

SENDING MONEY HOME

Beyond remittances: From lifeline to resilience – one family at a time



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The regions and sub-regions per continent specified in this report use the classification indicated in the United Nations Statistics Division Database and IFAD in 2015, which was used in the 2017 *Sending Money Home* report. For consistency and comparison purposes, the same grouping was maintained in the 2026 edition of *Sending Money Home*.

The report focuses on low- and middle-income countries (LMICs) as classified by the World Bank. LMICs are countries classified as low-, lower-middle- or upper-middle-income economies according to the World Bank's FY26 income classification with an Atlas gross national income (GNI) per capita less than or equal to US\$13,935. The country coverage is based on the FY26 classification throughout the report, including for historical analysis, regardless of countries' income classifications in earlier years.

Sending Money Home bases all country-level remittance estimates on the World Bank's *Personal remittances, received (current US\$)* dataset to ensure consistency and comparability across countries. Where 2025 data are unavailable, the latest available figure from 2024 or 2023 is carried forward unchanged. This approach assumes zero nominal growth between the latest available year and 2025 until updated data become available. As a result, the report's aggregate estimate of remittance flows to low- and middle-income countries may differ from the World Bank's published regional totals.

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International Fund for Agricultural Development (IFAD)

The International Fund for Agricultural Development (IFAD) is the only international financial institution exclusively focused on transforming rural economies and the lives of rural people. With public and private partners, IFAD invests in building economic growth, food security and stability – for current and future generations. IFAD's investments strengthen agri-food value chains and expand access to markets and finance. They bring cutting-edge technology and innovation to rural agrifood enterprises, while expanding rural employment and resilience to climate and other shocks. An AA+ rated institution, IFAD is a reliable steward of funds and a trusted investment vehicle, delivering measurable returns on investment for governments, the private sector and development partners. IFAD and its partners have nearly US\$23 billion invested in ongoing projects that are transforming rural economies.

The IFAD-administered Financing Facility for Remittances (FFR)

The US\$90 million multi-donor FFR is administered by IFAD. The FFR works to expand economic opportunities for poor rural people by supporting innovative, scalable, cost-effective and accessible remittance services that advance financial inclusion and productive investment in rural areas. To date, its portfolio comprises more than 90 projects in over 50 countries worldwide.

For more information, visit:

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www.ffremittances.org

ACRONYMS

AECID	Spanish Agency for International Development Cooperation	KYC	know-your-customer
AICS	Italian Agency for Development Cooperation	LAC	Latin America and the Caribbean
APS	APS International (payment services provider)	LMICs	low- and middle-income countries
BIS	Bank for International Settlements	MIRAB	Migration–Remittances–Aid–Bureaucracy
BPM6	Balance of Payments and International Investment Position Manual, sixth edition	MTO	money transfer operator
CBDC	central bank digital currency	NGP	Nexus Global Payments
CGAP	Consultative Group to Assist the Poor	ODA	official development assistance
COVID-19	coronavirus disease 2019	OECD	Organisation for Economic Co-operation and Development
DLT	distributed ledger technology	OOF	other official flows
DMAG	Developing Markets Associates Global	PAPSS	Pan-African Payment and Settlement System
DPI	digital public infrastructure	PARM	Platform for Agricultural Risk Management
EU	European Union	PI-SPI	Plateforme Interopérable du Système de Paiement Instantané
EUDiF	European Union Global Diaspora Facility	PRIME Africa	Platform for Remittances, Investments and Migrants’ Entrepreneurship in Africa
EURC	Euro Coin (euro-backed stablecoin)	PSP	payment service provider
FFD	Financing for Development	RPW	Remittance Prices Worldwide
FDI	foreign direct investment	RSP	remittance service provider
FFR	Financing Facility for Remittances	SACCO	savings and credit cooperative organization
Fintech	financial technology	SCT Inst	SEPA Instant Credit Transfer scheme
FX	foreign exchange	SDGs	Sustainable Development Goals
G20	Group of 20	SEPA	Single Euro Payments Area
GALS	Gender Action Learning System	Sida	Swedish International Development Cooperation Agency
GCC	Gulf Cooperation Council	SmaRT	Smart Remitter Target
GCM	Global Compact for Safe, Orderly and Regular Migration	SPEI	Sistema de Pagos Electrónicos Interbancarios (Mexico)
GDP	gross domestic product	TCIB	Transactions Cleared on an Immediate Basis
GFRID	Global Forum on Remittances, Investment and Development	UN	United Nations
GNI	gross national income	UNCDF	United Nations Capital Development Fund
GPFI	Global Partnership for Financial Inclusion	UN DESA	United Nations Department of Economic and Social Affairs
IAD	Inter-American Dialogue	UPI	Unified Payments Interface
IFAD	International Fund for Agricultural Development	USD	United States dollar
IFAD14	Consultation on the Fourteenth Replenishment of IFAD’s Resources	USDC	USD Coin (US-dollar stablecoin)
IMF	International Monetary Fund	USDT	Tether (US-dollar stablecoin)
IMRF	International Migration Review Forum	WAEMU	West African Economic and Monetary Union
IPO	initial public offering		

Foreword

Remittances and the next generation of rural investment



For millions of rural families, remittances are part of everyday life. They help households meet essential needs, manage uncertainty and recover from conflict, economic and environmental

shocks. They can also open pathways to savings, insurance and investment in enterprises and other livelihood opportunities. Their impact reaches beyond individual households, contributing to stronger and more resilient rural economies.

As IFAD approaches its fiftieth anniversary, we have an opportunity both to reflect on five decades of investment in rural people and to look ahead. The challenges facing rural communities continue to evolve, as do the financial tools, technologies and partnerships available to address them. Building on what works and investing in pioneering solutions will be essential to advancing inclusive and resilient rural transformation and strengthening participation in markets and rural economies.

Too many rural families still face high transfer costs, limited access to services, gaps in digital and financial capability, and financial products that do not reflect their needs. Addressing these barriers requires responsible innovation, enabling policies and sustained collaboration among governments, development organizations, financial institutions and other private-sector actors.

IFAD has been at the forefront of harnessing remittances for rural development. Through the Financing Facility for Remittances and its broader engagement at the country level, IFAD has developed substantial expertise in remittance markets and the role of remittances in advancing financial inclusion, strengthening rural livelihoods and building resilience. This experience has shown that successful solutions are rooted in local contexts and priorities of rural households. It has also demonstrated the importance of scaling proven approaches so that more people, communities and local economies can benefit.

This report is published during the Consultation on the Fourteenth Replenishment of IFAD's Resources (IFAD14), which will help shape IFAD's next three-year cycle. It therefore comes at an important moment. The evidence and experience presented in *Sending Money Home* can help inform future investments and highlight how remittances can contribute to more prosperous rural economies, strengthened resilience and greater livelihood opportunities.

The report's findings and recommendations provide a practical basis for action by public and private sectors. They also reaffirm a fundamental principle: remittances are private household resources. Their development potential is greatest when families have access to affordable and trusted services, together with the knowledge, freedom and appropriate options to use their resources according to their own needs and aspirations. By working together, we can help ensure that remittances contribute more fully to opportunity and resilience in rural areas.

Alvaro Lario

President

International Fund for
Agricultural Development

Key findings

A US\$729 BILLION PILLAR OF FAMILY SUPPORT

Remittances connect one in six people worldwide and deliver US\$233 billion to rural economies

A financial flow built around families

- **Remittances connect 1.3 billion people worldwide.** Some 220 million migrants and diaspora members support an estimated 1.1 billion relatives back home.
- Recorded inflows to low- and middle-income countries (LMICs) reached **US\$728.6 billion in 2025**, making remittances larger than either official development assistance (ODA) or foreign direct investment (FDI) to LMICs.
- Unlike investment flows, remittances are driven primarily by family obligations rather than financial returns, making them one of the world's most resilient sources of household finance.
- At current levels, families in LMICs will receive approximately **US\$3.6 trillion between 2026 and 2030**.
- The latest available data shows that remittance inflows to countries experiencing high or extreme fragility have almost doubled since 2010, reaching more than US\$134 billion in 2023.

In many of these countries, remittances provide both a vital source of foreign exchange and a financial lifeline for households.

- Remittances are private family resources – not development funding. Their scale demonstrates their economic importance, but they cannot replace public investment, social protection, humanitarian assistance or climate finance.

Almost one dollar in three reaches rural economies

- An estimated **US\$233 billion – 32 per cent of all inflows – reached rural areas in 2025**, where formal employment, financial services and public infrastructure are often weakest.
- As families spend locally, remittances also support rural businesses, services, agricultural production and employment. Remittance-receiving households invest an estimated US\$22 billion annually in rural agrifood systems – more than the total global ODA to agriculture.
- Yet rural recipients remain among those least served by financial institutions.

From immediate needs to longer-term opportunity

- Three quarters of remittances meet immediate needs, such as food, shelter and utilities.
- The remaining quarter represents more than US\$180 billion annually for longer-term purposes such as health, education, housing, savings, enterprise and other income-generating activities.
- The opportunity is not to tell families how to use their money. It is to ensure they receive it safely and on time, retain more of it, and are aware of and understand their options to save and invest it.

Family support when crises strike

- Remittances frequently remain stable – or increase – when families face conflict, disasters, unemployment and economic shocks.
- During the COVID-19 pandemic, remittances proved far more resilient than initially forecast as migrants prioritized support for their families.
- Resilience cannot be taken for granted. It depends on senders' continued ability to earn and transfer money, reliable cross-border payment systems and families' access to funds during crises.

A DECADE OF GROWTH REDREW THE REMITTANCE MAP

Asia still receives half, Latin America grew fastest and flows to Africa nearly doubled

Flows nearly doubled – but regions moved at very different speeds

- Remittance inflows nearly doubled in 10 years, rising from US\$375.6 billion in 2016 to US\$728.6 billion in 2025.
- Five countries received nearly half of all remittances: India received the most at US\$150.7 billion, followed by Mexico with US\$64.4 billion, the Philippines with US\$41.6 billion, Egypt with US\$41.5 billion and Pakistan with US\$40.5 billion.
- Together, these five countries received US\$338.7 billion – nearly 47 per cent of all recorded inflows to the countries covered by the report.

Asia accounts for more than half – while Latin America recorded the decade's strongest growth

- Asia and the Pacific still receives more than half of all remittances: US\$384.9 billion, or 53 per cent of the global total. Inflows to and within the region grew by 95 per cent over the decade.
- Latin America and the Caribbean (LAC) grew faster than any other region. Inflows surged by 132 per cent to US\$168.6 billion, increasing the region's global share from 19 to 23 per cent.
- Mexico remains the region's largest market, while Guatemala saw one of the decade's most striking increases: inflows almost tripled to US\$21.6 billion.

Africa's remittance market almost doubled – and Egypt overtook Nigeria

- Africa received US\$124.2 billion in 2025, an increase of 86 per cent over the decade.
- Egypt emerged as the continent's largest recipient, receiving US\$41.5 billion and overtaking Nigeria, at US\$22.8 billion.
- Egypt, Nigeria, Morocco, Ethiopia and Kenya together account for almost three quarters of Africa's inflows.

Europe and the Near East and the Caucasus recorded different growth rates

- Inflows to Europe's LMICs grew by 58 per cent to US\$30.2 billion.
- The Near East and the Caucasus reached US\$20.7 billion, an increase of only 4 per cent – the slowest regional growth of the decade.

In 23 countries, remittances exceed 10 per cent of gross domestic product

- The five most remittance-dependent economies are Tajikistan at 58 per cent of gross domestic product (GDP); Tonga at 39 per cent; Lebanon at 33 per cent; Honduras at 30 per cent; and El Salvador at 28 per cent.
- Dependence affects every region, but it is especially concentrated in Central America, small island developing states, parts of Africa and several countries in Central and Southern Asia.

- In nine countries, remittance inflows exceed the value of the country's entire exports of goods and services. This includes four countries in Asia and the Pacific, two in Africa, two in LAC, and one in the Near East and the Caucasus. In total, remittances exceed half the value of exports in 22 LMICs.
- These comparisons reveal two different remittance realities: large economies drive global volumes, while family transfers in smaller economies underpin national income and foreign-exchange earnings.

Rural remittances reveal a second map

- Asia and the Pacific receives the largest rural volume – US\$154.4 billion – while Africa has both a substantial rural share and volume: 34 per cent, or US\$41.9 billion.
- Rural areas receive an estimated US\$24.1 billion in LAC, US\$9.2 billion in Europe and US\$3.0 billion in the Near East and the Caucasus.

DIGITALIZATION IS TRANSFORMING THE REMITTANCE MARKET

Half of the value of remittances now originates digitally. The market is shifting – but millions of transfers still end at a cash counter

The remittance counter moved onto the phone

- More than half of remittances to LMICs were initiated digitally by 2025. What was once principally a cash-based transfer business is now contested by financial technology (fintech) firms, banks, money transfer operators (MTOs) and mobile providers.
- Three quarters of adults in LMICs now have an account with a financial institution, a mobile money provider or both – dramatically expanding the potential market for digital remittances.
- The major shift of the decade is not simply a new channel. Remittances are moving from stand-alone transactions towards connected digital financial services.

Digital services cut costs, but are still missing the global target

- The global average cost across all services fell from 7.4 per cent in 2016 to 6.4 per cent in 2025. Progress is real, but the cost remains more than twice the Sustainable Development Goal (SDG) target of less than 3 per cent.
- Fully digital transfers cost an average of 4.6 per cent in 2025 – 37 per cent less than non-digital services, at 7.3 per cent.

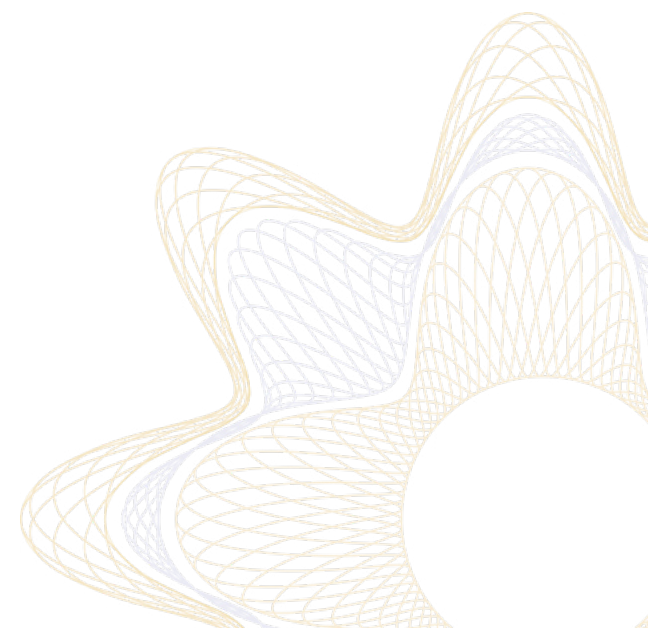
- Among non-bank remittance providers, sending money to South-Eastern Asia comes closest to the target, with an average cost of 3.6 per cent. Southern Africa remains the most expensive subregion, at 10.4 per cent.
- Western Africa shows what greater competition can achieve: among non-bank providers, average costs fell by almost one third, from 7.2 to 4.9 per cent. Costs to South America moved in the opposite direction, rising to 7.2 per cent.
- Technology alone will not deliver lower prices. Competition, clear pricing and payment systems that allow providers to connect and compete will determine who captures the savings.

At the last mile, transition from cash to digital is subject to local financial inclusion dynamics

- A transfer can begin on a smartphone and still end in a cash queue. Digital initiation does not mean that recipients can receive and use funds digitally.
- In 2025, 35 per cent of the remittance services measured were fully digital at both ends. The remaining market still involves cash when money is sent, received or both.
- Digital delivery stalls where recipients lack accounts, connectivity or trusted cash-out points – barriers most common in rural and underserved markets.

Stablecoins: Customer breakthrough or back-end infrastructure?

- Stablecoins could make cross-border settlement faster and cheaper – and their first impact may occur behind the scenes between providers, rather than through migrants sending stablecoins directly.
- The test is not the technology's novelty, but rather whether families receive more money, faster, with less risk and at a lower cost.



BEYOND THE TRANSFER: BUILDING FAMILY RESILIENCE AND MOBILIZING DIASPORA INVESTMENT

Financial inclusion can help families save, insure against risks and build assets – while nearly half a trillion dollars in diaspora savings points to a wider investment market

Financial inclusion can turn regular remittances into longer-term security

- When remittances enter an account, transaction histories can help families establish a financial record and gain access to a wider range of financial services.
- While some financial institutions have developed commercially viable services tailored to remittance-receiving households, such services are still not widespread. Increasingly interoperable digital financial systems are making it easier to access savings, credit, insurance and investments through the same accounts or wallets used to receive remittances.
- Evidence indicates that remittances contribute more to investment, enterprise and economic growth where families have access to functioning financial services. Financial inclusion does not change the purpose of remittances – it expands what families can do with them.
- The opportunity is to design financial services around the realities of remittance families: recurring but sometimes variable income, transnational financial lives and exposure to economic, agricultural and climate-related shocks.
- Rural families remain among those least well served by formal financial institutions, highlighting the importance of extending access to appropriate financial services beyond major urban centres.

Women are both senders and recipients of remittances, but gender gaps persist

- Women account for approximately 40 per cent of remittance senders and an estimated half of recipients.
- Women are closing the account ownership gap, but not the digital use gap, where it exceeds 10 per cent in 38 LMICs – and 20 per cent in seven.
- Yet, global data still reveal too little about who receives, controls, saves and benefits from remittances. Better gender-disaggregated data is essential for both effective policy and viable financial products.

Remittances are climate resilience hidden in plain sight

- Families use remittances to prepare for shocks, survive lost income and rebuild after disasters. Their speed, flexibility and direct reach make them one of the most responsive sources of support available to affected households.
- Savings, insurance and appropriate credit can help families prepare financially, while practical support helps them plan and adopt climate-resilient practices. Together, they can turn short-term coping into longer-term resilience.
- Remittances and diaspora resources remain private family resources. They complement rather than replace public investment and climate finance.

Half a trillion dollars in diaspora savings – but too few reliable ways to invest back home

- Diaspora communities hold an estimated half a trillion dollars in annual savings, yet have limited reliable and accessible opportunities to invest in their countries of origin.
- Diaspora investors bring more than capital: local knowledge, enterprise trade, professional and technology expertise, and international networks. What is missing is a transparent investment pipeline that offers impact, returns and protection.
- At least 80 LMICs have an institution dedicated to diaspora engagement, and 34 have adopted a formal engagement policy. The next step is for governments to engage more closely with the private and public sectors and diaspora organizations to translate institutional attention into practical opportunities to invest, participate and contribute.

Return can create opportunity, but reintegration determines success

- Returnees may bring home savings, professional experience, skills and business networks – but they should not be treated simply as entrepreneurs in waiting. Access to finance, recognition of qualifications, employment services, business support and local networks determine whether these assets translate into long-term reintegration.

Recommendations

RECOMMENDATIONS FOR THE PUBLIC AND DEVELOPMENT SECTORS

Creating the conditions for remittances and diaspora investment to advance sustainable development

Build enabling and inclusive markets

- **Modernize proportionate regulation.** Apply risk-based supervision, simplified due diligence and digital identification while protecting financial integrity, consumers and personal data.
- **Build interoperable digital public infrastructure.** Connect digital identity and instant payment systems across providers and borders, opening infrastructure to qualified providers and advancing SDG target 10.c.
- **Protect the rural last mile.** Strengthen connectivity, agent networks and cash-out liquidity so that digitalization does not exclude families who still depend on cash.
- **Keep remittance markets functioning during crises.** Include remittance services in national preparedness and continuity plans, with temporary regulatory and liquidity measures when shocks occur.

Generate evidence and strengthen coordination

- **Improve remittance and diaspora investment data.** Publish regular, disaggregated information on corridors, costs, channels, gender, rural and urban access, informality and diaspora investor profiles.
- **Turn coordination into national action.** Strengthen national stakeholder networks and adopt measurable plans covering costs, access, gender inclusion, rural coverage and diaspora investment.
- **Integrate remittances and diaspora investment into development strategies.** Connect remittance and diaspora policies with financial inclusion, rural development, migration, food systems, climate adaptation and disaster risk planning.

Convert private flows into development opportunities

- **Expand financial and digital capability.** Tailor education and support to women, young people, migrants, rural families and other underserved groups.
- **Create voluntary pathways from transfers to assets.** Give remittance families access to appropriate savings, insurance, credit, enterprise and investment opportunities without compromising the family-support function of remittances.
- **Take proven approaches to scale.** Use grants, guarantees, blended finance, first-loss mechanisms and technical assistance to attract responsible investment and turn successful pilots into sustainable services.

Note: Recommendations informed by Global Forum on Remittances, Investment and Development (GFRID), IFAD operations and national stakeholder networks; aligned with Objectives 19 and 20 of the Global Compact for Safe, Orderly and Regular Migration.

RECOMMENDATIONS FOR THE PRIVATE SECTOR

Delivering affordable, inclusive and resilient services for migrants, families and diaspora investors

Make services affordable, transparent and trusted

- **Make pricing fair and competitive.** Use technology and operational efficiencies to lower total costs, pass savings on to customers and support progress towards SDG target 10.c, particularly in high-cost corridors.
- **Disclose the full transaction cost.** Present fees, foreign-exchange margins, cash-out charges, delivery time and redress procedures clearly before a transaction is completed.
- **Strengthen customer protection.** Provide accessible complaints mechanisms, protect personal and transactional data, and monitor fraud and exclusion risks associated with digital services.

Design for the last mile

- **Develop inclusive digital and hybrid services.** Combine digital channels with appropriate cash access so that rural communities, digitally excluded users and people without transaction accounts are not left behind.
- **Bundle remittances with useful financial products.** Offer voluntary, affordable savings, credit, insurance and payment products designed around the circumstances of remittance families.
- **Invest in customer capability.** Partner with governments, development organizations and civil society to provide accessible financial and digital education for migrants and remittance recipients.

Innovate for investment, climate and resilience

- **Create differentiated diaspora investment solutions.** Design transparent products for different diaspora profiles, risk appetites and investment objectives rather than treating diasporas as a single market.
- **Develop climate-responsive products.** Offer insurance, savings, credit, and investment mechanisms tailored to rural remittance-recipient households and their enterprises, helping them prepare for, respond to, and recover from climate-related shocks.
- **Partner to demonstrate and scale impact.** Co-invest with governments and development organizations in testing models, share appropriate market evidence, and adopt measurable development and climate-impact practices.

Note: Recommendations informed by Global Forum on Remittances, Investment and Development (GFRID), IFAD operations and national stakeholder networks; aligned with Objectives 19 and 20 of the Global Compact for Safe, Orderly and Regular Migration (GCM).

Family remittances: US\$728.6 billion in 2025

Global remittance flows and trends to low- and middle-income countries, 2025

Latin America and the Caribbean

	2016	2025*	Trend	Share of exports	Share of net FDI	Est. share to rural areas
Total remittances (US\$ billion)	72.6	168.6	132%	11%	104%	14%
Caribbean	10.3	20.3	97%	66%	352%	19%
Central America	46.5	113.4	144%	14%	234%	15%
South America	15.8	34.8	121%	5%	32%	10%
Share of global remittances	19%	23%				
	2015	2024	Trend			
Total number of migrants (millions)	31.5	44.4	41%			

Europe

	2016	2025*	Trend	Share of exports	Share of net FDI	Est. share to rural areas
Total remittances (US\$ billion)	19.1	30.2	58%	15%	217%	30%
Eastern Europe	11.9	16.2	36%	14%	267%	26%
Southern Europe	7.2	14	95%	15%	178%	35%
Share of global remittances	5%	4%				
	2015	2024	Trend			
Total number of migrants (millions)	10.2	15.8	55%			

Near East and the Caucasus

	2016	2025*	Trend	Share of exports	Share of net FDI	Est. share to rural areas
Total remittances (US\$ billion)	19.8	20.7	4%	4%	197%	15%
Türkiye	1.2	1	-18%	0%	8%	7%
Caucasus	3.5	7.2	103%	11%	273%	32%
Middle East	15.1	12.5	-17%	10%	-326%	5%
Share of global remittances	5%	3%				
	2015	2024	Trend			
Total number of migrants (millions)	19.7	24.4	23%			

US\$30.2 billion

US\$20.7 billion

US\$168.6 billion

US\$384.9 billion

US\$124.2 billion

Africa

	2016	2025*	Trend	Share of exports	Share of net FDI	Est. share to rural areas
Total remittances (US\$ billion)	66.9	124.2	86%	18%	208%	34%
Central Africa	0.9	4.1	368%	5%	106%	14%
Eastern Africa	8	22	174%	18%	122%	51%
Northern Africa	28.8	60.2	109%	27%	290%	36%
Southern Africa	1.4	1.8	28%	1%	577%	24%
Western Africa	27.8	36.1	30%	31%	218%	23%
Share of global remittances	18%	17%				
	2015	2024	Trend			
Total number of migrants (millions)	34.4	45.5	32%			

Asia and the Pacific

	2016	2025*	Trend	Share of exports	Share of net FDI	Est. share to rural areas
Total remittances (US\$ billion)	197.2	384.9	95%	6%	191%	40%
Central Asia	10	34.6	245%	26%	906%	55%
Eastern Asia	27.1	30.5	12%	1%	37%	14%
South-Eastern Asia	49.4	75.5	53%	6%	106%	25%
Southern Asia	110	243.2	121%	24%	547%	46%
The Pacific	0.6	1.2	93%	26%	2506%	47%
Share of global remittances	53%	53%				
	2015	2024	Trend			
Total number of migrants (millions)	75.6	90.2	19%			

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof. Source: UN boundaries (2018).

The boundaries depicted as dashed lines are special boundaries, or armistice or international administrative boundaries, or other lines of separation, or autonomous region boundaries, or sovereign base limits, as in line with the UN boundaries (2018).

Note:

* Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable. Figures are rounded to the nearest US\$ million; values below US\$10 million may be shown to one decimal place.

A global pillar of family support

Migration and international remittance flows are among the most visible expressions of globalization. Behind these flows of people and money are many transnational families: each with a family member or members working away from home to support relatives who remain in their country of origin.

Every year, approximately 220 million migrants send remittances to their home countries, benefiting about 1.1 billion relatives. In total, over 1.3 billion people – over one in six people worldwide – either send or receive international remittances.

In 2025, formally recorded remittances to LMICs reached an estimated US\$728.6 billion, making these flows one of the largest and most stable sources of external finance for these economies.

The vital importance of remittances goes beyond their sheer scale – they deliver practical material support for families and their communities. More than a flow of money, remittances reflect the hard work, the sacrifice and the resilience of family members who moved abroad and who support the needs and aspirations of their loved ones back home.

What remittances are – and what they are not

Family remittances are that portion of income that migrants send to relatives and others in their communities of origin. These are typically transferred directly and regularly, often over many years, to support the priorities of the people receiving them.

Remittances are private transfers between family members and friends, distinguishing them from other international financial flows. ODA supports public and development priorities, while FDI aims for a financial return. Humanitarian assistance responds to urgent needs, while public expenditure and social protection reflect government responsibilities.

The scale of remittances often exceeds ODA and FDI flows to LMICs. However, this does not transfer the social welfare responsibility for public investment, social protection, humanitarian assistance or climate finance from governments to migrants' families.

Responding to family priorities

In millions of households, remittances help pay for food, healthcare, education, housing, utilities and other everyday expenses. They also help underwrite weddings, birthdays and other important family and community events. These financial flows enable diaspora and overseas workers to stay connected to their families and communities across borders and continents.

Remittances enable households to manage through periods of uncertainty and to maintain consumption between harvests and bouts of unemployment, covering unexpected expenses and reducing reliance on costly borrowing. The regularity of remittances provides stability when other sources of household income are irregular or insufficient.

Many families save part of the money they receive for improving their homes, financing education, supporting agricultural productivity and resilience, and for starting small businesses or investing in other income-generating activities.

These uses should not be viewed as competing categories. Spending on nutrition, health, education and adequate housing strengthens the well-being of families. Meeting immediate needs can provide the foundation for greater financial security and future opportunity.

1/6 PEOPLE
in the world



either **SEND**
or **RECEIVE**
international
remittances

Moreover, the relative flexibility of remittances enables families to deploy these resources as circumstances change – from meeting everyday needs and responding to uncertainty to building assets and investing in their livelihoods.

Reaching rural families and communities

Remittances are particularly relevant at the last mile, where poor access to employment opportunities, formal financial services, infrastructure and public support spurs many migrant journeys from rural communities in search of livelihoods and opportunities elsewhere.

The money sent home by migrants also generates wider economic activity as household spending circulates through local markets, businesses and services.

Updated estimates in *Sending Money Home* indicate that US\$233 billion in global remittances to LMICs reached rural areas in 2025, including an estimated US\$22 billion invested in agrifood systems,¹ more than the total global ODA to agriculture.² These resources provide a compelling testimony to the substantial contributions that migrants and their families make to rural economies. Remittances alone cannot overcome the structural constraints facing rural communities. Their wider development impact depends on functioning markets, infrastructure, financial services and viable economic opportunities for families.

From coping to greater opportunities

For many families, remittances are an important means of coping. Remittances cover essential expenses, maintain consumption and help navigate challenging periods. This role is fundamental, particularly where household income is uncertain and formal safety nets are limited.

The importance of these resources goes beyond immediate support. With access to appropriate services and economic opportunities, remittances enable families to better manage risks, to build savings, and to invest in and develop more resilient livelihoods.

The development goal is not to tell families how they should use their money or to divert resources away from essential consumption. It is to expand the productive options available to families, enabling them to meet present needs while also planning and preparing for the future.

Fostering these opportunities requires enabling public policy, development finance, and effective private-sector initiatives that expand access to innovative financial services and products. Migrants and their families represent a solid market for enterprises that offer viable solutions tailored to their needs.

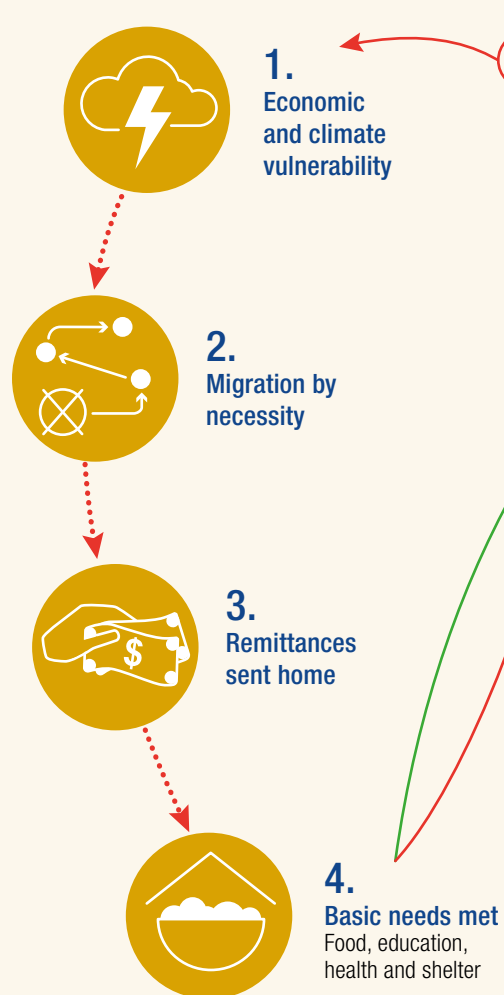
1/ FAO, IFAD, UNICEF, WFP and WHO, *The State of Food Security and Nutrition in the World 2024: Financing to End Hunger, Food Insecurity and Malnutrition in All Its Forms* (Rome: FAO, 2024).

2/ FAO, *Development flows to agriculture 2014–2023 – Global and regional trends*. FAOSTAT Analytical Briefs, No. 111. (Rome: FAO, 2025).

Remittances: From coping to resilience

Remittances can help families cope today and build a more resilient tomorrow

The coping cycle



NOT LEVERAGED
The cycle continues and vulnerability persists

The transformation gate

Leveraging remittances



Financial inclusion



Savings

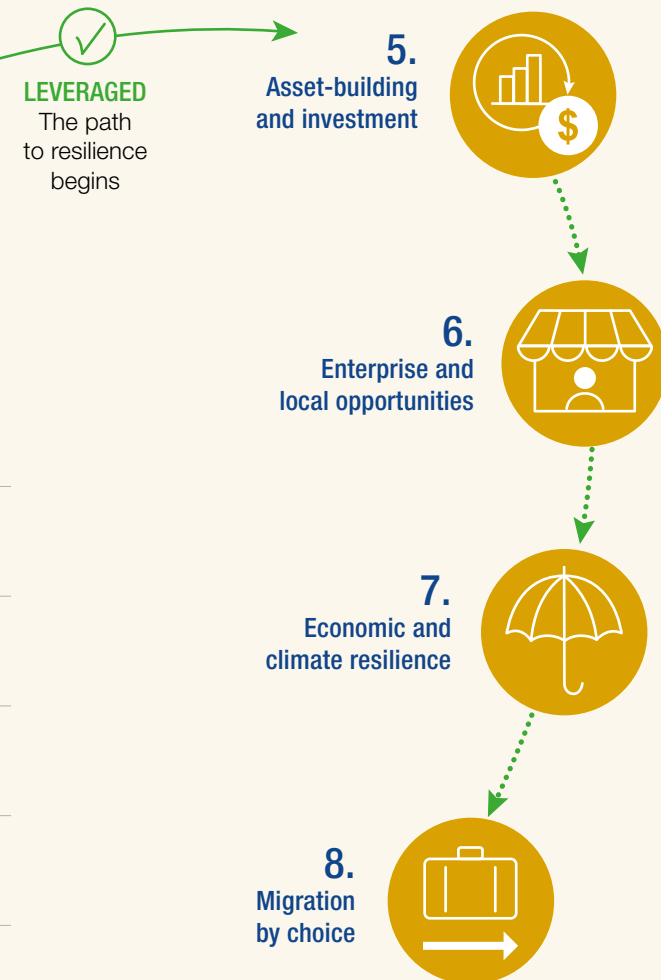


Investment



Enterprise

The resilience path



LEVERAGED
The path to resilience begins

Expanding the choices available to families

Governments, the private sector and the development community play vital and complementary roles in promoting the conditions that allow remittance senders and receivers to use their money in ways that provide the most benefits to families.

Public policy can amplify the development impact of remittances through the establishment of regulatory and economic environments that recognize the roles of migrants and their families. Remittance service providers (RSPs) can make transfers safer, more accessible, cheaper and transparent. Financial institutions can develop services tailored to the specific needs of migrants and their remittance-receiving families. Governments, development organizations, multilateral development banks and other international financial institutions can provide viable infrastructure, innovation and approaches designed to maximize the development impact of remittances in underserved communities.

The resilience of remittance flows has consistently demonstrated the remarkable power of family bonds. Enabling frameworks, together with services and products that expand opportunities for remittance families, can help leverage the economic potential of these flows for families and their communities.

International analysis and action are moving beyond a focus on the measurement and transfer costs of these flows towards a greater understanding of the constraints and the opportunities at the receiving end of remittances. The G20 and its Global Partnership for Financial Inclusion (GPFI), together with the Global Compact for Safe, Orderly and Regular Migration and its International Migration Review Forum (IMRF), and the Financing for Development (FFD) show growing recognition of the importance of helping migrants and their families to gain greater security and economic opportunity from their resources.

The *Sending Money Home* series

Since 2007, IFAD's *Sending Money Home* series has documented the scale, reach and evolution of family remittances from both global and regional perspectives. Over five editions, the series has increased the visibility of migrants and their families, of the remittance markets that serve them and of the significant contributions that these flows make to households and their communities.

The 2026 edition examines how remittance and migration flows have evolved over the past decade across regions and corridors, and how markets, costs, service providers, regulation and technology continue to shape the experience of sending money home.

This report draws on the best available official data while acknowledging persistent data gaps. In several remittance-sending and -receiving countries, flows are not fully or consistently reported. Some transfers remain embedded in the “errors and omissions” of national balance-of-payments accounts, while remittances sent through informal channels are largely excluded from official statistics. As a result, the estimates used in *Sending Money Home 2026* are conservative. Actual remittance flows – and the number of people benefiting from them – are likely to be significantly higher than the figures presented here.

The report looks beyond the transfer of remittances to examine how access to financial services and economic opportunities can help families to build assets and pursue longer-term goals. In addition, the report highlights the vital role that remittances play in helping families become more resilient in the face of climate, economic, health and conflict-related shocks.

By bringing these perspectives together, *Sending Money Home 2026* presents remittances as more than a global financial flow, but as a system of family support connecting over 1.3 billion people worldwide. It places migrants and their families at the centre of the story, examining how public policy, private-sector innovation and development action can provide them with greater options to meet their immediate needs, to pursue opportunities and to achieve greater resilience.

CHAPTER 1

A decade of remittance flows

PART 1 GLOBAL TRENDS

The 2017 edition of *Sending Money Home* documented a decade in which remittances evolved from being “hidden in plain sight” to being recognized as one of the world’s most important financial flows. In the decade since, a different story emerges: one of accelerating growth, resilience and increasing economic impact. Across the report’s sample of 108 LMICs, remittance inflows increased from a total of US\$375.6 billion in 2016 to US\$728.6 billion in 2025 – an increase of 94 per cent at an average annual growth rate of 7.6 per cent. Despite forecast declines, flows continued to expand through the COVID-19 pandemic and subsequent economic, climatic and geopolitical shocks, thereby underscoring the enduring commitment of migrants to their families back home.

Increasing remittance flows outpace the growth in migration

Remittance growth substantially outpaced the 28 per cent increase in international migrants, as well as the 10 per cent population growth across countries of origin. This widening gap is a defining feature of the decade. Flows were not driven by migration alone: on average, migrants abroad sent larger amounts of money home at a time.

Regional patterns varied. Asia and the Pacific remained the centre of the global remittance economy, receiving US\$384.9 billion in 2025 and accounting for 53 per cent of total flows. LAC recorded the fastest growth, at 132 per cent, increasing its global share from 19 to 23 per cent. Remittances to Africa grew by 86 per cent alongside the world’s fastest regional population growth. By contrast, flows to Europe’s LMICs grew by 58 per cent, similar to the trend in migration, while population decreased by 12 per cent. In turn, the Near East and the Caucasus recorded only 4 per cent growth despite increases in both population and migration.

Remittance flows matter the most in rural economies

An estimated 32 per cent of remittance inflows – approximately US\$233 billion in 2025 – reached rural areas. Remittances often carry greater economic and social weight in rural economies, where households have fewer income sources, limited access to formal safety nets and financial services, and greater exposure to economic and climatic shocks.

Rurality varies considerably. Estimated rural shares are highest in Eastern Africa (51 per cent), followed by the Pacific (47 per cent) and Southern Asia (46 per cent). Southern Asia stands out because it combines a high rural share with the world’s highest volume of remittance

inflows, with an estimated US\$112 billion reaching rural areas alone. For rural families, remittances provide reliable income for food, healthcare, education and housing. They also support savings, agricultural production and small enterprises. Much of this income is spent locally, with impacts extending beyond recipient households to include support for businesses, employment and community resilience.

Digitalization lowers cost – but overall progress remains far too slow

Despite increasing digitalization, the average cost of sending US\$200 declined by barely one percentage point – from 7.4 per cent in 2016 to 6.36 per cent in 2025. This falls far short of the SDG target 10.c, which calls for reducing the average cost below 3 per cent and eliminating corridors with costs above 5 per cent by 2030. Many lower-volume and underserved corridors still exceed that ceiling.

Digitalization has produced the clearest cost advantage of the decade. For price comparisons, this report follows the World Bank classification: a fully digital service is funded and received through digital instruments, with no cash involved at either end. Services involving cash at either end are grouped as non-digital for this analysis, even when the transfer is initiated electronically. In the third

quarter of 2025, fully digital services cost senders an average of 4.59 per cent, compared with 7.3 per cent for non-digital services. In competitive corridors with established digital infrastructure, this cost advantage is bringing the 3 per cent target within reach.

However, fully digital services accounted for only 35 per cent of the services covered by the World Bank database. Cash-based and other non-digital services keep the overall average above the target. Digitalization can reduce costs,

but the extent of its benefits depends on delivery channels, competition, proportionate regulation and recipients’ access to transaction accounts.

A decade of population, migration and remittance flows

Remittance growth substantially outpaced both population growth and international migration.

+10%

LMICs population

+28%

Emigrants from LMICs

+94%

Remittance inflows to LMICs

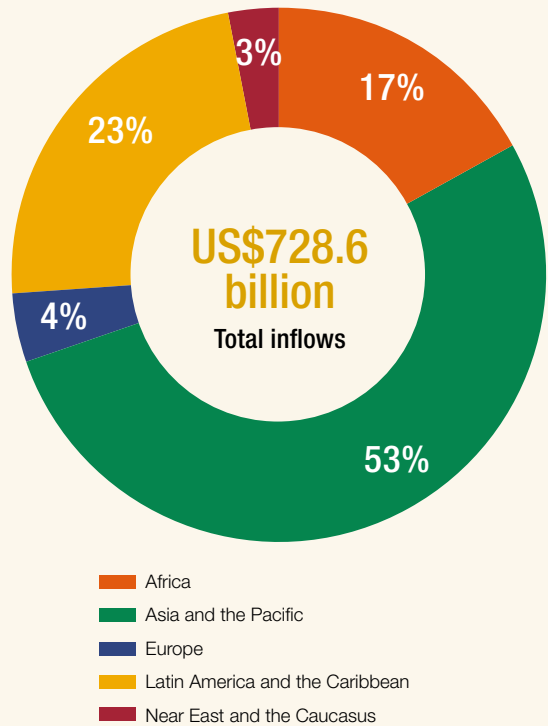
Regional comparison

Region	Population 2025 (million)	Population growth 2016–2025 (percentage)	Emigrants 2024 (million)	Emigrant growth 2015–2024 (percentage)	Remittance inflows 2025* (US\$ billion)	Inflow growth 2016–2025 (percentage)
Africa	1 547	24%	46	32%	124.2	86%
Asia and the Pacific	4 311	7%	90	19%	384.9	95%
Europe	65	-12%	16	55%	30.2	58%
Latin America and the Caribbean	627	7%	44	41%	168.6	132%
Near East and the Caucasus	240	17%	24	23%	20.7	4%
Total	6 790	10%	220	28%	728.6	94%

Notes: Population and remittance growth cover 2016–2025; migration growth covers 2015–2024. Values are rounded.
* Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Remittance inflows by region

Share of total inflows, 2025*

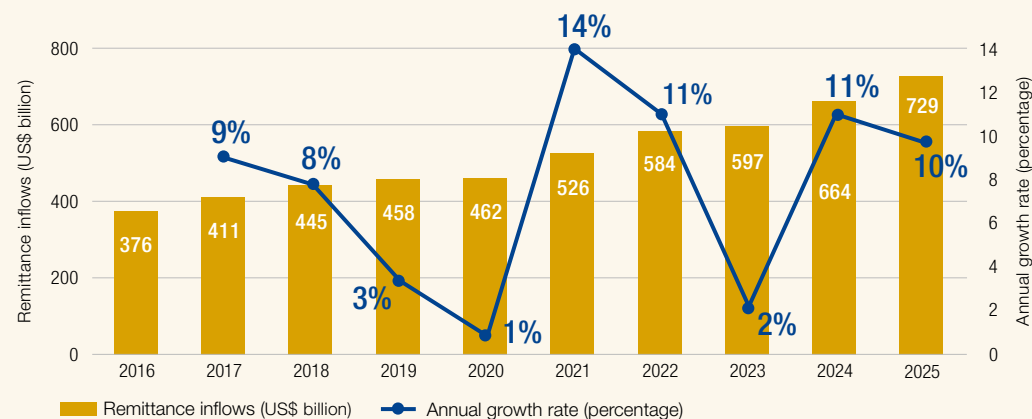


Remittance growth, rural reach and transfer costs

Flows remained resilient, nearly one third reached rural areas, and digital channels offered a lower-cost pathway.

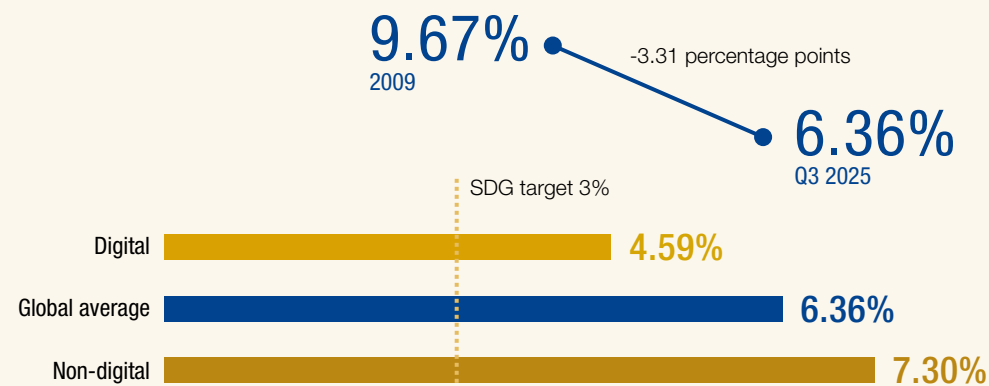
Annual remittance inflows to LMICs

Total value and annual growth, 2016–2025*



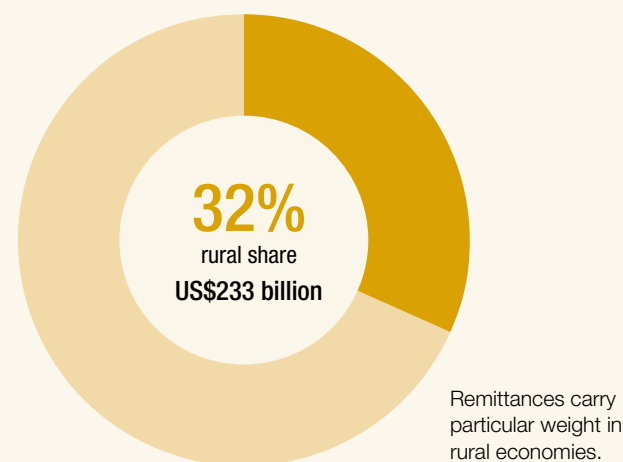
Reduction in the global average cost and the digital cost advantage

Average cost of sending US\$200



Digital services represented 35% of services sampled in Q3 2025.

Estimated global rural share



Estimated remittances reaching rural areas

Region	Inflows 2025* (US\$ billion)	Rural share (percentage)	Rural amount (US\$ billion)
Africa	124.2	34%	41.9
Asia and the Pacific	384.9	40%	154.4
Europe	30.2	30%	9.2
Latin America and the Caribbean	168.6	14%	24.1
Near East and the Caucasus	20.7	15%	3.0
Total	728.6	32% weighted	232.6

Note: * Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Sources: World Bank Remittance Prices Worldwide, Q3 2025; report calculations. Rural figures are estimates and may not sum due to rounding.

Remittances in selected LMICs: inflows, economic reliance, growth and transfer costs

Central Africa

Eastern Africa

Northern Africa

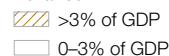
Note:

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Remittances received in 2025*



Reliance



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof. *Source:* UN boundaries (2018).

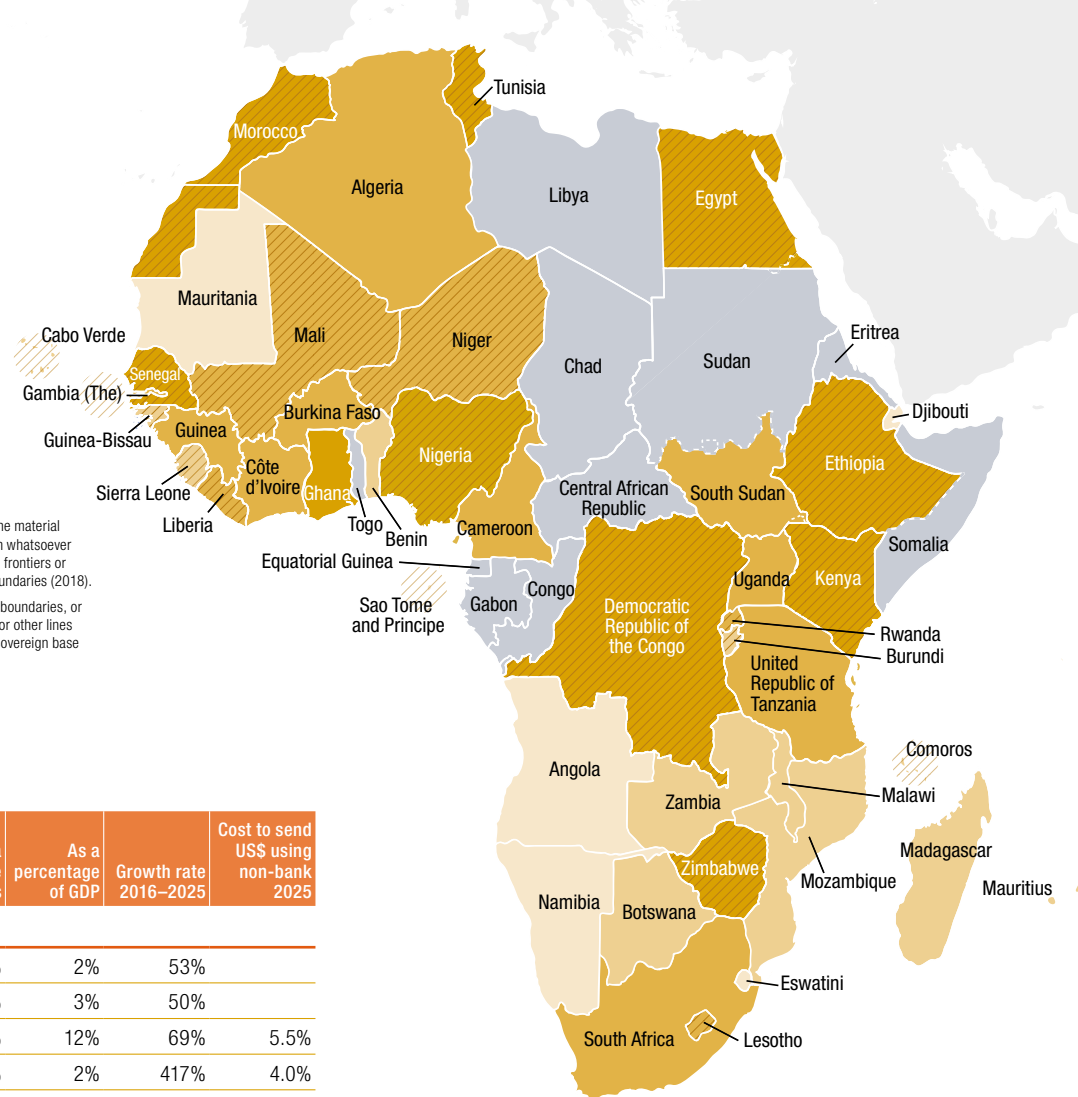
The boundaries depicted as dashed lines are special boundaries, or armistice or international administrative boundaries, or other lines of separation, or autonomous region boundaries, or sovereign base limits, as in line with the UN boundaries (2018).

Western Africa

Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016-2025	Cost to send US\$ using non-bank 202
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Southern Africa

Botswana	128	2%	1%	421%	14.5%
Eswatini	33	1%	1%	-66%	8.8%
Lesotho	533	42%	21%	17%	9.2%
Namibia	96	1%	1%	45%	13.3%
South Africa	1 005	1%	0%	33%	6.0%



PART 2 REGIONAL TRENDS

Africa

Migration and remittance flows

Remittance growth far outpaced migration, increasing the importance of these flows across both large receiving markets and smaller, highly dependent economies.

Africa's migration and remittance landscape expanded substantially over the past decade. Remittances grew significantly faster than either population or migration growth, underscoring their rising importance to households and national economies across the continent. The population grew by 24 per cent, the number of emigrants increased by almost 32 per cent to reach nearly 46 million and remittance inflows rose by 86 per cent to about US\$124 billion.

More than half of African emigrants live within the continent. Among those living outside the continent, Europe remains the main destination, followed by Asia and North America. Long-established corridors between Northern Africa and Europe reflect geographic proximity, labour demand and historical ties, while migration towards the Gulf countries has continued to expand.

This migration dynamic continues to support strong remittance growth, but

the composition of the continent's largest markets has changed. Egypt overtook Nigeria as Africa's largest recipient, with inflows increasing from US\$18.6 billion in 2016 to US\$41.5 billion in 2025. Nigeria's inflows increased more moderately, from US\$19.7 billion to US\$22.8 billion, while Morocco more than doubled flows from US\$6.4 billion to US\$13.7 billion.

Ethiopia and Kenya entered the five largest receiving markets list, replacing Ghana and Algeria. Together, the five leading recipients – Egypt, Nigeria, Morocco, Ethiopia and Kenya – received US\$90.1 billion in 2025, equivalent to approximately 73 per cent of Africa's remittance inflows. Egypt alone accounted for one third of the regional total.

Concentration by volume can be contrasted with economic reliance on these flows. The countries where remittances carry the greatest weight are generally smaller economies. In 2025, remittances represented 22 per cent of GDP in The Gambia and 21 per cent in Liberia, Comoros and Lesotho. Cabo Verde followed at 12 per cent. The Gambia entered the ranking as the economy most reliant on remittances, while Senegal's reliance is now 11 per cent.

This distinction matters. Large recipients such as Egypt and Nigeria shape the African regional total, while smaller remittance-dependent economies are more exposed to changes in migrant employment, exchange rates and transfer channels. In these countries, even a modest disruption can affect household consumption, foreign-exchange availability and national income.

An estimated 34 per cent of Africa's remittance inflows – approximately US\$42 billion in 2025 – reached rural areas. These transfers are particularly important where households have limited access to formal employment, financial services and public safety nets. They support daily consumption, healthcare and education, while helping families manage agricultural, climatic and economic shocks.

Remittance markets and transfer costs

Transfer costs have fallen, but Africa remains the most expensive region for sending remittances to, with sharp differences in progress between subregions.

The non-bank average cost of sending US\$200 to Africa³ has declined from 9 per cent in the third quarter of 2016 to 7.2 per cent in the third quarter of 2025 –

a reduction of 20 per cent. Despite this progress, Africa remains above the global average, and its regional cost is still more than twice the SDG target of less than 3 per cent.

The regional average conceals substantial differences between subregions. The cost of sending money to Western Africa recorded the greatest improvement, with average costs falling by one third, from 7.2 to 4.9 per cent. The average cost of sending money to Eastern Africa declined from 9.7 to 7.2 per cent, while the cost of sending money to Southern Africa declined by 23 per cent.

Nevertheless, sending money to Southern Africa remains the continent's most expensive subregion, with an average cost of 10.4 per cent in 2025. Costs moved in the opposite direction to Central and Northern Africa. The cost of sending remittances to Central Africa increased, on average, from 9.1 to 9.7 per cent, while to Northern Africa it rose from 6.7 to 7.3 per cent. Western Africa is the only subregion with an average cost below 5 per cent, partly reflecting euro–CFA franc corridors, where the fixed exchange rate limits foreign-exchange margins, alongside the lower cost of digital remittance services.

These differences show that technological progress alone does not determine costs.

3/ See methodological note.

Western African and Eastern Africa have benefited from expanding mobile money networks, digital providers and stronger competition in some major corridors. By contrast, lower-volume markets, limited interoperability, reliance on banks and cash payouts, and weak connections between national payment systems continue to raise costs elsewhere.

Transaction and withdrawal taxes can further reduce the benefits of digitalization. Recent policy experience has been mixed: Ghana abolished its electronic transfer levy in 2025, while other countries introduced or considered new taxes on transfers, withdrawals and merchant payments. Such charges may increase consumer costs and encourage migrants and their families to use informal channels.

Africa’s role in digital finance is particularly significant. In 2007, Kenya’s M-PESA emerged when Safaricom and Vodafone introduced a mobile service built around the simple proposition of helping people “send money home”. By 2024, sub-Saharan Africa had surpassed one billion registered mobile money accounts, representing approximately half of the global total. This extensive mobile infrastructure has widened access to remittance services, particularly beyond conventional bank networks, and helped strengthen competition in several markets. Its full potential for international remittances will depend on connecting mobile wallets and payment systems across borders.

In focus: Connecting African payment systems
 Connecting Africa’s fragmented payment systems could lower the cost of intraregional transfers and extend the benefits of digital finance across borders.

Given that more than half of African migrants remain within the continent, the cost and efficiency of intraregional payments are central to the future of African remittances. Current initiatives – including the Pan-African Payment and Settlement System (PAPSS), the Plateforme Interopérable du Système de Paiement Instantané (PI-SPI), the West African Economic and Monetary Union (WAEMU) instant payment platform, the East African Community payments masterplan and bilateral projects such as the Ghana–Rwanda–Zambia pilot – are intended to reduce fragmentation between national systems.

If these platforms achieve sufficient scale and participation, they could reduce dependence on correspondent banking arrangements, increase competition and make regional transfers faster and more transparent. Their impact will depend on effective interoperability and on the participation of banks, mobile money providers and other regulated payment service providers (PSPs).

Africa		Q3 2016	Q3 2025	Trend
Average costs for sending US\$200 (As percentage, for non-bank services)	Africa	9%	7.2%	-20% ↘
	Central Africa	9.1%	9.7%	7% ↗
	Eastern Africa	9.7%	7.2%	-26% ↘
	Northern Africa	6.7%	7.3%	10% ↗
	Southern Africa	13.5%	10.4%	-23% ↘
	Western Africa	7.2%	4.9%	-33% ↘

		2016	2025*
Top 5 recipients by volume received (US\$ billion)	Nigeria	19.7	Egypt 41.5
	Egypt	18.6	Nigeria 22.8
	Morocco	6.4	Morocco 13.7
	Ghana	3	Ethiopia 7.1
	Algeria	2	Kenya 5

		2016	2025*
Top 5 reliant countries (Remittances as percentage of GDP)	Lesotho	22%	Gambia (The) 22%
	Liberia	17%	Liberia 21%
	Comoros	12%	Comoros 21%
	Cabo Verde	11%	Lesotho 21%
	Senegal	10%	Cabo Verde 12%

Note:
 * Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Asia and the Pacific

Remittances in selected LMICs: inflows, economic reliance, growth and transfer costs

Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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Central Asia

Kazakhstan	237	0%	0%	-38%	
Kyrgyzstan	3 197	53%	18%	60%	9.8%
Tajikistan	10 184	630%	58%	445%	3.0%
Uzbekistan	21 003	65%	14%	262%	

Eastern Asia

China	30 003	1%	0%	12%	5.1%
Mongolia	528	3%	2%	103%	

South-Eastern Asia

Cambodia	2 198	6%	4%	83%	3.9%
Indonesia	17 601	5%	1%	98%	3.8%
Lao People's Democratic Republic	247		1%	30%	4.1%
Malaysia	1 605	0%	0%	0%	3.8%
Philippines	41 560	32%	9%	33%	3.2%
Thailand	12 050	3%	2%	92%	4.4%
Timor-Leste	190	96%	10%	137%	

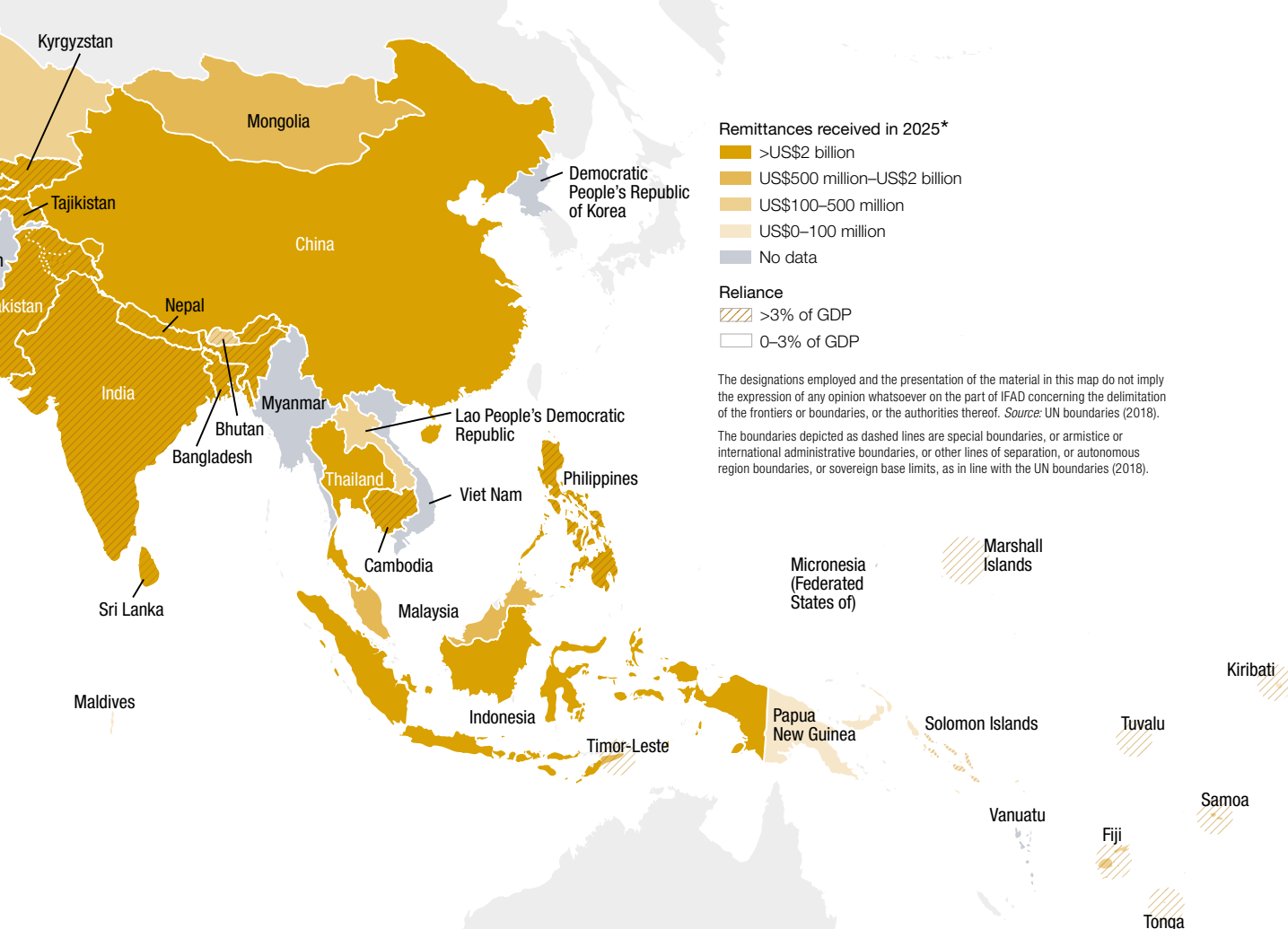
Note:

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Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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Southern Asia

Bangladesh	33 879	67%	7%	150%	6.6%
Bhutan	110	10%	3%	219%	
India	150 712	17%	4%	140%	3.3%
Maldives	5.7	0%	0%	48%	
Nepal	11 254	280%	26%	70%	3.5%
Pakistan	40 478	100%	10%	104%	2.6%
Sri Lanka	6 722	33%	7%	-7%	3.6%



Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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The Pacific

Fiji	424	13%	7%	56%	3.6%
Kiribati	23	146%	6%	39%	
Marshall Islands	67	60%	23%	136%	
Papua New Guinea	3.9		0%	43%	
Samoa	288	81%	22%	120%	5.2%
Solomon Islands	95	15%	6%	369%	
Tonga	254	232%	39%	101%	6.3%
Tuvalu	2.6		5%	2%	

Asia and the Pacific

Migration and remittance flows

The world's largest remittance region combines vast migration corridors with some of the most remittance-dependent economies.

Asia and the Pacific remains at the centre of the global remittance economy. The population increased by 7 per cent, the number of emigrants rose by 19 per cent to approximately 90 million, and remittance inflows almost doubled to US\$384.9 billion. The region accounted for 53 per cent of all remittance inflows in 2025.

Migration from the region is extensive and increasingly diverse. Approximately 60 million Asian and Pacific migrants live outside the region, principally in the Gulf Cooperation Council (GCC) countries, Europe and Northern America. The remaining 30 million live within the region.

The GCC remains central to the region's migration economy, particularly for workers from Southern and South-Eastern Asia. Japan and the Republic of Korea have also expanded temporary worker programmes, while Australia and New Zealand remain important destinations for Asian and Pacific seasonal workers.

Remittance growth considerably outpaced the increase in migration. The region's inflows rose from US\$197.2 billion in 2016 to US\$384.9 billion in 2025 – an increase of 95 per cent. Growth was supported by the scale of the diaspora, sustained demand for migrant labour, resilient migrant earnings and the expansion of formal and digital transfer channels.

The composition of the largest receiving markets remained relatively stable, but their scale changed substantially. India retained its position as the world's largest remittance recipient, with inflows increasing from US\$63 billion in 2016 to US\$151 billion in 2025. India alone accounted for approximately 39 per cent of all remittances received in Asia and the Pacific.

Pakistan and Bangladesh also recorded particularly strong growth. Pakistan's inflows doubled from US\$20 billion to US\$40 billion, while Bangladesh increased from US\$14 billion to US\$34 billion. The Philippines grew more moderately, from US\$31 billion to US\$42 billion, while China moved from third to fifth place despite an increase from US\$27 billion to US\$30 billion.

Together, the five largest recipients – India, the Philippines, Pakistan, Bangladesh and China – received US\$297 billion in 2025, equivalent to approximately 77 per cent of the region's total. This concentration reflects the exceptional scale of Southern Asia's

migration corridors and the longstanding importance of overseas employment in the Philippines.

Concentration by volume contrasts with economic reliance on these flows. In 2025, remittances represented 58 per cent of GDP in Tajikistan – the highest ratio in the region – compared with 27 per cent in 2016. Tonga followed at 39 per cent, while remittances represented 26 per cent of GDP in Nepal, 23 per cent in the Marshall Islands and 22 per cent in Samoa.

The ranking demonstrates that dependence is concentrated in two very different migration systems: the labour corridors connecting Central Asia with the Russian Federation, and the mobility systems linking Pacific island states with Australia, New Zealand and the United States. These economies are particularly exposed to changes in destination-country employment, migration policy, exchange rates and transfer costs.

An estimated 40 per cent of the region's remittance inflows – approximately US\$154 billion in 2025 – reached rural areas. Southern Asia alone accounts for an estimated US\$112 billion in rural remittances. In the Pacific, the volumes are considerably smaller, but remittances often carry exceptional weight in household income and community resilience.

Remittance markets and transfer costs

Costs declined across most subregions, but smaller markets and disrupted corridors remain comparatively expensive.

The non-bank average cost of sending US\$200 to Asia and the Pacific declined from 5.8 per cent in the third quarter of 2016 to 4.7 per cent in the third quarter of 2025⁴ – a reduction of 19 per cent. The regional average is below the global level but remains above the SDG 10.c benchmark of less than 3 per cent. Some corridors also continue to cost more than 5 per cent, the ceiling that SDG 10.c aims to eliminate.

The overall decline masks substantial variation. The cost of sending money to South-Eastern Asia came closest to the 3 per cent target, and recorded the strongest cost improvement, with the average cost falling from 5.9 to 3.6 per cent. Sending money to the Pacific remained comparatively expensive despite a substantial reduction from 9.3 to 6.1 per cent, reflecting small populations, low-volume corridors, geographic isolation and limited provider competition. The average cost of sending money to Eastern Asia declined from 8.2 to 5.1 per cent. The average cost of sending money to Southern Asia recorded only a modest reduction, from 4.9 to 4.7 per cent.

The average cost of sending money to Central Asia moved sharply in the opposite

4/ See methodological note.

direction. Reported average costs increased from 3 per cent in 2016 to 6.4 per cent in 2025. This result should be interpreted cautiously, as available data may not capture all providers, including some low-cost bank-to-bank services in corridors linked to the Russian Federation. The reported reversal also coincided with disruption to established payment routes and correspondent banking relationships.

Digitalization and stronger provider competition supported declining costs in several large Asian markets. In high-volume corridors, migrants increasingly initiate transfers through applications and online platforms, while recipients can receive funds directly into accounts or mobile wallets.

Nevertheless, digital initiation does not always produce an end-to-end digital transfer. Cash collection remains common in parts of Southern and South-Eastern Asia and the Pacific, particularly where recipients lack accounts, connectivity or confidence in digital services. The need to maintain agent and cash-distribution networks can therefore continue to raise costs.

The regional market is consequently divided between large, highly competitive corridors and smaller or less-connected markets. The former benefit from scale, liquidity and multiple providers; the latter face higher operating costs, fewer payout options and greater dependence on banking relationships. Digitalization has narrowed some of these differences, but it has not eliminated them.

In focus: Dependence on GCC labour markets

The resilience of Asian remittances remains closely linked to migrant employment and economic conditions in the Gulf.

The GCC countries are among the most important destinations for workers from Southern Asia and South-Eastern Asia. Earnings from these corridors support millions of households and contribute substantially to the inflows received by India, Pakistan, Bangladesh, the Philippines, Nepal and Sri Lanka.

This concentration creates both opportunity and exposure. Strong demand for migrant labour can sustain employment and remittance growth, while disruptions to recruitment, economic activity or transport can quickly affect workers and their families. Increases in fuel and food prices reduce the purchasing power of remittances, while the nominal value of transfers remains stable.

Recent shocks suggest that aggregate remittance flows can remain resilient, even when migrants and specific corridors face acute economic, operational or regulatory stress.

Asia and the Pacific		Q3 2016	Q3 2025	Trend
Average costs for sending US\$200 (As percentage, for non-bank services)	Asia and the Pacific	5.8%	4.7%	-19% ↘
	Central Asia	3%	6.4%	114% ↗
	Eastern Asia	8.2%	5.1%	-37% ↘
	South-Eastern Asia	5.9%	3.6%	-39% ↘
	Southern Asia	4.9%	4.7%	-4% ↘
	The Pacific	9.3%	6.1%	-35% ↘

		2016	2025*
Top 5 recipients by volume received (US\$ billion)	India	63	151
	Philippines	31	42
	China	27	40
	Pakistan	20	34
	Bangladesh	14	30

		2016	2025*
Top 5 reliant countries (Remittances as percentage of GDP)	Tonga	30%	58%
	Kyrgyzstan	29%	39%
	Nepal	27%	26%
	Tajikistan	27%	23%
	Samoa	15%	22%

Note:

* Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Europe

Remittances in selected LMICs: inflows, economic reliance, growth and transfer costs

Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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Eastern Europe

Belarus	2 308	4%	2%	136%	
Republic of Moldova	1 914	30%	9%	30%	4.0%
Ukraine	12 000	22%	6%	27%	3.6%

Southern Europe

Albania	2 563	23%	8%	96%	5.7%
Bosnia and Herzegovina	3 489	26%	11%	89%	4.8%
Montenegro	897	24%	10%	87%	
North Macedonia	468	4%	2%	48%	4.1%
Serbia	6 558	12%	7%	105%	5.2%

Remittances received in 2025*

- >US\$2 billion
- US\$500 million–US\$2 billion
- US\$100–500 million
- US\$0–100 million

Reliance

- >3% of GDP
- 0–3% of GDP

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof. *Source:* UN boundaries (2018).

The boundaries depicted as dashed lines are special boundaries, or armistice or international administrative boundaries, or other lines of separation, or autonomous region boundaries, or sovereign base limits, as in line with the UN boundaries (2018).

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Europe

Migration and remittance flows

Population decline, rising emigration and geopolitical displacement reshaped Europe's remittance landscape.

Europe occupies a dual position in global migration. It is one of the world's main migrant destinations, hosting 94 million international migrants in 2024, while parts of the continent are also significant sources of international migration and recipients of remittances.

The report's regional analysis concerns eight remittance-receiving LMICs in Eastern and Southern Europe. Across these countries, the population declined by 12 per cent over the decade, while the number of emigrants increased by 55 per cent to approximately 16 million.

Remittance inflows rose at a similar rate – 58 per cent – reaching US\$30.2 billion in 2025, unlike Africa and Asia and the Pacific, where remittance growth substantially outpaced migration.

Migration within Europe is facilitated by geographic proximity, established diaspora networks and access to large labour markets. Free movement within the European Union sustains dense corridors towards Western and Southern Europe, including those linking Romania with Italy and Spain, Poland with Germany,

and Portugal with France. Workers from non-EU countries in Eastern and Southern Europe also migrate extensively towards the European Union.

The past decade was further shaped by successive displacement crises. The arrival of refugees and asylum seekers in 2015, disruption during the COVID-19 pandemic and the displacement of millions of Ukrainians after 2022 altered the scale, direction and composition of migration. These developments occurred alongside longer-term demand for migrant labour in ageing European economies.

Remittance inflows became increasingly concentrated among a small number of recipients. Ukraine remained the region's largest market, with inflows increasing from US\$9 billion in 2016 to US\$12 billion in 2025. Serbia more than doubled its receipts, from US\$3 billion to US\$7 billion, becoming the second-largest recipient.

Bosnia and Herzegovina increased from US\$2 billion to US\$3 billion, while Albania's inflows rose from approximately US\$1 billion to US\$3 billion. Belarus entered the five largest markets with US\$2 billion, replacing the Republic of Moldova.

Together, Ukraine, Serbia, Bosnia and Herzegovina, Albania and Belarus received approximately US\$27 billion in 2025 – close to 90 per cent of the regional total. Ukraine and Serbia alone accounted for

nearly two thirds, meaning that the regional aggregate largely reflects developments in these two markets and may obscure different trends among smaller recipients.

Reliance on remittances followed a different trajectory. In 2016, remittances represented 18 per cent of GDP in the Republic of Moldova, compared with 11 per cent in Montenegro, Albania, and Bosnia and Herzegovina, and 10 per cent in Ukraine. By 2025, Bosnia and Herzegovina ranked first at 11 per cent, followed by Montenegro at 10 per cent, the Republic of Moldova at 9 per cent, Albania at 8 per cent and Serbia at 7 per cent.

The decline in reliance on remittances does not mean that these flows became less important to recipient households. Rather, in several countries, national incomes grew faster than remittance inflows. Remittances continue to support consumption, housing, healthcare and education, particularly in communities affected by emigration and demographic decline.

An estimated 30 per cent of the region's remittance inflows – approximately US\$9.2 billion in 2025 – reach rural areas. In communities experiencing ageing and the departure of working-age adults, these flows help sustain households, local services and economic activity. However, remittances do not fully compensate for the longer-term loss of workers, skills and population.

Remittance markets and transfer costs

Overall, costs declined significantly, but progress was concentrated in Southern Europe.

The non-bank average cost of sending US\$200⁵ to the European LMICs covered by this report declined from 6.7 per cent in the third quarter of 2016 to 4.6 per cent in the third quarter of 2025 – a reduction of 31 per cent. This places the region below the global average, although costs remain above the SDG 10.c target.

The overall improvement was driven primarily by Southern Europe, where average costs fell from 8.9 to 4.9 per cent – a reduction of 45 per cent. Greater competition, extensive banking and payment connections with the European Union, and growing use of digitally initiated transfers contributed to this decline.

Eastern Europe followed a different trajectory. Its average cost remained broadly unchanged, increasing slightly from 3.7 to 3.8 per cent. Although this remains lower than the cost in Southern Europe, this small change shows that relatively low starting costs do not guarantee continued convergence towards the SDG target.

The difference between the two subregions narrowed significantly. In 2016, sending money to Southern Europe cost more

5/ See methodological note.

than twice as much as sending to Eastern Europe. By 2025, the difference had fallen to just over one percentage point.

Europe's remittance market benefits from widespread access to accounts, high internet penetration and strong competition among banks, MTOs and digital providers. Migrants increasingly initiate transfers through applications and online platforms, particularly in the continent's largest corridors.

However, bank transfers, cash payouts and smaller corridors can remain comparatively expensive. Enhanced compliance requirements and changes in correspondent banking relationships have also affected some Eastern European markets since 2022. These pressures may reduce provider choice even where the underlying digital infrastructure is well developed.

The regional challenge is therefore twofold: extending the cost reductions achieved in Southern Europe while ensuring that disruption and regulatory fragmentation do not reverse progress in Eastern European corridors.

In focus: Migration in an ageing region
Remittances support communities affected by population decline, but they cannot replace the workers and skills lost through sustained emigration.

Population ageing and labour-force contraction have made migration increasingly important to European economies. Destination countries rely on migrants to address shortages in healthcare, agriculture, construction, hospitality and other essential sectors. For countries of origin, however, the departure of younger and skilled workers can accelerate demographic decline.

Remittances help soften some of these effects. They support household consumption, finance housing and education, and provide income to older family members who remain behind. In rural areas, they may also help maintain local businesses and services in communities with shrinking populations.

Yet the financial benefits of remittances coexist with the social and economic costs of sustained emigration. Policies that encourage circular migration, skills transfer, diaspora investment and viable opportunities for return can help convert migration from a one-way demographic loss into a more balanced relationship between countries of origin, destinations and diaspora communities.

Europe		Q3 2016	Q3 2025	Trend
Average costs for sending US\$200 (As percentage, for non-bank services)	Europe	6.7%	4.6%	-31% ↘
	Eastern Europe	3.7%	3.8%	4% ↗
	Southern Europe	8.9%	4.9%	-45% ↘

		2016	2025*
Top 5 recipients by volume received (US\$ billion)	Ukraine	9	12
	Serbia	3	7
	Bosnia and Herzegovina	2	3
	Republic of Moldova	1	3
	Albania	1	2

		2016	2025*
Top 5 reliant countries (Remittances as percentage of GDP)	Republic of Moldova	18%	11%
	Montenegro	11%	10%
	Albania	11%	9%
	Bosnia and Herzegovina	11%	8%
	Ukraine	10%	7%

Note:
 * Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Latin America and the Caribbean

Remittances in selected LMICs: inflows, economic reliance, growth and transfer costs

Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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Caribbean

Dominica	40		5%	-10%	
Dominican Republic	12 411	41%	10%	125%	4.3%
Grenada	48		3%	5%	
Haiti	4 111	822%	17%	85%	5.4%
Jamaica	3 564		16%	46%	5.4%
Saint Lucia	62		2%	63%	
Saint Vincent and the Grenadines	88		7%	97%	

Central America

Belize	124	7%	4%	28%	
El Salvador	10 099	86%	28%	121%	3.3%
Guatemala	21 644	113%	19%	194%	4.2%
Honduras	11 927	86%	30%	209%	4.1%
Mexico	64 392	9%	4%	120%	4.2%
Nicaragua	5 246	57%	27%	314%	3.8%

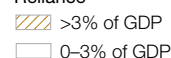
Note:

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Remittances received in 2025*



Reliance



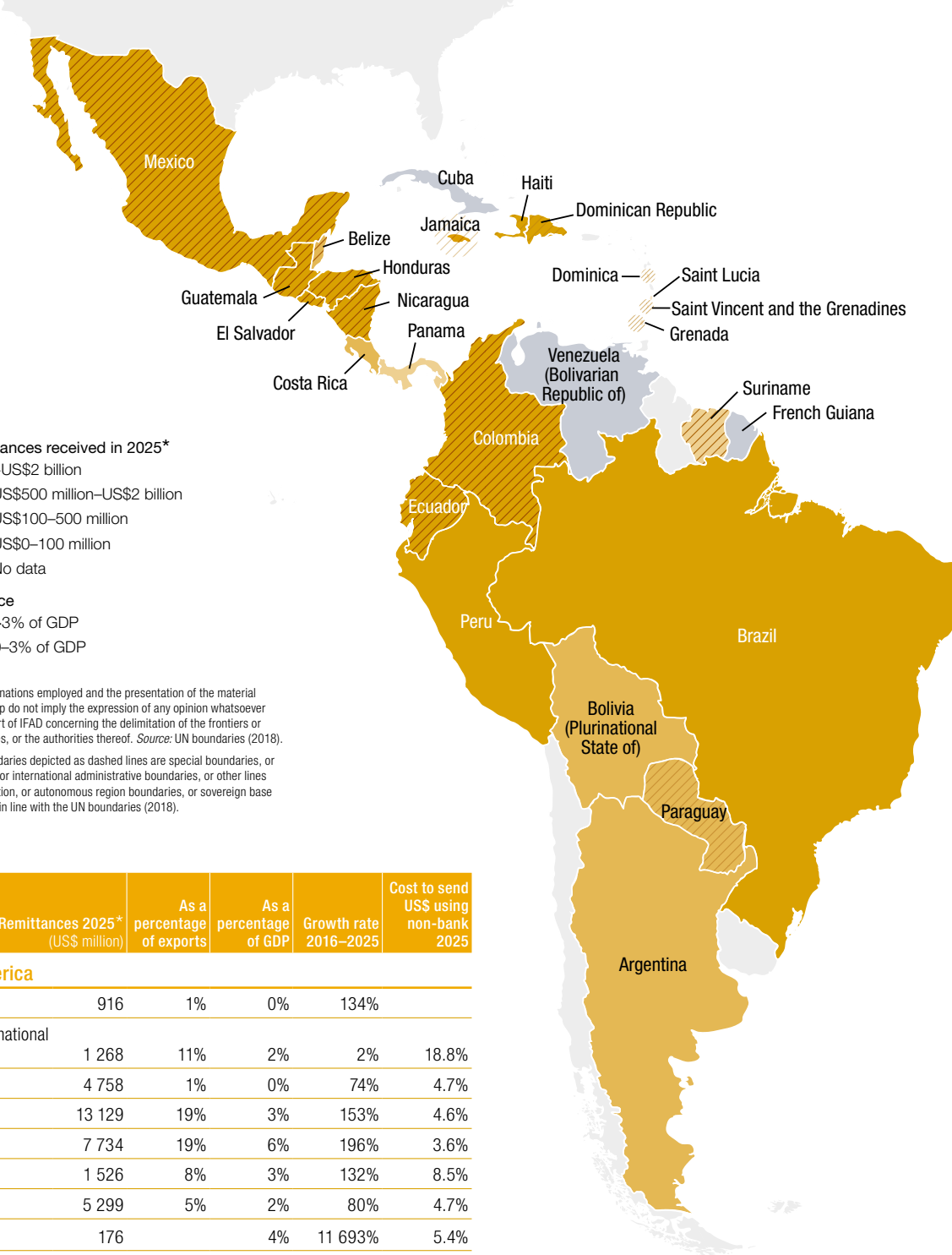
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Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
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South America

Argentina	916	1%	0%	134%	
Bolivia (Plurinational State of)	1 268	11%	2%	2%	18.8%
Brazil	4 758	1%	0%	74%	4.7%
Colombia	13 129	19%	3%	153%	4.6%
Ecuador	7 734	19%	6%	196%	3.6%
Paraguay	1 526	8%	3%	132%	8.5%
Peru	5 299	5%	2%	80%	4.7%
Suriname	176		4%	11 693%	5.4%



Latin America and the Caribbean

Migration and remittance flows

Rapidly expanding remittances accompanied a decade of more diverse, multidirectional and intraregional migration.

LAC recorded the fastest remittance growth of any region over the past decade. The population increased by 7 per cent, the number of emigrants rose by 41 per cent to approximately 44 million, and remittance inflows increased by 132 per cent to US\$168.6 billion.

Migration from LAC has become increasingly multidirectional. Although LAC migrants migrate to Northern America and Europe, intraregional mobility expanded substantially, and several traditional countries of origin also became important destinations and transit countries.

Displacement from the Bolivarian Republic of Venezuela was the largest regional migration event of the decade. Most displaced Venezuelans remained within LAC, particularly in Colombia, Peru, Brazil, Chile and Ecuador. Economic instability, insecurity, climatic events and changes in migration policy also contributed to new regional and northbound routes.

The United States remains the main destination for LAC migrants and the dominant source of remittances. Europe is also important, particularly for South American and Caribbean diasporas.

Remittance growth substantially outpaced both population and migration. Inflows increased from US\$72.6 billion in 2016 to US\$168.6 billion in 2025, raising the region's share of global remittances from 19 to 23 per cent. Strong diaspora engagement and sustained migrant employment contributed to this expansion, particularly in corridors linked to the United States.

Mexico remained the largest recipient, with inflows increasing from US\$29.3 billion to US\$64.4 billion in 2025. It accounted for approximately 38 per cent of all remittances received in LAC.

Growth was even faster in several smaller markets. Guatemala's inflows almost tripled, from US\$7.4 billion to US\$21.6 billion. Colombia increased from US\$5.2 billion to US\$13.1 billion, while the Dominican Republic rose from US\$5.5 billion to US\$12.4 billion. Honduras entered the five largest markets list with US\$11.9 billion, replacing El Salvador.

Together, Mexico, Guatemala, Colombia, the Dominican Republic and Honduras received approximately US\$123 billion in 2025 – equivalent to 73 per cent of the region's total. The degree of concentration

therefore remained broadly stable, but the composition shifted towards Central America and Colombia.

The data also show a marked increase in economic reliance. In 2025, remittances represented 30 per cent of GDP in Honduras, 28 per cent in El Salvador and 27 per cent in Nicaragua. Guatemala followed at 19 per cent and Haiti at 17 per cent.

Four of the five most reliant economies are now in Central America. In 2016, El Salvador led the ranking at 19 per cent. Over the decade, Honduras, El Salvador and Guatemala recorded substantial increases, while Nicaragua entered the five most reliant economies list.

This dependence makes remittances central to household consumption, national income and foreign-exchange availability. It also increases exposure to changes in migrant employment and migration policy in the United States.

An estimated 14 per cent of the region's remittance inflows – approximately US\$24.1 billion in 2025 – reached rural areas. Although this is the lowest regional rural share in the report, remittances remain important to rural and underserved communities, particularly in Central America, Mexico and the Caribbean, areas that are among the most vulnerable to climate change.

Remittance markets and transfer costs

Progress in Central America and the Caribbean was offset by rising costs in South America.

The non-bank average cost of sending US\$200⁶ to LAC remained almost unchanged, at approximately 5.9 per cent in both 2016 and 2025. The regional average remains at almost double the SDG 10.c target.

However, there are sharply divergent subregional trends. The average cost of sending money to Central America recorded the greatest improvement, falling from 5.2 to 3.9 per cent – a reduction of 24 per cent. The cost of sending money to the Caribbean also improved, declining from 6.7 to 6.0 per cent.

The cost of sending money to South America moved in the opposite direction, cancelling out progress in LAC. Average costs increased from 6.0 to 7.2 per cent, a rise of 20 per cent. In 2025, South America recorded the highest average remittance costs in LAC, largely reflecting recent increases in foreign exchange margins by remittance service providers.

Large corridors connected to the United States generally benefit from high transaction volumes, strong liquidity and competition among MTOs, banks and

6/ See methodological note.

digital providers. These conditions have supported lower costs in parts of Mexico, Central America and the Caribbean.

Smaller and lower-volume corridors face fewer providers, weaker payment connectivity and greater operating costs. Bank transfers and cash-based services also remain comparatively expensive, particularly where foreign exchange markets are less liquid or correspondent banking relationships are limited.

The market has nevertheless undergone significant digital change. More transfers are initiated through applications and online platforms, and direct deposits into bank and mobile accounts are expanding. Over time, these services can reduce costs and improve convenience and security.

However, cash collection remains widespread, and digitally initiated transactions are mostly paid out in cash. Digital availability should therefore not be confused with a fully digital remittance journey. Its benefits depend on account ownership, merchant acceptance, consumer confidence and the ability to retain and use funds digitally.

In focus: Migration uncertainty and remittance resilience

The strength of the region's largest remittance corridors is also a source of structural dependence.

The United States is the dominant source of remittances for LAC. This concentration supports large, liquid and competitive corridors, but it also exposes receiving economies to changes in the employment market of the United States, immigration enforcement and migrant legal status.

The impacts of policy changes may not appear immediately in aggregate remittance data. Migrants frequently adjust by changing jobs, increasing working hours, drawing down on savings or modifying the frequency and value of transfers. These are among the reasons that remittances can remain resilient during periods of heightened uncertainty.

However, deportations, employment restrictions or weaker labour demand can reduce the number of active senders and their capacity to remit. The risk is greatest for those economies where remittances represent a substantial share of GDP and where the United States accounts for most inflows.

Diversifying destination markets, reducing transfer costs and connecting remittances with savings and other financial services can help strengthen household resilience. Nevertheless, the scale of migration corridors between the United States and LAC means that developments in the United States will continue to shape the region's remittance outlook.

Latin America and the Caribbean		Q3 2016	Q3 2025	Trend
Average costs for sending US\$200 (As percentage, for non-bank services)	Latin America and the Caribbean	5.9%	5.9%	-1% ↘
	Caribbean	6.7%	6%	-12% ↘
	Central America	5.2%	3.9%	-24% ↘
	South America	6%	7.2%	20% ↗

		2016	2025*
Top 5 recipients by volume received (US\$ billion)	Mexico	29.3	64.4
	Guatemala	7.4	21.6
	Dominican Republic	5.5	13.1
	Colombia	5.2	12.4
	El Salvador	4.6	11.9

		2016	2025*
Top 5 reliant countries (Remittances as percentage of GDP)	El Salvador	19%	30%
	Honduras	18%	28%
	Jamaica	16%	27%
	Haiti	16%	19%
	Guatemala	11%	17%

Note:

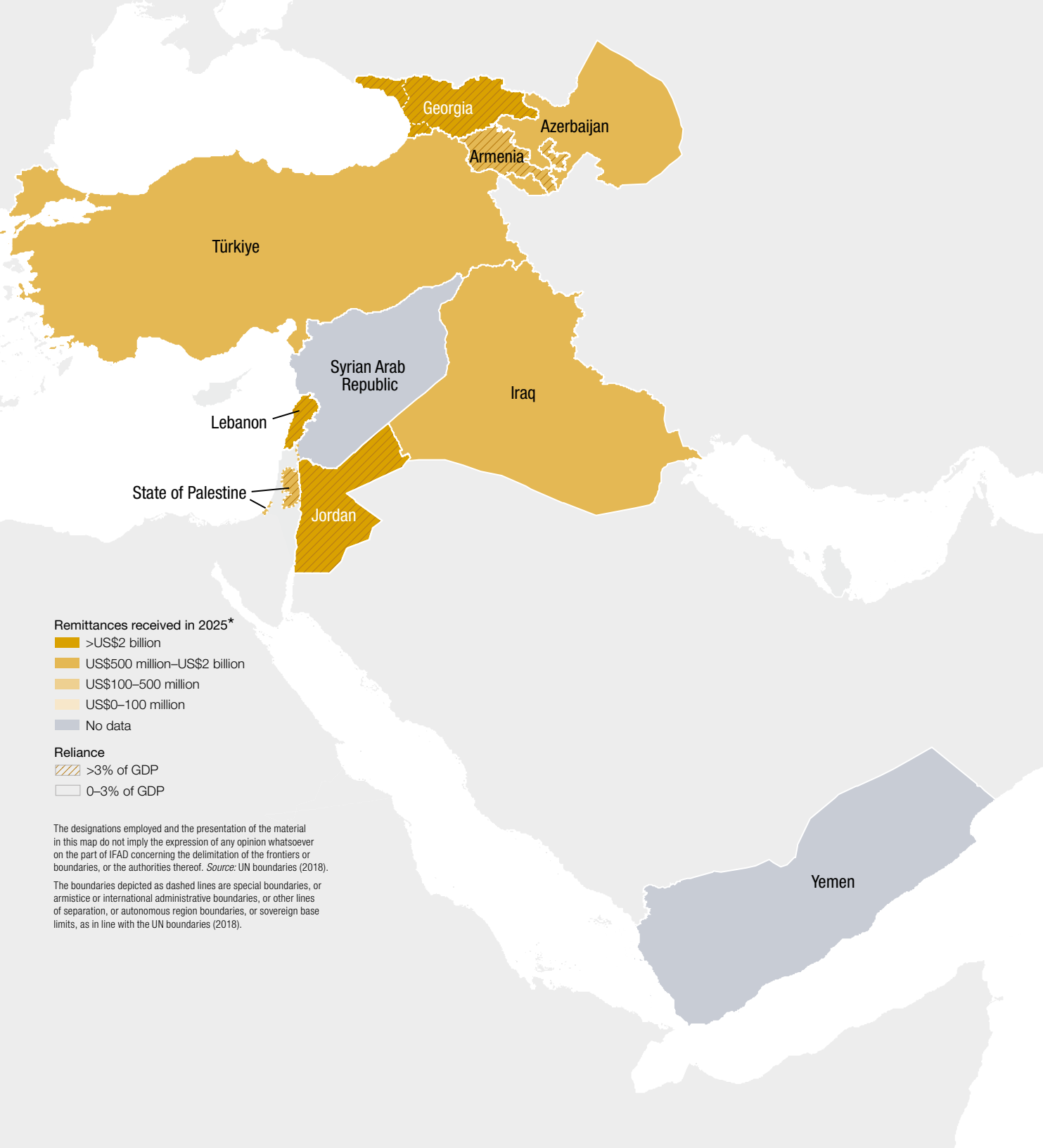
* Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

Near East and the Caucasus

Remittances in selected LMICs: inflows, economic reliance, growth and transfer costs

	Remittances 2025* (US\$ million)	As a percentage of exports	As a percentage of GDP	Growth rate 2016–2025	Cost to send US\$ using non-bank 2025
Türkiye					
Türkiye	982	0%	0%	-18%	4.0%
Caucasus					
Armenia	1 433	10%	5%	4%	7.1%
Azerbaijan	1 492	5%	2%	132%	
Georgia	4 261	24%	11%	180%	
Middle East					
Iraq	696	1%	0%	-29%	
Jordan	4 431		8%	1%	4.6%
Lebanon	6 696	111%	33%	-12%	5.2%
State of Palestine	693	19%	4%	-67%	2.6%

Note:
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Near East and the Caucasus

Migration and remittances

Conflict, demographic pressure and shifting migration routes have reshaped mobility and remittance flows across the region.

Migration patterns in the Near East and the Caucasus have been shaped by limited economic opportunities, demographic change, conflict and displacement. The population increased by only 17 per cent over the decade, with growth constrained by persistent emigration from several countries. Labour migration to Türkiye, the GCC countries, the Russian Federation and Europe remains important, while intraregional movements and forced displacement have added further complexity.

The South Caucasus has experienced sustained outmigration, particularly among younger and skilled workers. Established labour corridors remain closely connected to the Russian economy, although migrants and diaspora communities are increasingly diversifying towards Europe and the United States. Conflict has also generated substantial population movements.

Remittance patterns reflect these contrasting and often volatile migration systems. Regional inflows approached US\$21 billion in 2025, only slightly above their level a decade earlier. This limited regional growth masks substantial changes among individual countries and illustrates the sensitivity of flows to conflict, economic cycles, exchange rates and changing migration destinations.

Inflows remain concentrated among a small number of countries. Lebanon was the largest recipient in both periods, although flows declined from US\$7.6 billion in 2016 to US\$6.7 billion in 2025. Jordan remained second, with inflows holding steady at US\$4.4 billion.

Georgia recorded the most significant increase among the region's principal recipients. Inflows rose from US\$1.5 billion to US\$4.3 billion. This expansion was partly associated with the exceptional financial movements that followed the relocation of Russian citizens after 2022. Azerbaijan entered the five largest recipients with US\$1.5 billion, while the State of Palestine dropped out of this group.

Remittance reliance also shifted markedly. In Lebanon, remittances increased from 15 to 33 per cent of GDP, making it by far the region's most remittance-dependent economy. Georgia followed at 11 per cent. Reliance declined in Jordan, from 10 to 8 per cent; Armenia, from 13 to 5 per cent and the State of Palestine, from 14 to 4 per cent.

The rankings demonstrate that changes both in remittance volumes and in reliance do not necessarily go together. Armenia received approximately the same nominal amount in both years, but remittances became considerably less important relative to its economy's size. Lebanon experienced declining nominal inflows while becoming substantially more reliant on them as domestic economic conditions deteriorated.

Remittance markets and transfer costs

Falling costs in some Near East and the Caucasus corridors have been offset by increases in the cost of sending money to the Caucasus.

Remittance markets vary significantly across the region. GCC-based financial institutions, MTOs and digital platforms serve large and relatively competitive corridors. In the Caucasus, operators are affected by changing banking relationships, sanctions compliance, currency volatility and dependence on a limited number of sending countries.

The non-bank average cost of sending US\$200⁷ increased from 4.6 per cent in the third quarter of 2016 to 5.1 per cent in the same quarter of 2025. This average conceals sharply diverging corridor trends.

Average remittance costs to Türkiye declined from 7.4 to 4.0 per cent, a reduction of 46 per cent. Transfer costs to the Middle East also declined from 5.5 to 4.9 per cent. By contrast, the average cost of sending to the Caucasus increased from 2.0 to 7.1 per cent. This rise offset progress elsewhere and pushed the regional average up. However, this result should be interpreted cautiously, as available data does not capture all providers, including certain

7/ See methodological note.

low-cost bank-to-bank services and the cost increase coincided with disruptions to established payment routes and correspondent banking relationships.

Digital services have improved the speed and convenience of transfers, particularly in well-served GCC corridors. Mobile applications, online MTOs and account-based services can offer lower-cost and nearly instantaneous transfers. In contrast, cash remains important, and smaller corridors may still have limited competition, fewer direct payment connections and greater reliance on banks or intermediary institutions.

This region illustrates why greater digital availability does not automatically produce lower average costs. Market size, competition, regulation, correspondent banking relationships and the ability to complete a transfer digitally at both ends remain decisive.

In focus: Diversifying migration corridors and financial connections

Building more resilient markets requires diversification, stronger financial connections and services adapted to migrants and their families.

The region's dependence on a limited number of migration destinations and financial channels creates significant exposure to external shocks. Economic slowdowns, exchange-rate movements, sanctions, conflict and regulatory changes in major host countries can rapidly affect both migrants and the families who depend on them.

Expanding competition and direct connectivity between payment systems could help reduce costs, particularly in smaller Caucasus corridors. Greater interoperability among banks, MTOs, mobile wallets and national payment systems would also make it easier for families to receive and use remittances through formal financial services. Linking these flows to appropriate savings, insurance, credit and investment opportunities can help families manage immediate shocks while gradually building assets and resilience.

Diaspora engagement is equally important. Several governments are exploring return programmes, investment incentives and mechanisms to mobilize diaspora expertise and capital. These initiatives will be most effective when they complement remittances – rather than attempt to redirect them.

Near East and the Caucasus		Q3 2016	Q3 2025	Trend
Average costs for sending US\$200 (As percentage, for non-bank services)	Near East and the Caucasus	4.6%	5.1%	11% ↗
	Türkiye	7.4%	4%	-46% ↘
	Caucasus	2%	7.1%	264% ↗
	Middle East	5.5%	4.9%	-12% ↘

		2016	2025*
Top 5 recipients by volume received (US\$ billion)	Lebanon	7.6	6.7
	Jordan	4.4	4.4
	State of Palestine	2.1	4.3
	Georgia	1.5	1.5
	Armenia	1.4	1.4

		2016	2025*
Top 5 reliant countries (Remittances as percentage of GDP)	Lebanon	15%	33%
	State of Palestine	14%	11%
	Armenia	13%	8%
	Jordan	10%	5%
	Georgia	10%	4%

Note:

* Year labels denote the latest available country data and may include values from 2025, 2024 or 2023 where more recent data are unavailable.

CHAPTER 2

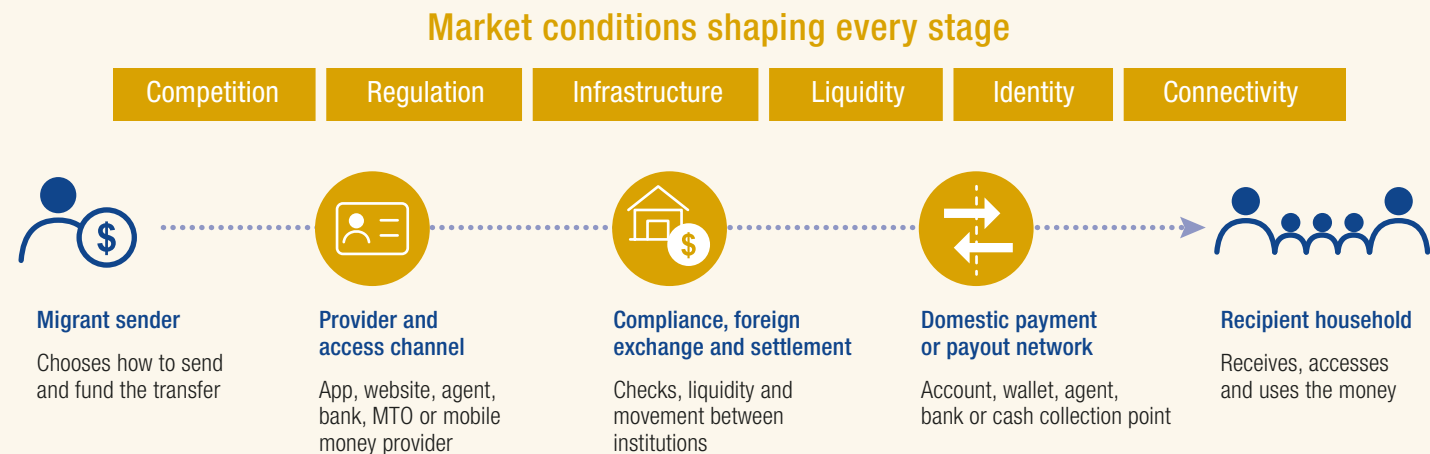
Remittance markets at a digital turning point

Regional analyses reveal that while digital services are expanding within remittance markets, they are not converging at the same speed. Over the past decade, the trend has been an increasing shift from traditional cash-to-cash transfers towards a broader mix of account- and wallet-based services. Costs are gradually falling and new providers are challenging established business models.

Digitalization has increased market concentration among new entrants and incumbents, while also encouraging competition at scale. Yet other factors, including regulation, infrastructure and customer access, still determine who benefits. The central question is no longer whether remittances will become more digital, but what kind of digital market is emerging.

How the remittance market fits together

A transfer is shaped by institutions and infrastructure at every stage



What remittance families experience



PART 1 THE DIGITAL TRANSFORMATION OF REMITTANCE MARKETS

Over the past decade, the remittance market has moved from a largely cash-based, agent-led business towards a mixed ecosystem of applications, websites, bank accounts, mobile wallets, payment platforms and cash networks. The transformation is visible to customers, but relies on less visible changes in identity systems, compliance, foreign exchange, settlement and domestic payment infrastructure.

A wider – and more contested – provider landscape

Banks and established MTOs, including Western Union and MoneyGram, remain central to the market. They now compete and collaborate with digital-first remittance companies, fintech firms, digital banks, electronic money (e-money) and mobile money providers, microfinance institutions, payment aggregators and technology platforms. Traditional providers have also digitized their own services, so the market is not simply dividing into “old” legacy companies and “new” market entrants.

This broader provider landscape has expanded consumer choice and attracted investment into cross-border payments. Competition is strongest in large corridors where transaction volumes, foreign-exchange liquidity and digital adoption can support several providers. Smaller, regional corridors remain harder to serve due to both fixed compliance and infrastructure costs, which spread across fewer transactions.

The promise of digital remittances

Digitalization of remittances refers to transfers initiated electronically through an application, website or other digital interface and funded from – or paid into – a transaction account. A transfer may nevertheless be digital at only one end: a migrant may initiate and fund it electronically while the recipient collects cash from an agent. This distinction is essential when comparing data and claims about digital growth.

The promise is straightforward. Digital services can make transfers available at any time, reduce travel and waiting times, enable transparency and

price comparison, accelerate delivery and connect remittances directly to accounts or wallets. They also lower some distribution and processing costs.

Realizing this promise depends on wider access to accounts and digital channels. By 2024, 75 per cent of adults aged 15 and older in LMICs had an account at a bank or similar financial institution, a mobile money account or both (Global Findex Database 2025). This infrastructure is already supporting the receipt of transfers: on average across LMICs, 65 per cent of domestic remittance recipients receive these payments directly into a transaction account. Although this measure concerns domestic remittances, it illustrates the potential for account-based receipt of international transfers. On the sending side, more than half of global remittance value to LMICs is estimated to have been initiated digitally by 2025.⁸ Together, wider account ownership, the established use of accounts to receive transfers and the growing digital initiation of remittances suggest a much stronger basis for digital adoption than existed a decade earlier.

Mobile has enhanced last-mile access

Account-based digital finance has developed through diverse institutional and technological models. As an example, in several African markets, mobile money is especially important where conventional bank account ownership is lower, and agent networks are more widespread. In other markets, comparable

Digital services can...	But they do not automatically...
Enable remote, 24-hour initiation	Guarantee that recipients have an account, identity document or reliable connection
Improve speed and transaction visibility	Eliminate cash, failed transactions or last-mile liquidity constraints
Make prices easier to compare	Remove foreign-exchange margins or ensure that the cheapest service is accessible
Connect remittances to accounts and wallets	Create sustained financial inclusion without suitable products, trust and capability

8/ Estimates based on Mastercard (2024); Visa (2024); other sources.

services may be described as e-money, electronic wallets or digital payment accounts and may be offered by banks or regulated non-bank PSPs.

These services can allow recipients to store funds, pay bills, transfer money domestically or withdraw cash close to home. Agent networks continue to connect digital services with communities where cash remains important or formal financial access is limited. Their contribution to cross-border remittances is growing, but remains uneven and depends on agent liquidity, interoperability, consumer protection and the ability to move funds reliably between accounts, wallets and cash networks.

Digital growth has not removed access barriers

Cash remains important. Some recipients prefer it while others lack accounts, reliable connectivity, recognized identification or confidence in digital services. These constraints are particularly visible in rural and remote areas, where sparse agent networks, long travel distances and insufficient cash-out liquidity can make funds difficult or costly to access. On the sending side, migrants' levels of financial inclusion and digital literacy directly influence their access to digital remittance services.

Digital and financial literacy, fraud concerns, customer support and trust also shape adoption. Indeed, expanding digital services requires more than launching an application. Other factors include reliable infrastructure, interoperable accounts and wallets, accessible redress mechanisms and services designed for the circumstances of migrant families.

Competition and regulation determine whether digital gains reach customers

Digital technologies have lowered some barriers to entry, but operating across borders at scale still requires licences, compliance systems, banking relationships, liquidity and connections to several payment infrastructures. These requirements protect the integrity of the market, but they can also favour large providers and make low-volume or fragile corridors less attractive.

Proportionate customer due diligence rules, digital identity, transparent pricing and strong consumer protection can support innovation. By contrast, de-risking, restrictive foreign-exchange rules, weak cybersecurity, transaction taxes and wide gaps between official and market exchange rates can reduce competition or push transactions towards informal channels (see insight 1).

INSIGHT 1 A TAX LINKED TO THE FUNDING METHOD

The United States introduced a 1 per cent excise tax on certain outbound remittance transfers from 1 January 2026. It applies when transfers are funded with cash, money orders, cashier's checks or similar physical instruments, but not when funds are withdrawn from a qualifying financial account or paid with a United States-issued debit or credit card. Because its application depends on the funding method, the measure may widen the cost difference between cash-based and account-funded digital transfers.

Source: US Internal Revenue Service, Internal Revenue Bulletin 2026-18, section 4475; IRS implementation notice, 7 October 2025.

Costs are falling – but the digital advantage is uneven

The average cost of sending US\$200 reached 6.4 per cent in the third quarter of 2025, still more than twice the SDG 10.c target of less than 3 per cent. Fully digital services averaged 4.6 per cent, compared with 7.3 per cent for non-digital services.

It is important to distinguish among provider types and channels. A bank transfer may be digital but expensive; an MTO may combine a digital sending channel with cash payout; and a mobile money service may be inexpensive only where both sides can use compatible wallets. As explicit fees fall, foreign-exchange margins account for a larger share of total cost, making the amount received as important as the advertised fee (see insight 2).

INSIGHT 2 WHAT THE PRICE SHOULD SHOW

Customers need to see the total cost of a transfer and compare like for like: how much of the amount sent will the recipient receive, how much will be retained in fees and exchange-rate margins, and the final amount paid in local currency. A low advertised fee can conceal an unfavourable exchange rate and a substantially higher final cost.

Affordable, accessible and transparent remittance services aligned with SDG target 10.c already exist in most markets. The World Bank's Smart Remitter Target (SmaRT) Index identifies qualifying services in 96 per cent of monitored corridors.

Unlike the simple corridor average, which covers all available services regardless of their competitiveness, the SmaRT Index measures the average cost of the three cheapest qualifying services (see insight 3).

INSIGHT 3 HOW A US\$1.99 FEE BECAME A US\$6.91 COST

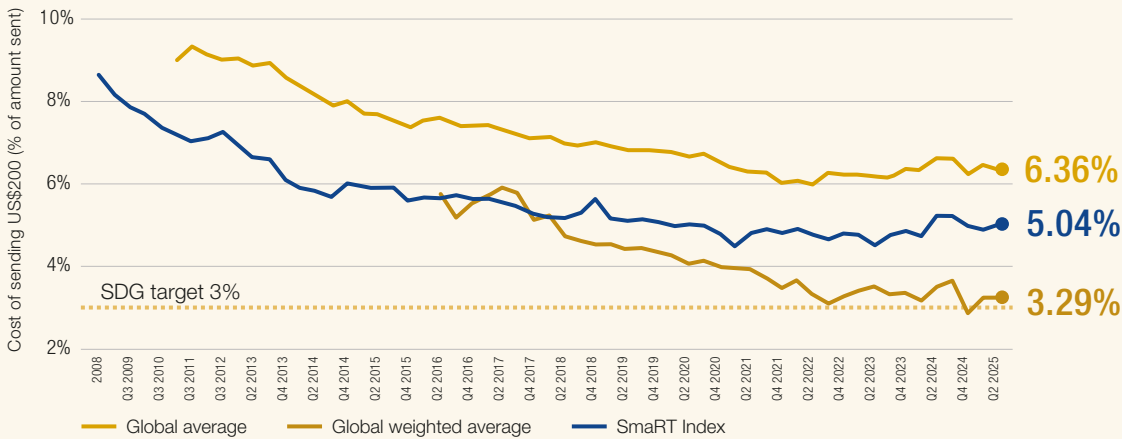
In the World Bank’s third-quarter 2025 data for an online US\$200 transfer from the United States to the Philippines, one service charged an explicit fee of US\$1.99. The exchange rate applied added a 2.46 per cent margin – equivalent to approximately US\$4.92. The final cost was therefore US\$6.91, or 3.46 per cent of the amount sent. More than 70 per cent of the total cost came through the exchange rate rather than the advertised fee.

Source: World Bank, Remittance Prices Worldwide, United States–Philippines corridor; data collected 4–21 August 2025.

This approach offers policymakers and market operators a more actionable measure of what can be achieved under existing market conditions, while revealing the gap between the best-performing services and the wider market. With a global average of 3.29 per cent, the index shows that costs close to the SDG target are already attainable where competitive services and enabling regulatory environments are in place.

Remittance costs are falling – but remain above the SDG target

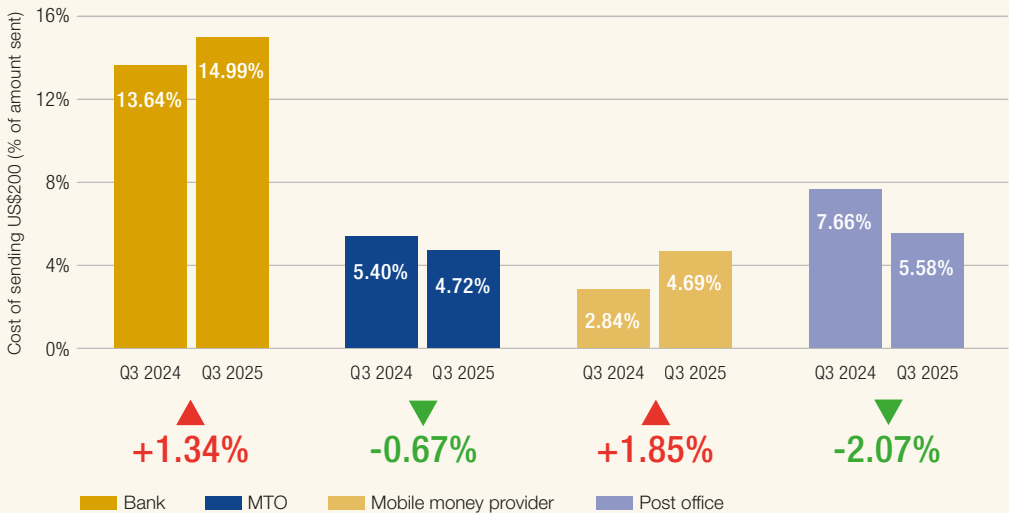
Global, weighted and SmaRT averages, 2008–Q2 2025



Note: SmaRT indicates the cost of lower-cost services available to a reasonably informed customer.
Source: World Bank, Remittance Prices Worldwide, Issue 54, September 2025.

Total average cost by remittance service provider type

Cost of sending US\$200, Q3 2024 and Q3 2025



Source: World Bank, Remittance Prices Worldwide, Issue 54, September 2025.

PART 2 THE INFRASTRUCTURE BEHIND THE SCREEN

The first wave of digital transformation changed the customer channel. The next phase is increasingly taking place behind the screen: improving how customers are identified, how domestic payment systems connect, how providers exchange information and how value is settled between institutions.

Digital public infrastructure provides the domestic foundation

Digital public infrastructure (DPI) refers to shared digital systems that allow public and private services to operate more efficiently. In financial services, its building blocks may include digital identity, instant payment networks and secure data exchange. Rather than each institution creating a separate system, banks, payment providers and public services can connect through common national infrastructure.

For remittances, these systems can simplify electronic know-your-customer (KYC) processes, strengthen identity verification, support direct credit into accounts or wallets, and improve the connection between international providers and domestic payment networks.

India's Aadhaar digital identity system and Unified Payments Interface (UPI), Brazil's Pix, Singapore's PayNow and Thailand's PromptPay illustrate the value of strong domestic digital foundations.

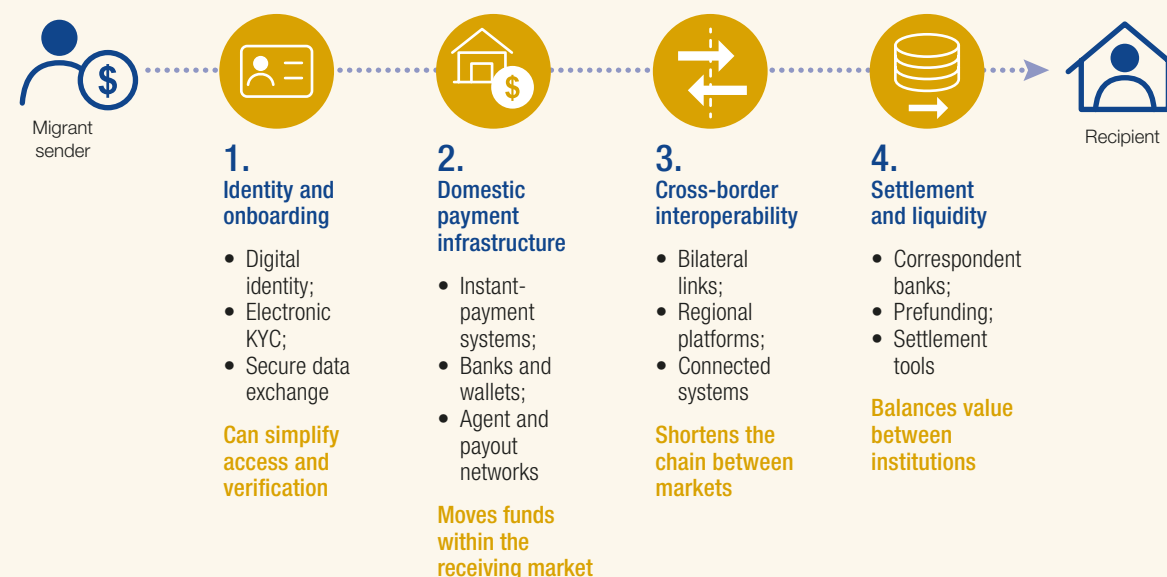
They are primarily domestic infrastructures. Their relevance to cross-border remittances arises when regulated providers or cross-border arrangements connect international transfers to these familiar local systems, shortening the last mile and allowing funds to reach an account or wallet directly.

Connecting payment systems across borders

As domestic instant payment systems expand, governments and payment providers are exploring bilateral and multilateral ways to connect them across borders. These links could shorten transaction chains and allow people to send

From customer channel to connected infrastructure

The next phase of remittance innovation is increasingly taking place behind the scenes



Most infrastructure changes are invisible to users

Their value is measured in simpler onboarding; clearer prices; faster delivery; fewer failures; more reliable access.

money through familiar domestic channels. The connection between Thailand's PromptPay and Singapore's PayNow is an early bilateral example. Nexus Global Payments (NGP), which grew out of the Bank for International Settlements (BIS)-led Project Nexus, is developing a standardized multilateral model linking national instant payment systems in Asia. In Africa, the Pan-African Payment and Settlement System supports cross-border payments in multiple local currencies, while the Southern African Development Community's Transactions Cleared on an Immediate Basis (TCIB) Payment Stream is designed for low-value cross-border transfers.

Other systems have a more regional focus within monetary zones. The PI-SPI, operated by the Central Bank of West African States, provides continuous and instant interoperable payments across the eight countries of the West African Economic and Monetary Union. In Europe, the Single Euro Payments Area (SEPA) Instant Credit Transfer scheme (SCT Inst) enables euro credit transfers within seconds. These infrastructures can improve the environment for regional transfers, although access, participation and support for remittance services still vary. Together, these initiatives show how interoperable payment systems can make cross-border and regional transfers faster, simpler and more accessible.

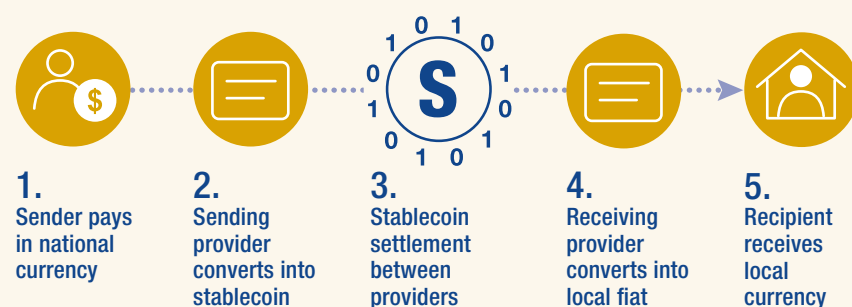
Stablecoins and cryptocurrencies: Promise, attention and unanswered questions

Stablecoins and cryptocurrencies have become prominent in discussions about the future of cross-border payments. Providers, investors and policymakers are actively examining these. They should not be treated as a single technology or as a proven replacement for conventional remittance systems, but rather as an additional option for customers and a complementary building block that can be integrated into the remittance supply chain.

Two ways stablecoins can enter a remittance

The key distinction is what the sender or recipient knowingly uses – not the underlying technology

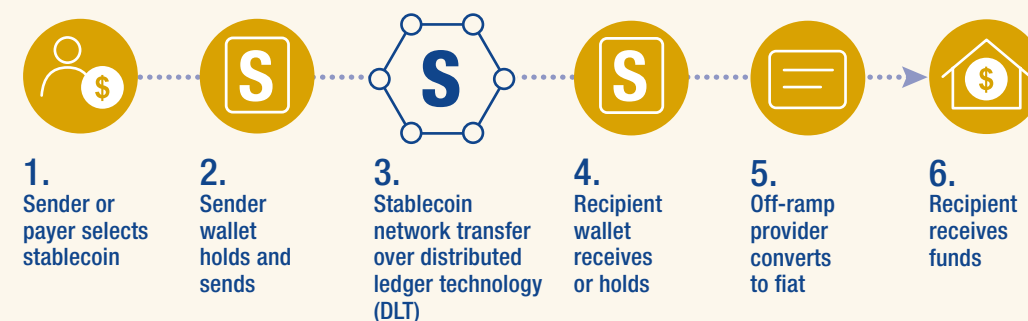
Invisible settlement rail



Customers use fiat

Customers use national currency; providers handle stablecoin conversion and settlement behind the scenes.

Customer-facing stablecoin



Customer uses stablecoin

If a customer knowingly sends, receives or holds the stablecoin, the service is customer-facing for that person.

Note: **Fiat currency:** government-issued national currency, such as United States dollars or Mexican pesos; **Stablecoin examples:** USDC, Tether (USDT) and euro-backed stablecoin, Circle (EURC).

Technology or model	Possible remittance role	Principal cautions
Stablecoins	Institutional settlement, liquidity management and potentially faster cross-border movement of value	Reserve quality and redemption, regulation, operational risk, foreign exchange and access to reliable on/off ramps
Unbacked cryptocurrencies	Alternative transfer channel in limited circumstances	Price volatility, fraud, custody, technical complexity, variable transaction costs and weak recourse
Tokenized bank money or central bank digital currencies	Potential future settlement between regulated institutions	Interoperability, governance, privacy, legal status and limited operational deployment

A stablecoin is a digital token designed to maintain a stable value, usually against a national currency such as the United States dollar. USD Coin (USDC) is one example of a stablecoin designed to track the United States dollar; other fiat-referenced stablecoins also exist.

Stablecoins are privately issued instruments whose reliability depends on the reserves backing them. They move across blockchain networks, where costs may include network or “gas” fees and on- and off-ramping, meaning conversion between national currency and stablecoins. A shock could cause a stablecoin to lose parity and trigger wider runs, creating financial stability risks. By contrast, central bank digital currencies (CBDCs) are digital forms of national currency issued and backed by a central bank.

For providers, stablecoins can serve both as a customer product and as a settlement infrastructure. Direct consumer use is emerging where customers seek faster digital transfers or access to dollar-denominated value, but it depends

on suitable wallets, reliable conversion services and sufficient technical understanding. In an invisible settlement arrangement, providers convert national currency into a stablecoin, transfer it across borders and convert it back into local currency for delivery, while customers continue to use national currencies (see insight 4).

INSIGHT 4 INVISIBLE SETTLEMENT RAIL – FÉLIX PAGO AND BITSO

For transfers from the United States to Mexico, a customer can initiate a payment through Félix Pago’s WhatsApp service and pay in US\$. Bitso converts the funds into USDC for movement over the Stellar blockchain network, then converts them into Mexican pesos for delivery through Mexico’s SPEI system. The sender and recipient deal in national currencies and do not need a crypto wallet – or even to know that a stablecoin was used behind the scenes.

Source: Stellar Development Foundation, Félix Pago and Bitso case study.

Stablecoins can enable faster settlement, including outside banking hours, reduce reliance on correspondent banking and lower liquidity requirements by reducing the need to maintain prefunded accounts in multiple countries. These efficiencies may reduce operational costs and increase competition, although they still depend on regulatory approval, interoperability and access to reliable fiat on- and off-ramps.

For migrants and recipients, the benefits depend on how the service is designed. Where stablecoins remain invisible to customers, migrants and recipients continue to send and receive national currencies through familiar channels while potentially benefiting from lower costs, faster transfers and greater reliability. If customers use stablecoins directly, transfers take place through compatible digital wallets, and recipients may retain the stablecoin or convert it into local currency through an off-ramp provider (see insight 5). Adoption may nevertheless be constrained by varying regulatory treatment, limited merchant acceptance and unfamiliarity with managing digital assets.

INSIGHT 5 CUSTOMER-FACING STABLECOIN – MONEYGRAM RAMPS

MoneyGram Ramps offers a different model: users knowingly add, receive, hold or withdraw USDC through a compatible wallet and can cash in or out at participating MoneyGram locations. Here the stablecoin is part of the customer proposition, so wallet access, understanding, custody and redemption become direct consumer issues.

Source: Stellar developer documentation, MoneyGram Ramps.

Because preserving the value of the transfer is essential, unbacked cryptocurrencies such as bitcoin present additional challenges for family remittances, including high price volatility, transaction fees, technical complexity, fraud risks and limited consumer protection.

The central policy question is therefore not whether a transfer uses a fashionable technology. It is whether the complete service, including currency conversion, compliance, cash-in and cash-out, delivers lower cost, greater transparency, reliable value and effective consumer protection. Converting stablecoins into local currency may involve provider fees, exchange-rate spreads and withdrawal or cash-out charges that are not always clearly disclosed. A faster settlement rail does not remove these costs, the need for liquidity or the requirement for trusted local access.

What the next phase should deliver

The most important advances are likely to come from several systems working together. Digital channels can improve convenience; identity and instant payments can strengthen domestic access; interoperability can shorten transaction chains; and new settlement tools may improve institutional liquidity. But none are sufficient on their own.

For remittance families, success will be measured in practical outcomes: simpler onboarding, transparent prices, faster delivery, fewer failed transactions, effective redress and reliable access to funds. The technology may remain invisible, and in most cases, this makes practical sense. Its purpose is not to make remittances appear more innovative, but to make sending money home easier and more impactful (see insight 6).

From innovation to impact

The next phase of remittance innovation will depend less on any single technology than on how effectively digital channels, identity systems, payment infrastructure and regulation work together. Progress should be measured by simpler access, greater transparency, faster delivery and more reliable services.

Digitalization is changing remittance markets, but its promise will be realized only when customer channels, regulation, domestic access and cross-border infrastructure improve together. Stablecoins and other emerging technologies should be judged by the same standard.

INSIGHT 6 IMPROVING THE MARKET IN PRACTICE

Removing identity and compliance barriers

Through the Remittance Access Initiative, IFAD and Cenfri supported 13 RSPs and five regulators in Ghana, Kenya, Morocco, Senegal, South Africa, The Gambia and Uganda. Country assessments identified where existing regulations already allowed more proportionate customer due diligence and identity practices.

The initiative then helped providers implement 22 operational innovations. These included risk assessments that avoided the automatic classification of low-income and rural customers as high risk; simplified “KYC-light” accounts requiring fewer documents; alternative and digital forms of identity verification; improved rural-agent onboarding; staff training; and system-generated receipts that replaced forms completed manually by customers.

By 2023, these measures had removed KYC and due diligence barriers for 358,000 customers across 11 providers. The results demonstrate that practical changes to identity and compliance processes can widen access, particularly for rural households, women and people lacking conventional documentation, without weakening financial-integrity safeguards.

Sources: IFAD Financing Facility for Remittances and Cenfri, Remittance Access Initiative and IFAD Remittance Innovation Toolkit.

CHAPTER 3

Remittances as a pathway to financial inclusion and asset building

Remittances help families meet immediate needs, but their longer-term value grows when recipients can access and use appropriate financial services. Financial inclusion can expand families' choices, strengthen resilience and create pathways towards asset-building.

Expanding remittance families' opportunities through financial inclusion

The contribution of remittances to broader economic development has long been debated. Current evidence shows that remittances deliver the greatest long-term development benefits when supported by an inclusive and well-functioning financial system.

Remittances are commonly assumed to be used only for consumption. However, human capital theory treats spending on health and living standards not as unproductive expenditure, but as critical investment in human capacity. Such spending is frequent and small-scale, helping to stabilize household welfare and smooth income volatility.

Global survey evidence suggests that, on average, about 75 per cent of family remittances are used for immediate needs such as food, shelter and bill payment. The remaining 25 per cent – an estimated US\$180 billion annually – is dedicated to building more secure futures through better education, improved health, savings, and investment in assets

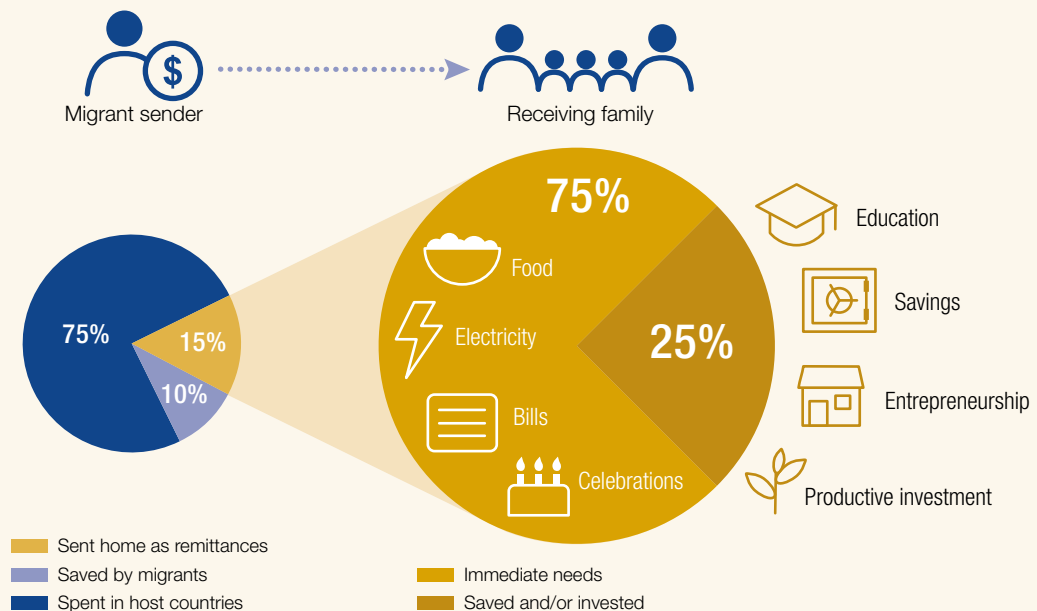
9/ G20 Policy Recommendations for Moving from Financial Access to Usage, 2025.

and income-generating activities. These uses are prevalent when households have access to financial services, receive stable remittance inflows and achieve higher income levels.

Financial inclusion does not begin when a family collects a remittance, but when that recurring flow becomes a gateway to services that strengthen long-term financial security. Receiving funds into an account or wallet can create a transaction history, support regular savings and improve access to insurance and appropriately designed credit.

Receiving remittances digitally also helps reduce the less visible costs of collecting cash – including travel, waiting time and time away from work – which weigh particularly heavily on rural recipients, older people and women. Yet account opening alone is insufficient: lasting benefits depend on whether recipients can retain and use funds digitally, trust the service and access products adapted to irregular incomes and household priorities.⁹

Estimated distribution of migrant income and remittance use by receiving families



There are today examples of banks, cooperatives and other financial service providers that have developed savings, credit and insurance products tailored to remittance-receiving households (see Insight 7). However, significant scope remains to ensure that digital financial services better reflect the realities of transnational families and facilitate access to a wider range of relevant financial products. The opportunity is therefore to convert repeated transfers into sustained financial participation, greater resilience and, where appropriate, longer-term asset-building.

INSIGHT 7 NEPAL: ENCOURAGING REMITTANCE SAVINGS AND DIASPORA INVESTMENT

A few governments are introducing policies to encourage migrants and their families to increase savings and investment, with the aim of extending the development impact of remittance flows. Nepal provides one of the clearest examples. The Nepal Rastra Bank requires banks and financial institutions to offer remittance-linked savings accounts paying at least one percentage point more interest than standard savings accounts. By 2023, these accounts held more than NPR 88 billion (US\$662 million), with over 86 per cent invested in fixed-term deposits. Since 2022, 10 per cent of the shares offered through every initial public offering (IPO) have also been reserved for eligible Nepali citizens working abroad with valid labour permits, providing migrants with a dedicated opportunity to invest in the country's economy.

Source: G20 Policy Recommendations for Moving from Financial Access to Usage, 2025 and Securities Board of Nepal, 2022.

The digital remittances journey can support financial inclusion

Despite substantial progress, many adults in LMICs remain without an account. A significant share already owns a mobile phone, creating a foundation for access to digital financial services when supported by appropriate identification, connectivity and regulation.

By 2024, 75 per cent of adults aged 15 and older in LMICs had an account at a bank or similar financial institution, a mobile money account or both (Global Findex Database 2025). Most account owners can now make or receive digital payments, providing a stronger foundation for integrating remittances into the wider digital finance ecosystem.

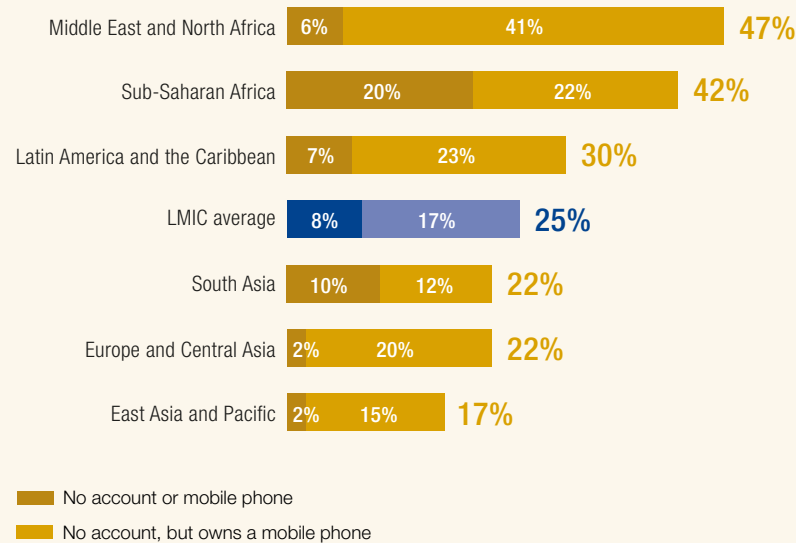
Adults who receive remittances are more likely than non-recipients to hold a digitally enabled account in most regions measured, with particularly large differences in sub-Saharan Africa, South Asia and LAC. This does not necessarily mean that remittances were their first interaction with formal financial services, but it demonstrates their potential to support and deepen financial inclusion.

The relationship can become mutually reinforcing. People who already hold an account are more likely to send and receive remittances through regulated digital channels rather than in cash, often making transfers cheaper, safer and more convenient. In turn, sending or receiving remittances digitally can encourage wider use of savings, credit and other formal financial services.

Financial education for migrants and their families should be a central component of remittance services. Strengthening the links between remittances and financial inclusion can align the financial goals of remittance families with the commercial strategies of financial service providers. In a growing digital economy, financial literacy for remittance senders and recipients has evolved from traditional classroom-based education towards embedded, digital and behaviourally informed approaches. While central banks and public authorities generally focus on building financial capability as a public good, private sector actors increasingly integrate financial literacy into the customer journey to encourage the adoption and use of digital financial services. These approaches are complementary and, when coordinated and jointly targeted towards remittance users, can enhance financial inclusion more broadly.

Adults without an account, LMICs

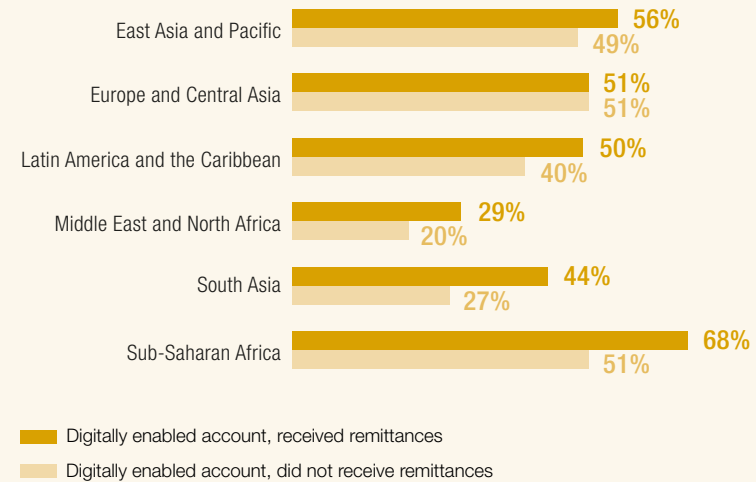
By mobile phone ownership, share of adults aged 15+ (%)



Note: Component values reproduced approximately from the supplied graphic; bold figures show the total share without an account.
Source: Global Findex Database 2025.

Adults who receive remittances are more likely to have a digitally enabled account

LMICs, unweighted Findex survey data (%)



Source: Findex (2025) own calculations.

Financial inclusion turns remittances into lasting resilience

The relationship between remittances and financial inclusion varies with context. Where financial systems are weak, remittances can substitute for unavailable credit and insurance, helping families overcome constraints that might otherwise prevent them from investing. As remittances as a share of

GDP grow and participation in the formal financial system deepens, this relationship can shift: remittances can encourage the use of savings, credit and other financial services, complementing rather than substituting for financial inclusion.¹⁰

At the broader economic level, financial inclusion can strengthen the development impact of remittances. Cross-country evidence suggests that remittances make a greater contribution to economic growth where households are better

able to manage and deploy the funds they receive through the financial system.¹¹

Financial inclusion does not alter remittances themselves; it broadens the opportunities available to the families who receive them. This principle is central to IFAD's approach: the objective is not to redirect private transfers or prescribe how they should be used, but to expand families' choices and strengthen their capacity to pursue their own priorities.

10/ Giuliano and Ruiz-Arranz, 2009; Chami and Trabelsi, 2020.

11/ Barkat et al., 2024; Khan et al., 2025.

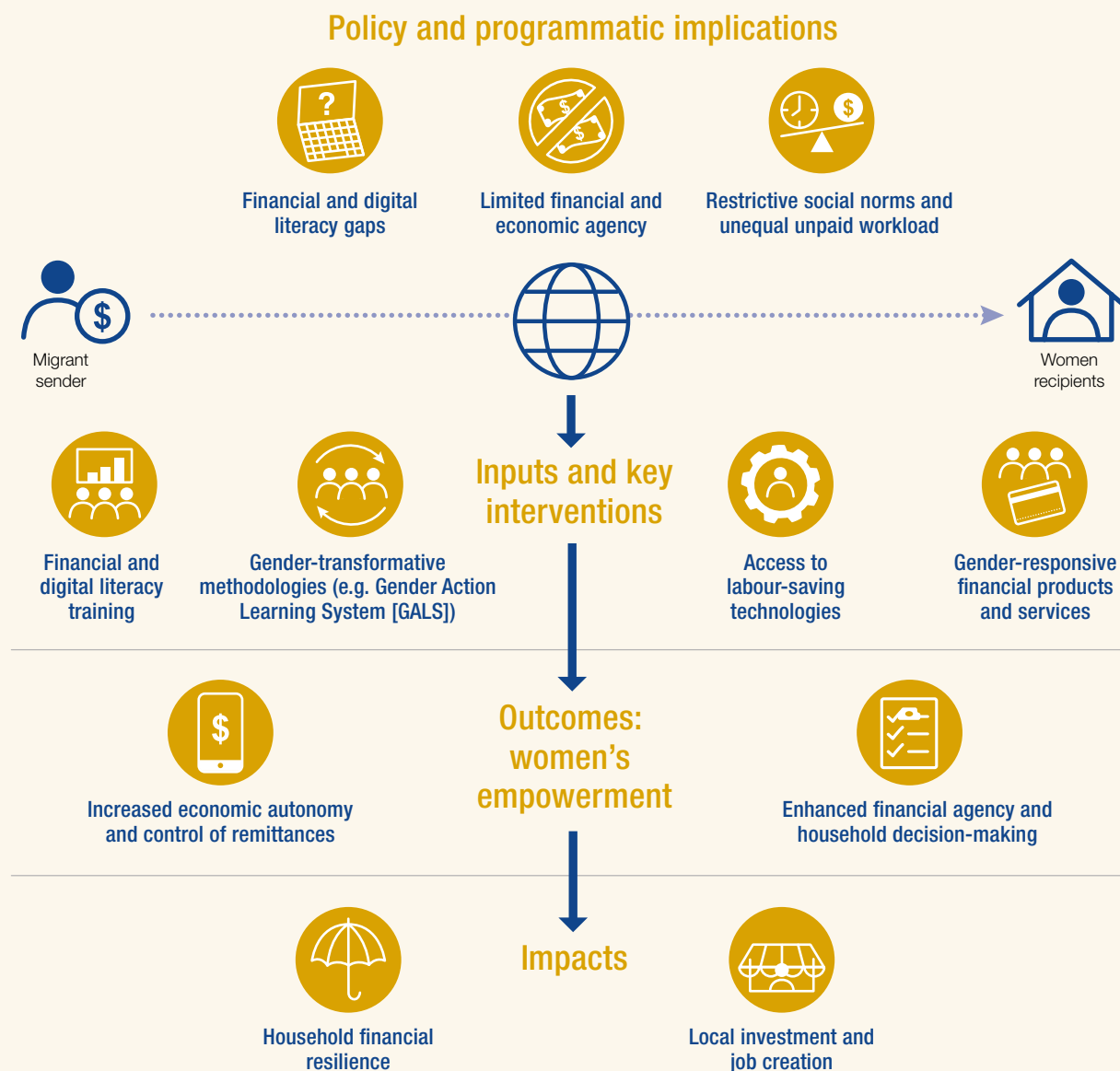
This relationship may also extend to entrepreneurship. Emerging cross-country evidence suggests that remittances are more likely to support formal business creation where financial inclusion has reached a certain threshold, although this remains an evolving area of research rather than an established consensus.¹² Who can exercise these wider choices, however, depends on more than access alone.

For women, the effect goes beyond income

The gender dimensions of remittances – who receives, who controls and who ultimately benefits – are insufficiently reported in global datasets and policy frameworks. Women migrants account for 40 per cent of remittance senders. Although comprehensive global data on recipients are not available, Global Findex estimates suggest that women make up roughly half of remittance recipients. Women represent a substantial share of recipients – for example, almost half of adult women in Tajikistan and Senegal received international remittances during the previous year, while around one third did so in The Gambia and Honduras.

Financial inclusion can amplify the benefits of remittances for women in their role as the foundation of household resilience. Research across seven remittance providers in Africa and Asia found that women receiving remittances through digital channels experienced greater financial resilience and control over how remittances are spent, increased confidence in managing household

Pathways to economic empowerment, productivity and resilience for women remittance recipients



12/ Alhassan et al., 2026.

Source: IFAD (2026) *Rural women as remittance receivers: Prevalence, access, use and opportunities for empowerment*.

finances, alongside the potential for greater privacy than cash-based transfers.¹³

Evidence from the Middle East and North Africa as well as a global panel of developing countries suggests that financial inclusion strengthens the positive relationship between remittances and gender equality.¹⁴ By enabling women to receive and manage remittances through formal financial services, financial inclusion can increase their control over the remittances they receive, expand opportunities to save and invest, and strengthen financial autonomy.

Progress in financial inclusion has narrowed the gender gap in account ownership across LMICs to approximately five percentage points in recent years. However, the gaps in the usage of financial accounts are often wider. Differences in formal savings and merchant digital payments persist, and in several countries gender gaps in digital payments exceed 20 percentage points, with considerable variation across regions and contexts. Structural barriers in some countries constrain women's ability to benefit fully from remittances, including:

- Lower levels of financial and digital literacy;
- Identification and documentation gaps;
- Restrictive social norms limiting mobility and financial autonomy;
- Reliance on male relatives' accounts, reducing privacy and control; and
- Lower confidence in using financial services independently.

Realizing the potential of remittance flows

The development impact of remittances depends on more than the money sent; it also depends on a financial ecosystem that enables families to transform periodic small-amount transactions into productive assets, thereby strengthening their resilience and participation in economic life. Barriers remain, including customer due diligence requirements that exclude migrants and displaced people who lack formal identification, limited rural financial infrastructure and uneven access to appropriate financial products that further link remittances to resilience-building use cases.

Policy gaps remain. In many countries, remittances are still treated separately from national financial inclusion strategies, despite being one of the most frequent points of contact with the formal financial system for financially excluded households. Strategies to more closely integrate remittances and financial inclusion policies can increase the opportunities for households to receive money safely and affordably, and to strengthen their financial resilience and build assets over time (see insight 8).

INSIGHT 8 THE GAMBIA: TURNING REMITTANCE FLOWS INTO FINANCIAL OPPORTUNITIES

Under the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa) initiative, an EU IFAD Financing Facility for Remittances project with APS International, a prominent Gambian-owned fintech, set out to move families beyond cash collection by connecting digital remittances with savings, credit and other financial services. At the outset of the project, financial inclusion in The Gambia was limited. According to the Global Findex, only one in three adults aged 15 and above held an account in 2021, while just 4 per cent used mobile money. Remittance inflows, however, were equivalent to 27 per cent of GDP.

The project targeted remittance recipients – especially rural women and young people – and migrants sending money from six European countries. Its design placed remittances at the centre of a broader financial journey: making transfers more affordable and convenient while giving recipients greater opportunities to save, invest, manage risks and exercise control over their money. By integrating digital remittances with APS Wallets, and microfinance services, the project supported the opening of more than 12,800 microfinance accounts, mobilized US\$1.4 million in savings and enabled remittance transaction histories to be incorporated into credit assessments, expanding access to finance. More than 400,000 people received international remittances digitally into their APS Wallets, with a total value exceeding US\$135 million. The initiative demonstrated how remittance services can be designed not simply to deliver money, but to open doors to financial inclusion and economic empowerment.

Source: IFAD Financing Facility for Remittances – https://ffremittances.org/wp-content/uploads/2026/05/2026_PF_TheGambia_APS_completion_WEB.pdf

13/ UNCDF, 2002 and 2024.

14/ Zbidi et al., 2024; Barkat et al., 2024.

CHAPTER 4

Households under pressure: Families' response to crises

Remittances are often most valuable when circumstances are most difficult. Their resilience reflects family commitment – but also depends on payment systems that continue to function when crises strike.

Families respond when crises strike

Over the past decade, households have faced successive shocks, including the COVID-19 pandemic, conflicts, displacement, economic crises and climate-related disasters. Across these very different events, one consistent pattern emerges: remittances often remain stable or increase. Unlike investment flows, remittances are driven primarily by family obligations rather than financial returns, making them one of the world's most resilient sources of household finance.

As a private family income, the resilience of remittances should not be taken for granted. These flows rely on migrants' continued ability to earn and send, on the reliability of cross-border payment systems, and on recipients' quick and safe access to funds.

Remittances increase when needs are greatest

Remittances have long demonstrated countercyclical behaviour. Migrants may draw on savings, reduce their own consumption or work additional hours to sustain relatives through periods of uncertainty. This family response helps households maintain consumption, meet urgent health and housing costs and avoid selling productive assets.

The COVID-19 pandemic provided the clearest global demonstration of this resilience. In April 2020, the World Bank projected that remittances to LMICs would fall by almost 20 per cent.¹⁵ The decline proved far smaller than expected as migrants prioritized support for their families. The pandemic reinforced what earlier crises had already shown: remittances respond primarily to household needs.

Over the past decade, FDI has declined across many fragile economies, while governments have faced increasing debt burdens, growing fiscal constraints and humanitarian needs. The enduring bonds in families have continued to sustain the flow of these vital resources in the face of many serious challenges.

Fragility increases dependence on remittances

Conflict and poorly functioning market systems and public institutions have limited capacity to manage a variety of economic, social, environmental or security shocks. In these settings, remittances often assume greater importance because they reach households directly and can be used immediately to address family priorities.

FDI and other external flows may be limited or volatile, while governments face rising debt burdens, constrained fiscal space and growing humanitarian needs. Remittances cannot fill these wider financing gaps, but they provide a dependable layer of household support where other resources may be insufficient or slow to arrive. The comparison below shows how their relative weight changes across fragility categories.

Remittance flows to contexts exposed to high and extreme fragility exceeded US\$ 134 billion in 2023 compared with US\$70 billion in 2010.¹⁶

15/ World Bank's April 2020 *Migration and Development Brief* 32.

16/ OECD, *States of Fragility*, 2025.

Keeping remittance flows central to crisis preparedness

Conflict, sanctions, foreign exchange shortages, disrupted telecommunications, the withdrawal of correspondent banking and limited agent liquidity delay or restrict transfers precisely when households depend on them most.

Recent emergencies underscore the importance of maintaining remittance continuity as part of broader crisis preparedness. Business-continuity planning, interoperable payment infrastructure, adequate agent liquidity, proportionate regulation and safeguarded access to formal services help families to continue receiving these crucial resources throughout periods of disruption.

A resilient flow requires resilient systems

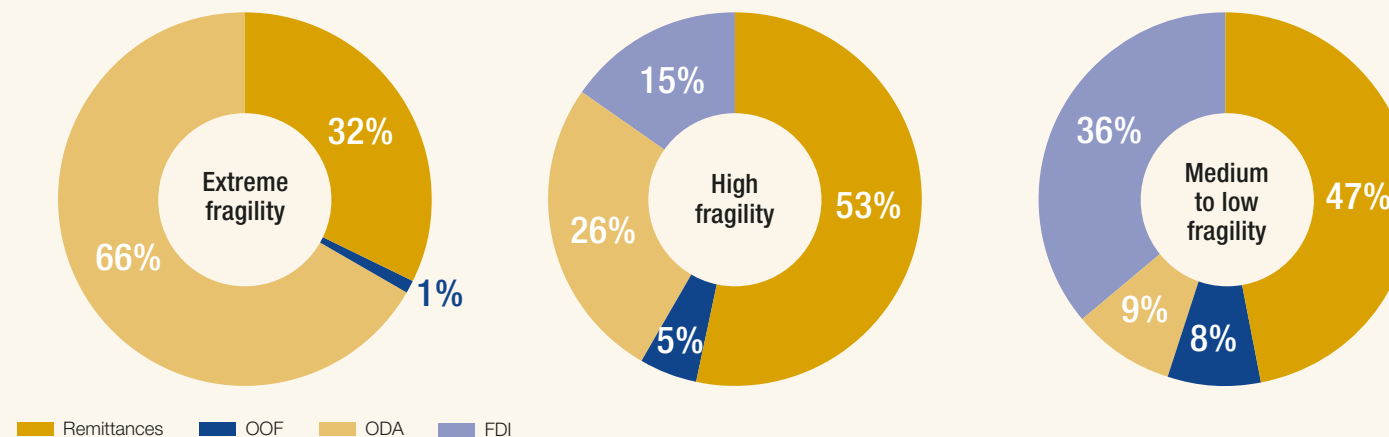
The defining strength of remittances is their capacity to respond quickly to changing family needs. Preserving that strength requires more than recognizing the scale of the flows: it requires payment systems, regulations and delivery networks that continue to operate under pressure. Protecting remittance channels is therefore both a financial-sector priority and a practical component of household and crisis resilience (see insight 9).

INSIGHT 9 SHARED PAYMENT INFRASTRUCTURE

Humanitarian cash assistance and family remittances are distinct resources, but they increasingly rely on the same financial institutions, for digital identity systems, mobile networks, agent networks and liquidity. Investments that strengthen these shared payments rails can improve emergency response while helping remittance services remain accessible during and after a crisis.

External development finance by fragility category, 2023

Percentage of external development financing



Note: OOF means other official flows. Percentages for contexts in high and extreme fragility were rounded, explaining why they do not add up to 100%.
Source: OECD, *States of Fragility*, 2025.

CHAPTER 5

From coping to climate resilience

Remittances already help families cope with climate shocks. Combined with financial services, public investment and climate action, they can also support adaptation and longer-term resilience – without replacing climate finance or government responsibility.

Climate change is reshaping household resilience

Climate change is increasing the frequency and severity of droughts, floods, storms, extreme heat and changing rainfall patterns, threatening agriculture, rural livelihoods and food and water security. Over the past 30 years, climate-related disasters have caused around US\$3.8 trillion in crop and livestock losses. The largest decline in agricultural productivity growth has occurred in sub-Saharan Africa, with an estimated decrease of 34 per cent since 1961.¹⁷

Climate change is a significant driver of human mobility, although most projected climate-related movement is likely to occur within countries rather than across international borders. The World Bank estimates that climate change could contribute to up to 216 million additional internal migrants by 2050 under a high-impact scenario.¹⁸

Resources remain far below current requirements for climate adaptation. Developing countries need hundreds of billions of dollars annually for climate adaptation while current finance covers only a fraction of the required resources. Smallholder farmers, who generate 35 per cent of global food supply, continue to face a financing gap, with less than 1 per cent of tracked climate finance reaching small-scale producers, underscoring a critical shortfall in resources needed to strengthen their resilience.¹⁹

Current international migrants already play an important role in supporting families affected by climate shocks through the remittances they send home. These flows do not replace climate finance or public investment, but they provide flexible resources that families can deploy quickly as circumstances change.

The climate risks faced by remittance-receiving households differ widely across regions and livelihoods, as do the adaptation strategies they require. Yet evidence from the past two decades shows that remittances contribute throughout the disaster-risk cycle.²⁰ Before shocks, these flows help households strengthen homes, build savings, diversify livelihoods and invest in climate-smart agriculture. During crises, remittances

frequently function as informal insurance, helping families to maintain consumption and avoid the sale of productive assets. After disasters, these resources support recovery by rebuilding homes, replacing livestock and restoring livelihoods.

From coping towards adaptation and resilience

Remittances strengthen households' capacity to absorb shocks by helping them to cope and recover. In line with IFAD's approach, emerging research indicates that remittances can finance short-term adaptation measures and contribute to longer-term resilience, particularly when combined with access to financial services, markets and infrastructure, as well as supportive public policies.

Evidence from Senegal and Mali illustrates how this progression can work in practice (see insight 10). In Bangladesh, Burkina Faso, Ethiopia and Ghana, remittances have helped households prepare for and withstand climate shocks. In the Western Sahel and northern Kenya, they have supported investment in drought-resistant seeds, small-scale irrigation and, in Burkina Faso, wider adoption of soil and water conservation techniques.²¹

16/ FAO, *The Impact of Disasters on Agriculture and Food Security*, 2023.

17/ World Bank, *Groundswell Part 2: Acting on Internal Climate Migration*, Clement et al., 2021.

18/ IFAD, *A decade of innovation – Achievements and Opportunities in Climate Adaptation Finance*, 2024.

19/ Ullah et al., 2025.

20/ IFAD, *Migrant remittances and diaspora investment as a resource for climate resilience*, 2024.

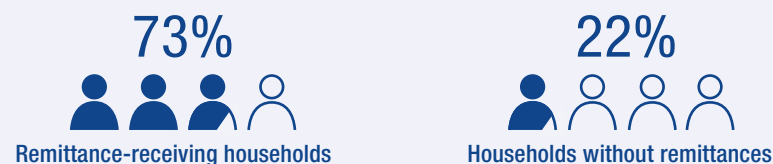
INSIGHT 10 IMPACT OF REMITTANCES ON CLIMATE ADAPTATION AND RESILIENCE IN SENEGAL AND MALI

Evidence from Senegal and Mali shows how remittances can support short-term adaptation while helping households build longer-term resilience. In Senegal, 73 per cent of remittance-receiving households had adopted an agricultural risk-management strategy, compared with 22 per cent of households without remittances. Recipients were also nearly twice as likely to save, strengthening their ability to manage losses without resorting to more damaging coping strategies.

Senegal

Adoption of an agricultural risk-management strategy

Percentage of households



Nearly twice as likely to save

Remittance recipients are nearly twice as likely to save, strengthening their ability to manage losses without resorting to more damaging coping strategies.



Remittances: financing adaptation, building resilience

In Senegal, remittances help households adopt risk-management strategies and build financial buffers for the future.

In Mali, recipients were more likely to adopt resilient farming practices, including natural soil fertilization, natural insecticides and changes in crops or farming methods. Diaspora support contributed directly: 49 per cent of households introducing new techniques received help from relatives abroad, rising to 71 per cent in Kayes. Together, these findings illustrate how remittances can finance immediate adaptation measures and support strategies that strengthen household resilience over time.

Mali

Higher adoption of resilient farming practices

Percentage of remittance-receiving households versus non-recipients

Resilient farming practice	Recipients	Non-recipients
Natural soil fertilization	68%	44%
Natural insecticides	64%	38%
Changes in crops or farming methods	62%	37%



Remittances finance immediate adaptation and strengthen resilience over time

Sources: **Senegal** – IFAD Financing Facility for Remittances (FFR) and Platform for Agricultural Risk Management (PARM).
Mali – IFAD FFR, Study on Remittances and Diaspora Investment as a Means for Climate Adaptation in Mali (2024).

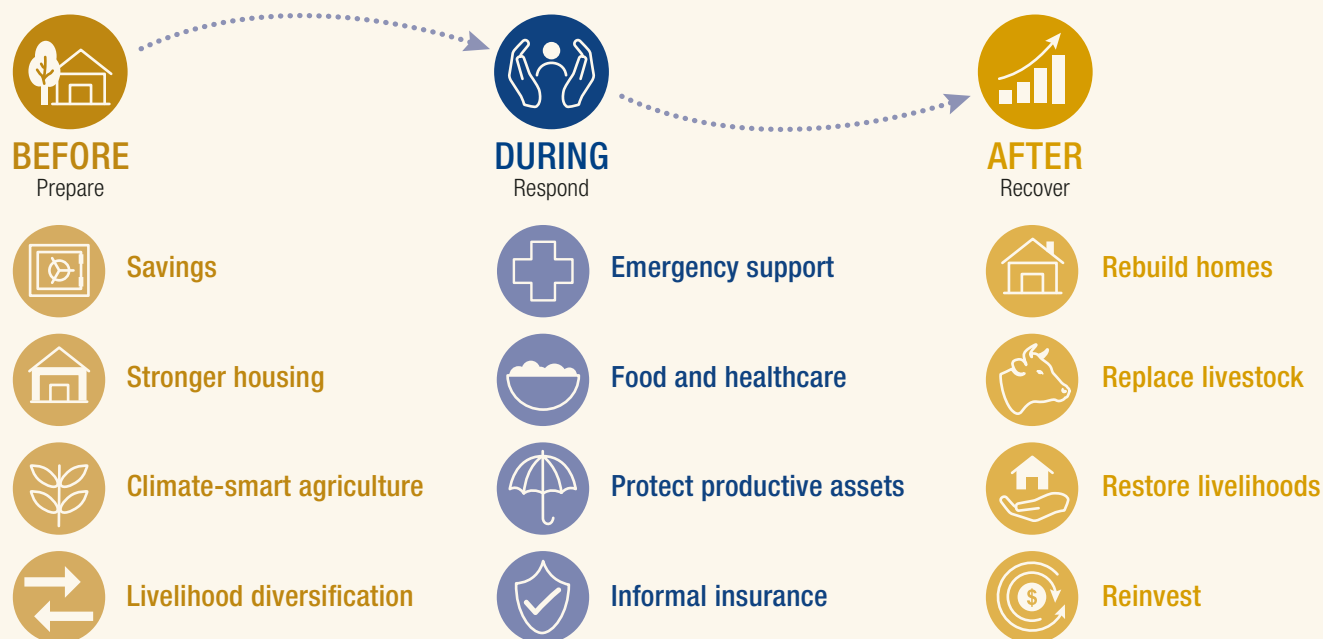
Knowledge transfer is as beneficial as monetary resources. In Senegal, one out of 10 households had adopted a climate-related farming practice learned from a returnee migrant, with almost two thirds subsequently sharing those practices with others.²² These “social remittances” demonstrate how migrants can strengthen resilience beyond financial transfers alone.

Evidence from other regions points to similar patterns. Following Typhoon Rai in the Philippines, remittance inflows increased sharply as migrants supported recovery efforts.²³ Across several Pacific island states, remittances often surge after cyclones, helping households meet immediate needs prior to supporting reconstruction and resilient housing and water storage investments.²⁴

At the same time, remittances have limits. They can support short-term adaptation and contribute to longer-term resilience, but they cannot fully offset severe or repeated climate shocks. Their contribution is greatest when combined with formal financial protection, public investment and effective climate policies. The experiences of Senegal and Mali illustrate both their immediate protective role and their contribution to resilience over time.

From preparedness to recovery: Remittances across the climate shock cycle

How remittances help rural households and their enterprises prepare for, respond to and recover from climate-related shocks



Remittances are a private expression of family support

They complement public investment and climate finance, helping households manage risk and build resilience every step of the way.

22/ IFAD–FFR (2026).

23/ Ullah et al., 2025, p. 2: inflows rose an estimated 37 per cent the following quarter, financing roughly 60 per cent of household recovery costs.

24/ Ullah et al., 2025, p. 15: tied to the established “MIRAB,” Migration-Remittances-Aid-Bureaucracy, small-island economy model, so this is a recognized pattern across Fiji, Tonga, Samoa and Vanuatu rather than a single-country claim.

Combining financial and non-financial services strengthens resilience

Regular remittance flows can help households shift from a purely responsive approach to crises to more proactive resilience planning. Predictable remittance income can enable financial institutions to design tailored products that reflect seasonal agricultural needs while also minimizing their own credit risk.

Emergency savings, tailored insurance, housing and climate-smart agricultural finance can strengthen household resilience, improve preparedness for future shocks and facilitate the diversification of farm and non-farm activities. Bundling additional non-financial services provides increased capacities for effective planning and budgeting, the adoption of climate-resilient methods and crops, greater water efficiency and access to certified agricultural inputs and equipment suppliers.

Remittances complement climate finance rather than replace it

Family remittances should not be counted as climate finance. They are private transfers made voluntarily by migrants to support their families, often at considerable personal sacrifice. Counting them towards climate finance commitments can shift responsibility for climate adaptation away from governments and the international community.

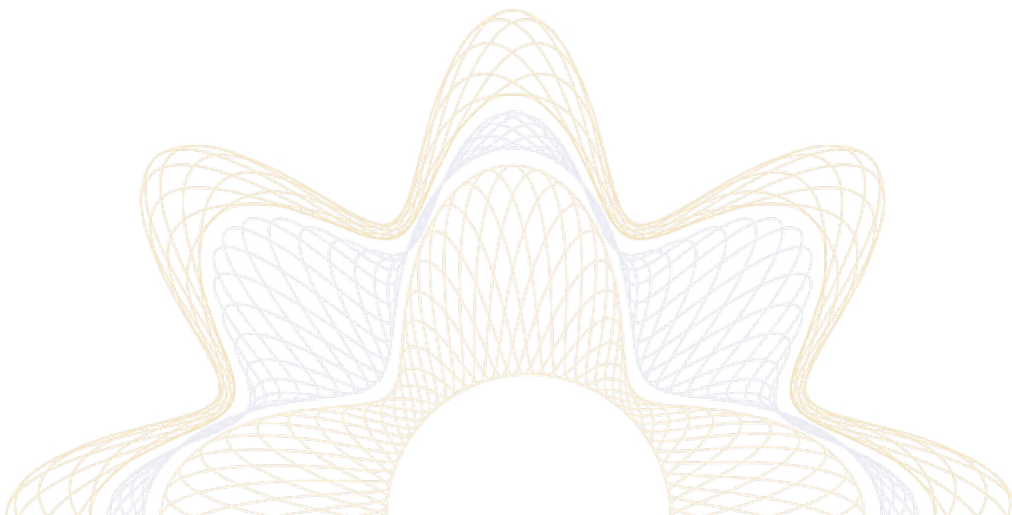
A more constructive approach is to build an enabling environment that empowers rural households to invest remittances in climate adaptation and resilience. Climate finance and public investment can expand access to resilient infrastructure, climate information, agricultural extension, functioning markets and appropriate financial services (see insight 11). Remittances can then help households make greater use of these opportunities – protecting assets, investing in adaptation and recovering faster – while remaining what they have always been: private family resources.

INSIGHT 11 **KENYA: LINKING DIASPORA FINANCE WITH CLIMATE RESILIENCE**

In 2023, remittances to Kenya surpassed revenues from tourism and agricultural exports for the first time, prompting a review of financial services available to Kenyans abroad.

Kenya's diaspora savings and credit cooperative organization (SACCO) model illustrates how voluntary diaspora savings and investment can complement household remittances by financing renewable energy, climate-smart agriculture and rural enterprises through trusted local financial institutions. Rather than replacing family support, these initiatives create additional pathways through which diaspora capital can contribute to long-term community resilience.

Source: ILCU Foundation, 2026.



CHAPTER 6

Beyond remittances: Unlocking diaspora contributions

Migrants contribute much more than remittances. Their savings, investment, knowledge, networks and experience can widen development opportunities when trusted institutions remove the barriers to their participation.

From family remittances to wider development contributions

Throughout this report, remittances are presented as private transfers that help families meet daily needs, build resilience and strengthen livelihoods, while also providing capital for entrepreneurship, more resilient rural production and other income-generating activities. Yet these flows represent only one part of the wider relationship between migrants and their countries of origin.

Across the world, diaspora members also contribute investments, skills, knowledge, business networks and international connections that support economic and social development in ways that are less visible than remittance flows. In many cases, they can be long-term development partners whose contributions extend across trade, innovation, investment, humanitarian response and international cooperation.

Annual diaspora savings have been estimated at nearly half a trillion dollars, including roughly US\$34 billion among diasporas from low-income

countries.²⁵ However, limited and infrequently updated data make it difficult to assess the current scale of these savings, highlighting the need for more systematic measurement.

Over the past decade, diaspora engagement has become increasingly institutionalized. According to the European Union Global Diaspora Facility (EUDiF), 80 countries have at least one institution dedicated to diaspora engagement, including dedicated ministries, agencies or national strategies and digital consular services. Among countries that have developed new approaches focused on citizens abroad, 34 have adopted formal diaspora engagement policies.

Diaspora investment extends far beyond dedicated investment products

Much diaspora investment occurs through mainstream financial systems rather than specialized diaspora instruments (see insight 11). Diaspora invest in businesses, agriculture, housing, education and financial assets using ordinary banking services in most instances. Some of this activity is linked directly to remittances but is often recorded simply as domestic investment or FDI, without identifying the diaspora contribution behind it.

Digitalization has made transnational investments considerably easier. Remote banking, digital identity, online account opening and access to international financial markets increasingly allow migrants to manage investments without returning to their home country. Dedicated diaspora products – including savings accounts, bonds, investment funds and specialized platforms – continue to emerge, but relatively few have reached significant scale. Experience suggests that trusted institutions, attractive investment opportunities and accessible mainstream financial services are critical to enable diaspora investors.

Remote customer onboarding, proportionate regulation, transparent investment opportunities, reliable payment systems, clear property rights and trusted financial institutions all help create an environment in which diaspora engagement can flourish.

INSIGHT 12 **INDIA: NON-RESIDENT DEPOSIT SCHEMES ATTRACT DIASPORA SAVINGS**

India's non-resident deposit schemes illustrate this broader lesson. Rather than relying primarily on diaspora-branded investment products, they have successfully channelled diaspora savings through established financial institutions, demonstrating that diaspora capital often moves through mainstream financial markets rather than specialized programmes.

Source: The World Bank, *Migration and development*, 19 December 2023.

25/ Asian Development Bank and World Bank, *Migration and Remittances for Development in Asia* (2018), section 5.5 and table 11.

Financial capital is only part of the story

Diaspora contributions extend well beyond financial resources. Professional expertise, research collaboration, mentoring, technology transfer, international business networks and philanthropic engagement all contribute to development in ways that are difficult to measure, but that can offer catalytic impact. Digital connectivity has expanded these opportunities, allowing many migrants to contribute knowledge and expertise remotely while remaining economically active abroad.

These forms of human and social capital complement financial contributions rather than replace them. Together, they strengthen innovation, enterprise development, institutional capacity and international market connections, broadening the ways in which migration can contribute to development.

Returning can create opportunities – but reintegration determines success

Return migration represents another important dimension of the migration–development relationship. Many returnees bring financial savings, professional experience, international networks and skills acquired abroad. Under the right conditions, these resources can support entrepreneurship, employment and local economic development.

Return, however, is not always voluntary. Conflict, economic downturns, changes in migration policy or personal circumstances may force migrants to return unexpectedly, often with limited resources and uncertain employment prospects.

Sustainable reintegration depends on more than financial capital. Government policy, recognition of qualifications and skills, access to finance, employment services, business support, community networks and psychosocial assistance all shape long-term outcomes. Business and vocational training can also strengthen economic reintegration. Returnees should not be viewed simply as entrepreneurs in waiting; their experiences and aspirations are far more diverse.

The increasing prevalence of involuntary return has strengthened the link between reintegration and remittances. A 2025 study of returnees in Guatemala found that 61 per cent had been their household's primary income earner. Among those considering migrating again, 78 per cent said they would remain if employment were available.²⁶

Involuntary return is therefore not only a shock to the returnee; it can also create a sudden loss of remittance income for the household left behind.

Looking ahead: From facilitating transfers to enabling development

Evidence from 90 projects implemented by IFAD over the past two decades shows that the most successful approaches focus not on urging migrants to contribute more, but on removing the practical barriers that prevent them from doing so.²⁷

Family remittances remain the foundation of migrants' contribution to development. They provide regular support that improves household welfare, strengthens resilience and creates opportunities for future generations. Yet migration contributes much more than the movement of money alone.

The next stage of the migration–development agenda is not simply to lower remittance costs and improve access, but to build trusted systems that allow migrants, diaspora and returnees to participate more fully in the economic and social development of their countries of origin.

Financial, human and social capital each have important roles to play. Together, they complement – rather than replace – public investment, development finance and government responsibility.

^{26/} Soto et al, 2026.

^{27/} Please visit the FFR website at www.ffremittances.org to learn more about its approach, programmes and projects, and the impact and knowledge generated since 2006.

Sending Money Home and RemitSCOPE

Since its first edition in 2007, *Sending Money Home* has helped bring remittances from the margins of development finance into the global policy debate. The series provided some of the first comprehensive estimates of remittance flows to developing countries and demonstrated their importance to families, local economies and national development.

Subsequent editions examined the evolution of remittance flows, markets and transfer costs from both global and regional perspectives. These included *Sending Money Home to Africa*; *Sending Money Home to Asia*; *Sending Money Home: European Flows and Markets*; and *Sending Money Home: Contributing to the SDGs, one family at a time*. Together, the reports have provided comparative indicators, identified emerging market trends and highlighted opportunities to strengthen financial inclusion and increase the development impact of remittances and diaspora resources.

This work is now supported by RemitSCOPE, the Financing Facility for Remittances' global platform for remittance data and market intelligence. RemitSCOPE brings together interactive dashboards, country profiles and a growing series of in-depth technical studies examining individual countries and specific market segments. It provides policymakers, regulators, development partners and private-sector actors with detailed evidence on remittance flows, costs, access, competition, digitalization and financial inclusion.



Sending Money Home now serves as the FFR's flagship publication, drawing on the data, country evidence and market intelligence developed through RemitSCOPE. While RemitSCOPE provides the underlying analytical depth, *Sending Money Home* brings the findings together to present the global picture: how remittance markets are changing, what those changes mean for migrants and their families, and where action is needed to transform remittances from a vital coping mechanism into a pathway to resilience and opportunity.



REMITSCOPE

THE GLOBAL PLATFORM FOR REMITTANCE-RELATED DATA

RemitSCOPE is a centralized, global repository of remittance and remittance-related data and market intelligence. It informs business and policy decision making through interactive dashboards and remittance country profiles.



\$728.6

billion sent in remittances to low-and middle-income countries, World Bank 2025*



6.36%

Ave. global cost to send remittances, RPW Q3 2025



75%

Financial inclusion ave. account ownership in low and middle-income countries, Global Findex, 2025



\$3.6

trillion projected to reach low-and middle-income countries between 2026 and 2030



RemitSCOPE responds to a call from industry and others for improved data on remittances



Carefully selected and collected indicator, standardised across countries



Interactive dashboards, indexes and Country Profiles



Up to date remittance market diagnostics and market insights to achieve SDGs

www.RemitSCOPE.org

APPENDIX A

METHODOLOGICAL NOTE

Scope, country sample and classification

Sending Money Home 2026 analyses remittance trends, markets and financial inclusion across 130 LMICs over 2016–2025. The country universe is fixed using the World Bank's FY26 analytical income classification based on 2024 per capita GNIs: economies classified as low-, lower-middle- or upper-middle-income in 2025 are included throughout, including for earlier years.

For consistency with previous *Sending Money Home* editions, countries are grouped into the five analytical regions used in the report's regional sections: Africa; Asia and the Pacific; Europe; Latin America and the Caribbean; and the Near East and the Caucasus. These are report-specific analytical groupings and do not necessarily correspond to the regional classifications used by other institutions. Regional totals refer only to economies in the 2025 LMIC universe.

The report draws primarily on data from the World Bank, the United Nations Department of Economic and Social Affairs (UN DESA), the Global Findex Database 2025 and the World Bank's Remittance Prices Worldwide (RPW) programme. Unless otherwise stated, monetary values are in current US\$.

Remittance inflows

For cross-country calculations, remittance inflows are drawn from the World Bank's Personal remittances, received indicator. The World Bank series is based on the International Monetary Fund (IMF) balance-of-payments data and World Bank staff estimates; the

underlying national statistics originate from central banks and national statistical authorities and are compiled under the IMF's *Balance of Payments and International Investment Position Manual*, sixth edition (BPM6). The personal remittances, received indicator (remittance inflows) comprises personal transfers and compensation of employees. Personal transfers cover current transfers between resident and non-resident households and are defined independently of the source of income of the sending household, the relationship between the households, and the purpose for which the transfer is made.

Monetary values are expressed in current US\$, consistent with the World Bank source data. Changes over time are therefore nominal and may reflect inflation and exchange-rate movements as well as changes in recorded remittance flows. Percentage increases and average annual growth rates presented in the report are calculated from these nominal values.

Official 2025 inflow data were incomplete when the report was prepared. As of July 2026, official 2025 inflow data were available for only 52 of the 130 LMICs. The report therefore uses the latest available official data for each country: data for 2025 where available, otherwise 2024 or, if unavailable, 2023. Where data from an earlier year are carried forward, this represents a simplifying assumption of zero nominal growth until newer official data become available. For readability, the report refers to the resulting mixed-reference-year dataset as the 2025 estimate.

Twenty-two LMICs had no official inflow data for 2023–2025 and are not included in remittance-flow calculations across all years. The report therefore distinguishes between the full classification universe of 130 LMICs and the analytical flow sample of 108 LMICs. Using the latest available data for those 108 economies produces estimated inflows of US\$728.6 billion.

Remittances relative to gross domestic product, exports and foreign direct investment

Ratios comparing remittances with GDP, exports of goods and services and net FDI combine the remittance dataset above with the latest available World Bank national accounts, trade and investment data: 2025 where available, otherwise 2024, and otherwise 2023. Because source years may differ across countries, these comparisons are indicative rather than measurements for a single common reference year.

Rural remittance estimates

Official remittance statistics do not distinguish between rural and urban recipients. The report therefore develops indicative estimates by combining national remittance inflows with Global Findex Database 2025 evidence on the rural and urban incidence of international remittance receipt, rural population data and household consumption.

For each country, the proportion of adults in rural and urban areas receiving international remittances (from the World Bank's Global Findex 2025, where available) is combined with rural and urban population data

to estimate the distribution of remittance recipients. These estimates are then adjusted using average rural and urban household consumption as a proxy for differences in the average value of remittances received, assuming that households with higher consumption generally receive larger transfers. The resulting rural share is applied to official remittance inflows to estimate the value of remittances received by rural households. The methodology provides indicative rather than official estimates.

On this basis, an estimated 32 per cent of remittance inflows, equivalent to approximately US\$233 billion in 2025, reaches rural areas. These are indicative rather than official estimates, and values and shares are rounded.

Remittance prices

Pricing analysis is based primarily on the World Bank's RPW database. RPW surveys the total cost of sending US\$200 and US\$500 through banks, MTOs, post offices and other providers, including fees and exchange-rate margins. Unless otherwise stated, the report uses data for the third quarter of 2025. RPW covers 48 remittance sending countries and 102 receiving countries, for a total of 358 country corridors worldwide.

The global average covers all sampled services. Comparisons by channel classify services according to how a transfer is initiated, funded and received; fully digital services use digital instruments at both ends, while non-digital services involve cash at one or both ends.

The average cost excluding services offered by banks – the non-bank average cost – is also considered for country and subregional analysis

because bank services are generally more expensive, which tends to skew the average upwards. Non-bank operators include money transfer operators, mobile money and electronic wallet providers, the post office and non-bank financial institutions. The global weighted average total cost accounts for the relative size of the flows in each remittance corridor.

The World Bank's Smart Remitter Target (SmaRT Index) is the simple average cost of the three cheapest services in each corridor that meet minimum requirements for delivery time, accessibility, geographic reach and transparency. SmaRT is not limited to digital services: qualifying bank transfers, mobile money services and cash-based MTOs may also be included. It represents the realistic minimum cost available to a consumer able to access those services.

Financial inclusion

Financial inclusion indicators are drawn from the World Bank Global Findex Database 2025, which reports survey data collected in 2024 among adults aged 15 and older. The report examines account ownership, mobile money, digital payments, saving, borrowing and related behaviours.

Remittance-recipient analysis covers adults reporting receipt of international remittances during the previous 12 months. For data addressing that group, regional calculations are simple averages across the LMICs with available data rather than population-weighted estimates.

International migrant stocks

International migrant stocks are taken from the UN DESA International Migrant Stock 2024 bilateral origin–destination database. The estimates count people living outside their country of birth or,

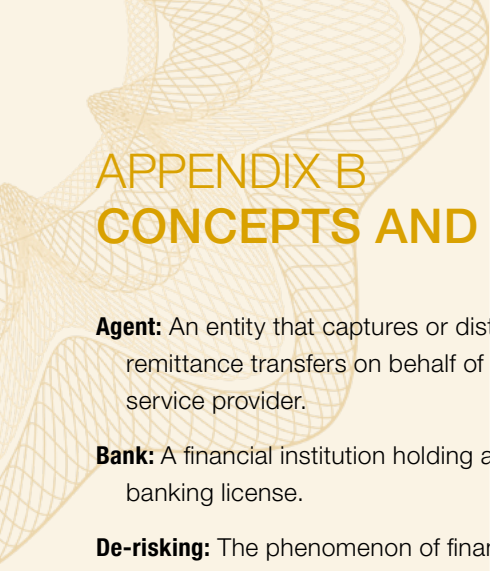
where birth data are unavailable, their country of citizenship. They do not capture the wider diaspora, including second- and subsequent-generation descendants who may retain economic and social ties with countries of origin.

People connected through remittances

The estimate that around 220 million migrants send remittances to approximately 1.1 billion family members – connecting about 1.3 billion people worldwide – is derived from multiple international datasets and a transparent set of assumptions. Estimates of potential remittance senders are informed by the United Nations' 2024 international migrant stock and the International Labour Organization's global estimates of international migrant workers, recognizing that neither source directly measures remittance-sending behaviour. The number of recipients is estimated by applying average low- and middle-income household size to estimated remittance-sending households and cross-checking the results against Global Findex 2025 data on the proportion of adults receiving international remittances. These estimates are indicative and should be interpreted as orders of magnitude rather than precise counts.

Basis for the recommendations

The recommendations consolidate priorities emerging from the Global Forums on Remittances, Investment and Development, other platforms, such as G20/GPFI, UN FFD, IFAD-supported operations and its national remittance stakeholder networks. They align with Objectives 19 and 20 of the Global Compact for Safe, Orderly and Regular Migration.



APPENDIX B

CONCEPTS AND DEFINITIONS

Agent: An entity that captures or distributes remittance transfers on behalf of a remittance service provider.

Bank: A financial institution holding a banking license.

De-risking: The phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk (Financial Action Task Force).

Diaspora: A community of people who live outside their country of origin and maintain a connection to their homeland or ancestry. Diaspora communities often remain emotionally and financially connected to their home communities. Migrants are also included within the category of diaspora.

Diaspora investment: The savings set aside by diaspora members to finance personal projects in their home countries to improve their wealth and generate financial returns or impact on development.

Digital bank: A licensed bank that provides services primarily through mobile and online channels, generally with few or no conventional branch networks.

Digital public infrastructure: Interoperable, open and inclusive systems supported by technology that provide essential, society-wide public and private services (G20 GPFI).

Digital remittances: Remittance transfers initiated electronically and funded from – or paid into – a transaction account. A transfer is fully digital when digital instruments are used at both the sending and receiving ends; it is partially digital when cash is used at one end.

Digital wallet: A customer-facing application or interface that enables a user to store value or access payment services electronically. A digital wallet may be linked to a bank account, an e-money account, a payment card or another regulated service; it is not necessarily a separate legal type of account.

Electronic money (e-money): Monetary value stored electronically and issued on receipt of funds, which can be used to make payments to parties other than the issuer. E-money may be issued by banks or authorized non-bank institutions, depending on the applicable regulatory framework.

Financial inclusion: Financial inclusion is the effective and responsible access to and use of quality formal financial products and services that meet people's financial needs and provide meaningful benefits, particularly for underserved and excluded populations. The state where all individuals and enterprises have access to, and are empowered to use, affordable, responsible financial services – such as payments, savings, credit and insurance – that meet their needs (CGAP, 2024).

Fintech: A broad term referring to technologically enabled financial innovation that results in new business models for financial services (GPFI, 2017).

Migration flows: The cross-border movement of people from one country or territory to another.

Mobile money: A form of digital financial service accessed primarily through a mobile phone and commonly based on an e-money account. Mobile money services are often supported by agent networks that enable customers to deposit or withdraw cash. The applicable legal classification and institutional model vary across countries.

Money transfer operator: A payment service provider that receives payment, in cash or by bank transfer, from the sender for each transfer (or series of transfers) without requiring the sender to open an account.

Payment service provider: A bank or regulated non-bank institution that provides payment services, including the initiation, transmission or receipt of funds. The term encompasses different institutional models and regulatory categories across countries.

Remittance corridor: The route between an originating country or region and a receiving country or region along which remittances are transferred.

Remittances: Cross-border, person-to-person payments of relatively low value. The transfers are typically recurrent payments by migrants to their relatives in their home countries.

Remittance families: Transnational households composed of migrants who send remittances and their relatives who receive them in their countries of origin.

Remittance Prices Worldwide: A World Bank database and monitoring initiative that tracks the cost of sending and receiving international remittances across corridors worldwide. It measures transaction fees and exchange-rate margins to assess market transparency and monitor progress towards global cost-reduction targets.

Remittance inflow: Flow of remittances coming into a country.

Remittance service provider: An entity operating as a business that provides a remittance service for a fee to end-users, either directly or through agents, and generally making use of agents such as stores, post offices or banks to collect the money to be sent. On the receiving side, the money is picked up by the recipient at a bank, post office, microfinance institution or other payout location.

SmaRT Index: The World Bank's Smart Remitter Target Index measures the lowest available market costs for sending international remittances within specific country corridors, reflecting what a well-informed consumer using optimal, low-cost services could realistically pay.

Sustainable Development Goals (SDGs): A set of 17 "Global Goals" with 169 targets between them. Spearheaded by the United Nations through a deliberative process involving its 193 Member States, as well as global civil society, the goals are contained in paragraph 54 of United Nations Resolution A/RES/70/1 of 25 September 2015.



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International Fund for Agricultural Development (IFAD)

IFAD is the only international financial institution exclusively focused on transforming rural economies. IFAD invests in rural people and their communities, strengthening agri-food value chains and building food security, shared prosperity and stability.

Financing Facility for Remittances (FFR)

IFAD's US\$90 million multi-donor Financing Facility for Remittances aims at maximizing the impact of remittances on development and promoting diaspora engagement in migrants' countries of origin.

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