

MAKING SANITARY TOILETS AFFORDABLE FOR EVERY FILIPINO FAMILY

Every Filipino family desires their own toilet, but many, especially the poor, are constrained by limited financial resources. The **USAID** and **DAI**, through Safe Water, piloted the **Output-Based Aid and Blended Finance (OBA-BF)** as an innovative financing scheme to enable poor households access affordable sanitary toilets.

What is OBA-BF: USAID designed the OBA-BF program to blend public grants with household equity to pay for the full cost of the sanitary toilets.



The scheme uses public grants to subsidize a portion of the cost of improved sanitation facilities.

The grants are complemented with household equity, based on ability to pay, that may be sourced from microfinance loans repaid over a year on average.

How does OBA-BF Work: With OBA-BF, the subsidy and the amortization of the equity share enable poor households to afford their own sanitary toilets, compliant with the Philippine Sanitation Code.



LGU provides grants to poor households without toilets evidenced by vouchers issued to individual households. The voucher will state the conditions of the grant, particularly the completion of the toilet according to prescribed standards.

Beneficiary household applies for MFI loan for its equity contribution and assigns subsidy voucher to MFI.

MFI advances the total cost of toilets, equivalent to the value of the voucher and the loan.

Household and/or MFI constructs the sanitary toilet following prescribed standards.

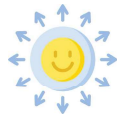
Independent verifiers certify compliance with standards and completion of sanitary toilets.

MFI submit documentation to LGU for the reimbursement of the assigned voucher.

Who Benefits from OBA-BF : The leveraging of resources in OBA-BF benefits several stakeholders including poor families, LGUs, MFIs, the community, and their environment.



Poor families gain dignity of having their own toilet, protect their health, and empower women members



LGUs' limited funds are maximized and MFIs' coverage reach more households



Environmental degradation, especially water pollution, is prevented

OBA-BF Works!

Under the OBA-BF pilot scheme, about **500 people** from **100 households** now enjoy affordable sanitary toilets and the multiple benefits they provide for their health and the environment. This was made possible through a multi-sectoral partnership that mobilized **PHP2.3M/\$45,000** of investments from **DAI** (PHP1.5M/\$30,000) and **ASA Philippines** (PHP0.8M/\$15,000) that helped subsidize the cost of septic tanks, and technical assistance from **USAID**, with commitment and cooperation from pioneering **local government units** of Sagay City, Negros Occidental and Alabel, Sarangani.



Thanks to **OBA-BF** pilot activity, the cost of a **sanitary toilet** becomes **affordable** for every Filipino.

Adopt OBA-BF now and improve the quality of life for Filipino families!

