

## Nepal SBI Bank Ltd: Partnership Snapshot Enhancing Financial Inclusion of Unbanked Migrants and Migrant Families in Province 2

UKaid Skills for Employment Programme (सीप) 's partnership with Nepal SBI Bank Ltd (NSBL) aspires to improve the lives of the underprivileged and unbanked migrants, through innovative and tailored financial products, while also catering to the needs of start-ups, small and medium businesses as well as large commercial clients with an aim to productively invest remittance in the country.

Migration has a far-reaching impact on the Nepali economy with over 450,000 Nepali youths entering the labour market every year. The lack of expansion in jobs at home with the ever-increasing population entering the labor market each year has largely exacerbated the outmigration trend in Nepal. Such exponential growth of both remittances and international labour migration began in 2000, with more than four million foreign labour permits issued by the Department of Foreign Employment between the years 2008 and 2017. The largest concentration of these Nepali migrants is in the Gulf Cooperation Council (GCC) nations and Malaysia Corridors, predominated by the people from Province 2 and Lumbini Province. The raison d'être for migration is the remittances that they earn and send back home from abroad. The remittances, thus earned, not only help migrants and their family cope with poverty but also forms assets which can be sourced into investments in real estate, housing, small enterprises, education, and health. Despite a strong inflow of remittances and benefit potential, migrants and their family members are largely excluded in reaping the benefits and optimizing their income. This is mainly attributed to the lack of information; higher migration and remittance transfer costs; unethical recruitment practices; difficulty in accessing formal financial services; and lack of access to markets.

With an aim to open these bottlenecks, NSBL - सीप forged a partnership in August 2019. Through the catalytic funding and technical support from सीप, NSBL introduced a suite of financial products, including savings, insurance, and credit designed to address the needs of unbanked migrants and their families, and improve financial inclusion in targeted municipalities particularly targeting Dhanusha, Mahattari, and Siraha Districts of Province 2. Province 2, already being a priority geography of NSBL as well, सीप's catalytic funding helped the bank expand its services to the most marginalised migrant communities.

After the immediate surge of Covid-19 pandemic, outmigration went on a complete halt and even those in destination countries started returning. To respond to this circumstance, the bank renewed its focus on supporting income sustainability for returnee migrants at home through the entrepreneurship loans. The access to loans and savings products introduced by the bank enabled 1,010 unbanked rural people to subscribe to the savings account, and initiate a saving habit. The outreach campaign of the bank, spearheaded by media mobilization through local FM's helped in reaching out to and informing a significant number of migrant households in the rural communities about the availability of formal financial products and services. Similarly, since the launch, 14 people have received loans through the partnership—8 for migration and 6 for entrepreneurship. Special priority is given to disadvantaged groups and women in the access to finance schemes, due to which 241 women migrant household members have benefitted.

### Key Facts:

**Duration:** August 2019 - May 2021

**Geography:** Province 2 (Mahottari, Dhanshu, and Siraha Districts)

### Key Impacts:

- Access to easy and affordable tailored loans for pre-migration and entrepreneurship.
- 1,010 migrant households had subscribed to loans and savings products.
- Bridged information asymmetry about formal financing opportunities and the project benefits through effective media mobilization and targeted community mobilization.



**NSBL Migrant Savings**

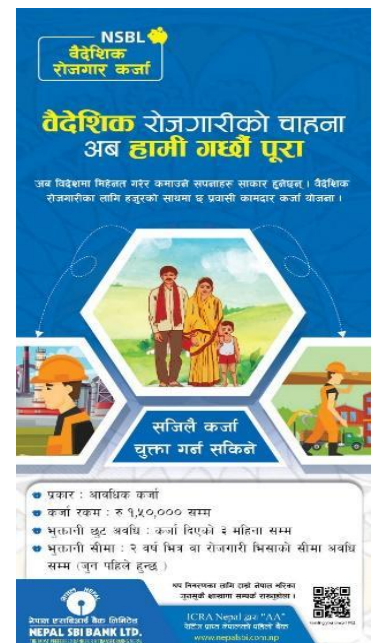
हचुरको मिहेनत सुरक्षित छ ।

**खाता खोलेर विदेश जानुहोस् दुबक भई कमाई पठाउनुहोस्**

विदेशमा विरोधत गरेर कमाउनुको धन सुरक्षित तथा सहज रूपमा आफ्नो परिवार सम्म पुऱ्याउनु, आज नै खोल्नुहोस् प्रयासी बचत खाता

- शुन्य न्यूनतम मौज्जात
- ५३ वैमासिक व्याज भुक्तानी
- निशुल्क ए. टि. एम कार्ड, ए. चि. वि.एस./ई वीकड सुल्क
- निशुल्क मोबाइल बैंकिङ सेवा
- निरन्तरण क्रमिसन्माना २०३. सन्मान छुट (निष्फट/अर. टि. वि. एस.)

NSBL नेपाल प्रा. लि. (NSBL) का लागि "AAA" रेटिङ प्राप्त भएको छ।  
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**NSBL वैदेशिक रोजगार कर्जा**

**वैदेशिक रोजगारीको चाहना अब हामी गर्छौं पूरा**

अब विदेशमा गिहनात गरेर कमाउनु सपनाहरू साकार हुनेछन् । वैदेशिक रोजगारीका लागि हनुको सन्धान छ प्रवासी कामदार कर्जा योजना ।

**सजिलै कर्जा चलाउ गर्न सकिने**

- प्रकार : भावधिक कर्जा
- कर्जा रकम : रु १,५०,००० सम्म
- भुक्तानी छुट अवधि : कर्जा दिएको ३ महिना सम्म
- भुक्तानी शीमा : २ वर्ष भित्र वा रोजगारी भिसाको शीमा अवधि सम्म (जुन पहिले हुन्छ)

NSBL नेपाल प्रा. लि. (NSBL) का लागि "AAA" रेटिङ प्राप्त भएको छ।  
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## Summary of Activities

- Introduce suite of financial products, including savings, insurance, and credit designed to address the needs of unbanked migrants and their families, and improve financial inclusion in targeted municipalities of Dhanusha, Mohattari, and Siraha Districts of Province 2.
- Establish additional new branchless banking centres in three priority locations and three Tech Learning Centres to increase accessibility to affordable financial services, including financial literacy, increasing NSBL's total to expand reach and access of migrant population at three districts in eight targeted municipalities of Province 2.
- Forge stronger partnerships with selected NGOs, Government Migrant Resource Centres (MRCs) and Employment Service Centres (ESCs), community influencers, and other private partners like digital wallet platforms, that have access to and can facilitate penetration of the target audience to adequately service the financial requirements of migrants and their families.
- Leverage NSBL's international networks at targeted migration corridors to increase remittance channeled via the formal sector instead of informal channels such as *hundi* from India and GCC region.

## Key Achievements

- Launched tailored migrant loan product jointly with Province 2 Government.
- Developed three new financial products: pre-migration loan; entrepreneurship loan; and savings product.
- 1,010 migrant households had access to loans and savings products of which 14 people have received loans for migration and entrepreneurship, benefiting 241 women migrant household.
- Initiated conversation with exchange companies in the GGC for tying up with NSBL, facilitating migrant workers towards easy remittances at lower cost. Communication underway with SBI's Global Link Services for real time remittance transfers to Nepal.
- Financial literacy programmes were conducted in coordination with local stakeholders (SODEC and SaMI) at Janakpur and Bardibas to create awareness about the migrant loan and savings account facility.
- Local FMs were mobilized for wider dissemination of information which helped the bank reach out to large number of rural migrant communities in the target districts.
- Conducted a seminar in New Delhi to hold dialogues on reducing cost of remittance and facilitating migrants for safe and secure banking transactions in March 2020.
- Deepened engagement with the provincial and local governments, SODEC, MRCs and SaMI projects. Most of the impact groups were tapped through the info-sessions conducted jointly with these organizations.