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ANNEX V

to the Commission Implementing Decision on the financing of the multiannual action plan in favour of the Asia-Pacific Region for 2022-2023

Action Document for Remittances, Investment and Migrants' Entrepreneurship in Central Asia (REMIT)

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23(2) of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Remittances, Investment and Migrants' Entrepreneurship in Central Asia (REMIT) OPSYS number: ACT-61485 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	The Action will contribute to the planned Regional Team Europe Initiative on Digital Connectivity in Central Asia
3. Zone benefiting from the action	The Action shall be carried out in Central Asia ¹ (Kazakhstan, the Kyrgyz Republic, Tajikistan, Uzbekistan)
4. Programming document	Regional Multiannual Indicative Programme (RMIP) 2021-2027 for Asia and the Pacific
5. Link with relevant MIP(s) objectives / expected results	Priority Area 3 "Migration, forced displacement and mobility" Specific Objective 2: Contribute to strengthening migration governance and management, to enable orderly, safe, regular and responsible migration (including labour migration) and mobility of people of Priority 3 – Migration, Forced displacement and Mobility. ER 2.1: Cooperation, policy dialogue and development, engagement at international, national and regional level with private and public stakeholders in the field of migration governance and mobility are enhanced. ER 2.5: The developmental impact of social and financial remittances is enhanced.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	This Action responds to priority area 3 " <i>Migration, forced displacement and mobility</i> " of the RMIP 2021-2027 for Asia and the Pacific. 151 Government & Civil Society-general 240 Banking & Financial Services

¹ The participation of Turkmenistan is not foreseen at this point of time. The Action could potentially engage in Turkmenistan, should the circumstances become favourable.

7. Sustainable Development Goals (SDGs)	<p>Main SDG: SDG 10, Reduced inequality (10.c By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%).</p> <p>Other significant SDGs: SDG 1, No Poverty (1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance); SDG 5: Gender Equality (5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life, 5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws, 5.B Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women); SDG 8, Decent Work and Economic Growth (8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services; 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all)).</p>			
8 a) DAC code(s)	24050 Remittance facilitation, promotion and optimisation 100% 15190 Facilitation of orderly, safe, regular and responsible migration and mobility			
8 b) Main Delivery Channel	Multilateral organisation – 40000			
9. Targets	<input checked="" type="checkbox"/> Migration <input type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital connectivity energy transport health education and research	YES <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration (as per the guidance note on the migration marker)	<input type="checkbox"/>	<input type="checkbox"/>	
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): 14.020130 (Middle East and Central Asia) Total estimated cost: EUR 6 000 000 Total amount of EU budget contribution: EUR 6 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the entities to be selected in accordance with the criteria set out in section 4.3.1.			

1.2 Summary of the Action

The ongoing Russian aggression against Ukraine and its negative implications on job and income stability, coupled with changing migration patterns of Central Asian migrant workers in Russia, requires immediate

support to: (i) enable cost-effective, fast and safe transfers in new remittance corridors and new channels; (ii) maximise the impact of these flows; and (iii) strengthen the resilience of migrants, returnees and their families during the crisis and prepare a path towards recovery. In addition, the successful reintegration of Central Asian migrants depends on coordinated actions, leveraging on existing programmes focused on local income and employment generating activities.

Furthermore, over the last two years, the COVID-19 pandemic has negatively impacted jobs, incomes and remittance flows worldwide and the resilience of migrant workers was put to a test. Similarly, the current conflict has only exacerbated the issues faced by migrant workers and the families back home that depend on their income.

To address the new reality that is expected to substantially modify the remittance market in the region in the long run, and maximise the impact of remittances for sustainable development, it is crucial to intervene at an early stage and at various levels. A coordinated and structured intervention in partnership with the regulators and the industry in the affected Central Asian countries is very timely.

The Action will help increasing financial inclusion of migrants and their families, especially women and youth, through expanded financial literacy and knowledge on digital remittances. Migrants and their families will be provided additional support to build sustainable livelihoods and create networks (diaspora, women and youth groups) to continue sharing their knowledge and best practices. The Action's focus on financial inclusion, especially through digital remittances, also contributes to the promotion of digital connectivity and human development within Priority Area 1: Regional Integration and Cooperation – Central Asia of the Regional Multiannual Indicative Programme 2021 - 2027 for Asia and the Pacific².

The logic of the Action includes a set of actions to be implemented in parallel, aiming to support millions of remittance-receiving families and their communities in Central Asia, particularly in rural areas, to increase their economic resilience and advance towards financial independence. These are described below:

- **Up-to-date market intelligence.** Based on existing in-depth analyses of remittance markets in Central Asian countries (i.e. by Asian Development Bank and central banks), carry out an update in the context of the crisis and resulting change in migration trends, with particular attention to new remittance corridors being developed, including the role of new key stakeholders and their innovations that can respond in the short term to demand-side barriers in the last mile. Monitoring rapid changing migration and remittance flows trends is crucial.
- **Coordinated approach.** Set up national platforms for dialogue on remittances, where regulators, together with all relevant stakeholders of the industry, can discuss common challenges and identify joint short-term responses.
- **Maximise impact of remittance flows.** Provide technical assistance and financial support to the private sector aimed at increasing digitalisation, expanding access to formal remittances and fostering financial inclusion of migrants and remittance recipients.
- **Enabling environment.** Establish partnerships with the public sector (policy makers and regulators) to further enhance the enabling environment, and spur market transparency and competition.
- **Skills development and entrepreneurship.** The Action will take advantage of ongoing development programmes focused on poverty reduction and economic growth enhancement of rural households in the targeted countries through interventions on, among others, rural finance, access to markets, agricultural productivity, dairy, livestock and agricultural value-chain, support.

² https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9251-asia-pacific-annex_en.pdf

2 RATIONALE

2.1 Context

Remittances represent a significant contributor to the economy of Central Asian countries. The Kyrgyz Republic, Tajikistan and Uzbekistan are heavily dependent on remittances. In 2021, migrants from the three countries sent an estimated US\$12.4 billion in remittances back home, accounting for 27.8 per cent, 30.1 per cent and 11.6 per cent of their GDPs, respectively. For Kyrgyzstan and Tajikistan, the remittances are a source of foreign income comparable or even marginally larger than the countries' exports of goods and services.

Prior to the start of the Russian aggression against Ukraine in February 2022, the Russian Federation was the main host of Central Asian migrants; by the end of 2020, there were estimated 11.6 million migrants in Russia, more than 40% of whom originated from Central Asia (1.1 million from Uzbekistan, 0.6 million from the Kyrgyz Republic, 0.5 million from Tajikistan and indicatively 2.6 million from Kazakhstan). As a result of the ongoing Russian invasion of Ukraine, a significant number of Central Asian migrants and diaspora members in Russia are returning home, since the weakening Russian economy is affecting the employment and incomes of migrant workers and their ability to send remittances; furthermore, the fluctuating rouble means the value of remittances sent (regardless of volume) becomes increasingly uncertain.

In the first two months following Russian invasion, more than 133,000 migrants working in Russia returned to Uzbekistan, and 60,000 to Tajikistan (2.6 times more than the same time last year). Surveys conducted among Central Asian migrants in the Russian Federation at the end of March 2022 indicate that around 40% of Uzbek and Kyrgyz migrants were ready to return home after losing jobs or seeing a cut in their salary. While the trend has reversed in the meantime, with migration to Russia and remittances value reaching precrisis level, the current situation remains unpredictable.

Furthermore, beyond the issue of reduced remittances, global inflation in food and energy prices will further exacerbate the economic situation of migrants and their families, possibly destabilising the region. According to the World Bank³, mainly due to Russia's war, remittances to Central Asia are projected to decline by 25%, with Kyrgyzstan being the hardest hit (-33%).

Seven months into the crisis, remittances flows have shown to be highly volatile. While it is difficult to make predictions at this point of time, a further worsening of the Russian economy may see an additional influx of returning migrants, putting further pressure on already weak labour markets.

Policy landscape

In **Kazakhstan**, the Ministry of Health and Social Protection is tasked with developing a new Migration Policy Concept for 2022–2026. The Concept will replace the previous strategic document which was valid from 2017 to 2021. The new Concept shall provide favourable conditions for internal mobility from south to north; it will also create mechanisms for the protection of labour and social rights of Kazakh citizens working abroad and offer further support for returning migrants in Kazakhstan.

In 2021, the government of the **Kyrgyz Republic** approved the Concept of Migration Policy for 2021–2030. The Strategy sets out a long-term vision for migration management, identifying four priority areas. The first aims to improve conditions for citizens, immigrants and stateless persons in Kyrgyzstan in educational, labour, professional and cultural terms. The second area aims to utilise the migration potential of the population, immigrants and stateless persons for national development. The third area shall protect the rights of Kyrgyz nationals abroad, along with those of immigrants, and stateless persons inside the country. The fourth area will support the creation of a safe migration environment, including the protection of the rights of labour migrants, and emphasises the importance of facilitated return and sustainable reintegration assistance for returning migrants, especially women and children. The Action Plan 2022-2025 for the implementation of the Concept

³ KNOMAD Policy Brief 17 (Russia-Ukraine Conflict: Implications for Remittance flows to Ukraine and Central Asia), 4/3/2022

was adopted on 13 April 2022 and will mainstream migration across all sectors and help to develop a unified national system of collecting disaggregated statistical data on migration on the local and national levels.

Tajikistan (via the Ministry of Labour, Migration and Employment of Population) has developed a draft National Migration Strategy that will be valid until 2030; however, this strategic document has not yet been approved. The draft provides a comprehensive analysis of migration processes in Tajikistan, and focuses on streamlining these to increase migration contribution to the development of the country. According to the draft, the main priorities of Tajikistan in the area of migration policy are to improve the management of labour migration from and to Tajikistan, as well as climate and internal migration, and to ensure continued implementation of international obligations in the area of international protection.

The organised recruitment of labour migrants has been actively promoted by **Uzbekistan**, which concluded bilateral agreements on this matter with South Korea in 2006, with the Russian Federation in 2016 and with Japan in 2019. The year 2021 saw negotiations with Poland, the United Arab Emirates and Saudi Arabia. Generally, issues of labour migration in Uzbekistan are part of the overall state employment strategy which demonstrates the importance of the economic contribution of labour migrants and the government's recognition of this.

Complementarity, synergy and donor coordination

The proposed Action will complement the ongoing and planned actions at regional level to *Improve migration management and migrant protection along selected Silk route countries*⁴ including support to returnees, as well as the regional *Displacement Tracking and Evidence for Migration Analysis and Policy in Asia*⁵. Considering the fact that border areas are the source of considerable number of migrants and returnees, synergies exist between objective three and the support BOMCA 10 (Border Management in Central Asia) provides to communities in the border areas under result 4 of their intervention.

The Action's focus on financial inclusion, especially through digital remittances, also contributes to the promotion of digital connectivity and human development within Priority Area 1: Regional Integration and Cooperation – Central Asia of the Regional Multi-annual Indicative Programme 2021-2027 for the Asia and the Pacific.

The proposed Action aims to strengthen the position of the European Union as a strategic partner for the Central Asian Republics (in particular Kyrgyzstan, Tajikistan and Uzbekistan), by supporting Governments in a field of crucial importance for their economies (particularly in the current environment). The Action contributes to meeting the aggregate target for migration and forced displacement for the Asia-Pacific region. It notably delivers on the objectives of Priority Area 3 "Migration, forced displacement and mobility" of the Regional Multi-annual Indicative Programme 2021-2027 for the Asia and the Pacific, through its focus on migration management and governance. Due to the scarcity of other partners' intervention in the area, this Action will raise the EU's political incentives and leverage and visibility in the area of migration management and forced displacement.

2.2 Problem Analysis

Despite forecast, the direct and indirect consequences of the Russian aggression against Ukraine did not result in a substantial decline in remittances from Russia to Central Asia, due to both loss of jobs, reduced flows and to depreciation effects. However, with the protracted crisis mitigation measures on the possibility for remittances to drastically decrease have to be envisaged. The decline is likely to negatively impact economic growth and poverty levels in the main three Central Asian economies that are highly dependent on remittances from Russia (the Kyrgyz Republic, Tajikistan and Uzbekistan), with rural poor most acutely affected.

⁴ In Central Asia the programme will target Kyrgyzstan, Kazakhstan, Tajikistan and Uzbekistan.

⁵ *ibid*

As remittance flows decline, it is crucial to focus on maximising their impact, as they have proven to be a lifeline in times of crisis. In the medium term, remittances should resume to 2021 levels once Central Asian migrant workers move to other destination countries. However, as remittance corridors do not rebuild efficiently on their own (with the lowest costs and most innovative and adapted solutions for low-income and rural families), rebuilding them will require concerted actions. Irrespective of the levels of remittances, it is important to diversify remittance corridors and find measures and channels to increase the productive and social benefits of investments.

Multiple factors could create a difficult situation for millions of Central Asian migrants still in Russia and forced to return home or seek jobs in other countries:

- **Sending money home from Russia has become more difficult.** Remittances are sent in cash in rubles and there is less money to be sent due to rampant inflation, high volatility of the ruble and job losses.
- **Migrants in Russia face uncertainty regarding their income-generating activities and employment.** The sharp increase in unemployment in Russia is triggered by the exodus of Western companies, the sharp reduction in passenger air traffic leading airports and related business reducing work, among others.
- **High volatility of the Russian ruble,** with a fast and sharp depreciation, as it was the case in February /March, when a fall between 20 and 45% against Central Asian currencies was followed weeks later by a steep appreciation up to 2016 levels, mainly driven by the rapid increase in oil and gas prices). Initially, this caused migrant families to face immediate income drops (currently seeing a recovery), and mainly alerting migrant families, banks and financial regulators of high uncertainty and risk of huge depreciation.
- **Steep rise of inflation in Russia,** the rate remains in double figure and well above the level of the past decades, reducing purchasing power of migrants and limiting disposable income and available money to be sent home. Current rate (15.9% in June 2022) represent a reduction from the April peak (17.9%), but it is still considered very high.
- **Remittances to the three most remittance-reliant countries in Central Asia are temporarily recovered but could further decline.**
 - Comparing year-to-date data from February 2022, inbound remittances to Kazakhstan decreased by 30%, mainly due to lower flows from Uzbekistan, the Kyrgyz Republic, Korea and Turkey; and outbound flows decreased by 12%.
 - Initial trends indicate that both volumes and values of remittances from Russia to the Kyrgyz Republic, Tajikistan and Uzbekistan are expected to decline due to the worsening of the Russian economy and the current difficulties in processing international money transfers.
- **Weakened confidence in Russian banks** in view of sanctions and restrictions in cash, currency exchange, deposits and higher transaction costs. In spite of sanctions, the large state-owned banks continue to enjoy official backing, but many hundreds of smaller, privately owned banks are already facing attrition.
- **Limited options to send money home.** Only Russian-based Money Transfer Operators also active in Central Asia (i.e. Contact, Unistream and Korona Pay, and MIR cards) are still operating in these corridors, as well as UnionPay cards, and through Sberbank. As a response to the closure of its subsidiaries in the European Union, Sberbank, with its more than 110 million individual clients in Russia, launched its own digital solution allowing account holders using mobile phone accounts of recipient in Central Asia; recipients can terminate the remittances in their currency through the networks of counterpart banks across Central Asia.
- In response to sanctions banning Russian banks from SWIFT, 52 foreign financial institutions from 12 countries, including all Central Asian states have joined the Russian System for Transfer of Financial Messages (SPFS) developed by the Central Bank of Russia. SPFS is the Russian equivalent of SWIFT. It enables participating institutions to conduct efficient, fast or instant low-cost transactions.

Despite a quick response from service providers to the new reality, remittance transfer costs have increased. Furthermore, new migration trends caused by Russia's war, the relatively low rate of financial inclusion of rural

populations and poor digital infrastructure in Central Asian countries are expected to further exacerbate the livelihoods of millions of remittance-receiving families and their communities.

Data on gender and remittances are often lacking. Multiple factors, however, should be taken into account, since they affect women and men differently. Studies find that while migrant women generally earn less than migrant men, women tend to be remitting a greater proportion of their wages than men. Migrant worker occupations continue to be divided along traditional gender lines, i.e. men working in construction and landscaping, and women in the care and domestic work sectors. For some countries, women account for a larger proportion of internal migrants than men, and this distinction may affect remittances. International migrant women are more likely to send remittances than internal migrant women. It has also been found in some countries that while internal migrant women are more likely to carry home earnings than send them through a bank or other money sending service and international migrant women rely more on in-person money transfer services than men, these factors should be taken into account when informing decision-making regarding remittances⁶.

Identification of **main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- National and local government officials - in particular of Ministries of Finance and Central Banks - in all targeted countries (working in remittances management, investment, and diaspora engagement) will build capacity to leverage social and economic remittances to local development from policy to implementation.
- Financial sector stakeholders and private sector entities, including national banks, commercial banks, and remittance service providers (RSPs) in all targeted countries will be engaged to develop financial products and services that benefit both the service providers and migrants and their families through facilitation of remittances and improving access to financial products to enhance savings and investment.
- Organisations in contact with migrants and prospective migrants, such as NGOs, promoting financial inclusion and literacy and encourage the use of digital services by improving their communications tools.
- Diaspora members will be involved in order to enhance diaspora contributions to sustainable development in countries of origin.
- Migrants and their families will benefit from technical and financial assistance to utilise and invest their remittances in sustainable income generating activities within their communities. Particular attention will be given to building of networks with focus on women and youth in rural areas.

⁶ <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2020/Policy-brief-Migrant-women-and-remittances-Exploring-the-data-from-selected-countries-en.pdf>

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this Action is to promote faster, safer and cheaper transfer of remittances, including their productive use for sustainable development and well-being of migrant workers' families in Central Asia.

The Specific Objectives (Outcomes) of this action are to:

Specific Objective 1 (SO1): Enhance the enabling environment of digital remittance markets in Central Asian countries to respond to rapid-changing migration conditions and industry leads.

Specific Objective 2 (SO2): To increase access to formal digital remittances and expand financial inclusion of migrants, remittance families and returnees, with a focus on women and youth in rural areas.

Specific Objective 3 (SO3): To increase the financial and economic integration of families reliant on remittances with focus on the inclusion of returnees, women and youth.

The **Outputs** to be delivered by this Action contributing to corresponding Specific Objectives are:

1.1 Availability of harmonised, timely and accurate data (at least disaggregated by sex) on remittances in the targeted countries is improved.

1.2 Dialogue and cooperation on remittances between regulators, key industry actors, diaspora groups and recipients is enhanced, to exchange information, address challenges and build opportunities for synergies and interventions.

1.3 Improved regulatory capacity and intra-corridor coordination of the authorities responsible for overseeing remittances.

2.1 Innovative models, products, services, financial literacy efforts and strategic partnerships are promoted to drive the uptake of digital remittances, especially for vulnerable segments such as rural households, women and youth.

2.2 The number of access points delivering remittances and of remittance-linked financial services is increased, particularly in rural areas.

3.1. Increased knowledge on the efficient use of social and financial remittances.

3.2 Improved access to local economic opportunities for remittance recipients and returnees.

3.2 Indicative Activities

Activities relating to Output **1.1**

Market intelligence. The lack of comprehensive and reliable data, disaggregated (by sex) remains one of the crucial gaps in the remittance market, both for public and private stakeholders. Without sound data, public and private stakeholders are respectively unable to make informed policy and business decisions. Lack of accurate and timely information on remittance flows and trends is a bottleneck for the development of the remittance markets in Central Asia. More importantly, the Russian invasion in Ukraine is opening new migration patterns and corridors for which there is no available research or regular market intelligence developed.

The Action will:

- develop a unique regional database (at least disaggregated by sex) consolidating in a single space the relevant information on remittances, migration, financial inclusion (especially women's financial inclusion) and other relevant aspects on the subject of remittances for the Central Asia region;

- develop, building on the database, an in-depth diagnostics of country corridors of the remittance markets of the targeted countries. In order to have the clearest possible picture of the market and provide a first public diagnostic of market features and gaps. These studies will cover flows, costs, actors, instruments, customer behaviour and preferences to send/receive remittances, market penetration, payment networks and systems, and regulatory frameworks;
- produce Roadmaps for Action, underpinned by country diagnostics for the four countries, aligning country strategies with the Action's objectives for reducing remittance costs, maximizing the impact of remittances and fostering financial inclusion through remittances.
- organise initiatives to ensure that migrant women have information on and access to secure and affordable remittance transfer services; and
- organise training to encourage national statistical offices and others responsible for household surveys to include questions on the sex and occupation of remittance senders.

This analysis will serve policy makers, regulators, and key industry actors to enhance and deepen insights on challenges and market opportunities. In this context, the assessment will also analyse emerging corridors as an alternative to Russia, such as Turkey, Gulf countries, and the EU, where information is currently mostly incomplete.

Activities relating to Output **1.2**

Collaborative national dialogue. An open and regular exchange among involved actors is crucial for a proper understanding of the main challenges of a given remittance market and to build trust between regulators and the industry, opening avenues for synergies and joint actions.

The Action will:

- set up National Remittance Task Forces (NRTFs) in the targeted Central Asian countries, as informal platforms where regulators and key industry actors can meet regularly to exchange, discuss challenges and build opportunities for synergies and interventions.
- conduct further research on the gendered patterns of sending and receiving remittances to inform policies and to recognise the different remittance patterns of migrant women and men, domestically and regionally, and develop policies that reflect and facilitate these.

Activities relating to Output **1.3**:

Improve the remittance enabling environment. An enabling environment is a key element of success. Based on the diagnostic of regulatory and policy issues (included in Activity 1), the Action will:

- build capacity of relevant national ministries, regulatory authorities and central banks, in order to support public authorities in testing or promoting favourable regulatory frameworks conducive to greater financial inclusion and the expansion of low-cost remittances to other corridors. The development of alternative transfer option could also support a reduced dependence of the regional payment systems from the corridor with Russia.

Activities relating to Output **2.1**:

Expand digital remittances with enhanced financial education and consumer protection. The pandemic has fostered the existing alternatives to in-cash and in-person financial interactions and evidenced the need to accelerate financial service digitalisation as a key lever to mitigate the impact of the COVID-19 crisis and foster a sustained recovery. Financially educated people have more options to productively use the remittances they receive regularly from abroad through remittance-linked adapted savings, insurance, credit and investment products, building their way towards financial independence.

The Action will:

- build capacity of commercial operators to increase digital services offered by mobile operators and banks (or e-money licensees), especially around segments of the population that are usually excluded, such as rural population, women and youth, by supporting the creation of simpler, less expensive products;
- build capacity of commercial operators and the national sectors to develop and enable digital means offered by innovative RSPs;

- online and in-person campaigns to increase financial and digital literacy of senders and recipients to use more cost-effective, faster and safer remittance services;
- promote policies to increase the digital and financial literacy of migrant women and reduce/remove barriers to their mobile phone ownership and internet access so that they can use a wide range of remittance sending options; and
- promote legal transparency policy to enhance consumer protection thanks to transparency on costs, clear and effective claim (by supporting legislation providing a more reliable business environment), and redress processes, that will in turn foster the use of digital financial services for both senders and recipients, particularly at the last mile.

Activities relating to Output **2.2**:

Foster financial inclusion. These activities will be carried out in partnership with RSPs and other remittance market actors in each country, identified through national competitive processes. The Action will:

- identify market players capable of promoting access to adjacent financial services linked to remittances, which will develop financial inclusion strategies and products for both migrants and remittance families in the targeted countries. These products may include, but are not limited to: interest-term deposits, flexible savings (including group savings), emergency savings, micro insurance, low-interest emergency loans, affordable microenterprise credit, crowdfunding models, etc.;
- promote the development of new financial and digital literacy programmes, with specific content on remittances, to improve the financial management and planning skills of remittance senders and receivers.

Activities relating to Output **3.1**:

Leverage of social and financial remittances. The Action will build and strengthen networks with diaspora members to invest social and financial remittances into local development. Networks between youth and women will be created/enhanced to foster entrepreneurship.

In particular the Action will:

- Build remittance networks with focus on youth and women for knowledge sharing and exchange of best practices;
- Establish regular exchanges with diaspora for transfer of knowledge and attract diaspora investment into local development (e.g. rural finance, sustainable finance and investments).

Activities relating to Output **3.2**:

Remittance families and returnees' economic entrepreneurship. The Action will take advantage of ongoing development programmes focused on poverty reduction and economic growth enhancement of rural households in the targeted countries (through interventions on, among others, rural finance, access to markets, agricultural productivity, dairy, livestock and agricultural value-chain, agri-SMEs support). In this context, returnees and remittance families, who can count on additional financial resources such as remittances received and returnees' savings, will be integrated into existing development programmes. This will balance the opportunity cost of migration with a local economic development approach, in which investments in agriculture or income-generating opportunities in rural areas are enabled, particularly in periods of high uncertainty and food price volatility.

In particular the Action will:

- Conduct market and gender sector analysis;
- Develop interventions, in cooperation with existing programmes, to include remittance families and returnees into programmes on agricultural finance and rural development. Remittances will be used to fund directly or indirectly via financial schemes agri-SME support enhanced agricultural productivity and value chains with attention on exploring opportunities in support of climate smart agriculture and sustainable livelihoods/value chains;

- Provide technical assistance on business development, access to markets, finance and investment.

The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Remittance families in rural areas are confronted with increasing extremes in climate-related risks. These threaten livelihoods and enterprises, particularly in agriculture, and challenge water and food security and public health in rural communities. These climate hazards also influence decisions to migrate, making migration an adaptation strategy to climate change. Recent research also shows that remittance families are more likely to spend on products and services that build climate resilience, particularly among farming families adopting climate smart agriculture technologies. Remittance flows and diaspora investment therefore assist in building climate resilience in the face of drought, shifting precipitation, heatwaves, flooding, among other risks. Moreover, these risks and the related adaptation strategies, create opportunities for local financial institutions and other service providers, as well as for diaspora investors.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality will be mainstreamed across this programme components also defining specific actions aiming at gender equality mostly at the project level. The Action will ensure the financing of gender-transformative approaches. Global trends, including the feminisation of migration, make it vital to understand the impact of migration from a gender perspective. The dynamics of how women and men send money home are significantly different, as well as the use of remittances – whether they are received by women or men. Gender equity in access to financial services remains a challenge even if more than one-third of SMEs in the developing world are owned (or partly owned) by women. Women continue to be less likely than men to own an account in a formal financial institution as well as to own a mobile device. The Action will ensure the provision of needs-based and tailor-made gender interventions.

Human Rights

The rights of migrants and their families will be addressed, particularly from a financial angle, guaranteeing equal access to financial services to all beneficiaries. The Action will contribute to protecting economic and social rights. Activities (particularly those under SO3) are focused on improving business and investment, and therefore seek to create a balanced and sustainable economic growth model and consequently more decent job opportunities for its citizens. The Action will apply the working principles of the human rights based approach: applying all human rights for all, meaningful and inclusive participation and access to decision-making, non-discrimination and equality, accountability and rule of law for all, and transparency and access to information supported by disaggregated data.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the action is not considered relevant for inclusion of persons with disabilities. Nevertheless, in line with leave no one behind principle the programme will strive to identify specific opportunities to integrate people with

disabilities in economic activities (particularly in SO 3). While these measures will not be big in their scope and might involve just a few individuals at best, these may nevertheless serve as examples for the potential of inclusion of persons with disabilities in economic development.

Democracy

Democracy, intended as financial democracy, will be largely ensured through the impact of financial inclusion. Enabling migrant workers to best use their resources through financial education by providing more choices to use their funds is an essential step towards the promotion of financial democracy.

Conflict sensitivity, peace and resilience

The Action is undertaken with the aim to mitigate the impact on remittances in Central Asia as a result of the current aggression of Russia against Ukraine. It intends to create the conditions for safer and stronger regional remittance markets, thereby enhancing the resilience of the millions of family remittances in the region.

Disaster Risk Reduction

The Action will ensure increased financial independence for family remittances in the targeted countries, assisting households in building resilience in the face of climate risks, through the development of adaptation strategies that will mitigate the effects of natural disaster.

3.4 Risks and Lessons Learnt

Risks	Risk level (H/M/L)	Mitigating measures
Regional (and/or global) economy dramatically worsen due to the consequence of the Russian invasion of Ukraine and consequent sanctions	H	The stability of the political context and national regulatory frameworks will be carefully monitored during all phases of the programme.
The Action could directly or indirectly lead to circumvention of EU sanctions against Russia.	L	The aim of Action 4 is to efficiently use remittances (including from Russia) and diversifying remittance corridors. Under no circumstances will the Action support activities which could benefit the Russian economy. A risk monitoring mechanism will be established to ensure compliance at every stage of the programme implementation, including consideration of reputational risks.
Lack of political will from partner countries to reach the objectives of the programme.	L	The remittances-development nexus is getting increased consensus in the targeted Central Asian countries. This risk level is therefore relatively low, but the Action will address capacity-building goals and will continuously monitor commitments during the programme's implementation.
The capacities of involved stakeholders in target countries are not sufficient to reach expected results.	M	Some of the activities under the Action will aim to strengthen capacities of relevant stakeholders in targeted countries. The use of competitive processes to select partners

		from the private sector will mitigate this risk.
Activities foreseen in each targeted partner country do not fit in the national context.	L	The in-depth assessment of each national remittance market and its main corridors, together with the involvement of all relevant stakeholders through national remittance stakeholder task forces will mitigate this risk, ensuring that experience and knowledge of the remittance context at country level will allow the design of tailor-made activities for each targeted country/remittance corridor. Regional benchmarking and eventually coordination are meant to leverage best practices/lessons learned within the region.
Dominant remittance providers in targeted countries introduce anti-competitive practices on the national market in targeted countries, preventing the Action to reach expected results related to enhancing markets competition.	M	Some activities implemented under the Action will aim to improve regulatory frameworks and enhance competition in view of lowering the costs in the long run, which will also contribute in the medium to long run to address antitrust practices.

Assumptions

- There is political stability and the security situation is sufficient in targeted countries.
- National authorities in targeted countries are committed to further enhance remittance regulatory frameworks to enable lower transfer costs and trigger the development impact of remittances. Likewise, authorities seek deeper financial inclusion and therefore to increase financial literacy, consumer protection and transparency.
- There is strong commitment, cohesion, coordination, and complementarity between the different implementing partners, and part of the value-added of the Action stems from their respective specialization and capacity to coordinate effectively to implement activities.
- The EU, its member states and all involved stakeholders, are committed to support the Action and to participate to activities when relevant, in coordination with targeted countries in Central Asia.

Lessons learnt

From the current COVID-19 pandemic, as well as from past and present interventions and studies linking remittances and development, in particular in times of crisis, include the following:

- Mobile money is a fast-growing technology, and it has a real potential to substantially contribute to lowering the costs and improve access to formal remittances.
- Mobile money also has a strong potential for financial inclusion as it can be used by the unbanked to perform a number of financial operations.
- Linking remittances to other financial services and products (such as bank accounts, saving plans, loans, health insurance, etc.) is key to increase the financial inclusion of migrants and their families, and to maximize the development impact of remittances. Financial education,

consumer protection and transparency are essential parts of the enabling environment to advance inclusion.

- The improvement of regulatory frameworks related to remittances is a crucial aspect in view of lowering costs, enhancing competition and fostering innovation, and should be given greater consideration for appropriated and targeted technical assistance.
- To be successful and bear positive results, the support provided to partner countries needs to be tailored to local market structures, as well as fully integrate socio-cultural factors. Sound needs assessments of targeted beneficiaries are also crucial prior to implementing concrete technical assistance.
- Interventions based on corridor intervention logic could allow for coherent support both on the sending and the receiving sides, and promote bilateral agreements on remittances on both sides of the corridors.

3.5 The Intervention Logic

The underlying intervention logic for this action is that:

1. If research on the flow, trends, and transfer/spending behaviour of remittances are available (S.O. 1.1); if cooperation and knowledge sharing among key stakeholders, including national banks, are improved (S.O 1.2); if governments have capacity to develop evidence-based remittance policies and regulations on national and local levels (S.O 1.3.), then the environment of the remittance markets in Central Asian countries will be able to respond to rapid-changing migration conditions.

2. If innovative models, products, services, financial literacy efforts and strategic partnerships can be promoted (S.O. 2.1); if there is an increase of the number of access points delivering remittances, particularly in the rural areas (S.O. 2.2), and migrants and their families financial and digital literacy is enhanced, then migrants and their families (especially women and youth) will increasingly register for formal and digital remittance and banking services that help to achieve their financial and livelihood goals, since greater financial inclusion and the use of digital financial services lead to opportunities for greater savings and longer-term use of remittances.

3. If networks for knowledge exchange and investment are established and strengthened (S.O.3.1) and families receiving remittances and returnees are provided with technical assistance on the use of remittances/savings from remittances to enhance economic entrepreneurship (S.O.3.2), then they will be able to integrate in the local economy and invest in income-generating opportunities, especially in rural areas, building sustainable alternatives to migration. Financially educated people have more options to productively use the remittances they receive regularly from abroad through remittance-linked adapted savings, insurance, credit and investment products, building their way towards financial independence.

If the three outcomes are achieved, then the Action will be able to promote sustainable development and enhance economic resilience of remittance recipients in Central Asia, because it will comprehensively promote faster, safer and cheaper transfer of remittances, including their productive use for sustainable development and well-being of migrant workers' families involving essential stakeholders (migrants and their families, Governments, financial sector stakeholders, and diaspora).

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain: Main expected results (maximum 10)	Indicators): (at least one indicator per expected result)	Baselines (values ⁷ and years)	Targets (values ⁸ and years)	Sources of data	Assumptions
Impact	To promote faster, safer and cheaper transfer of remittances, including their productive use for sustainable development and well-being of migrant workers' families in Central Asia	1. Number of new innovative channels, business models and partnerships for transfer of remittances existing in the target countries 2. Remittance costs as a proportion of the amount remitted (OPSYS core indicator, SDG 10.c.1) 3. Number of SMEs getting investment from financial institutions using remittances	1. TBD during inception phase 2. TBD during inception phase 3. TBD during inception phase	1. TBD during inception phase 2. TBD during inception phase 3. TBD during inception phase	National Statistical Data. Data by Central Banks, Project reports,	<i>Not applicable</i>

⁷ Values will be identified during design inception

⁸ Values will be identified during design inception

Outcome 1	1. Enhance the enabling environment of the digital remittance markets in Central Asian countries to respond to rapid-changing migration conditions and industry leads	<p>1.1. Status of country reporting and statistics on remittances markets, including the flows, costs, market openness, regulatory frameworks, disaggregated by countries</p> <p>1.2. Number of policies and regulations on remittances markets in the target countries adopted, disaggregated by country</p>	<p>1.1 Average quality of the scope and data</p> <p>1.2 TBD during inception phase</p>	<p>1.1 Developed to include additional features based on the regional database and country diagnostic reports and information from the stakeholders</p> <p>1.2 TBD during inception phase</p>	<p>1.1 Data from central banks, national statistical agencies, government and non-governmental alternative reporting</p> <p>1.2 Official register of legislative process dashboards (trains) of the parliaments</p>	There is a continuous public policy and policy-funding focused on continuous development, diversification and innovation of the remittances market
Outcome 2	2. To increase access to formal digital remittances and expand financial inclusion of migrants, remittance families, with a focus on returnees, women and youth in rural areas	<p>2.1 Number of operators providing digital access to remittances active in targeted markets disaggregated by country, urban, rural and type of operator</p> <p>2.2 Number of remittance senders and recipients using digital remittances and banking services, disaggregated by country, location and sex</p>	<p>2.1 TBD during inception phase</p> <p>2.2 TBD during inception phase</p>	<p>2.1 15% increase per country</p> <p>2.2 15% increase per country</p>	<p>2.1 Reports of projects with private sector entities selected through competitive processes, baseline & endline study</p> <p>2.2 Reports of projects, baseline & endline study survey of migrants and remittance families</p>	<p>There is a conducive financial, monetary and fiscal policy by the Governments and Central Banks for the private operators – RSPs</p> <p>There is a dedicated public policy for communication on and enhancing literacy of population on the digital financial services</p>
Outcome 3	3. To increase the financial and economic integration of returnees and families reliant on remittances with focus on the inclusion of women and youth	<p>3.1. Number of investment projects in rural areas with participation of diaspora, by countries and location</p> <p>3.2. Number of remittance recipients and returnees establishing companies in</p>	<p>3.1 TBD during inception phase</p> <p>3.2 0</p> <p>3.3. 0</p>	<p>3.1 TBD during inception phase</p> <p>3.2 TBD during inception phase</p> <p>3.3. TBD during inception phase</p>	<p>3.1 Project Monitoring & Evaluation reports documents, meeting reports, online platforms</p> <p>3.2. Surveys (at least baseline and final) to be funded by the EU</p>	There is a conducive public policy aimed at reintegration of returnees, and supporting returnees and remittance recipients to get involved into economic activity

		<p>rural areas, disaggregated by country, location and sex</p> <p>3.3. Number of remittance recipients, senders and returnees, who report increased economic opportunities for them, disaggregated by country, location and sex</p>			3.3 Survey	
<p>Output 1</p> <p>relating to Outcome 1</p>	<p>1.1 Availability of harmonised, timely and accurate data (at least disaggregated by sex) on remittances in the targeted countries is improved</p>	<p>1.1.1 Status of the regional database on remittances, migration, financial inclusion</p> <p>1.1.2 Status of in-depth diagnostics of country corridors of the remittance markets of beneficiary countries, specified by country</p> <p>1.1.3 Status of draft Roadmaps for Action to reduce remittance costs, maximise impact of remittances and fostering financial inclusion</p>	<p>1.1.1 None</p> <p>1.1.2 None</p> <p>1.1.3 None</p>	<p>1.1.1 The regional database is constructed and hosted on the web by the end of the intervention</p> <p>1.1.2 Four (4) in-depth country diagnostics of the targeted countries accomplished, publicly discussed, published</p> <p>1.1.3 Roadmaps are compiled and discussed with relevant stakeholders in each country</p>	<p>1.1.1 www.RemitSCOPE.org The regional database, hosted on the net; records of discussion of the database with the countries' stakeholders</p> <p>1.1.2 The reports and the minutes of discussion of the reports with the relevant national stakeholders</p> <p>1.1.3 Roadmaps and minutes of discussions</p>	<p>The database, diagnostic reports and Roadmaps are used for an evidence-based policy elaboration</p>

Output 2 relating to Outcome 1	1.2 Dialogue and cooperation on remittances between regulators, key industry actors diaspora groups and recipients is enhanced, to exchange information, address challenges and build opportunities for synergies and interventions	1.2.1 Status of the NRTFs, per country 1.2.2 Number of participants of meetings of NRTFs supported with the support of the Action, disaggregated by country, location and sex	1.2.1 none 1.2.2 none	1.2.1 Four (4) National Task Forces set up and hold meetings with the support of the Action 1.2.2 tbc during inception phase	1.2.1 Minutes of National Remittance Task Forces, Meetings' reports 1.2.2 List of participants and minutes of the exchange sessions	The NRTFs are used to inform the decision- and policy-making by the policy-makers
Output 3 relating to Outcome 1	1.3 Improved regulatory capacity and intra-corridor coordination of the authorities responsible for overseeing remittances	1.3.1 Number of draft national policies revised or under revision with the support of the Action, disaggregated by country and policy/sector 1.3.2 Status of references to remittances and their impact on development in key state policy documents of the targeted countries	1.3.1 none 1.3.2 none	1.3.1 4 per country revised 1.3.2 Reference in one (1) policy document per country	1.3.1 Draft policy and minutes of discussion of the revision with the relevant stakeholders 1.3.2 National legislative and policy documents and World Bank or other international organizations, country reports	Targeted partner countries are committed to revise and improve their regulatory frameworks, and to align it with international standards.
Output 1 relating to Outcome 2	2.1 Innovative models, products, services, financial literacy efforts and strategic partnerships are promoted to drive the uptake of digital remittances, especially for vulnerable segments such as rural households, women and youth	2.1.1 Number of operators providing digital access to remittances active in targeted markets with the support of the Action 2.1.2 Number of remittance recipients and senders benefitting from financial and digital education, and consumer protection support who report to be using the knowledge acquired,	2.1.1 none 2.1.2 none 2.1.3 none	2.1.1 20% increase of operators providing digital solutions 2.1.2 tbc during inception phase 2.1.3 tbc during inception phase, 1 (online) campaign/year/country	2.1.1 Reports of projects with private sector entities selected through competitive processes 2.1.2 Project reports, Survey 2.1.3 Project reports, online media products, dissemination lists, number of hits/reviews	Private sector entities willing to collaborate There is a conducive financial, monetary and fiscal policy to encourage the new operators to continue and develop the business

		<p>disaggregated by sex, age and location (urban/rural)</p> <p>2.1.3 Number of people informed through the campaigns promoting digital solutions and informing remittance senders and receivers about financial services, disaggregated by sex, location</p>			on the web-pages of online products	People with knowledge do not leave the country
<p>Output 2</p> <p>relating to Outcome 2</p>	2.2 The number of access points delivering remittances and of remittance-linked financial services is increased, particularly in rural areas	<p>2.2.1 Number of access points delivering remittances related financial services with the support of the Action, disaggregated by country, urban, rural, specific locations and partner providers</p> <p>2.2.2. Number of strategies for financial inclusion of migrants/migrants family members (m/f) developed by the partner providers</p> <p>2.2.3 Number of new financial and digital literacy programmes developed in cooperation with RSPs</p>	<p>2.2.1 None</p> <p>2.2.2 None</p> <p>2.2.3 None</p>	<p>2.2.1 tbc during inception phase</p> <p>2.2.2 tbc during inception phase</p> <p>2.2.3 tbc during inception phase</p>	<p>2.2.1 Reports of projects with private sector entities selected through competitive processes</p> <p>2.2.2 Reports of projects with private sector entities selected through competitive processes</p> <p>2.2.3 Reports of projects with private sector entities selected through competitive processes</p>	Private sector entities willing to collaborate
<p>Output 1</p> <p>relating to Outcome 3</p>	3.1 Increased knowledge on the efficient use of social and financial remittances.	3.1.1 Number of remittances supported networks with focus on women and youth created with the support of the Action, disaggregated by	<p>3.1.1 None</p> <p>3.1.2 None</p>	<p>3.1.1 tbc during inception phase</p> <p>3.1.2 tbc during inception phase</p>	<p>3.1.1 List of network members, project documents and reports, online platforms</p> <p>3.1.2 Meeting reports and lists of participants, online platforms,</p>	The beneficiaries are supported with advice and after-care support and have access to insurance instruments to provide for oem stability of their business initiatives

		country, age and sex of the participants 3.1.2 Number of participants of the meetings of remittance networks, disaggregated by country, network, meeting, location, age and sex			project documents and reports	
Output 2 relating to Outcome 3	3.2 Improved access to local economic opportunities for remittance recipients and returnees	3.2.1 Number of remittance recipients and returnees benefiting from economic, agriculture, and rural development remittances supported initiatives disaggregated by country, location, age and sex 3.2.1 Number of members of remittance recipients and senders benefiting from remittances supported business disaggregated by country, location, age and sex	3.2.1 None 3.2.2 None	3.2.1 tbd during inception phase 3.2.2 tbd during inception phase	3.2.1 Project documents, reports 3.2.2 Project documents, reports survey, market analysis	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner countries.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.

4.3.1. Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- 1) Experience and track record managing international cooperation programmes in Central Asia;
- 2) Technical expertise and track record managing international cooperation programmes on remittances, investment and migrant's entrepreneurship;
- 3) Managerial/operational capacity and track record to manage multi-country international cooperation programmes
- 4) Capacity to respond efficiently to political and institutional changes and/or unforeseen requirements of another nature, which may arise during the implementation phase of the contract.

The implementation by this entity entails activities and reaching results as listed under the expected results related to Specific Objectives 1, 2 and 3.

4.3.2 Changes from indirect to direct management mode due to exceptional circumstances

The preferred implementation modality is under indirect management with a pillar assessed entity.

If the implementation modality in indirect management cannot be implemented due to circumstances outside of the Commission's control, a direct management modality could be used to achieve SO1, 2 and/or 3 in the form of a grant to public bodies, and/or NGOs, and/or non-pillar assessed international organisations, or in the form of a contribution agreement with pillar assessed international organisations.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly

substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Objective/Outputs 1	2 000 000
Indirect management with pillar assessed entity - cf. section 4.3.1	2 000 000
Objective/Outputs 2	3 000 000
Indirect management with pillar assessed entity - cf. section 4.3.1	3 000 000
Objective/Outputs 3	1 000 000
Indirect management with pillar assessed entity – cf. section 4.3.1	1 000 000
Evaluation – Audit –	Will be covered by another Decision
Totals	6 000 000

4.6 Organisational Set-up and Responsibilities

The implementing partner will be responsible for project management, organisation of annual project steering committee meetings (including the Commission and representatives of the beneficiary countries) to provide strategic guidance and ensure overall coordination and coherence of activities, monitor deliverables, and drafting reports. The Commission will be directly involved in the monitoring and steering of the Action.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

All monitoring and reporting shall assess how the action is taking into account the human rights based approach and gender equality.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: the implementing partners will fully coordinate and monitor the activities on a country-by-country basis, and report to the European Commission on a regular basis.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluation(s) will be carried out for this action or its components through a joint mission contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to possible adjustments/reorientation of the project if necessary.

The final evaluation will be carried out for accountability and learning purposes at various levels, including for policy revision.

All evaluations shall assess to what extent the action is considering the human rights based approach, as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

The financing of the evaluation may be covered by another measure constituting a Financing Decision.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing

Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

