

Uzbek REMIT: Unlocking finance and skills for rural entrepreneurs





Uzbek REMIT at a glance

Duration	1.5 years
Programme Area	Regions with high incidence of migration and IFAD's NSO – with particular focus on Ferghana valley
Financing	Total cost: EUR 580,950 IFAD/EU grant: EUR 407,500 (70%) Recipient's contribution: EUR 173,450 (30%)
Implementing Entity	Close Joint Stock Company Hamkorbank
Project Participants	3,900 people (100% rural, 50% women)





Project Rationale

Without remittances, poverty level in Uzbekistan may rise from 9.6% to 16.8% Around 250,000 migrants returned home from abroad in 2024

Problem Context

- Inability to access financing: Due to lack of credit history and regulatory restrictions on crediting borrowers without official income, returnees and remittance recipients cannot get access to financing.
- Lack of adapted products: Existing financial products do not align with migrant households' income and risk profiles.
- Limited business and entrepreneurial skills: Vulnerable groups do not have sufficient skills to build and maintain viable businesses, thus further limiting the attractiveness for financing



Programme Logic

- Approbation of the transaction-based scoring model that provides a safe way to assess creditworthiness of the target group, even without official income.
- Designing tailored remittance-linked credit product.



 Implementation of business trainings in rural areas, complemented by the mentorship support.





Project components and results

Component 1:

Enhancing access to adapted financial products and services for the remittance recipients and returnees



- **Conduct** demand analysis
- **Develop** a transaction-based scoring model to assess the creditworthiness of remittance recipients without formal employment, tested in the Central Bank's Regulatory Sandbox.



Design a tailored loan product for 3,000 project participants, 50% of women (approx. EUR 4,500,000)



Implement a financial awareness campaign to promote uptake

Component 2:

Non-financial support to the remittance recipients and returnees



Integrate and pilot a new loan product in the IT systems of 5 mini-offices in rural areas



Provide training to 900 rural participants (50% women) on business and financial management.



Pilot a mentorship programme with 20 mentors to support rural entrepreneurs in scaling their businesses.

Component 3:

Management and monitoring



Ensure proper financial management, monitoring of 2 2 results, and compliance with IFAD requirements.



Document and share lessons learnt, highlighting challenges, mitigation measures, and recommendations to inform similar initiatives in Uzbekistan and beyond.





Thank you





