the sanitation sector in Tanzania and beyond.

Who are the intended users of this research?

Research results will be disseminated at major sanitation and microfinance conferences to facilitate the inclusion of microfinance components within sanitation projects, as well as to encourage microfinance institutions to develop sanitation-related products. Reports will also be drawn up to document the state of development of the sanitation and microfinance sectors for specific institutions in India and those which aim to engage in this activity in the near future in Tanzania. A summary of the research findings will be made publicly available on the SHARE website and will be disseminated within the SHARE consortium and to a broad range of users.

