

REMIT PRIME CENTRAL ASIA

Kazakhstan Kyrgyz Republic Tajikistan Uzbekistan



Increasing access to remittances and expanding digital financial inclusion of migrants, remittance recipient families and returnees in Central Asia



Financing Facility
for Remittances



Global Compact
FOR Migration

BACKGROUND

PROGRAMME AT A GLANCE

- **AMOUNT AND DURATION**

EUR 6 million over 2024-2027

- **WHERE**

Central Asia, with particular focus on Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan

- **PARTNERS**

Public sector: Central banks and relevant ministries

Private Sector: Commercial banks, Remittance Service Providers (MTOs, MNOs, Fintech, Aggregators, etc.)

Civil society: Diaspora organizations, think tanks specialised in financial inclusion, and others

- **BENEFICIARIES**

Migrants, their families receiving remittances in Central Asia, returnees, and their communities of origin

- **GOALS**

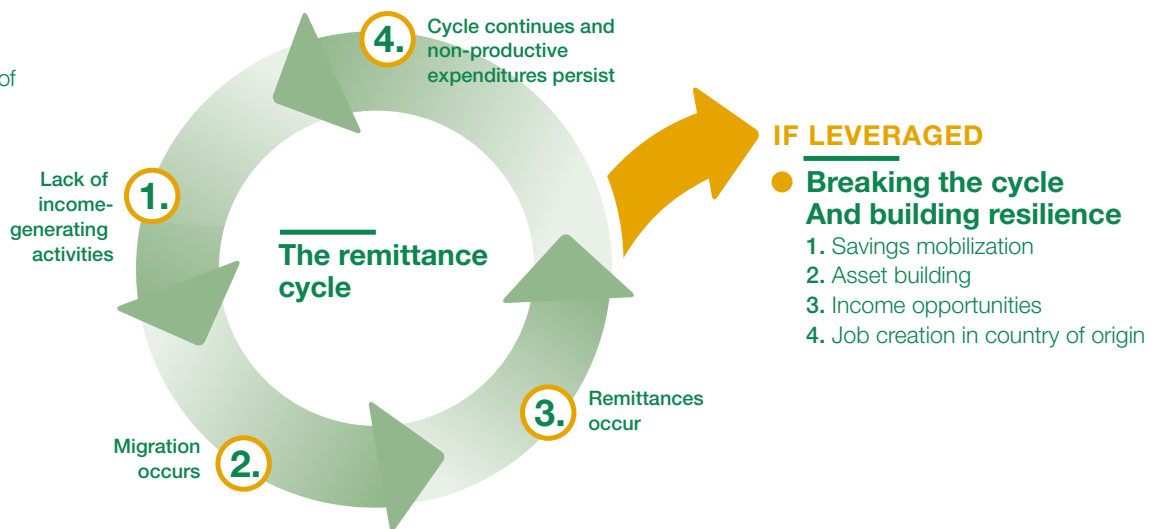
- Enhance the enabling environment for affordable digital remittance markets
- Increase access to formal remittances and expand digital financial inclusion
- Promote sustainable financial and economic integration of remittance families and reintegration of returnees

Remittance markets in Central Asia

Today, 1 billion people – one out of seven people on Earth – are involved in either sending or receiving international remittances. In 2022 alone, over 647 billion US\$ in international remittances were sent by over 200 million migrants to 800 million family members back in low- and middle-income countries. In Central Asia, remittances represent a significant contributor to the economy. In particular the Kyrgyz Republic, Tajikistan and Uzbekistan are heavily dependent on remittances, of which a significant part is sent from Kazakhstan. In 2023, migrants from the three countries sent an estimated US\$24 billion in remittances back home, accounting for 20.5 per cent, 48.2 per cent and 17.8 per cent of their GDP, respectively. For Kyrgyzstan, Tajikistan, Uzbekistan remittances are a major source of household income, in rural areas often larger than from income from labour or social benefits. In Kazakhstan remittances help to reduce poverty in rural and peri-urban communities. Over 50 per cent of these flows received go to households in rural areas, who rely on remittances to improve their livelihoods, build resilience and achieve their own SDGs. This is also where remittance count the most as they represent a higher share of recipient’s source of income.

Remittances are a crucial financial inflow for Central Asia and a vital source of income for millions of families, allowing them to reach “their own Sustainable Development Goals”: fight poverty and improve access to nutrition, health, education, as well as support savings and access to credit, accompanying them on the road of financial independence. Most remittances received cover daily needs, with a significant amount (estimated at 25 per cent) available for savings, investment or repayment of loans. Bringing or keeping these funds into the formal financial system can dramatically increase their impact. In fact, with better financial education and a broader range of financial services to choose from, remittance recipients are empowered to make financial choices that can advance them towards financial resilience. In light of the above, REMIT PRIME Central Asia aims to maximize the developmental impact of remittances by increasing access to remittances through digital methods, promoting digital and financial inclusion, and enhancing migrant returnees’ access to income-generating activities, particularly in rural areas. This approach involves simultaneous activity areas such as: data gathering and dissemination, advocacy to strengthen an enabling regulatory

Theory of change on remittances



In support of:



SDG 10.c: by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%



Objective 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries
Objective 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants

environment, enabling innovative remittance transfer business models involving the use of technologies, promotion of digital and financial inclusion and of income-generating activities linked to remittances and to returnees' capital, as well as policy engagement and advocacy to foster awareness and

strengthen cooperation both at global and regional level. By helping maximize the impact of remittances for especially rural families and returnees, REMIT PRIME Central Asia is contributing to foster local economic opportunities in the migrant workers' countries of origin.

GOALS



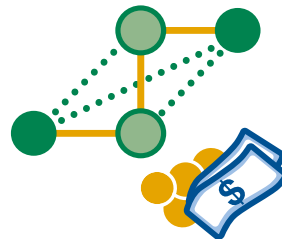
➔ **INCREASED ACCESS AND USE OF DIGITAL REMITTANCES** in Central Asia

➔ **ENHANCED ECONOMIC INTEGRATION** of remittance families and returnees in Central Asia

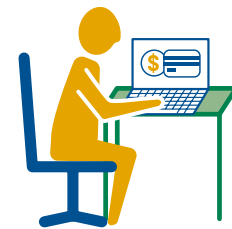
MAIN COMPONENTS



- **Address the data gap**
Strategic market data allow for further market depth and width, and targeted capacity building to key stakeholders for remittance data creation and use.



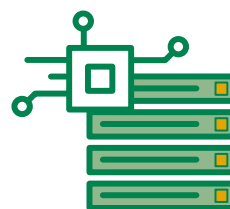
- **Expand access to digital remittances and financial education**
Expand access to digital remittances through innovative business models and technologies, in close collaboration with public and private sector, particularly in rural communities.



- **Foster financial inclusion and linked to remittances**
Co-finance and promote innovative, replicable and scalable financial inclusion initiatives promoting the link between remittances and complementary financial services



- **Economic integration of remittance families and returnees in rural areas**
Develop interventions to include remittance-receiving families and returnees into agricultural finance and rural development programmes, with focus on women and youth in rural areas.



- **Collaborative dialogue, partnerships and policy engagement for an enabling environment**
Promote dialogue and cooperation on remittances markets between regulatory bodies, industry actors and diaspora communities across the region, to improve the national regulatory frameworks, address challenges and build opportunities for synergies and interventions.

GUIDING PRINCIPLES

● Innovation

Innovation is at the core of REMIT PRIME Central Asia. The programme identifies, applies and promotes a range of both innovative products and business models.



● Partnerships for success

REMIT PRIME Central Asia benefits from partnerships with **public, private, and civil-society** actors, to enhance its impact and raise further awareness on the importance of leveraging remittances in Central Asia.



● Country-level impact

REMIT PRIME Central Asia is carrying out country specific interventions with the full involvement of key partners, to leverage local resources and institutionalize core achievements for project sustainability.



● Scaling-up approach

REMIT PRIME Central Asia focuses on leveraging its achievements and impact across the region and in the four target countries to promote policy changes, mobilize additional resources and enhance partnerships to bring the results to scale.



International Fund for Agricultural Development (IFAD)

IFAD is a specialized agency of the United Nations and an international financial institution, with the mandate to invest in rural people to eradicate poverty in low- and middle-income countries.



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Financing Facility for Remittances (FFR)

IFAD's US\$75 million multi-donor Financing Facility for Remittances aims at maximizing the impact of remittances on development and promoting diaspora engagement in migrants' countries of origin.



Financing Facility for Remittances

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FFR STEERING COMMITTEE

