



Enabling poor rural people
to overcome poverty

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Financing Facility for Remittances

Promoting innovative remittance systems
and investment channels for migrants



Remittances as a development tool

Remittances play an important role in the fight against rural poverty in some of the poorest parts of the world. While the amounts are often small, remittances put money directly into the hands of millions of poor people.

The impact of these remittances is dramatically enhanced when they are linked to other financial services such as savings, insurance and loans. Inclusive financial systems and innovative partnerships between rural financial institutions

and remittance operators can generate significant benefits by easing competition and reducing costs, thereby offering more resources to those that receive remittances and increased options for millions of families to use their capital profitably. The Financing Facility for Remittances (FFR) was established in 2006 to promote such systems particularly in rural areas.

Financing Facility for Remittances

Through its US\$15 million Facility for Remittances, this multidonor fund aims to reduce rural poverty and promote development. The Facility increases economic opportunities for the rural poor through the support and development of international and domestic remittance services that are innovative, cost-effective and easily accessible, for countries in Africa, Asia, Europe, Latin America and the Caribbean, and the Near East.

To achieve these objectives, the FFR launches competitive annual calls for proposals, selecting and financing the most innovative and promising projects submitted. The main goal of the Facility is to scale up and replicate the lessons learned from the programme across other regions of the world. The FFR awards eligible institutions worldwide with grant financing of up to US\$250,000 per project, to be implemented within a two-year period.

The main objectives of the projects that the FFR finances are aimed at:

- (i) improving remittance transmission and access to remittance services in rural areas;
- (ii) linking remittances to financial services and products in rural areas; and
- (iii) developing innovative and productive rural investment channels and opportunities for migrants and community-based organizations.

The FFR promotes strategic partnerships linking non-profit organizations with formal financial intermediaries, money transfer operators, microfinance institutions, financial cooperatives, non-financial institutions, postal networks and philanthropic organizations, among others. However, for-profit organizations are strongly encouraged to partner with non-profit organizations for the development of joint initiatives and projects.

To date, over forty grant recipients were selected under the call for proposals **"Promoting Innovative Remittance Systems and Investment Channels for Migrants"** funded by the International Fund for Agricultural Development, in partnership with the Consultative Group to Assist the Poor, the European Commission, the Government of Luxembourg, the Inter-American Development Bank, the Spanish Ministry of Foreign Affairs and Cooperation, and the United Nations Capital Development Fund.

The FFR annual call for proposals is generally launched during the first quarter of the year under a two phase process - concept note calls followed by a full proposal request of selected projects - and ends by the selection of grantees during the third quarter of the same year.

Eligible direct beneficiaries of FFR grants may be (a) a non-profit institution such as a non-governmental organization; (b) a public, governmental institution; (c) a for-profit entity; or (d) mutual/cooperative organization or credit union. However, partnership through joint proposal submission between two or more types of organizations are favoured in the context of the annuals FFR competitive call for proposals.

For applications and information please visit

www.ifad.org/remittances

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