



SHAFAL – Remittance Management for Socio-economic Stability of Migrant Families

Swiss Portfolio Outcome:	Sustainable and more inclusive economic development
Implementation Period:	04.08.2023 – 31.07.2027
Implementing Partner:	United Nations Capital Development Fund (UNCDF)
Swiss Contribution:	CHF 5 million
Modality:	Contribution

General Description

Bangladesh has around 14 million migrants working globally, who have remitted around USD 99 billion in the last 5 years. Remittances have played a major role in transforming the socio-economic dynamics of rural Bangladesh and hence contributing towards poverty reduction. However, utilisation of remittances remains a challenge in the country. Two-thirds of the remittance receiving households do not have any savings and more than half do not have investments due to lack of access to information about proper utilisation of remittances. This makes them more vulnerable to economic shocks that can potentially push them back into poverty. On the other hand, financial institutions are mostly unaware of this potential clientele and there is a general lack of coordination among various service providers and duty bearers.

Objectives

The programme aims to ensure that migrants and their families benefit from effective use of remittances to reduce their economic vulnerability. By enabling productive investment, providing entrepreneurial capacity to low-income migrant families and improving the systems for better remittance management, Shafal will directly benefit more than 9'000 migrant workers (both men and women) and their family members. Another 28,600 women and men from the migrant families will benefit indirectly from their family member's engagement in economic activities. Additionally, 800,000 people from migration prone districts will be reached through awareness campaigns.

Lines of Action / Components

- Migrant workers and their families in the target communities receive key information on remittance utilisation through financial literacy, skills and entrepreneurship trainings.
- A basic low-cost and high-quality migrant financial service package is developed and implemented by the participating financial institutions.
- The migrant community have access to advice and support with financial planning and establishing (micro-) enterprises.
- Duty bearers support the financial inclusion of migrants and their families.

Intended Impact in terms of Systemic Change

Migrants and their families will take informed decisions about maximising the gains of migration and also be prepared to mitigate any unforeseen risk. Financial institutions will offer gender-smart financial products suitable for migrant families and their access to viable and affordable financial services. Government and duty bearers will do necessary policy reforms that facilitates financial inclusion of migrant families through better governed and responsive institutions.

Intervention Targets

- In 5 migration prone districts where the project is operational, 800'000 community people will be reached through campaign on remittance management and financial services.
- 6'500 migrant family members will receive financial literacy. Among them 4'000 will receive entrepreneurship training and advisory support for self-employment.
- Additional 2'500 migrant workers and migrant family members will receive skills development training and job placement support through referral services.