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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX VI**

to the Commission Implementing Decision on the financing of the multiannual action plan for the Global Challenges (People) thematic programme for 2025-2027

**Action Document for Maximising the Impact of Remittances and Diaspora Investments for Enhancing Climate Resilience and Adaptation (“ResilientRemit”)**

**MULTIANNUAL PLAN**

This document constitutes the multiannual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

## 1 SYNOPSIS

### 1.1 Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	Maximising the Impact of Remittances and Diaspora Investments for Enhancing Climate Resilience and Adaptation (“ResilientRemit”) OPSYS number: ACT-62954 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	No
<b>3. Zone benefiting from the action</b>	The Action shall be carried out at global level.
<b>4. Programming document</b>	Multi-annual Indicative Programme for the NDICI-Global Europe ‘Global Challenges’ – Thematic Programme 2021-2027 - People
<b>5. Link with relevant MIP(s) objectives / expected results</b>	The proposed Action will contribute to the Global Challenges MIP priority area 1: People; Specific objective 5 migration and forced displacement; Result 1 regarding increased support for global migration partnerships and processes and promoting the positive impact of migration on development, as well as Result 2 regarding reinforced capacity in partner countries and strengthened global knowledge with a focus on remittances and diaspora.  The Action also strongly relates to the priority area 2: Planet, Specific objective 1: Climate change and disaster risk reduction; and to the priority area 3: Prosperity, Specific objective 6: Resilient and sustainable agri-food systems.
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>	
<b>6. Priority Area(s), sectors</b>	151 – Government and Civil Society – General 240 – Banking & Financial Services 250 – Business & Other Services
<b>7. Sustainable Development Goals (SDGs)</b>	<b>Main SDG (1 only):</b> <b>SDG 10: Reduce inequality within and among countries</b>

	<p>Target 10.c: By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent</p> <p><b>Other significant SDGs (up to 9) and where appropriate, targets:</b></p> <p><b>SDG 1: End poverty</b>  Target: 1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disaster</p> <p><b>SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</b>  Target 2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p> <p><b>SDG 5: Achieve gender equality and empower all women and girls</b>  Target 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</p> <p><b>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>  Target 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  Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p> <p><b>SDG 13: Take urgent action to combat climate change and its impacts</b>  Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p><b>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</b></p>			
<b>8 a) DAC code(s)</b>	24050 Remittance facilitation, promotion and optimisation – 50 15190 Facilitation of orderly, safe, regular and responsible migration and mobility - 50			
<b>8 b) Main Delivery Channel</b>	Multilateral organisation – 40000			
<b>9. Targets</b>	<input checked="" type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Gender equality and women’s and girl’s empowerment	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11. Internal markers and Tags</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
	digital governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reduction of Inequalities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget line: 14.020240 – Global Challenges People Total estimated cost: EUR 4.256.893,89 Total amount of EU contribution EUR 4.256.893,89 The contribution is for an amount of EUR 4 256 893.89 from the general budget of the European Union for 2025			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Implementaton modality</b>	<b>Indirect management</b> with The International Fund for Agricultural Development in accordance with the criteria set out in section 4.3.1.			

## 1.2 Summary of the Action

Climate change plays a growing role in shaping the rate and composition of global migration, particularly from rural areas. Rural communities in low and middle-income countries (LMICs) are increasingly challenged by climate

hazards that threaten livelihoods, enterprises, food and water security and health. Farming, grazing and other types of productive, rural activities are threatened by climate related risks that are becoming more common and extreme. Women and vulnerable family members are particularly affected.

An increasing number of people leave their families because their livelihoods fail due to worsening climate-related risks. A lack of access to irrigation and declining soil fertility also threaten the viability of traditional crops and prompt rural people to seek livelihoods in cities or abroad to support their families and communities through remittances and investment.

Remittances and diaspora investments offer a promising avenue for rural households and communities to build resilience to climate risks and to break the cycle of migration as the only available choice. They can promote greater climate adaptation and resilience in rural communities, thereby improving economic security, reducing the incentives to migrate and facilitating an eventual return of migrants. Recent research indicates that remittance-receiving families are more likely to adopt climate resilience strategies ranging from diversifying their activities to enhanced use of financial services, to strengthen their farm and non-farm activities. Diaspora investors also support investments that contribute to climate resilience in rural communities. Both remittances and diaspora investments not only benefit migrant households but also generate spillover effects for their communities.

In 2023, over 200 million migrants sent over USD 656 billion in remittances to LMICs, and diaspora savings were estimated at half a trillion dollars. Remittances and diaspora investments have proven crucial to address numerous SDGs for recipients and their communities, offering them a better future and making migration a choice rather than a necessity. While these flows already play a pivotal economic role in LMICs, they are far from achieving their full developmental potential, particularly in rural areas which receive an estimated one third of these flows (IFAD 2024).

The proposed action aims to harness remittances and diaspora investments for building climate resilience, through interventions in three climate-vulnerable countries in different continents (Senegal, Pakistan, Honduras). The Action will consist in piloting innovative projects promoting access to remittances, digital financial products and services for women and men, and supporting rural MSMEs (micro, small and medium enterprises) including women-owned MSMEs, focused on climate-resilience. Concretely, the Action will pilot a range of activities that will not only enhance the awareness among diaspora communities and remittance receiving households on climate risks and possible solutions on how to use remittances and diaspora investment to address climate vulnerabilities, but will also create opportunities for households in climate vulnerable areas to purchase insurance services based on remittances as collateral, purchasing green products such as irrigation systems, renewable energy systems, or climate resilient agricultural inputs by accessing micro-loans based on remittances as collateral. Farmers will also be supported through the provision of information including weather updates and green product supplier information. In terms of diaspora investment, the Action will for instance create or expand investment funds and crowd-funding platforms for diaspora members to invest in MSMEs working on climate resilience in the target regions.

Furthermore, the Action will use the lessons learned from pilot projects on the ground to strengthen the narrative of policy engagement, providing real-world insights and evidence of impact. These grassroots experiences will serve as powerful examples, demonstrating the practical benefits of remittances and diaspora investments for building climate resilience and sustainable development. This evidence-based approach will make policy advocacy efforts more compelling, ensuring that policy recommendations are grounded in proven successes and challenges encountered in real scenarios. By integrating these on-the-ground insights into strategic advocacy, the Action aims to build a compelling case to highlighting the impact of remittances and diaspora investment for sustainable development in national and international policies, creating a sustainable pathway to scale these models and achieve meaningful international commitments.

Over the last 18 years, thanks to a long-term partnership with the European Union and other key donors, IFAD - through its Financing Facility for Remittances (FFR) - has been working on the local economic development impact of migration, particularly in rural areas of LMICs, and it is globally recognized as a leading actor in this field. Through pilot programs, scalable initiatives and advocacy work, the FFR successfully pioneered and implemented sustainable models and strategies to make migrant economic contributions more impactful for the most vulnerable, particularly in rural areas. By working directly with private sector service providers with mandatory co-financing foreseen, numerous business models financed by the FFR that promote further access and use of remittances have now become

standardized models in the remittance ecosystem. In parallel, its engagement with governments, regulators and policy makers, backed by extensive research and knowledge dissemination, has been instrumental in improving the understanding about these flows and their potential for development. In turn, this has helped overcome identified challenges facing migrants sending remittances to their families. Similarly, the models and mechanisms financed by the FFR to mobilize diaspora capital towards investment opportunities in countries of origin have resulted in impactful investments enabling people to remain in their home communities.

Despite this work and the progress made by governments, industry leaders and international organizations, more remains to be done to unleash the economic and developmental impact of these flows, particularly on climate resilience. In the case of remittances, systematic barriers and challenges remain in many markets and corridors. These include access, costs, lack of competition and inadequate regulatory frameworks. The need of remittance-receiving households for financial services also remains for the most part unaddressed. At the same time, diaspora investors willing to invest in their communities of origin face structural issues including legal barriers and insufficient knowledge of investment opportunities.

This Action will scale current FFR's models of intervention, policy engagement, research and dissemination platforms, and will integrate a direct leveraging vehicle with IFAD's core country programmes and sovereign financing mechanisms. This effective mainstreaming will enable the integration of validated mechanisms in the three target countries and will also seek government commitment and ownership through migration and development national strategies and outcomes.

### 1.3 Zone benefitting from the Action

The Action shall be carried out at Global level, and in countries to be jointly selected by the Commission and IFAD.

The selection of the target countries shall be informed by the combination of the following criteria:

- Countries must be recipients of Official Development Aid (ODA);
- Importance of remittances for the country (using the [Remitscope](#) indexes<sup>1</sup>);
- Existence of enabling remittance market and regulatory environment for digital remittances and financial inclusion (*using RemitScope market index and Remitscope MobileRemit index*);
- Importance of the country as origin of irregular migration flows, notably if directed towards the EU;
- Political environment in the country towards diaspora investment;
- Climate vulnerability;
- Track record of recent IFAD work on remittances and diaspora investment and entry points with existing IFAD programmes;
- Prevalence of climate risk exposure at community level, also as a driver of irregular migration;
- Political relevance for the EU and existence of diaspora communities in the EU;
- Complementarity with previous, ongoing and planned programmes (funded by the European Union, EU member states and other donors) to promote climate-resilience actions through migrant remittances and diaspora engagement.

Geographic balance, so as to ensure the pilot experiences are carried out in countries located in different continents and migratory routes.

Based on these criteria, **Senegal, Pakistan and Honduras** have been selected in principle as priority implementation countries. The Gambia, Bangladesh and Guatemala have been identified as reserve countries in case implementation in the priority countries becomes impossible due to unforeseen circumstances. They could also be considered as additional countries, in the event that economies of scale in the implementation of the project or additional funding received would allow to expand the geographic scope of the project. Alternative countries could also be considered, if needed, provided that they meet the criteria mentioned above. Within each country, climate vulnerable regions where the Action will be implemented will be identified in consultation with the EU Delegation, considering existing IFAD interventions.

In addition, some actions will be carried out at more global level. Learnings from the actions in target countries on enhancing the use of remittances and diaspora investments for climate resilience as well as related remittances and diaspora investment data will be disseminated globally to public and private stakeholders in the climate change agenda including migrants and diaspora members themselves. Moreover, the Global Forum on Remittances, Investment and Development (GFRID) will be used to highlight the impact of remittances and diaspora investment on climate resilience and promote increased international commitment on the topic.

## 2 RATIONALE

### 2.1 Context

#### **Remittances and diaspora investment bring resilience to communities affected by climate change**

The economic contribution of migrants, through the remittances they send to their families and the investments they make in their communities of origin, is now more important than ever and is recognized as a development priority. This Action aims to harness migrant remittances and diaspora investment for enhancing climate adaption and building climate resilience through interventions in three climate-vulnerable countries.<sup>2</sup> Remittances and diaspora investment are different in scope and needs and require unique and adapted approaches to fully maximize their development potential.

**Migrant remittances** are private person-to-person payments of relatively low value, sent regularly by migrant workers to their families in their country of origin with the purpose of supporting livelihoods. Remittances are one of the most tangible links between migration and development. They have been growing rapidly over the past few years and, for low and middle-income countries (LMICs) are now larger in aggregate than official development assistance (ODA) or foreign direct investment (FDI).

In 2023, remittances to LMICs exceeded \$656 billion and by 2030, migrants will send an estimated amount of \$5 trillion to their families and communities with significant amounts benefiting households in rural areas. Remittances are used to pay for daily necessities, including food, education, health and shelter expenses, and allow at least one billion people globally to achieve their own SDGs and meet their families' goals. Importantly, up to an estimated 25 per cent of remittances are saved and invested in assets and income generating activities.<sup>3</sup> At the national level, the potential to mobilise remittances to promote investment and inclusive growth, and to contribute to achieving the SDGs was stressed in a 2019 Technical Note by INTPA/DEVCO<sup>4</sup>. Globally, women and men send approximately the same amount of remittances, although women's earnings are lower<sup>5</sup>.

**Diaspora investment** is distinct from remittances and responds to personal goals set by diaspora members (migrants or descendants of migrants) who wish to finance business opportunities in their countries of origin. These investments can be either individual or collective and vary in terms of size, duration and frequency. Diaspora investors may be more likely than others to invest in their country of origin because of sentimental ties and due to their market knowledge, networks and an understanding of the development challenges. At the same time, investments may be discouraged due to lack of trust in the reliability of the context or the ruling government.<sup>6</sup> In contrast to migrants who are more likely to send remittances, diaspora members who are descendants of migrants have fewer personal connections to the country of origin. Online technologies and social media have presented an opportunity for these generations to develop transnational ties. Diaspora investors invest in projects and enterprises in several sectors,

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<sup>2</sup> **Climate resilience** is a concept to describe how well people or ecosystems are prepared to bounce back from certain climate hazard events. The formal definition of the term is the "capacity of social, economic and ecosystems to cope with a hazardous event or trend or disturbance" (IPCC, 2022, [Summary for Policymakers](#)).

<sup>3</sup> "The Use of Remittances and Financial Inclusion." IFAD/World Bank for the GPMI (2015).

<sup>4</sup> DEVCO A4 (2019), Remittances: A Source of Financing for the SDGs, Technical Note – 2A4, July 2019, Note No. 19.

<sup>5</sup> See e.g., [Policy-brief-Migrant-women-and-remittances-Exploring-the-data-from-selected-countries-en.pdf \(unwomen.org\)](#)

<sup>6</sup> Joint Research Centre (JRC)/Knowledge Centre on Migration and Demography (KCMD) (2022), Remittances and Investment, Report July 2022.



including agriculture. Many diaspora investors invest in and mentor entrepreneurial start-ups and local enterprises and, by so doing, match the significant financing gap faced by MSMEs in developing countries

Both remittances and diaspora investment can be “flows of change” for their countries of origin, promoting economic opportunities and sustainable development, if properly leveraged.<sup>7</sup>

### **Climate vulnerability**

Many LMICs are extremely vulnerable to the negative and worsening impacts of climate change including severe weather events, flooding, drought, desertification, and others. At the same time, they are often not able to adapt and build resilience. Rural areas in LMICs are frequently most adversely affected as climate change is threatening livelihoods in agriculture, forestry, fisheries, and other productive activities, water and food security, and public health. Many rural households lack the ability to respond to, mitigate and adapt to climate change. Farming households are particularly affected. In their case, adaptation would involve anticipating the effects of climate change and taking measures to ensure resilience in the face of future hazards which may include soil fertilisation, diversification of activities, and increasing savings. Women and other vulnerable populations are particularly adversely affected by climate change impacts. Climate change has become a driver of displacement and migration from many rural areas.

### **The use of remittances and diaspora investment to reduce climate vulnerability**

Migrants support their families by sending **remittances** and therefore to some extent are already contributing to mitigating the negative impacts of climate change. The significant capital inflows to areas vulnerable to climate change allows for adaptation to the consequences of climate change by providing remittance-receiving households with the required income to not only pay for their basic needs but potentially use remittances as a source of capital, enabling them to invest in agricultural activities or housing infrastructure. Recent research shows that remittance-receiving families are more likely to spend on products and services that build climate resilience and more frequently implement technical adaptation strategies than non-recipients (e.g. purchases of improved inputs)<sup>8</sup>. Remittance-receiving families in rural areas allocate some of their resources to agriculture or other productive activities and spend on products that enhance resilience such as improving irrigation systems, adopting climate-smart agricultural technologies, drought resistant crops, tools and water management, improving their housing infrastructure or saving money in anticipation of bad seasons. Regular remittances can sometimes be used to purchase and install solar power systems for home consumption, water pumps, or small rural enterprises.

The fact that many remittance-receiving households are in climate-vulnerable regions within LMICs offers the opportunity to link remittances with climate action. However, remittances alone are not sufficient to successfully adapt to climate change. Households also need access to finance for investment that require upfront capital and knowledge of effective techniques and adaptation strategies, as well as financial education. The Action will therefore create or expand financial services in targeted areas including access to micro-credits for climate related activities and to insurance services based on remittances as collateral.

In addition, there are various possibilities to link **diaspora investment** with climate adaptation such as leveraging them for sustainable agribusiness and enterprises promoting green technologies. Diaspora investment can also contribute to the financing of MSMEs, but it is limited by a lack of information on emerging opportunities and reliable financial intermediaries. It can also finance disaster prevention and recovery. Concretely, the Action will for instance create or expand investment funds and crowd-funding platforms for diaspora members to invest in MSMEs working on climate resilience in the target regions. To do this, IFAD will use the corridor approach. A preliminary assessment will determine in which countries the biggest diaspora communities from Senegal, Pakistan and Honduras are located and IFAD will focus its activities with diaspora investors in these countries, making sure that for each diaspora at least one EU Member State is included.

Especially if leveraged together, remittances and diaspora investment can promote long-term sustainability and self-sufficiency in rural communities, enable the adoption of more sustainable crops and climate-resilient technologies, spur income diversification and job opportunities through MSME development in agricultural and non-agricultural

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<sup>7</sup> IFAD, Global forum on Remittances, Investment and Development 2023. Outcomes Report.

<sup>8</sup> IFAD, 2024, Remittances and diaspora investment as a means for climate adaptation in Mali.

activities, especially for women and youth, which are often on the front line of climate change impacts but lack the resources to adapt effectively.

## **Rationale for selection of priority implementation countries**

### **Senegal**

Senegal has sizeable diaspora communities in several EU countries with the largest in France, Italy and Spain. In Senegal, remittances represent 9% of GDP. A significant share of remittances is received in rural areas, representing half of the total population. Mobile money has been growing exponentially in recent years triggering the adoption of remittances being directly received into mobile wallets. Financial inclusion has also been triggered with 56% of the adult population owning an account at a financial institution or a mobile money account<sup>9</sup>. The remittance market environment is particularly competitive and enabling. While multiple Government-led initiatives address diaspora engagement and a unit is dedicated to Senegalese abroad at the Ministry of Foreign Affairs (Directorate General for Support to Senegalese Nationals Abroad), Senegal has not defined a specific national strategy on diaspora engagement. At the same time, Senegal is one of the countries most at risk from climate change, and is not well prepared to deal with it, ranking 144<sup>th</sup> out of 187 countries on the [ND-Gain Index](#)<sup>10</sup>. The country is vulnerable to several climatic hazards, including flooding, drought, extreme temperatures and water scarcity. Climate change is one relevant driver for irregular migration, as it has an impact on economic sectors such as agriculture, fishing, livestock farming. Senegal is one of the key countries of origin of irregular migration, particularly in the Atlantic route: between January and mid-November 2024, Senegal ranked third among the main nationalities arriving irregularly to Spain by sea.

IFAD's Financing Facility for Remittances (FFR) has been working in Senegal for over 15 years and has conducted research on diaspora investment and remittances as a tool for agricultural risk management. In the most recent initiative in the context of the EU-funded PRIME Africa programme, IFAD is partnering with private sector entities, InTouch and Orange Money, to enhance the role of remittances in fostering sustainable rural development and financial inclusion in Senegal. Through scaling up and leveraging digital international remittances rural digital financial inclusion is enabled for 15,000 remittance senders and receivers. In addition to FFR's work in Senegal, IFAD as part of its Country Strategic Opportunities Programme (COSOP) 2019-2024, aims at sustainably increase the production, productivity and profitability of family farms within modernized value chains, strengthen the professional capacities of actors in the value chains, including farmers' organizations, small rural enterprises and microenterprises, and strengthen national and sub-regional partnerships for the scaling-up of good practices and the implementation of pro-poor policies in rural areas.

In this context, IFAD provides loans that help sustainably increase food security and smallholder incomes and create permanent employment for rural people, particularly women and young people. Current IFAD-funded projects help smallholders and their organizations gain better access to farm inputs and services, appropriate technologies and markets with a strong involvement of national producer organizations and focus on local crops promotion and diversification of rural livelihood. A new project, PASS, dedicated to food sovereignty is about to start with a relevant component on rural finance which foresees also to maximize remittances and diaspora investment for financial inclusion, food security and resilience to climate changes. Remittances and diaspora investment are considered in the framework of the Ministry of Agriculture's collaboration with IFAD as a tool for agricultural risk management.

### **Pakistan**

Remittances play a vital component of Pakistan's economy, contributing around 8-10% of its GDP. In 2023 Pakistan was the 6th largest recipient of remittances globally, receiving \$27 billion. While many remittances were sent from the Gulf region, the U.S. and the U.K., several EU MS also host sizeable Pakistani diaspora communities (most

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<sup>9</sup> Findex 2021 and IFAD RemitSCOPE Country Diagnostic Senegal (2021).

<sup>10</sup> The ND-GAIN Index is a tool developed by the University of Notre Dame's Global Adaptation Initiative. It measures a country's vulnerability to climate change and other global challenges, as well as its readiness to improve resilience. The index evaluates 45 indicators across 191 countries to provide a comprehensive view of how well countries are prepared to deal with climate disruptions and leverage investments for adaptive actions.



notably Italy, Spain, and Germany). To support this, the Government of Pakistan renewed its incentive scheme to channel remittances through regulated financial intermediaries. This is part of a broader set of enabling policies aimed at facilitating and formalizing remittances and diaspora investment implemented by the Pakistan Remittance Initiative (PRI) - a joint effort by the Ministry of Finance, the Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD), and State Bank of Pakistan (SBP).

Pakistan ranks 5th on the 2024 Global Climate Risk Index, highlighting its vulnerability to extreme climate events like droughts, floods, and heatwaves. These events severely affect Pakistan's agriculture-based economy, leading to reduced crop yields, livestock losses, and infrastructure damage, which in turn worsen food insecurity, particularly in rural areas. The devastating floods of 2022, which affected over 33 million people, underscored the urgent need for resilient rural communities. Furthermore, Pakistan is among the world's most vulnerable nations to climate change, ranking 149th out of 187 countries on the ND-GAIN Country Index. Pakistan remains a key country of irregular migration towards the EU in the Central and Eastern Mediterranean/Western Balkan routes.

In Pakistan, remittances from abroad are a lifeline for many rural families. These funds are used for essential needs such as food, healthcare, and education, as well as to help families adapt to climate shocks by investing in more resilient farming practices or rebuilding after disasters. To maximize the effectiveness of remittances, transitioning to digital and formal channels is critical. This shift ensures more secure, timely, and accessible financial services for rural communities, helping them better manage the impacts of climate challenges. Aligned with these challenges, IFAD's COSOP for Pakistan (2023-2027) aims to enhance the productivity and profitability of smallholder farmers through climate-resilient diversification and agribusiness approaches, while promoting financial inclusion. As part of this strategy, IFAD's FFR is working on a project to transition from cash to end-to-end digital remittances along the Malaysia to Pakistan corridor. This initiative will improve access to formal financial services, providing rural populations with better opportunities for credit and savings, which can enhance their climate resilience. IFAD current portfolio in Pakistan amounts to about US\$691 million of which US\$451 million is contributed by IFAD, making it currently the highest IFAD financing among IFAD-assisted countries

## **Honduras**

In 2023, Honduras ranked as the 7th largest remittance-receiving country in terms of remittances as a share of GDP (26%). In rural areas, 23 percent of households receive remittances on a regular basis and remittances can make up to 45% of household income, underscoring their importance in sustaining livelihoods and reducing poverty. However, Honduras faces significant barriers to maximizing the potential of remittances. There is low digital penetration, with only 66% internet access and 79% mobile connection, and financial inclusion at 38%, with considerable gender gaps. These pose challenges for leveraging remittances for broader economic development. With the help of the Alliance for Financial Inclusion, the government has begun formulating a National Financial Inclusion Strategy (NFIS). A financial literacy action plan exists, focused on general school level financial literacy, but it does not address remittances. At the same time, Honduras is among the world's most vulnerable and less prepared countries to adverse climate change impact, ranking 145<sup>th</sup> out of 187 countries according to the [ND-GAIN Country Index](#). The Global Climate Risk Index published by the Bonn-based environmental organization Germanwatch ranks it as third among the countries most affected by extreme weather events in the last 20 years. An EU country, Spain, ranks second after the US as country of residence of the Honduran diaspora: in 2023 there were 177,616 Honduran nationals living in Spain, and Hondurans rank fourth in asylum requests in Spain.

IFAD's overall strategy in Honduras aims to reduce rural poverty and curb migration by promoting sustainable food systems that are inclusive, efficient, and resilient to the effects of climate change, while simultaneously generating employment. As IFAD's COSOP is set to conclude in 2025, this presents a timely opportunity to introduce remittances as a critical area of focus. IFAD's overall strategy in Honduras aims to reduce rural poverty and curb migration by promoting sustainable food systems that are inclusive, efficient, and resilient to the effects of climate change, while simultaneously generating employment. As IFAD's COSOP is set to conclude in 2025, this presents a timely opportunity to introduce remittances as a critical area of focus.

## **Rationale for selection of alternative/additional countries**

### **The Gambia**

Remittances accounted for about 23% of GDP in 2023. Informal channels (estimated at 60%) still dominate the market, but formal channels are gaining ground along with mobile remittances. Following a steady growing path, remittances remain a major source of social, political and economic resilience, especially in rural areas. The country faces high level of financial exclusion: only 19% of Gambians have an account with a formal financial institution and women are more excluded than men. There is a Ministry for Gambians Abroad, a Diaspora Investment Fund and tax incentives for Diaspora Bonds. The new National Financial Inclusion Strategy (NFIS) includes remittances as a key enabler as a result of IFAD support to the Central Bank. The Gambia is one of the world's most vulnerable and less prepared countries to adverse climate change impact, ranking 151st out of 187 countries according to the ND-GAIN Country Index. Because of the country's dependence on rain-fed agriculture and tidal irrigation, the agriculture sector is exposed to increasingly frequent weather-related shocks and increasing salinization of lowland rice-producing areas. Through the PRIME Africa programme, IFAD's FFR is working in the country providing technical assistance to the Central Bank and the Financial Intelligence Unit, and enhancing access to digital remittances and fostering financial inclusion to the un(der)banked population through partnerships with private sector entities. One of the strategic objectives of the COSOP 2019-2024 is to enhance the productivity and resilience of family farms through sustainable management of natural resources and adaptation to climate change, with a focus on youth and gender impacts.

## **Bangladesh**

With US\$22 billion received in 2023, Bangladesh is the 6th top receiving country worldwide and remittances contribute 5% to its GDP. It is estimated that 9% of the population receive international remittances with a large majority living in rural areas. Investment in the digital infrastructure of the country has been a priority for the Government of Bangladesh in the past decade accelerating the adoption of digital financial services and boosting financial inclusion. Financial inclusion is at 53% of adults, marked by access disparities especially for rural population and women. The Government of Bangladesh launched various initiatives to bolster digital remittances. Facilitating remittances is also one of the targets to achieve the objective to increase financial deepening set forth in the new National Financial Inclusion Strategy (NFIS 2021-2026). Climate change is a significant threat to Bangladesh, exacerbating natural disasters such as floods, cyclones, landslides and changing monsoon rainfall patterns. Rising sea levels pose a threat to coastal areas in the form of the loss of land and salinization of groundwater. Bangladesh ranks 173<sup>rd</sup> of 187 countries according to the [ND-GAIN Country Index](#). While IFAD's FFR has supported the shift from cash to end-to-end digital remittances IFAD's COSOP (2023-2028) explicitly includes the strategic objectives of strengthening climate change adaptation and mitigation capacities of vulnerable rural communities through resilient infrastructure and climate-smart agriculture, and enhancing access of rural smallholders, microentrepreneurs and marginalized groups to financing, technology and markets so that they can diversify their economy and generate rural employment. Remittances are an integral part of rural financial services to be made accessible to 250,000 individuals under the COCOP

## **Guatemala**

In 2023, remittances accounted for 19.2% of the country's GDP. More than half of these funds flow into rural areas, providing a critical financial lifeline to families who rely on these transfers for everyday needs and investments. Guatemala has high rates of exclusion from the formal financial system; for example, only 44 per cent of the population has a bank account. The 2019-2023 National Financial Inclusion Strategy aims to expand and improve access to, and the use of, financial products and services by the different population segments, especially those not yet integrated into the national financial system in rural areas with high rates of poverty and migration. Guatemala is very vulnerable and unprepared to adverse climate change impact, ranking 120<sup>th</sup> out of 187 countries according to the [ND-GAIN Country Index](#). It is also one of the 20 countries in the world that are most affected by the severe impacts of extreme climate events. IFAD's COSOP outlines the need to strengthen the role of remittances in sustainable rural development. This strategy includes increasing financial inclusion and promoting the productive use of remittances, particularly in the context of climate change resilience and rural entrepreneurship. The COSOP outlines that IFAD's approach to remittances focuses on creating an enabling environment where remittance-receiving households can not only meet their immediate needs but also invest in long-term economic opportunities. This includes efforts to lower transaction costs, promote financial education, and integrate remittances with broader rural financial services. So far, IFAD intervention in the country has been implemented through 8 loans, for a total

investment of over USD 230 million, with a focus on promoting a market-driven development of agricultural and non-agricultural rural businesses and microenterprises.

### **Complementarity, synergy and donor coordination**

The Action will build upon IFAD's over 18 years of experience in remittances and diaspora investment through its Financing Facility for Remittances ([FFR](#)), the successful results and lessons learnt from the current EU-financed [PRIME Africa](#) programme, and the [REMIT](#) PRIME project in Central Asia encompassing rural finance, the development of MSMEs, and value chain finance interventions to ensure breadth and depth of impact and full integration into IFAD operations for scaling up. Furthermore, IFAD will also leverage substantial co-financing by private sector entities as is the case in the PRIME Africa initiative. Last but not least, the programme will harness the potential of remittances and diaspora investment for climate resilience, as presented in the Consultation with Member States in the context of the Sustainability, Stability and Security (3S) Initiative, in January 2024.<sup>11</sup> To operationalise the 3S initiative, the **COP's Global Mechanism** has partnered with IFAD to use remittances and diaspora investment for climate-resilient and sustainable land management to enable rural remittance families and their communities to build climate resilience and improve sustainable land management, thereby enhancing livelihoods, food and water security, and rural youth employment, and reducing the incentives for migration due to climate change. This is done to fulfil decision 22/COP.15 which focuses on addressing migration and forced displacement arising from the desertification, land degradation and drought.<sup>12</sup> IFAD envisages to implement actions similar to ResilientRemit in additional countries and is currently trying to secure funding from other donors including EU Member States.

There will be synergies of ResilientRemit with a regional Migration Action which is part of the Regional AAP 2024/25, **Comprehensive approach to Climate Mobility in South Asia** which was approved by the NDICI Global Europe committee on 2 October 2024 and includes Pakistan and Bangladesh amongst the targeted countries. The Action includes activities that will be complementary to ResilientRemit. Complementary actions include studies of national diasporas as stakeholders for reskilling programmes and for channelling remittances to climate-adaptive investments; strengthening of capacities to leverage innovative financing, including climate linked financing and diaspora funding; diaspora mapping; and developing tools, coordination mechanisms and a framework for diaspora engagement in climate action. While there is considerable potential to create synergies between both Actions, coordination between the two implementing partners will be essential to minimise the risk of duplication.

In Senegal, synergies will be sought with the Team Europe Initiative **Investing in Young Businesses in Africa** (IYBA) to help young businesses and entrepreneurs in Africa, especially women, to launch, consolidate and grow sustainable, strong and inclusive businesses and create decent jobs. Synergies will also be sought with the TEI on **Climate Change Adaptation and Resilience in Africa** which is promoting investment in climate action from non-state actors (private sector, MSME and community cooperatives) as part of the pillar on enhancing access to climate adaptation funding. Under the umbrella of the EU's contribution to the Great Green Wall, connections will also be sought between ResilientRemit and the **Regreening Africa**<sup>13</sup> - a partnership of research organisations and implementing NGOs funded by the European Union under which interventions are co-created with communities to regreen landscapes, as well as with **RIPOSTES**<sup>14</sup> which contributes to building the capacity of communities to adapt to climate change through sustainable management of land and ecosystems. This can furthermore build on the EU's and IFAD's productive relationship in the Great Green Wall. Finally, potential complementarity will be sought with all EU bilateral funded programmes in the agriculture sectors in the country (Agropole Centre, Beydaaré, Resilience in Casamance, etc.).

IFAD will also consider experiences from the **EU Global Diaspora Facility** (EUDiF) which supported two micro-projects managed by ICMPD on diaspora and climate adaptation in local communities in Mexico and the Philippines, that include local awareness and capacity building of local authorities. Other experiences include **O-REMIT**, supported by Belgium and managed by IOM, which links diaspora investors in Belgium with small enterprises in the Democratic Republic of Congo, Morocco, and Senegal. Moreover, there is potential for

<sup>11</sup> [Leveraging Remittances and Diaspora Investment for Climate Resilient Development Impact Consultation - GFRID](#)

<sup>12</sup> [ICCD/COP\(15\)/23/Add.1 \(unccd.int\)](#)

<sup>13</sup> <https://regreeningafrica.org/where-we-work/senegal/>

<sup>14</sup> [https://www.eeas.europa.eu/delegations/senegal/launch-ripostes-project-favor-great-green-wall\\_en?s=117](https://www.eeas.europa.eu/delegations/senegal/launch-ripostes-project-favor-great-green-wall_en?s=117)

knowledge sharing and cross-fertilisation with other EU-funded programmes regarding climate and weather services, and early warnings, such as the 11<sup>th</sup> EDF **Intra-ACP Climate Services and Related Applications** (ClimSA)<sup>15</sup>

## 2.2 Lessons learnt

From past and present IFAD FFR's interventions such as the current EU funded PRIME Africa and REMIT-PRIME Central Asia programmes, the previous MIGRRA and APFSI initiatives, and studies linking remittances and development<sup>16</sup> or main outcomes of the GFRID Summits<sup>17</sup>, the following lessons have been learned:

- 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. Gender-sensitive financial education, consumer protection and transparency are essential parts of the enabling environment to advance inclusion.
- 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<sup>18</sup>.
- While not all migrants are entrepreneurs or in capacity to invest financially, the most entrepreneurial and wealthy of them can invest in countries of origin and can thereby contribute to the financial and climate resilience of remittance families, their enterprises and communities. Most knowledgeable and entrepreneurial migrants can also build on their expertise acquired abroad and offer business and investment advice to local entrepreneurs working on growing and resilience solutions.
- Diaspora investments offer a promising avenue for rural communities to build climate resilience and break the cycle of climate-induced migration. Migrants' investments are already used by rural entrepreneurs to promote climate adaptation solutions, thereby improving food and economic security, fostering the adoption of sustainable agriculture and other climate adaptation strategies.<sup>19</sup>
- 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.
- Impactful initiatives are based on tailored models to local market structures, that fully integrate socio-cultural factors. Needs assessments of targeted beneficiaries are also crucial prior to implementing concrete technical assistance solutions. This is well reflected in all PRIME Africa country profiles of IFAD's RemitSCOPE webportal and the PRIME Africa country diagnostics of the remittance markets.<sup>20</sup>
- A remittance/migration corridor approach can enable more adapted solutions for beneficiaries both on the sending and the receiving sides and promote bilateral agreements on remittances on both sides of the corridors, as also outlined by the Result-Oriented Monitoring (ROM) Mission Report on the PRIME Africa programme, undertaken in 2023. ROM Global included PRIME Africa among the best 57 GPLLPP (Good Practice reports) produced during the period Aug/2019-Jan/2023, and the only one focused on migration.
- Impactful partnership with private sector requires adequate time for appropriate set up and implementation. Often interventions risk being delayed not because of lack of business stability but rather to regulatory challenges, complexity of prolonged IT integration processes related to digitalization objectives, delays in technology development, competing corporate priorities, time taken for regulatory approval and choices of effective project partners.

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<sup>15</sup> [Intra-ACP Climate Services and Related Applications \(ClimSA\)](#)

<sup>16</sup> G20 GPFI report authored by IFAD "[Promoting financial inclusion through digitalization of remittances](#)", 2024

<sup>17</sup> [GFRID Summit 2023 Outcome report](#), IFAD, OSAA, 2023

<sup>18</sup> GSMA – IFAD report "[How mobile money is scaling international remittances and fostering financial resilience: learning from Valyou in Malaysia](#)", 2020

IFAD "[MobileRemit Africa Report](#)", 2022

<sup>19</sup> IFAD – UNCCD event on "[Leveraging remittances and diaspora investment for climate resilient development impact](#)", 2024

<sup>20</sup> IFAD [RemitSCOPE webportal](#)

IFAD [Senegal Country Diagnostic](#), 2022 (Prime Africa has produced nine country diagnostics (Cape Verde, Ethiopia, The Gambia, Ghana, Kenya, Morocco, Senegal, South Africa, Uganda)



## 2.3 Problem Analysis

### Short problem analysis:

#### **Linking climate change and migration**

Climate change and land degradation reduce the livelihoods of millions of people and play a growing role in the rate of rural migration. In regions where agriculture is primarily rain-fed, recurrent drought, floods and increasingly variable precipitation worsen food and water insecurity and rising temperatures decrease the yields of staple crops such as maize, millet, and sorghum. Further, extreme heat dries out soils and contributes to wind erosion, which strips fertile topsoil and reduces the ability of land to support vegetation. Unsustainable land use further exacerbates land degradation and leads to desertification, contributing to greater climate change and poverty.

Under these conditions, the decision to migrate becomes a rational choice for many youths and their families in rural areas of LMICs. With high youth unemployment, poor local opportunities and mounting climate impacts and land degradation the migration of a family member frequently becomes an investment decision. A family loses a member to migration, but in return receive remittances. These private, intra-familial flows are a primary source of development finance for millions of families in LMICs, supporting rural livelihoods and the economic and social resilience for families through economic slumps and crises, such as the recent pandemic.

The enormous growth in the number of young persons living in rural areas facing limited employment and income opportunities creates further pressure to migrate. Improving climate resilience and sustainable use of land and natural resources can help rural families to maintain or improve agriculture and related production in the face of climate risks. These practices may also improve the skills required by higher value-added agribusiness, opening a pathway for a better life and reducing the incentives to migrate, particularly for rural youth.

#### **Lack of access to services and information in rural areas**

Remittance recipients in rural areas frequently lack access to financial services including credit and insurance, financial literacy, and information on resilient technologies, sustainable agriculture techniques and existing technological and innovative solutions that could contribute to climate resilience in their region of origin which prevent them from making informed decisions that would leverage the use of remittances for climate resilience. Moreover, not all migrants and diaspora members are well informed about the predicted impacts of climate change in their countries of origin and there is need to raise their awareness. Among remittance senders and receivers, there may be a lack of awareness of opportunities and environmental sensitivity and the identification of locally available goods and services. At the same time, it is important to keep in mind that not all migrants have the resources to invest in climate adaptation and resilience.

#### **Limitations of diaspora investment**

In many instances, diaspora capital remains limited to opportunities relying on personal networks and individual experiences. Measures that provide professional support and reliable options will channel more resources and increase the willingness of the diaspora to invest in favour of climate adaption, thus potentially unleashing the full potential of diaspora investment.

#### **Short-term mitigation versus long-term adaptation**

Remittance flows and diaspora investment can enable rural households to invest in and adapt to changing environmental conditions, mostly through livelihood strategies focused on short term mitigation of climate shocks. While the impact of migrant remittances for climate resilience is already significant, it can be further leveraged. The contribution of remittances to climate adaptation can be enhanced by promoting financial inclusion in rural areas, raising awareness of the effects of climate change and how to respond to them, by fostering sustainable agricultural and land management practices, improving critical infrastructure and others. Moreover, beyond remittances, better-off diaspora members already support the emergence of MSMEs in their countries of origin, spurring innovations and business models that bring new solutions and green alternatives for climate resilience and job creation, especially in rural areas. While being drivers of economic growth and significantly contributing to employment in many LMICs, many MSMEs face challenges in accessing financing and technical support to adapt to the impacts of climate change and will therefore benefit enormously from diaspora investment.

## Adapting food and agricultural systems

Adapting food systems to climate change is an urgent matter, yet a major challenge in many LMICs. Massive financial resources are needed to support this transformation. However, the obstacles to adapting food and agricultural systems to climate change are not limited to financial constraints. Consequently, promoting diaspora investment and remittances for green investments is necessary but also requires non-financial support services provided by extension or business development service providers. A programmatic approach, typical to IFAD's holistic interventions, is needed to transform food systems over the long term.

### **Lack of policy linkages of remittances with climate adaptation measures and need of more market intelligence on remittances and diaspora investment for climate resilience**

Many remittances-, diaspora investment- and migration-related policymakers and stakeholders are unfamiliar with the potential of these for climate resilience and sustainable land practices. Likewise, most stakeholders in the climate change and environmental agendas are not well informed about the roles of migrant resources in advancing climate goals and sustainable resource use.

At the same time detailed market intelligence and actionable data on remittances and diaspora investment are needed to help leverage these resources for action on climate resilience and sustainable land use and management. Remittances surveys do not typically provide information as to how remittances strengthen productive rural activities or climate adaptation. Further, data on diaspora investment is scarce in most countries. Market information and better data are crucial to inform new options for remittance families and diaspora investors to use their resources more effectively for climate resilience and sustainable land use.

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

- Financial Service Providers (FSPs), money transfer operators, mobile operators and other FSPs that provide financial services for remittance families,
- Agricultural research organizations with expertise in climate resilience,
- Policy makers and relevant ministries such of agriculture, rural development, climate change, environment, officials implementing National Adaptation Plans,
- National and local government officials of Ministries of Finance and Central Banks in all targeted countries (working in remittances management, investment, and diaspora engagement),
- Local enterprises that offer technologies, products, services and information to help families diminish their climate vulnerability,
- NGOs, foundations and other entities that support innovative approaches to financing climate and sustainable land and agricultural solutions,
- Diaspora groups and members with a particular focus on women and youth,
- International organizations, bilateral and multilateral agencies, including multilateral development banks.

## 3 DESCRIPTION OF THE ACTION

### 3.1 Objectives and Expected Outputs

The **Overall Objective** of the action is to maximise the impact of the economic contribution of migrants for greater adaptation to climate change and enhancing climate resilience in the communities of origin.

The **Specific Objectives** of this action are to:

**SO1: Promote remittances and diaspora investment for climate resilience in target countries:** To facilitate the use of migrant remittances and diaspora investment for actions contributing to climate resilience in rural communities in target countries with a particular focus on women and youth within migrant communities, diasporas and remittance-receiving households.



**SO2: Increase international commitment on remittances and diaspora investment for climate resilience:** To promote the development of international policy frameworks that maximize at global level the information on and impact of migrant remittances for enhancing climate resilience.

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

**1.1** contributing to Outcome 1 (or Specific Objective 1): Accurate and actionable data on remittances and diaspora investment related to climate adaption and resilience in target countries.

**1.2** contributing to Outcome 1 (or Specific Objective 1): Enhanced awareness in target countries, including governments, migrants, diasporas and remittance receiving families on the impact of remittances and diaspora investment for climate adaptation and resilience.

**1.3** contributing to Outcome 1 (or Specific Objective 1): Higher rates of financial inclusion particularly among women and other disadvantaged persons in rural climate-affected regions.

**1.4** contributing to Outcome 1 (or Specific Objective 1): A larger proportion of remittances being used to fund climate resilience actions at household or community levels in climate vulnerable target areas.

**1.5** contributing to Outcome 1 (or Specific Objective 1): Increased adoption of sustainable agricultural and land management methods by remittance-receiving households and MSMEs benefitting from diaspora investments.

**1.6** contributing to Outcome 1 (or Specific Objective 1): Higher amounts of diaspora investment channelled into sustainable and resilient rural investment and sustainable agricultural methods.

**1.7** contributing to Outcome 1 (or Specific Objective 1): Mainstreaming scalable models that facilitate the use of migrants' remittances and diaspora investment for climate resilience in rural communities into IFAD programmes.

**1.8** contributing to Outcome 1 (or Specific Objective 1): Increased support within target country governments for using remittances and diaspora investment for climate adaptation.

**2.1** contributing to Outcome 2 (or Specific Objective 2): Enhanced awareness among the international community on the impact of remittances and diaspora investment for climate adaptation and resilience.

**2.2** contributing to Outcome 2 (or Specific Objective 2): Increased support and engagement within international development institutions, and the international community for new impactful and actionable global commitments to maximise the impact of remittances and diaspora investment for climate adaptation beyond 2030

## 3.2 Indicative Activities

Activities relating to Output 1.1

- Conduct surveys on remittances used for climate adaptation. These surveys will analyse the profiles, behaviours, and objectives of remittance senders and rural recipients, with a specific emphasis on their contributions to climate resilience. For remittance senders and the diaspora at large, the focus will be on assessing their awareness on climate risks and related existing opportunities to lower their relatives' exposure and vulnerability to climate risks, which in turn, can reduce the need of remitting money in case of a risk event. This includes but is not limited to direct remote payment for insurance, climate resilient agricultural inputs or renewable energy systems to name a few. In the case of recipients, a comparative analysis will be made with non-receiving households. The objective is to gain insights into how remittance-receiving households adapt to environmental challenges and identify actionable levers to enhance their long-term resilience and the role and participation of women in household climate resilience and adaptation strategies. Surveys will allow to identify effective strategies such as savings, the adoption of new seeds, irrigation and solar systems, and the related financial services needed to finance those strategies.
- Conduct surveys on diaspora investment for climate risk adaptation. These surveys will characterize the profiles, behaviours, and objectives of diaspora investors, focusing on green finance. These surveys aim to gather insights into the investment preferences and motivations of diaspora members interested in sustainable projects as well as their perceptions and effective barriers preventing their investment. Surveys will pay attention to establish profiles of the diaspora population by generation, occupation, income and gender.
- Remittances and diaspora investment are addressed separately. Surveys on remittances will be conducted among remittance receivers, while surveys on diaspora investment are conducted among migrant investors.

## Activities relating to Output 1.2

- Provision of remittances and diaspora investment data, relevant frameworks and tools and the dissemination of learnings to national public and private stakeholders in the climate change, environment and sustainability agendas in target countries:
  - o Regarding remittances, information will allow Financial Service Providers (FSPs) from the private sector to seize opportunities to gather savings from remittance recipients, lower their credit risk and increase their appetite to serve that segment with their existing products or by designing innovative payment or financial services for remittance users. It will also allow FSPs to identify partnership opportunities with public or private sector players providing weather and market information, agricultural and business support that mitigate their customers exposure to climate vulnerability (see activities relating to Outputs 1.3, 1.4, 1.5).
  - o Regarding investment, information provided will allow seizing and segmenting diaspora investors, their respective savings and investment capacities and risk appetite for existing investment options. It will also allow investment professionals, support organizations and public stakeholders to design incentives to orient diaspora investment towards climate resilient businesses (see activities related to output 1.5 and 1.6).
- Awareness raising activities among governments, migrants and diaspora members from the target countries on the potential use of remittances and diaspora investment for climate adaptation, with a particular focus on women and other vulnerable groups.

## Activities relating to Output 1.3

- Awareness raising and capacity building for remittance families on climate trends, climate risk management and sustainable land practices. Particular attention will be given to women and vulnerable groups.
- Provision of financial and digital literacy trainings to remittance-receiving families with a particular focus on using remittances for climate resilience, particularly targeting women and other vulnerable family members.
- Partnerships with Financial Service Providers to improve access to remittances and other financial services in rural areas and particularly for women and other vulnerable family members.
- Scaling up of digital remittances and linked financial services used for climate resilience based on IFAD interventions.

## Activities relating to Output 1.4

- Enabling rural households who receive remittances to access micro-loans for purchasing green products such as irrigation systems, solar panels, pesticides, and climate-resistant seeds. Financial Service Providers (FSPs) will partner with green product enterprises and offer these loans at reduced rates, using remittances as collateral due to their reliability as a regular source of income. To further support their clients and farmers, FSPs will upgrade their financial apps with tools like weather updates, seed price tracking, green product supplier information, and the nearby purchase locations.
- Enabling the private sector by providing financing and technical assistance to pilot green financial products linked to remittances or the bundling of existing products with remittances. Technical assistance will support product development and capacity building, helping private sector actors design, implement, and scale innovative solutions suited for remittance-receiving households including for savings, agriculture insurance, sustainable agricultural and green business loans, and pay-as-you-go options to acquire green technologies.

## Activities relating to Output 1.5

- Provision of weather forecast information, climate vulnerability assessments and extension services, and where relevant (in conjunction with IFAD country programmes and EU-funded projects), farm field schools, family farming education and training in community-based natural resource management, water management, soil conservation, rangeland management, agroforestry, agrobiodiversity, organic farming and sustainable and regenerative agriculture production, targeting remittance-receiving households and MSMEs benefitting from diaspora investment.
- Local outreach to family farms and other rural enterprises with training and demonstration of proven sustainable and climate-resilient agricultural methods. Particular attention will be given to women and other vulnerable groups

#### Activities relating to Output 1.6

- Provision of information, training, incentives and technical assistance to create or enhance impact investment products and approaches to enhance climate resilience for diaspora investors in selected countries. If possible, these services will be adapted to the specific needs of women and youth.
- Support for the implementation and monitoring of new or enhanced diaspora investment mechanisms for climate adaptation.

#### Activities relating to Output 1.7

- Identification of key national strategic priorities on the topic of remittances and diaspora investment for climate resilience, providing support for the drafting of IFAD Country Strategic Opportunities Programmes (COSOPs) and Country Strategy Notes (CSNs).
- Further integration of remittances and diaspora investment towards climate resilience approach and models into selected IFAD Programs financed through sovereign Investment Loan Programs.

#### Activities relating to Output 1.8

- Promoting cross-sector dialogue in target countries through the organization of national dialogues and platforms on remittances (National remittance stakeholder networks), bringing together financial industry representatives (including traditional players and new entrants such as mobile networks operators and innovative financial technologies) with government policymakers and regulators, local communities, civil society entities, academic institutions and think tanks, with the aim to share new innovative instruments, promote synergies and partnerships, and discuss burdens and regulations to facilitate remittances and diaspora investment for climate resilience.
- Engaging directly, including through technical assistance, with the relevant national ministries, regulatory authorities and central banks in target countries, in order to support national government strategies towards adopting more favourable and efficient regulatory frameworks promoting low-cost remittances using formal channels, greater financial inclusion and green finance.
- Engagement with financial sector and policy makers and other market regulators in target countries to promote enabling and inclusive strategies and regulatory frameworks for remittances and diaspora investment and consider those in national adaptation plans.

#### Activities relating to Output 2.1

- Disseminate learnings and research to increase awareness among policymakers, financial sector operators and other market regulators globally on the contributions of remittances and diaspora investment to climate resilience and sustainable land use and management.
- Provision of remittances and diaspora investment data, relevant frameworks and tools and the dissemination of learnings to international public and private stakeholders in the climate change, environment and sustainability agendas.
- Awareness raising activities among migrants and diaspora members on the potential use of remittances and diaspora investment for climate adaptation, with a particular focus on women and other vulnerable groups.
- Use the platform of the UN supported Global Forum on Remittances, Investment and Development (GFRID) and the International Day of Family Remittances (IDFR) to highlight the impact of remittances and diaspora investment on climate resilience and promote increased international commitment on the topic.

#### Activities relating to Output 2.2

- Provision of evidence-based high-level expertise for actionable global commitments on remittances and diaspora investment, through technical assistance, events, policy briefs, dissemination of studies and research.

### 3.3 Mainstreaming

The Action is primarily focused on the nexus connecting migration, remittances and diaspora investment, and climate adaptation. It aims at maximizing the impact of the economic contribution of migrants for greater adaptation to climate hazards, and for enhancing climate resilience, ultimately addressing the root causes of irregular and forced migration. The Action will include a focus and specific targets on gender equality addressing the needs and challenges

of women in remittance-receiving households and adopting women-tailored solutions. The Action will also undertake surveys and market analysis through sex-disaggregated data. By maximizing the impact of the economic contribution of migrants, the Action contributes to reducing poverty and inequalities, and to increasing the resilience of remittance-receiving households and communities. This Action's results will be leveraged by IFAD's core country programmes and sovereign financing mechanisms, thus enabling effective mainstreaming of the validated mechanisms.

## **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).

While the action itself does not require an EIA or CIA screening, these tools will be kept in mind if any specific activities are supported that would require them. In the target countries, national regulations on Environmental Impact Assessments (EIA) and Climate Risk Assessments (CRA) will be fulfilled, including in cases where diaspora investment in particular areas to an EIA or CRA under national law. For instance, diaspora investment in infrastructure development may be subject to an EIA.

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.

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## **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 project.

There are significant differences between women and men remittance-senders, between women and men diaspora investors, and between women and men who are remittance receivers. Gender equity in access to financial services and information on climate adaptation strategies remains a challenge and 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.

At the same time, many other development challenges such as climate change and biodiversity loss magnify ongoing social and economic inequalities, including those between women and men. Often women bear an unequal burden when it comes to climate change and environmental impacts. Many rural women and girls rely primarily on climate-vulnerable livelihoods, such as small holder farming and manual labour. Climate hazards frequently damage the crops and the livestock upon which they depend, increasing risks to food insecurity, deepening poverty, and exposure to violence and displacement. In addition, ecosystem degradation can worsen women's access to natural resources such as land, water, and other critical inputs, hence increasing their vulnerability to poverty and food and nutrition insecurity. Women also experience greater financial and resource constraints, lower levels of access to information,

and less decision-making authority in their homes and communities. Climate change and environmental impacts also increase the demands for care and other domestic responsibilities that constrain the access of women and girls to education and employment opportunities. For example, severe drought has forced girls to drop out of school to support the increased burdens in household and farm chores, as men and adolescent boys migrate to urban centres looking for work. In addition, climate risks such as extreme heat and flooding can threaten the prenatal health of mothers, the unborn and small children.

The Action will include a focus and specific targets on gender equality addressing the needs and challenges of women in remittance-receiving households and adopting women-tailored solutions. All data collected as part of the Action will be sex disaggregated. Furthermore, the Action will ensure the provision of needs-based and tailor-made gender interventions when targeting migrants, diaspora members and remittance-receivers.

Ensuring that new interventions adopt gender-specific and inclusive approaches in their design and implementation. The specific needs of women and financially excluded groups will be captured and addressed, promoting an equitable access to benefits and enhancing the capacity of women and vulnerable groups to adapt to climate change.

In particular, the programme will adhere to the IFAD policy on gender equality and women's empowerment, by:

- Assessing the differences that exist among women – age, nationality, ethnicity, socio-economic category – and the dynamics in gender roles and relations.
- Using gender analysis to understand the different roles, interests and priorities of women and men, and tailor policies, programmes and projects accordingly.
- Implementing, when necessary, women-focused activities to address existing imbalances in economic and career opportunities, decision-making and workloads.
- During project identification and design, focus efforts on providing young rural women with environment, economic and social development opportunities.
- Apply continuous learning and analysis based on field experiences to develop more effective approaches and to generate information for evidence-based advocacy and policy dialogue.

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## **Human Rights**

The rights of migrants and their families will be addressed, particularly from the angle of financial services and their link to climate adaptation, guaranteeing equal access to services to all beneficiaries. The Action will contribute to protecting economic and social rights. Activities are focused on financial inclusion and improving business and investment, and therefore seek to create a balanced and sustainable economic growth model and consequently more decent job opportunities and financial independence for all. 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.

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## **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 the leave no one behind principle, the programme will strive to identify specific opportunities to integrate people with disabilities in economic activities (particularly under SO2). While these measures will not be extensive in their scope, they may nevertheless serve as examples for the potential inclusion of persons with disabilities in economic development and building climate resilience at the local level.

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## **Reduction of inequalities**

Reduction of inequality is a significant objective. The Action targets remittance-receiving households in climate vulnerable rural areas. The individuals and households benefitting from the Action are socioeconomically disadvantaged and their vulnerability is enhanced due to the adverse impacts of climate change on their livelihoods. Rural areas where households rely on agriculture for their livelihoods are disproportionately affected by climate change. As remittances and diaspora investments are a social security and safety net for those left behind and for returning migrants, the Action will contribute to reducing inequalities between selected rural and urban households within the three target countries.

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## Democracy

Democracy, intended as financial and climate resilience democracy, will be largely ensured through the impact of financial inclusion and using remittances and diaspora investment for climate adaptation. Previously financially excluded women and men will become financially included and households will become more climate resilient, enhancing their socio-economic positions and providing them with a more diverse range of livelihood options. Enabling migrant workers to best use their resources through financial education and by providing more choices to use their funds is an essential step towards the promotion of financial democracy.

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## Conflict sensitivity, peace and resilience

The Action is undertaken to create the conditions for safer and stronger regional remittance markets which will generate livelihoods and reducing the incentives to migrate, thereby enhancing the resilience of millions of remittance-receiving households in climate vulnerable rural areas. Enabling households to build livelihoods despite the impact of climate change will reduce the potential for conflicts.

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## Disaster Risk Reduction

The Action will ensure increased financial independence for families receiving remittances in climate affected rural areas in three countries. Families receiving remittances will be assisted to adapt to climate change and build resilience. At the community level, diaspora capital will be channeled into businesses that promote climate adaptation measures through the development of strategies that will mitigate the effects of natural disasters. These will reduce the risks of households to be negatively affected by the sudden and slow onset impacts of climate change including displacement due to climate change related disasters.

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### 3.4 Risks

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
3	Risk 1: Lack of interest among remittance-receiving households to invest in climate adaptation and resilience	L	H	The Action will provide training and adapted remittance-linked financial services to remittance-receiving households to raise their awareness and openness to the issue.
3	Risk 2: Lack of interest among diaspora investors	L	H	The Action will collect and disseminate studies on the relevance of investing in climate resilience and will provide technical



	to invest in climate adaptation and resilience			support and mechanisms to facilitate such investments
1	Risk 3:  Lack of digital infrastructure as a barrier to investment in climate-resilient systems	L	M	The Action will engage with both public authorities and private sector partners to improve the enabling environment and create the digital conditions for the project partners to operate in rural areas and offer gender sensitive services
4	Risk 4:  Market issues and lack of enabling environment as a barrier to investment in climate-resilient systems	M	H	The Action will encourage governments, regulators, and financial and remittance service providers to promote and develop green products and build partnerships in migrants' origin and destination countries to promote investments in climate-smart solutions.
2	Risk 5: Lack of political will from partner countries to reach objectives of the programme.	L	H	Remittances are economically important in the target countries which also display high levels of climate vulnerability. This risk level is therefore relatively low, but the Action will address capacity-building goals and will continuously monitor commitments during implementation.
3	Risk 6: The capacities of involved stakeholders in target countries are not sufficient to reach expected results.	M	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.
2	Risk 7: Activities foreseen in each target country do not fit in the national context.	L	H	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

### 3.5 The Intervention Logic

The underlying intervention logic for this action is that

1. **If** accurate and actionable data on remittances and diaspora investment related to climate resilience are available (S.O. 1.1); **and if** the international community is made more aware and knowledgeable of the impact of remittances and diaspora investment for climate adaptation and resilience. (S.O 1.2), **then migrants** sending remittances and diaspora investors can better direct their resources towards their impact on climate adaptation, while rural households receiving remittances will be able to improve their resilience and respond to rapid-changing climate conditions. At

the same time, policy makers will have at disposal better data and adequate information for the development of improved and informed policies and strategies.

As a direct consequence of it, **if** larger proportions of remittances are used to fund climate resilience actions at households and community levels (S.O. 1.3); **if** there are higher rates of financial inclusion, particularly of women and other disadvantaged persons in rural-climate affected regions (S.O. 1.4); **and if** remittance-receiving households increase the adoption of sustainable agricultural methods thanks to the remittance they receive (S.O. 1.5), **then** migrants' families back home (especially women and youth) will exponentially enhance their resilience to climate change, while increasingly register for formal and digital remittance and banking services that help to achieve their financial and livelihood goals. 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.

At the same time, **if** higher amounts of diaspora investment are channelled into sustainable and resilient rural investment and sustainable agricultural methods (S.O. 1.6) and a proof of concept is developed for a scalable model that facilitates the use of migrants' remittances and diaspora investment for climate resilience in rural communities (S.O. 1.7), **then** family farms and rural enterprises will have increased capital at disposal to invest into climate risk mitigation strategies and land improvement.

In addition, **if** target country governments are increasing their support for using remittances and diaspora investment for climate adaptation (S.O. 1.8), **then** the entire rural population will benefit from a renewed enabling environment that would facilitate the access and use of these funds for climate resilience.

2. **If** awareness on the potential impact of remittances and diaspora investment on climate adaptation, and support within, policy makers and international development institutions, and the international community are increased (S.O. 2.1), **and if** public and stakeholder engagement for new impactful and actionable global commitments on remittances beyond 2030 is enhanced (S.O. 2.2), **then** the international community will substantially increase its commitments towards maximizing the impact of remittances and diaspora investment for sustainable development and climate resilience and more efforts will be done to support million of rural families and households in better coping with climate change.

**If** the two outcomes are achieved, **then** the Action will be able to promote sustainable development and enhance economic and climate resilience of remittance recipients in the targeted countries, because it will comprehensively promote faster, safer and cheaper transfer of remittances, as well as green diaspora investment for sustainable development and well-being of hundreds of millions of climate-affected rural households.

### 3.6 Logical Framework Matrix

This indicative logical framework constitutes the basis to design more detailed logical framework matrix(-ces) at contracting which will be use for monitoring, reporting and evaluation. The logical framework matrix(-ces) at contract level should include relevant indicators identified in this section.

The expected outputs and related indicators (with baselines and targets) may be updated during the implementation of the action, no amendment being required to the Financing Decision.

In case baselines and targets are not available for the action at the time of adoption of the Financing Decision, they should be provided for each indicator at signature of the contract(s) linked to this Financing Decision, or in the first progress report at the latest. New columns may be added to set intermediary targets for the output and outcome indicators whenever relevant.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Maximised impact of the economic contribution of migrants for greater adaptation to climate change and enhancing climate resilience	Number of additional people with access to financial services  Number of households accessing formal remittances and diaspora investments for climate resilience	0  0	20.000  20.000	Project reports	Not applicable
OUTCOMES						
Outcome 1	1. Promoted remittances and diaspora investment for climate resilience in target countries. Facilitated the use of migrant remittances and diaspora investment for climate resilience in rural communities with a particular focus on women and youth within migrant, diaspora and remittance-receiving households.	1.1 Number of financial services and investment mechanisms set up to promote remittances and diaspora investments respectively for climate resilience in rural areas taking into account the needs of women and other financially excluded groups	0	6 (two per country)	Projects reports, grants reports	Public and private sector entities in the targeted countries willing to engage
Outcome 2	2. Increased international commitment on remittances and diaspora investment for climate resilience. Enabled international policy frameworks that maximize the impact of diaspora resources for enhancing climate resilience.	2.1 Number of policy papers, international documents and resolutions highlighting the impact of diaspora resources for enhancing climate resilience	0	4 (At least one international and one per country)	International and national reports, resolutions, regulations or strategies	Targeted countries and international community commitment to support diaspora resources for climate adaptation
OUTPUTS (for an action implemented as a project)						
Output 1 relating to Outcome 1	1.1 Accurate and actionable data on remittances and diaspora investment related to climate adaption and resilience.	1.1.1 Number of national surveys and assessments on actionable data on remittances and diaspora investment related to climate resilience  1.1.2 Availability of accurate and meaningful data on flows, costs, actors, instruments, customers, market penetration and regulatory frameworks in targeted countries/corridors	0  0	3 (one per country)  3 (one per country)	Studies, surveys, remitscope, IFAD and FFR websites	Migrants, their families back home and diaspora investors are willing to being interviewed and collaborate

					Studies, surveys, remitscope.org	within surveys
<b>Output 2 relating to Outcome 1</b>	1.2 Enhanced awareness in target countries, including governments, migrants, diasporas and remittance receiving families on the impact of remittances and diaspora investment for climate adaptation and resilience	1.2.1 Number of participants in events (one per country) presenting the outcomes of the studies and projects including metrics on participants to events, testimonials (disaggregated by sex)	0	300 participants (at least 100 aggregated participants per country, of which 40% are women)	Events reports, participant surveys, IFAD and FFR websites	Studies, surveys and projects have produced relevant data, results and lessons learned
<b>Output 3 relating to Outcome 1</b>	1.3 Higher rates of financial inclusion particularly among women and other disadvantaged persons in rural climate-affected regions	1.3.1 Number of beneficiaries in rural areas trained in financial and digital literacy, disaggregated by sex  1.3.2 Number of beneficiaries accessing digital remittances in rural areas disaggregated by sex	0  0	30.000 (at least 30% are women)  20.000 (at least 30% are women)	FFR projects reports, monitoring and supervision mission reports	
<b>Output 4 relating to Outcome 1</b>	1.4 A larger proportion of remittances being used to fund climate resilience actions at household or community levels in climate vulnerable target areas.	1.4.1 Number of beneficiaries accessing climate finance (savings, credit, insurance) through remittances disaggregated by sex, by partner Remittance Service Provider, financial institutions or Business Development service providers  1.4.2. Proportion of remittances being used to fund climate resilience actions	0  TBC	4.500 (at least 30% are women)  TBC	FFR projects reports, monitoring and supervision mission reports  Household surveys	Project partners have the capacity to deliver on what they have committed
<b>Output 5 relating to Outcome 1</b>	1.5. Increased adoption of sustainable agricultural methods by remittance-receiving households and MSMEs benefitting from diaspora investments.	1.5.1 Number of rural people supported to sustainably manage natural resources and climate-related risks through remittances, disaggregated by sex  1.5.2 Number of MSME supported to sustainably manage natural resources and climate-related risks through diaspora investments (disaggregated by sex of MSME owner)	0  0	10.000  15	FFR projects reports, monitoring and supervision mission reports	Project partners have the capacity to deliver on what they have committed
<b>Output 6 relating to Outcome1</b>	1.6 Higher amounts of diaspora investment channelled into sustainable and resilient rural investment and sustainable agricultural methods	1.6.1 Amount of diaspora capital and savings invested in sustainable and climate resilient rural activities	0	At least EUR 300.000	FFR projects reports, monitoring and	Project partners have the capacity to deliver on

					supervision mission reports	what they have committed
<b>Output 7 relating to Outcome 1</b>	1.7 Mainstreaming scalable models that facilitates the use of migrants' remittances and diaspora investment for climate resilience in rural communities into IFAD programmes	1.7.1 Number of commitments of governments to sovereign operations and large non-sovereign operations with the private sector supported by IFAD including remittances and diaspora investment components	0	2 (in at least two countries)	IFAD COSOPs and design documents, FFR reports	IFAD government counterparts interested and willing to engage with IFAD on the topic
<b>Output 8 relating to Outcome 1</b>	1.8 Increased support within target country governments on promoting linkages and usage of remittances and/or diaspora investment for climate adaptation	1.8.1 Number of participants (by sex) national events or platforms in target countries focused on the impact of diaspora financial contribution to sustainable development and climate resilience  1.8.2 Number of national policies/strategies on benefiting the linkage between remittances and/or diaspora investment for climate adaptation.	0  0	300 participants (at least 100 aggregated participants per country, of which 40% are women)  3	Events reports, IFAD and FFR websites  National reports, resolutions, regulations or strategies	National stakeholders willing to partner and commit on the topic
<b>Output 1 relating to Outcome 2</b>	2.1 Enhanced awareness among the international community on the impact of remittances and diaspora investment for climate adaptation and resilience.	2.1.1 Number of people reached by international events or awareness raising campaigns focused on the impact of diaspora financial contribution to sustainable development and climate resilience	0	At least 500 people attending dedicated global events or reached by targeted international awareness campaigns	Events reports, IFAD and FFR websites	International stakeholders willing to partner and commit on the topic
<b>Output 2 relating to Outcome 2</b>	2.2 Increased support and engagement within international development institutions, and the international community for new impactful and actionable global commitments to maximise the impact of remittances and diaspora investment for climate adaptation beyond 2030	2.2.1 Number of international policies/strategies on promoting linkages and usage of remittances and/or diaspora investment for climate adaptation	0	2 (at least 2 international policies expanding the commitment on the topic)	International reports, resolutions, regulations or strategies	International public authorities committed to support the topic and engage



## 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 72 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 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 an entrusted entity

This action may be implemented in indirect management with the International Fund for Agricultural Development (IFAD).

The implementation entails activities and reaching results as listed under the expected results related to Specific Objectives 1 and 2.

The envisaged entity has been selected using the following criteria:

- Experience and track record managing international cooperation programmes in target countries;
- Technical expertise and track record managing international cooperation programmes on remittances and diaspora investment focussing on rural areas;
- Managerial/operational capacity and track record to manage multi-country international cooperation programmes;
- 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.

#### 4.3.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If the implementation modalities in indirect management cannot be implemented due to circumstances outside of Commission's control, alternative implementation modalities in direct management may be considered.

### 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.

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

	2025
<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR)</b>
Implementation modalities – cf. section 4.3. Indirect management with IFAD	
<b>SO 1: Promote Remittances and diaspora investment for climate resilience in target countries</b>	3 700 000
<b>SO 2: Increase international commitment on remittances and diaspora investment for climate resilience</b>	556 893,89
<b>Evaluation</b> – cf. section 5.2 <b>Audit</b> – cf. section 5.3	May be covered by another decision
<b>Totals</b>	4 256 893,89

## 4.6 Organisational Set-up and Responsibilities

A Project Steering Committee, composed of representatives of the European Commission and IFAD, will be established. The role of the Steering Committee is to ensure the overall coherence of the Action, and to act as the highest governance structure in charge of the project, monitoring its implementation and providing strategic guidance.

The Project Steering Committees will be responsible for tracking progress of the project, documenting lessons learned and ensuring they are applied to the Action. It will indicatively meet at least twice a year, either in Brussels, Rome or remotely. It will also be responsible for all project decision-making that impacts the project, such as the necessity to make changes to the project given changing contextual circumstances, to modify or add target countries of interventions, to extend the duration of the project, or seizing new opportunities for engagement with key stakeholders.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the European Commission will participate in the above governance structures set up for governing the implementation of the action. When appropriate, based on ad hoc decisions, the Commission may sign or enter into joint declarations or statements promoted by IFAD in the context of the project implementation, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

# 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).

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 partner will be responsible for monitoring and reporting on indicators of the logframe matrix, including the collection of baselines and data collection in the inception phase of the Action.

Effective monitoring and rigorous reporting are critical to IFAD's ability to replicate and scale successful models. To support this, IFAD conducts comprehensive monitoring and evaluation throughout each project's lifecycle, from the provision of direct technical assistance to grantees to systematic project evaluations, final outcome assessments, and analysis of innovative models for potential scaling.

IFAD leverages its extensive expertise in data collection, monitoring, and reporting, especially in remittances, financial inclusion, and rural development, and as a leading organization in numerous EU-funded projects. Through the Financing Facility for Remittances (FFR), IFAD has demonstrated its capability to deliver high-quality, disaggregated data on results, ensuring accurate, transparent reporting on complex project metrics.

A dedicated team oversees rigorous monitoring and adaptive management, utilizing weekly meetings to address immediate project challenges and quarterly reviews to align with FFR technical experts on best practices. IFAD also conducts mid-term supervision missions to support real-time project adjustments, alongside dedicated financial supervision missions to ensure fiscal compliance and address any financial challenges promptly.

The FFR's team structure ensures robust result-data management and consistent monitoring across all project stages through the following key roles:

1. **Dedicated Focal Points:** Each FFR initiative is assigned a focal point responsible for close coordination with project partners, ensuring consistent support and data collection accuracy. This role is critical for reliable monitoring and timely reporting.
2. **Portfolio Officer:** A dedicated Portfolio Officer integrates and manages data across all funded projects, providing consistent, cohesive reporting to donors and stakeholders. This role ensures alignment in data practices, facilitating efficient communication and transparency.
3. **Technical Experts:** Senior technical experts focus on analysing results and evaluating project impacts. Their expertise enables the identification of critical data points, translating complex insights into strategic guidance that drives informed decision-making and adjustments.
4. **Knowledge Management (KM) Team:** The KM team plays a vital role in making data and insights accessible and impactful. By producing clear, actionable reports and disseminating findings to strategic partners, stakeholders, and the public, the KM team reinforces transparency and encourages stakeholder engagement.

This structured and collaborative approach to monitoring and reporting enhances IFAD's ability to deliver replicable and scalable models effectively, ensuring that each project's impact is thoroughly understood, transparently reported, and strategically maximized. IFAD will monitor and report the activities and indicator values both on a country-by-country basis and in an aggregated form.

All monitoring and reporting shall assess how the action is considering the principle of gender equality, the human rights-based approach, and rights of persons with disabilities. Indicators shall be disaggregated at least by sex.

## 5.2 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the action will pilot innovative projects and aims to impact actionable global commitments beyond 2030.

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 and disability inclusion. Expertise on human rights, disability 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 report 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.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, 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.