



# The Remittance Access Initiative

Enhancing remittance access through capacity-building and technical assistance for remittance service providers

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Financing Facility for Remittances



# Overview of the RAI programme



**Background.** IFAD's diagnostic studies revealed that know your customer (KYC) and customer due diligence (CDD) requirements were key impediments to remittance access by low-income, rural households and women in Uganda, Kenya, Ghana, Senegal, Morocco, the Gambia and South Africa.



**Objective.** Enhance remittance access opportunities for low-income, rural households, and particularly women



**Methodology.** Through technical assistance, enhance the CDD frameworks of remittance service providers (RSPs), making them more inclusive and better aligned with international best practice, enable opportunities to onboard more individuals, and enhance flow of remittances.

# Implementing the RAI programme in Uganda

A three step approach

1

## Regulatory analysis

- Understand legal parameters
- Identify areas for innovation
- Flag potential restrictions



2

## RSP scanning and selection

- Databased all RSPs in Uganda
- Applied a selection criteria
- Selected two RSPs



3

## Implementing the project with the selected RSPs

1. **Phase 1:** Review KYC and CDD frameworks and business practices to identify relevant challenges hindering remittance access
2. **Phase 2:** develop and select 1 – 2 innovative solutions to the challenges identified in phase 1. Key activities include: support with implementation, capacity building and training, and communication support
3. **Phase 3:** impact measurement and troubleshooting



# Insight into the types of challenges identified in Uganda and their corresponding potential solutions

## Examples of challenges serving low income & rural households

## Examples of the complementing innovative interventions

Difficulties in effectively assessing and addressing risk



**Enhancing the risk model** to better identify and mitigate risks. Thus allowing RSPs to re-risk rate customers

Customers forgetting their IDs and being unable to access their remittances



**Save a digital copy of a customers ID** on a database and allow recurring customers to use alternative photo-bearing identifiers

Ineffective customer tracking procedures for over-the-counter (OTC) customers



**Customer profiles** for OTC customers that capture their basic KYC information and a copy of their ID

Illiterate customers not being able to complete the money transfer form to receive remittances



**Digitise the process** by replacing the money transfer form with system generated receipts

# Thank you

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## About Cenfri

Cenfri is a global independent economic impact agency and non-profit enterprise that bridges the gap between insights and impact in the financial sector. It collaborates with its partners to foster economic growth and sustainable development in emerging and developing markets in Africa and beyond. Cenfri's people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.

## About IFAD's Financing Facility for Remittances

Since 2006, IFAD's multi-donor Financing Facility for Remittances (FFR) aims to maximise the impact of remittances on development, and to promote migrants' engagement in their countries of origin. Through the financing of almost 70 projects in over 40 countries, the FFR is successfully increasing the impact of remittances on development by promoting innovative investments and transfer modalities; supporting financially inclusive mechanisms; enhancing competition; empowering migrants and their families through financial education and inclusion; and encouraging migrant investment and entrepreneurship. The FFR is cofinanced by IFAD, the European Union, the Grand-Duchy of Luxembourg, the Ministry of Foreign Affairs of Spain and the Swedish International Development Cooperation Agency (Sida).



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