Global Forum on Remittances, Investment and Development

Summit 2021

SUMMARY OF PROCEEDINGS

Recovery and Resilience through Digital and Financial Inclusion

#FamilyRemittances

International Day of Family Remittances

16 June

IDFR 2021

#gfrid
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The Global Forum on Remittances, Investment and Development is a UN-led, informal process which contributes to shaping and steering the debate on remittances and investment toward sustainable development. The GFRID culminates in summits, hosted by IFAD’s Financing Facility for Remittances in collaboration with international organizations, and public and private institutions.

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<tr>
<td>ADN</td>
<td>African Diaspora Network</td>
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<tr>
<td>AFI</td>
<td>Alliance for Financial Inclusion</td>
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<tr>
<td>AML/CFT</td>
<td>anti-money laundering and combating the financing of terrorism</td>
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<td>BIS</td>
<td>Bank for International Settlements</td>
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<td>BMZ</td>
<td>Federal Ministry for Economic Cooperation and Development</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CGAP</td>
<td>Consultative Group to Assist the Poor</td>
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<td>DMAG</td>
<td>Developing Markets Associates Global Ltd</td>
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<td>EC</td>
<td>European Commission</td>
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<tr>
<td>e-KYC</td>
<td>electronic know-your-customer</td>
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<td>EU</td>
<td>European Union</td>
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<td>FATF</td>
<td>Financial Action Task Force</td>
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<td>FIDII</td>
<td>Financing for Development in the Era of COVID-19 and Beyond Initiative</td>
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<td>FFR</td>
<td>Financing Facility for Remittances</td>
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<td>FSB</td>
<td>Financial Stability Board</td>
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<td>GC/M</td>
<td>Global Compact on Safe, Orderly and Regular Migration</td>
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<td>GDP</td>
<td>gross domestic product</td>
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<td>GFRID</td>
<td>Global Forum on Remittances, Investment and Development</td>
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<td>Global Partnership for Financial Inclusion</td>
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<td>I&amp;P</td>
<td>Investisseurs et Partenaires</td>
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<td>IAMTN</td>
<td>International Association of Money Transfer Networks</td>
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<td>international financial institution</td>
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<td>know-your-customer</td>
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<td>KYD</td>
<td>know-your-diaspora</td>
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<td>LMIC</td>
<td>low- and middle-income country</td>
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<td>ML/TF</td>
<td>money laundering and terrorist financing</td>
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<td>MTO</td>
<td>money transfer operator</td>
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<td>NGO</td>
<td>non-governmental organization</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PAFI</td>
<td>Payment Aspect of Financial Inclusion Report</td>
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<td>remittance service provider</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
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<td>UN-DESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
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<td>UNSGSA</td>
<td>UN Secretary-General’s Special Advocate for Inclusive Finance for Development</td>
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<td>UNDSS</td>
<td>United Nations Department of Safety and Security</td>
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<td>WSBI</td>
<td>World Savings and Retail Banking Institute</td>
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Remittances have a critical role to play in the development arena, which can help accelerate progress toward meeting the Sustainable Development Goals (SDGs). The following seven takeaways, resulting from the Global Forum on Remittances, Investment and Development (GFRID) Summit 2021, are directly linked thereto, as well as to the 2030 Agenda for Sustainable Development and the Global Compact for Safe, Orderly and Regular Migration (GC/M).

1. The need to ensure the resilience of the 800 million people at the receiving end of remittances, where the development impact is greatest

Over the past decade, the focus in remittances has primarily been on aggregate volumes and high transaction costs at the sending side. In the aftermath of the COVID-19 crisis, it has become clear how remittances contribute to attainment of the SDGs and that the focus must be on receivers as well as senders.

The SDGs provide a unique opportunity to match the goals of remittance families with the enabling environment of the public sector, the innovations of the private sector to tap underserved markets and the traditional role of civil society in promoting change.

Current estimates indicate that 75 per cent of remittance flows are used to meet immediate needs. That leaves 25 per cent – over US$100 billion per year – for other purposes.

Given greater opportunities to save, remittance families will save more. Given appropriate investment options, remittance families will invest more. And given better mechanisms to invest in human capital, remittance families will have better lives.

By providing these families with better opportunities and more options to use their money productively, the resourcefulness of 1 billion people in the world who either send or receive remittances can contribute to the scope and scale of the SDGs.

2. Remittances are critically important to rural and more vulnerable communities, particularly in times of crisis

No matter how many people leave home, still more remain behind. Almost half of all remittance flows go to rural areas, accounting for over US$200 billion annually.

The current crisis has taught us that remittances are a lifeline not only for families in fragile or conflict situations, but also for the millions of families living in low- and middle-income countries.

Remittances can leverage financial inclusion. Through adapted savings, credit and investment products, migrant workers have the power to improve their own lives and the lives of their relatives back home. The private sector has a key role to facilitate such products taking advantage of innovative approaches and technologies. Likewise, governments can substantially increase the positive impact of remittances, particularly in the poorest, most remote rural areas, by leveraging their contribution to development.

The pandemic has resulted in millions of migrant workers returning home. Helping them build assets and invest their savings and skills in income-generating opportunities on their return should be a central development policy objective.
3. A portion of remittances and diaspora investments are likely supporting the ability of smallholder farms and family businesses to better anticipate, manage and become resilient in the face of climate risks

By virtue of geography, poverty and low resource endowments, many of the poorest countries are among the most vulnerable to climate-related risks, and agriculture is the most exposed sector.

Besides socio-economic factors, migration is increasingly becoming a consequence of climate change. Without access to savings or additional resources, smallholder farmers fail in the face of worsening drought, variability of rainy seasons, invasive pests and other climate related risks. A lack of access to irrigation, declining soil fertility, and rising temperatures also threaten the viability of traditional crops and influence the decisions of rural people to migrate.

In turn, remittance flows have increased five-fold over the past twenty years and, along with humanitarian assistance from diasporas, serve in a counter-cyclical capacity during economic downturns and climate-change related events in recipient countries.

Beyond basic poverty reduction, remittances and diaspora investments offer a real avenue to transform rural communities, mitigate climate change effects and cut the migration cycle. However, although climate-related financial mechanisms already exist, they are not well-known. Further adaptation of remittance-related financial products and diaspora investment processes is required to reach rural areas.

4. New technologies have proven effective in increasing the use of regulated digital channels, but more needs to be done to increase access to digital remittances, especially in rural areas and among women

Despite all the great challenges brought by the pandemic, this has also proven to be an unprecedented opportunity for the global remittance market. Migrants and their families have increased their use of regulated digital channels in many corridors, and the use of digital channels in many cases has brought down costs.

The use of digital channels, however, is heavily dependent on sound infrastructure, which is still lacking in many regions of the world. Countries with low financial inclusion rates and low levels of digitalization have suffered the most, especially their rural populations.

Digitalization must therefore be effectively addressed to increase the resilience of remittance markets and supported by policies aimed at promoting and facilitating its uptake, especially in rural areas.

5. While remittances are private financial transactions, their impact can be magnified only in concert with coherent public policies and priorities, coupled with civil society and private sector initiatives

Strengthening partnerships with key stakeholders both in-country and around the world is central. Faster, cheaper and more secure transfers can be achieved by continuing to improve the environment for remittance flows.
This can be accomplished through greater transparency and competition and by engaging with the private sector to bring services and innovations to the farthest places at the lowest cost and by continuing to mainstream financial and digital literacy programmes for senders and recipients alike.

The GFRID is essential for exchanging ideas, finding innovations, addressing challenges and creating partnerships to support the 1 billion people involved in family remittances.

6. Better collection, analysis and application of data on remittances is critical for proper analysis of the remittance market, especially at the corridor level

The general lack of available data on remittances beyond costs and the lack of specific market intelligence from sending and receiving country perspectives have been major impediments to accurately assessing the impact of the crisis on remittance ecosystems.

Expanding and strengthening the collection, analysis and application of remittance- and diaspora-related data is critical to fostering effective public policies and private-sector investment, as well as informed decision-making, especially in the receiving countries.

7. Diaspora investment and entrepreneurship in countries of origin are an important reality and a huge market but remain underdocumented and fragmented

Despite migrants’ high investment flows to their countries of origin, lack of appropriate vehicles, financial instruments and incentives make it very hard for them to invest back home in a sound and effective way.

Coherent policies to attract diaspora investments must be put in place and matched with structured financial instruments and sound business development support for entrepreneurial success at the local level.
About the GFRID Summit 2021

On 16 and 17 June 2021, practitioners from the public and private sectors gathered virtually for the seventh Global Forum on Remittances, Investment and Development (GFRID) Summit.

Recognized by the United Nations General Assembly, the GFRID is one of the key platforms aimed at building and strengthening partnerships towards innovative solutions for cheaper, faster and safer transfer of remittances, as well as diaspora impact investment mechanisms, with all relevant stakeholders.

The 2021 GFRID Summit focused on the role of remittances and diaspora investment in strengthening market recovery in the midst of the current global pandemic and on heightening the resilience of migrant workers and their communities. In particular, the summit provided a unique platform for different stakeholders to share and explore practical strategies and mechanisms to support the digital and financial inclusion of migrants and their families.

The event saw the 2021 observance of the UN International Day of Family Remittances (IDFR), aimed at raising awareness of the tireless dedication of the over 200 million migrant workers who send money home for the well-being of their families.

Key topics covered

- The disruptions within the remittance industry and the role of the private sector in promoting greater digital and financial inclusion for remittance senders and receivers. A deep-dive session saw the participation of leading experts who addressed the impact of mobile remittances within the new digitalization trend.
- How the current enabling environment could further support the remittance industry and leverage the impact of remittances towards recovery, resilience and achievement of the SDGs.
- Mechanisms and strategic opportunities for diaspora engagement and impact investment, including the role of diasporas as agents of change for their countries of origin, addressing critical issues such as climate change.

Brief summary of the GFRID summit 2021 discussions

- Over the 10 panels held during the two-day summit, renowned experts from the public and private sectors and civil society discussed the critical role that the remittances and investments of individuals and groups in the diaspora play in accelerating progress towards achievement of the SDGs.
- Overall, the discussions focused on the COVID-19 pandemic’s impact on the global remittances market and the action taken by all actors to respond and support family remittances worldwide, especially through digital and financial inclusion. The accent was on the role of the private sector in such achievement, as well as market innovations and the role of new technologies, including mobile money, blockchain and cryptocurrencies. Attention was paid to challenges that affected international and national regulations impacting remittance markets, especially in fragile states, while highlighting current measures to facilitate enabling environments. Also discussed was the role of the diaspora as agents of change for their countries of origin, in particular through impact investment and entrepreneurship in times of crisis.
- Through deep dives, panellists investigated new market trends such as mobile remittances and digitalization, engaged with the industry on remittance cost determinants and discussed the role of migrant investment in climate change adaptation.
Future of the Forum

IFAD and its partners look forward to meeting in 2022 to assess progress and further promote sustainable development through migrant remittances and diaspora investment, with a renewed commitment to helping remittance families improve their lives and further leveraging the impact of these flows to create more economic opportunities and enable communities to recover from the current crisis.
The universally-recognized International Day of Family Remittances (IDFR) was adopted by the United Nations General Assembly (A/RES/72/281) in 2018, and is observed every year on 16 June. The IDFR recognizes the contribution of over 200 million migrants to improve the lives of their 800 million family members back home, and to create a future of hope for their children. Half of these flows go to rural areas, where poverty and hunger are concentrated, and where remittances count the most.

Through this observance, the United Nations aim at bringing greater awareness of the impact that these contributions have on millions of households, communities, countries and entire regions. The Day also calls upon governments, private sector entities, as well as civil society to find ways to maximize the impact of remittances through individual, and/or collective action.

The IDFR is fully recognized at the global level, and included as one of the key initiatives to implement the Global Compact for Safe, Orderly and Regular Migration (Objective 20), calling for the reduction of remittance transfer costs, and greater financial inclusion through remittances. The IFDR also furthers the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

Towards these objectives, IFAD, as custodian of the IDFR, is supporting the #FamilyRemittances Campaign 2020-2030, to engage stakeholders in endorsing the values the IDFR represents and to share their involvement.

The 2021 IDFR campaign

This year, the IDFR campaign focused on Recovery and Resilience through Digital and Financial Inclusion, in recognition of the crucial role of technology in bringing change and enabling the environment for greater impact and inclusion. The COVID-19 crisis has been a formidable test for global remittances. However, the 2021 report by the World Bank revealed that remittances remained resilient, with a drop of only 1.6 per cent in 2020, to US$540 billion compared to US$548 in 2019.

One of the greatest catalysts for formal remittances during 2020 was the accelerated adoption of digital technology by migrant workers and their families. Both online and mobile digitalization have buoyed remittance flows during this challenging period. This change was hastened by lockdowns and social distancing rules that spurred the move away from informal channels and the use of cash for senders and recipients. Digitalization is less costly than cash transfers and has reinforced the adoption of mobile money, thereby advancing the financial inclusion of migrants and their families.

In light of the above, the United Nations responded to the campaign by encouraging governments, the private sector, development organizations and civil society to promote digital and financial solutions for remittances that foster greater social and economic resilience and inclusion.

In turn, such key stakeholders endorsed the IDFR campaign messages and widely disseminated them on social media. Hosted virtually, the dedicated IDFR observance event and other partners’ initiatives were also extensively promoted.
Main takeaways

“Today we should pay tribute to migrant workers and their commitment to their families and communities back home. Migrants kept prioritizing sending money back home in a year marked by so much tragedy and loss.” – Gilbert F. Houngbo

- Despite the impact of the COVID-19 pandemic on global economies, remittances are the only private financial flow to developing countries that has remained stable during this period of crisis, demonstrating once again the incredible resilience of migrants.

- During the pandemic, the European Union (EU) and its Member States supported remittance families and declared remittance service providers “essential services”, allowing them to continue operating.

- The COVID-19 crisis offers a unique opportunity to build a new consensus on remittances for a unified and coordinated global approach to remittance solutions.
Despite the unprecedented impact of the COVID-19 pandemic on global economies, remittances were the only private financial flow to developing countries that remained stable in 2020 (officially recorded remittances to low- and middle-income countries declined by only 1.6 per cent from US$548 billion in 2019 to US$540 billion in 2020).\(^1\) This is a testament to the resilience, resourcefulness and commitment of migrant workers driven by the reality of the COVID-19 pandemic.

Digitalization enabled and catalysed remittance flows (according to GSMA, mobile remittances increased by 65 per cent in 2020). Migrant workers adopted digital transfers at an unprecedented speed. However, advances in technology must also bridge gender gaps and reach the last mile – making remittances more accessible in remote rural areas where they have the greatest impact.

There must be a focus on tackling the barriers that prevent women from accessing and using mobile financial services (women are 33 per cent less likely than men to own mobile money accounts).

The European Commission considers the GFRID a key platform for advancing the global remittance agenda.

The EU is the second largest remittance-sending region after the United States. Meeting the SDG target of 3 per cent on transfer costs from the EU alone would result in annual savings of EUR 1.5 billion in transaction fees.

Throughout the pandemic, the EU and its Member States supported family remittances as a key tool for solidarity with migrant workers and their families back home. During the lockdown, several EU Member States declared remittance service providers “essential services”, allowing them to continue operating. More generally, the European Commission is working to accelerate the digitalization of remittances and investment schemes within formal channels to make remittances and diaspora investment key components for the post-COVID-19 economic recovery in developing countries.

The lessons from the COVID-19 crisis offer a unique opportunity to build a new consensus on remittances for a unified and coordinated global approach to address remittance solutions.

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Main takeaways

- The Covid-19 pandemic tremendously accelerated the shift toward digital channels in terms of flows and customers who had previously used informal channels.

- Digital transactions dominate mobile money flows, which have grown exponentially in the past decade.

- Financial and digital inclusion will be key to economic recovery in a world impacted by the COVID-19 pandemic, and remittances will play a critical role.

- Migrants represent insurance for families back home. Remittance-linked insurance products will therefore give recipients the opportunity to better manage funds and cover unexpected shocks.

- Digital currencies are slowly but surely improving the remittance market; among these, the new generation of cryptocurrencies is more secure and stable and may play a significant role in the near future.

- Many barriers are still present in terms of interoperability and regulatory change that need to be addressed to support the full switch to the digitalization of remittances and the adoption of cross-border insurance.
State of the industry
Veronica Studsgaard,
IAMTN

In 2020, the remittance industry was as seriously affected by the COVID-19 pandemic as migrants were.

Before the COVID-19 pandemic struck the world over, the remittance industry was gradually shifting away from cash transfers to the use of digital channels. While the impact of the pandemic varied from region to region, digital providers saw significant growth in average transaction values (how much customers are actually sending home) and a rise in new customers in 2020. There was a major shift from informal to formal channels due to lockdowns and travel restrictions, as cash was unable to cross borders.

Remittance service providers (RSPs) faced many challenges during the COVID-19 pandemic, such as declining remittance volumes, liquidity issues and an increase in bank de-risking. In many countries, remittances were not considered essential businesses and therefore, paying-in and/or paying-out locations were shut down. However, through electronic know-your-customer (e-KYC) verification, when permitted, RSPs were able to onboard new clients online.

RSPs are often viewed as profit-driven entities. In reality, the crisis showed how they care about their customers’ well-being and are constantly working to improve the service they provide to migrants.

Financial and digital inclusion will be a key element in the economic recovery process in a world impacted by the COVID-19 pandemic, but it requires robust collaboration from all stakeholders.

The question is: will global economies be as resilient as remittances have proven to be in 2020 and the first half of 2021?

Digital remittances and consumer access
Saad Farooq,
GSMA

Digital transactions continue to dominate mobile money flows. Over the past decade, mobile money has grown exponentially, with over 1.2 billion registered accounts in 96 countries. In 2020 alone, mobile money uptake increased by 13 per cent. In 2021, the industry processed over US$2 billion per day – a figure expected to reach US$3 billion in 2022.

Remittances through mobile money have been a lifeline in 2020 throughout the pandemic. International remittances through mobile channels grew by 65 per cent between 2019 and 2020 as a result of innovative partnerships.

With over 500 million mobile money accounts, Africa is in the lead globally. Specifically, sub-Saharan Africa saw a 59 million increase in new mobile money accounts in 2020 (averaging 5 million new additions per month), which profoundly impacted the industry.

In 2020, the average cost of remittances sent from mobile money to mobile money accounts was 3.53 per cent for a transaction of US$200 – far below the World Bank’s estimated global average transfer cost of 6.38 per cent.

Greater collaboration among stakeholders beyond the mobile money industry is needed to address key challenges that could otherwise negatively impact the financial inclusion of migrant families. These include licensing, de-risking, lack of access to an ID required by traditional know-your-customer (KYC) processes and consumer trust.

Remittances and insurance
Michael J. McCord,
Microinsurance Centre at Milliman

While remittances are a lifeline for migrants’ families back home, their impact can be jeopardized by issues on both sides of the corridor. Poor harvests, unforeseen crises and health issues are examples that necessitate additional remittances required by relatives back home.
Migrants suddenly become the insurance of their families back home, sending increasing amounts of remittances to the detriment of their own well-being and savings in the host country. How can this dynamic be shifted to use the funds more effectively? Insurance is one of the answers.

Remittance-linked insurance offers an opportunity to better manage funds sent back home, cover unexpected shocks and address unforeseen issues at the receiving end.

However, there are still many regulatory barriers to cross-border insurance purchased in one jurisdiction and used in another.

**Digital and cryptocurrencies**

Anca Bogdana Rusu, cLABS

Digital currencies are slowly but surely improving the remittance market. Digital currencies speed up remittance transfers and simplify cashing out; they are cheaper (low volatility and low-tech access points); and they promote financial inclusion by increasing interoperability over current systems and allowing for an immutable and mobile transaction history.

There are different types of cryptocurrencies: the first generation includes Bitcoin or Ethereum, which are more volatile and energy-intensive. The second generation prominently features stablecoins, cryptocurrencies pegged 1:1 to fiat, as well as other native tokens, most of them programmable and more energy efficient, some of them mobile-first and carbon-neutral. On the horizon are central banks exploring ways to launch their own digital currencies and learning about this new form of money. A survey by the Bank for International Settlements (BIS) shows that most, if not all, central banks are currently in some phase of exploring central bank digital currencies, though not all of them on blockchain.

Despite public perception to the contrary, cryptocurrencies on public blockchains are fully traceable and can actually ease the burden of compliance with anti-money laundering (AML) regulations. The recent news of the Colonial Pipeline hack and ransom payment in cryptocurrencies, followed by the blockchain analytics company Elliptic tracing the receiving wallet within 48 hours and the FBI seizing the funds in under two weeks, is proof that digital currencies on the blockchain can actually help reduce fraud and financial crime.

When looking at the types of digital currency that best improve the remittance experience, the importance to migrants and remittance recipients of easy access to their funds must be recognized. Unfortunately, most cryptocurrencies are still not designed for mobile usage, which is a significant barrier. If cryptocurrencies are not designed with the end user and low-tech devices in mind, the industry risks increasing the digital divide. Fortunately, there are new solutions with adapted cryptocurrency wallets to make simple and secure transactions using a United Nations Department of Safety and Security (UNDSS) phone. UNICEF recently announced an investment in the Kenyan start-up Kotani Pay, which does just that. To improve remittance flows, we should look at stablecoins, which are designed for mobile usage.

Blockchain technology, however, cannot and will not solve everything. The pathway to faster, cheaper and secure remittances and greater financial inclusion for migrants is grounded in cooperation and interoperability among all players. Interoperability is the standard to work toward.

**NEWS OF THE DAY.** El Salvador passed a law declaring Bitcoin a first-generation cryptocurrency and legal tender in the country, citing the need to leverage remittances and financial inclusion as main drivers. Furthermore, to improve remittance flows and financial inclusion, stablecoins designed for mobile usage should be considered. Along these lines, countries such as Brazil, China, Nigeria and Thailand are testing their own central bank digital currency.
Main takeaways

- The COVID-19 pandemic spurred many migrants to use digital tools, especially in the sending markets. For a while, it was the only choice. People tried it and liked it. The trend was already there, but the COVID-19 pandemic was an accelerant.

- More data on digital remittances is needed to provide insight and policy guidance on how to leverage mobile-based remittances, especially for receiving countries.

- To take advantage of the move towards digitalization, users need to be digitally included. Yet many remain digitally excluded, especially rural people and women. The coverage gap and the usage gap are the two factors in digital exclusion. The coverage gap excludes 500 million people, but the usage gap excludes over 3 billion. Rural users are 37 per cent less likely to use mobile broadband than others.

- Women tend to have higher digital and financial exclusion rates. Yet, despite the COVID-19 pandemic, the gender gap in mobile internet use has fallen to 15 per cent from 19 per cent globally, largely due to improvements in South Asia (which historically has had a very large gap).

- If inclusive digitalization of remittances can be achieved, it can open the door to other digital financial services, which in turn will contribute to the attainment of many development goals.

- While the development of technological solutions has exploded, consumer protection has not. Consumer protection must catch up with the increased digitalization of remittances.

- Public-private partnerships are critical. Better infrastructure and a more enabling regulatory environment are essential to allow the private sector to facilitate in the switch to the digitalization of remittances, reaching the remotest areas.
Killian Clifford, IFAD

The COVID-19 pandemic has brought the advantages of digitalizing international remittances into sharper focus. Recent data has shown increases in the adoption of mobile money for receiving and sending remittances, with the global pandemic serving as a catalyst.

IFAD will soon launch MobileRemit Africa, which, among other things, will provide a mobile remittance enablement index for peer comparison among countries on readiness to adopt mobile as a remittance channel.

The initial findings show that the higher index scores are generally clustered around the mobile money strongholds of East and West Africa. Mobile money wallets are preferred among digital channel users when opting to receive remittances in these countries.

Wide variation in index scores is observed in African countries, with Kenya having the highest score on the continent, whereas the scores of the Gambia and South Africa were low. The scores for stakeholder interventions and investments in these countries are expected to improve in the medium term.

MobileRemit Africa will be available in the last quarter of 2021.

Dare Okoudjou, MFS Africa

The COVID-19 pandemic drove many migrants to use digital tools in the sending markets. For a while, it was the only choice. People tried it and liked it, so this trend is here to stay and grow.

At the same time, there is a long-term trend that could be called the “API2 trend” – allowing more players to connect seamlessly, especially at the last mile. This trend emerged five years ago but accelerated in 2020.

Over 70 per cent of migrants from sub-Saharan Africa stay in Africa. Intra-African remittance corridors are set for massive digital uptake.

Remittances are a gateway to financial inclusion and must be approached through the lens of convenience, resilience and prosperity. Cost reduction is essential, and digital is definitely a tool to use. Furthermore, linking remittances to additional services such as savings or insurance can certainly improve resilience.

The private sector can exert a great deal of pressure but is still highly dependent on policies and regulations and cannot assume the role of policymaker and regulator. Better infrastructure and an enabling policy environment are essential for enabling the private sector to play its role as efficiently as possible and serve its customers, migrants and families back home.

Judith Obholzer, Vodacom Group

Inclusive digital remittances are an incredibly powerful development tool. They (i) put money into the hands of those who need it in a much more cost- and time-effective way, meeting fundamental human needs, especially in times of crises; and (ii) act as a driver of further financial services that allow people to manage their risks more effectively.

Data show that customers are switching to digital. Within Vodacom markets, 25 per cent of all remittances landed in the M-Pesa e-wallet.

It is imperative to lift regulatory barriers to permit fair competition and collaboration among key stakeholders. Typically, 80 per cent of the remittance transaction value is kept by the sending money transfer operators. To lower costs, the sending side must be unlocked. Central banks across Africa should allow mobile money providers to operate on the sending side and thereby drive competition. Furthermore, streamlining the approval of licenses for international remittances and allowing mobile money hub-led models are also critical to achieving the SDGs.

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2 Application program interface.
Digital solutions offer safe and reliable services for all. It has been paramount for the private sector to work with the public sector to ensure financial services for millions in 2020, and there is still an opportunity to accelerate digital service offerings. In so doing, building partnerships and lifting existing barriers to competition are critical.

Claire Sibthorpe, GSMA

The main barriers to digital inclusion are related to coverage and usage gaps. The usage gap (more than 3.2 billion people living in areas covered by a mobile broadband network but do not use it) is far more significant than the coverage gap (just under 500 million people living outside areas covered by mobile broadband). The combined impact of the gaps in digital exclusion is that people living in rural areas in 2020 were 37 per cent less likely to use mobile broadband than urban users. Connectivity in rural areas is still a challenge. Key barriers to digital inclusion include affordability (of handsets and data), as well as limited literacy, digital skills and awareness of the relevance of products and services, together with safety and security considerations.

Certain societal groups face greater digital and financial exclusion than others. The recently released Mobile Gender Gap Report 2021 mentions that, despite the COVID-19 pandemic, the gender gap in mobile internet use continues to narrow, with women in low- and middle-income countries (LMICs) being 15 per cent less likely to use it than men. This reduction has been driven primarily by South Asia, where this gender gap has historically been the highest. However, many more policy and market interventions are needed to bridge the mobile gender gap.

Antonia Esser, Cenfri

It is estimated that due to the COVID-19 pandemic, at least 20 million people were pushed into extreme poverty for the first time in decades, while remittances remained stable and their share of digital remittances increased. Therefore the question is: did people in LMICs benefit, or have they been negatively affected by the digital switch?

The poorest of the poor have been much more affected than others because they were not able to receive digital remittances, becoming even more financially excluded. The need for cash out is still integral to the remittance digitalization process. Access to cash remains critical to reaching the most vulnerable rural populations.

Banks are considering or have already implemented branch closures in many countries across the developed and developing world. Agent banking is also in decline (or agent inactivity is high) in some jurisdictions due to business model challenges, as the focus is on digital services not brick-and-mortar structures. Agents themselves rely on brick-and-mortar structures for cash management.

Particular attention should be paid to people who still rely on brick-and-mortar structures, especially their capacity to navigate the financial system.

People must remain at the centre. There is a high risk that people unable to navigate a mobile phone, for whom data and/or mobile services are too expensive, and those without network access or electricity in remote and urban areas will be excluded or forced into the informal system.

Remittances are a key catalyst for bringing people into the formal financial system. There is a tremendous opportunity to link additional financial services, such as insurance, savings, investments or credit, to remittance products. This can better meet people’s needs and increase trust rather than focusing on financial inclusion as the end goal. Formal financial tools are key to helping people improve their own well-being, reducing poverty, giving them choices and overcoming hardship.

Digital financial services allow for the creation of identity proxies, i.e. establishing a digital identity without the need for a physical identification document. Cenfri is partnering with IFAD across Africa to support accessible digital identity processes and make digital remittance services accessible to all.
Main takeaways

- Three years after the adoption of the IDFR, the international community is witnessing the exponential engagement of all sectors – public, private, and civil society – in recognizing the contribution of remittances to the well-being of millions of families, as well as the sustainable development of their communities.

- In response to the COVID-19 pandemic’s impact on remittances, a number of multi-stakeholder initiatives were launched in 2020 to devise immediate- and medium-term policy and regulatory actions to heighten the resilience of remittance markets to external shocks. These initiatives include the Remittance Community Task Force, led by IFAD; the Financial Action Task Force Guidance on Digital Identity;³ the World Bank Call to Action; and the Switzerland and UK Call to Action.

In 2018, the Philippines, along with Guatemala, Madagascar and Algeria and the support of IFAD, spearheaded the adoption of the landmark resolution declaring 16 June the International Day of Family Remittances (IDFR) to recognize the important contributions of 1 billion people directly impacted by remittances, either as senders or recipients.

Today, three years later, the UN system at the highest level, and a large number of Member States, international organizations, civil society and private sector entities, joined in paying tribute to the hard work and sacrifices of all migrant workers who send remittances to support their families back home and to underscore their contribution to development. Remittances truly represent the “human face of globalization”.

Thirteen Member States and UN agencies4 took the floor during the session to highlight that despite the global COVID-19 pandemic, migrants remained resilient, even in the most challenging circumstances. Despite the lockdowns, remittances continued to flow into developing countries, sustaining families.

Many Member States reaffirmed their commitment to SDG 10.c to reduce remittance transfer costs below 3 per cent and to support Objective 20 of the Global Compact for Migration, focused on promoting safer, faster and cheaper remittances and financial inclusion for migrants and their families.

In their statements, they also promoted initiatives aimed at mitigating the pandemic’s impact on remittance flows, migrants and members of diaspora communities, as well as families, communities and economies that rely on remittances.

The international community’s response to the crisis was unprecedented. Many Member States, international organizations and other stakeholders pulled together to address the pressing issues facing remittance families that threatened their ability to meet their own daily SDGs.

A number of initiatives were mentioned, including: the Remittance Community Task Force led by IFAD; the UK-Swiss Call to Action; the Financing for Development in the Era of COVID-19 and Beyond Initiative (FFDI); the work of the G20 Global Partnership for Financial Inclusion; the Digital Payments Transformation Roadmap of the Central Bank of the Philippines to promote financial inclusion and digitized payments; a significant set of regulatory measures and projects implemented by the EU and its Member States to support the resilience of remittance markets, from declaring remittance services as essential to increasing cross-border market transparency or support digitalization; and the EU-financed PRIME Africa initiative, in partnership with IFAD.

4 Dominican Republic, Guatemala, Indonesia, Mexico, Philippines, Sweden, Switzerland, United Kingdom, European Commission, IFAD, International Organization for Migration (IOM), UNGA and UN DESA.
Main takeaways

- Not all migrants are entrepreneurs and ready to invest. But one way or another, all are willing to support their countries back home beyond remittances, if given the opportunity and the appropriate instruments.

- They invest their financial resources both individually or collectively, either in personal businesses or in other economic opportunities. They build assets and create international trade relationships.

- Migrants are willing to take risks far beyond those of traditional investors, but trust and confidence are important factors in diaspora investment. The governments of developing countries need to create enabling ecosystems that promote and facilitate investments.

- Lack of appropriate vehicles, financial instruments and incentives are other critical aspects that make it very hard for migrants to invest.

- Know-your-diaspora (KYD) is key. Initiatives and financial mechanisms must specifically target the particular diaspora sector they address.

- Diaspora investment and entrepreneurship in countries of origin is an important reality and a huge market but remains underdocumented and promoted in a fragmented way.

- Returnees face multifaceted difficulties once they are back in their home countries. It is therefore critical for governments to provide a holistic response to assist returnees with self-employment/entrepreneurship as alternatives to migration, which implies close policy coordination.

- Diaspora investment must be matched with sound business development services (BDS) for entrepreneurial success at the local level.
Introduction
Frédéric Ponsot,
IFAD

Diaspora capital is unique in the sense that it is a blend of human and financial capital. Migrants wish to bring not only their financial resources but their knowledge back home. They are ready to disregard country risk considerations where mainstream investors would withdraw.

While not all migrants are entrepreneurs, diaspora entreprenuers leverage their social skills, knowledge and financial capital acquired abroad to develop small and medium-sized enterprises that often feature disruptive technical or managerial innovations in their home countries.

While this resilient class of investors is well-recognized, diaspora investment is not quantified at the global level. Lack of data and knowledge about diaspora preferences and behaviour often prevents public and private stakeholders from scoping this opportunity and offering reliable options.

Empirical evidence shows that diaspora investment can reach significant scale if structured by longterm relationships and robust financial products or donor-led projects (e.g. diaspora savings in Morocco; diaspora bonds in Nigeria issued in the United States). The recent experiences of emerging crowdfunding platforms and partnerships with impact investors and donors also reveal promising models.

Nonethelese, overall diaspora investment and entrepreneurship remain by far underdocumented and supported through overly fragmented initiatives.

African diaspora investment in times of crisis
Almaz Negash,
ADN

By 2040, Africa will have a larger workforce than China and India. This will require targeted enterprise growth to improve food production, health care services and education, which can only be done by working with local communities, who represent a real opportunity for diaspora business creation and exploration.

There are more than 30 million African diaspora members around the world willing to invest back home. They need support from their governments to create an enabling ecosystem that promotes and facilitates investments.

Migrants are willing to take some risks when it comes to investments. However, there is a need to build trust and confidence for the diaspora to invest in a given country or community.

Many migrants also contribute to their countries of origin by bringing back skills and capacities acquired in the host country. These are called “intellectual remittances”.

Scaling-up diaspora investment from Europe
Jean-Michel Severino,
Investisseurs et Partenaires (I&P)

African diaspora remittances have a very high macroeconomic impact, accounting for some 2 per cent of African GDP. This migrant capital is very important not only for balance of payments purposes but as a social factor. Remittance use covers a variety of needs (e.g. consumption, housing and social support), evolving with the history and needs of diasporas and countries of origin. Notwithstanding, remittances used for investment purposes are still lagging.

Over the years, Organisation for Economic Co-operation and Development (OECD) governments have tried to make remittance transfers simpler and less costly, while African governments have tried to steer diaspora investments towards their own needs (diaspora bonds) or private investment (one-stop shops; diaspora housing
bonds) with limited success, due, among other things, to limited diaspora trust in government-managed schemes; hence, the challenge of moving more remittances into local private-sector investment.

Moving 10 per cent of migrant remittances into private investment would increase Africa’s private investment rate by at least 1 basis point – a major shift.

Surveys indicate high interest but at the same time, major challenges in terms of perceptions (economic and political risks, trust, information gaps, etc.) and significant technical challenges (lack of appropriate legal mechanisms, tax disincentives, access instruments, etc.); hence the need to create appropriate low-risk financial mechanisms tailored to the specific sector targeted.

Working with IFAD, the private fund Investisseurs & Partenaires in Mali is an example of a simple, sound investment scheme for an investment fund in Mali. It is highly structured and targeted to the wealthy Malian diaspora in the EU. Another recent mechanism is the Efficiency Africa Fund, a European diaspora native project based on a mix of quasi-crowdfunding and institutional funding.

**Diaspora investment trends in Latin America**

Manuel Orozco,
Center for Migration and Economic Stabilization

A recent study shows that, despite income and job losses, the COVID-19 pandemic caught migrants from Latin America and the Caribbean living in the United States better financially prepared than during the 2009 global recession. Migrants had more savings and liquidity (30 per cent more than in 2009) and more financial access (having lived longer in the United States). Their investment capacity in 2020 remained stable, at 22 per cent (compared to 2010), averaging US$5,000 per investment. The preferred investments back home are predominantly in housing.

Analyses show that migrants intending to reunite with their families (after about eight years) are more likely to invest in real estate back home.

Governments are still unable to take concrete steps (enabling mechanisms, investment vehicles, marketing incentives, among others) to satisfy an annual effective demand for investments of at least 5 per cent of all migrants, two thirds of which go to real estate. A recent survey in Central America and the Caribbean indicated an average demand of 25,000 homes for each country. Banking and construction companies are willing to offer flexible lending opportunities but need to find ways to design mortgages that can mitigate defaults.

Lack of investment vehicles and incentives make it very difficult for migrants to invest. Risk-sharing mechanisms are another important factor. Cross-country partnerships between actors in both origin and destination countries are keen to mitigate the investment risk (banking institutions and third-party international financial institutions).

Average loans are in the realm of US$30,000, which relate to the payment capacity of the average immigrant’s income of US$30,000 per year (80 per cent of those wishing to return and invest back home have incomes ranging from US$30,000 to US$35,000 per year).

**Returnees and local economic development opportunities in Asia and the Pacific**

Tomas Ernst,
IOM

The International Organization for Migration (IOM) has released a series of analyses of remittance markets in Asia and the Pacific, showing stable remittance flows and high uptake of digitalization.

Returnees face a number of difficulties on return to their countries of origin. It is therefore important to identify their needs and the communities they return to. Debt repayment is an important issue for migrants.

A recent survey in Bangladesh indicated that 71 per cent of returnees experienced challenges reintegrating into their community; 77 per cent had lower personal income in the last three months than before their return; 47 per cent had trouble finding employment; 29 per cent faced severe financial difficulties; and 18 per cent
experienced negative reactions from the host community on their return.

A holistic response is needed to steer returnees towards self-employment/entrepreneurship as alternatives to migration. This implies strong policy coordination.

A new UN approach on migration at the country level has recently been adopted in many countries, increasing synergies and coordination between UN agencies and host governments. The aim is to create an enabling environment to foster the nexus between migration and development, including migrant entrepreneurship and investment.

As an example, in Bangladesh, the national UN Migration Network engaged with the Parliamentarian Caucus on Migration and Development to develop joint initiatives.

Supporting diaspora engagement in Africa

Stefanie Scharf,
The Federal Ministry for Economic Cooperation and Development (BMZ)

Germany’s 360-Degree Approach to Migration and Forced Displacement is aligned with the Global Compact for Migration.

On diaspora investment, Germany aims at creating conditions for migrants and diasporas to fully contribute to the sustainable development of their countries of origin.

Exchange and dialogue with diaspora and migrant organizations in host countries is critical. BMZ focuses on the transfer of skills and competencies, as well as remittances and investments by diaspora members and organizations.

Among its diaspora investment activities, Germany is supporting three initiatives:

1. **WIDU** is a financial mechanism to support small businesses in Africa. It encourages diaspora to invest in their countries of origin by topping up diaspora investments in local businesses with BMZ grants of up to EUR 2,500 and by offering coaching. A total of 1,650 projects were approved and around 5,000 jobs were protected and planned. EUR 4.6 million was mobilized through private investments and BMZ funding.

2. **Business Ideas for Development** supports diaspora members wishing to start a business in their countries of origin through business coaching, funding for market exploration and networking. A total of 800 entrepreneurs in 10 countries have been supported since 2009.

3. **RemTech Accelerator**, encourages South-driven innovation in remittance technology to make sending remittances cheaper and easier and promote SDG-related investments. The accelerator offers coaching, mentoring and networking with potential partners for remittance tech start-ups from partner countries.
DEEP DIVE – Diaspora investment and climate change mitigation and adaptation: reality check

Main takeaways

- Remittances and migrant investments tend to increase in times of crisis.

- Diaspora investors have been involved in agriculture and land restoration in their countries of origin for decades. Diaspora investors understand the challenges of farming and ranching back home, but for migrants to invest in adaptation and land restoration, attractive incentives and tailor-made investment-ready programmes are needed.

- The diaspora is not only an agent for development but a key actor in humanitarian assistance and recovery. It is time to foster innovative diaspora coordination models in humanitarian assistance sectors as well.

- Food insecurity is an area where diasporas can fill some of the gaps in the humanitarian sector. They operate in parallel, but coordination mechanisms are missing.

- Diaspora financial investment mechanisms already exist but are very fragmented, limited in scale, not well-known and often extremely complicated for investors and small entrepreneurs. More information, simplified mechanisms and scaled-up approaches are necessary to foster diaspora investment flows and reach the remote areas where they are most needed.

- Diaspora entrepreneurs offer an opportunity to supplement local value chains through various means, such as their investments and connections with communities of origin and skills acquired in the destination countries.
Steve Wilson,
IFAD

People experience climate change in social and economic terms: through its impact on their livelihoods, settlements, food, water and energy security, on their health, productivity, supply chains, assets; and on public and private property. Climate change is above all a humanitarian crisis. Most of the impacts that are caused or influenced by global climate change are not described using the language of climate science and policy.

Climate science and policy generate a wealth of technical jargon (e.g. climate mitigation, adaptation, resilience, net zero, greenhouse gas emissions, carbon sequestration, rising average temperatures, nationally determined contributions, aerosols, albedo, etc.). This language is important for scientists and many donors and policymakers but has far less meaning for most people, including the many rural smallholder farmers and ranchers and other enterprises in developing countries.

Rural areas receive several million dollars in remittances every year. Many recipient households are smallholders and not large farm and ranch owners. Some portion of their remittances will be used to purchase equipment, tools, products and services that will help them adapt to a hotter, dryer, more variable and extreme climate. These inputs include products for more efficient use of water in irrigation, catchment and storage; a shift to more heat- and drought-resilient crops, seeds and plant varieties; use of digital technologies in “precision agriculture”, to name but a few solutions for productively responding to a changing climate.

Diaspora investors have been involved in agriculture in their countries of origin for decades. When family operations are involved, investment terms are often less formal than in purely commercial agricultural projects, but in any case, diaspora investors understand the challenges of farming and ranching back home. They are also aware of more severe droughts, heatwaves and other changes that threaten the commercial viability of agriculture. This group also rarely uses climate jargon to label its investments.

With widespread awareness of the climate vulnerability of agriculture, crowdfunding and integrated agritech platforms for diaspora investors in Africa, there is growing reference to climate change and its risks for diaspora investment.

Louise Baker,
United Nations Convention to Combat Desertification (UNCCD)

Many socio-economic variables are at the root of migration. The hazards generated by climate change and land degradation are increasing factors in the decision to migrate.

Climate finance is a key issue at United Nations climate negotiations. The recent Paris Agreement states that climate finance will come from a “wide variety of sources, instruments and channels.” So far, the international community has focused its efforts on understanding the role of climate and environmental change in migration, with less emphasis on how to address it.

Land degradation is increasing, mostly in rural areas where a large percentage of remittances are received. Under the three Rio conventions and the Bonn Challenge, countries have committed to restoring up to 1 billion hectares of ecosystems in the next decade, including degraded land. Recovering this area requires creative incentives. In the land sector, there are different possibilities related to land tenure and governance incentives.

The need for climate adaptation investment through land restoration and sustainable land management is often concentrated in the land-based sectors (water and agriculture). However, compared to the major investments in energy and transport infrastructure required for mitigation, land-based sectors are far less attractive to “traditional” private investors, particularly if they are in exposed, disaster-prone areas. In addition, funding for adaptation in developing countries remains limited.

Remittances have the potential to finance adaptation because they directly reach households, including those in remote areas, heightening their resilience to external stressors. They have a shock-absorbing function in most developing countries due to their capacity to effectively flow under particular circumstances, such as risk preparedness and relief, by providing a form of private
insurance, and they represent a more reliable source of foreign currency than other capital flows.

Diaspora entrepreneurs and migrants sending money home may be especially interested in investing in land-based sectors and adaptation because of their motivation to remit, which is based not only on profits but personal family and social bonds. This increases the likelihood for remittances to be spent in remote areas, where the traditional private sector would not necessarily invest and the need for adaptation measures might be higher.

Furthermore, migrants have a direct connection with the household level (often hard to reach with public interventions).

For migrants to invest in adaptation and land restoration, attractive incentives and tailor-made, investment-ready programmes are needed. Some countries with high emigration rates have already offered incentives to attract diaspora investments and migrant remittances. For example, Senegalese government agencies are promoting diaspora investments in government-run infrastructure projects by offering loans for development projects and tax exemptions, including in agriculture and land restoration.

UNCCD is promoting the Sustainability, Stability and Security (3S) initiative with IFAD to create decent and sustainable rural jobs for vulnerable groups and migrants through land restoration, and to foster better access to financial services in remote areas, promoting rural savings, investment and entrepreneurship and increasing financial inclusion. The 3S initiative will also engage the diaspora as a source of financing for climate adaptation, land restoration and small rural businesses in home countries, including through crowdfunding websites and the issue of diaspora bonds by African countries.

Magalie Emile-Backer,
Haiti Renewal Alliance

Traditional humanitarian assistance models continue to fall short in achieving SDGs and fail to include diaspora as actors for recovery. They circumvent communities, excluding existing local programmes or systems that could be leveraged to sustain the response through recovery, focusing on aid rather than development.

Diaspora and commercial partners are perceived as “non-traditional” competitors and bypass obvious resource pools for sector-related skills and diaspora volunteer databases.

There is a need for a paradigm shift towards fostering economic growth via private sector/diaspora integration for continuity, efficiency and effective, sustainable models.

The diaspora is not only an agent for development but a key actor in humanitarian assistance and recovery. It is time to foster innovative diaspora coordination models in humanitarian assistance sectors as well.

Food insecurity is an area where diasporas can fill some of the gaps in the humanitarian sector. They operate in parallel, but coordination mechanisms are missing. Diasporas operate at the nexus between humanitarian assistance and investment. This is a non-traditional model that may compete with locally-based programmes, instead of enhancing existing ones. It is time to start bridging the two.

Innovative diaspora remittance models are at the nexus of investing and humanitarian assistance. Solutions to direct diaspora investment should come through community-based models (diaspora-local alliances aligned to national SDGs), diaspora accelerators for social impact, commercial partnerships (by leveraging professional/personal network), alignment to sustainable local/international operational improvements, and diaspora financial vehicles focused on the highest development impact (e.g. via trusted mechanisms for direct investing).

Diaspora accelerators\(^5\) represent valuable opportunities for more impactful investment of diaspora resources in humanitarian assistance as well as development. What is needed is a diaspora framework to enhance coordination mechanisms – not only for humanitarian ends but to identify ways to improve funding platforms.

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\(^5\) [https://www.investopedia.com/terms/a/acceleratortheory.asp](https://www.investopedia.com/terms/a/acceleratortheory.asp)
Martin Fleury,
Red Mangrove Development Advisors (R.M.D.A.)

Climate-related financial mechanisms already exist but are not well-known. There is a lack of awareness and communication capacity. Furthermore, investment processes are often extremely complicated for project holders. This is often why these funds do not reach rural areas. Diaspora could be the missing link for connecting these institutional funds with projects for their home communities. More information and simplified mechanisms are needed to facilitate these connections to enable the funds to reach remote areas where they are needed the most.

Diaspora entrepreneurs could complement local value chains through their investments, connections and skills. They could identify and build projects with their home community, contribute knowledge and technical skills and even leverage additional funds.

However, diaspora entrepreneurs are not always accepted, as they are sometimes perceived as competing with the local private sector.

For greater transformative impact, remittances are not enough. Productive investments are needed for larger initiatives (retention ponds, etc.). When linked to agriculture, remittances can facilitate the shift towards lending or investment.

Diasporas should perhaps consider priority opportunities to leverage pre- and post-production investments within value chains, rather than investing in production itself, to avoid entering into competition with local farmers.

Diasporas are more likely to support high-value inputs that will generate more wealth rather than support purchases for daily living with little value creation.
High-level remarks from the G20 Presidency, Global Partnership for Financial Inclusion (GPFI) Co-Chair

The Italian Presidency of the G20 highly values the commitment of all relevant stakeholders to find solutions to promote cheaper, faster, safer and more inclusive remittance transfers.

The development impact of remittances touches on very different dimensions. Remittances have become a key component of the global social protection system.

The G20 Roadmap for Enhancing Cross-border Payments, including remittances, is an ambitious, complex initiative that will engage the international community for several years to come. It aims at promoting faster, cheaper, more transparent and inclusive cross-border payments, leveraging the opportunities offered by digital innovation and bringing significant benefits in terms of economic development and financial inclusion.

The Financial Stability Board just proposed a series of global targets for improvement, not only in terms of cost but of speed, transparency and access. In the document, remittances are considered a separate category in recognition of the fragmentation that some payment corridors still face.

Italy has always been at the forefront of strengthening the role of remittances as a critical tool for the development of receiving countries and for the integration of migrant communities at the national level. Italy was one of the original promoters of the efforts to reduce the global average cost of remittances: in 2009, the Italian Presidency of the G8 launched the “5x5” initiative with the object of halving the cost of transferring remittances from 10 to 5 per cent in five years. Italy was also a founding member of the Global Remittances Working Group (based at the World Bank).

Main takeaways

- Italy’s Presidency of the G20 and its co-chairing of the GPFI show its high degree of engagement and commitment to remittances and financial inclusion.

- In particular, through the G20 Roadmap to Enhancing Cross-border Payments and the update of the GPFI’s national remittance plans, the G20 GPFI is highly engaged in promoting cheaper, faster, more transparent and more inclusive remittances, leveraging the opportunities offered by digital innovation and financial inclusion.

- Appropriate enabling environments should be included in national and international commitments to preserve the role and importance of remittances for both sending and receiving countries.
Italy’s G20 Presidency and GPFI co-chairmanship have further bolstered the country’s long-term commitment with a number of important initiatives planned for 2021.

On 24 June 2021, the GPFI, in partnership with IFAD, hosted the Remittances in Times of Crisis and Beyond workshop, providing a current picture of the pandemic’s impact on remittances, on effective approaches in originating and receiving countries to support these flows and preserve their positive impact, and on emerging effective solutions to long-standing challenges still present in the market.

The G20 National Remittance Plans will be updated to address the new market realities, crafting adequate support measures for the short- to long-run.

A stand-alone report will provide an in-depth analysis of the challenges faced by migrants and their families back home during the COVID-19 pandemic and of the priorities adopted by G20 governments and remittance-receiving countries to increase resilience to external shocks. The emerging lessons and best practices will be presented to the G20 leaders in October 2021.

Italy hosts an Intergovernmental Table on Remittances, helping to identify public and private measures and strategies for steering remittance flows through the formal financial system, including low-cost and innovative financial services specifically tailored to migrants’ needs.

Preserving the role and importance of remittances in both sending and receiving countries through an appropriate enabling environment is more urgent than ever, as should be national and international commitments to meeting this goal.
PLENARY – *Market realities and global priorities: ensuring recovery and resilience for 1 billion people*

### Main takeaways

- Remittances are a gateway to the regulated financial sector. Migrants and the most vulnerable people often do not own bank accounts. Sending or receiving remittances is an entry to the formal financial sector.

- The number of digital remittance services is rising, while cash-based services are falling, especially during the COVID-19 pandemic.

- The main objective should be to allow the vast global majority of adults who send or receive remittances, including those who do not have a bank account, to make secure cross-border payments through formal channels.

- For the majority of migrants and small companies processing remittances, it is not just a question of the cost or speed of remittances. It is a more basic question of financial inclusion.

- The term “de-risking” refers to the large-scale denial of services and closure of accounts, often due to money laundering and terrorist financing (AML/CFT) risks and their impact on the profitability of business relationships. These concerns lie at the heart of the decisions of banks, which in some contexts prefer to close accounts in risky countries, de facto impeding migrants from sending remittances formally to their families back home.

- Remittances, financial inclusion and AML/CFT are all complementary goals, but practical challenges to the application of global standards remain at the country level.

- Digital transformation of financial services can be a game changer for remittances and their nexus with financial inclusion and AML/CFT concerns. New technologies create both risks and opportunities.
Cross-border payments through transaction accounts: pathway to financial inclusion
Oya Pinar Ardic,
World Bank

Remittances matter more than official aid and foreign direct investment in many low- and middle-income countries (all except China).

Remittances are a gateway to the regulated financial sector. Migrants and most vulnerable people are often not financially literate, do not own accounts and do not use the regulated financial sector. When they send and receive remittances, it is usually their first opportunity to connect with the regulated financial sector. Therefore, digitalization of remittances is important for financial inclusion policy.

The prerequisites for universal access to a transaction account are: an enabling environment, product development, access points, financial and digital literacy and leveraging high-volume, recurrent payment streams. Digitalization of remittances falls into this last bucket. This is based on the “PAFI Framework”, which is the basis for the World Bank Group’s Universal Financial Access Initiative.

The World Bank has worked extensively with the Commitment for Payments and Markets Infrastructure on the Payment Aspect of Financial Inclusion Report (PAFI report), which focuses on transaction account ownership and usage. Transaction accounts can be used, among other things, to facilitate the transfer, collection and more productive use of remittances.

According to the World Bank’s Remittance Prices Worldwide database, a quarterly tool for monitoring remittance cost reduction for the purposes of the SDGs and the G20 targets, digital remittances are cheaper than all other remittance channels. In addition, the number of digital services is on the rise, while cash-based services have begun to fall, especially during the COVID-19 pandemic.

One particular approach to emphasize, for the purposes of remittances for financial inclusion, is the World Bank’s work in both sending and receiving countries (in champion cities through Project Greenback) to develop products tailored to the needs of customers and the regulated market through the promotion of financial literacy programmes through a bottom-up approach.

Project Greenback works with migrants to understand their needs, with service providers to develop products and financial education programmes for furthering financial inclusion, and with regulators to ensure that products comply with regulatory frameworks. Coordination among actors is critical, always putting customers, namely migrants and remittance receivers, at the centre.

De-risking in times of crisis: who pays the cost?
Louis De Koker,
La Trobe University

“De-risking” or “de-banking” is used in the context of anti-money laundering and counter terrorist financing (AML/CFT) to refer to large-scale denials of services and account closures, often due to concerns over money laundering and terrorist financing (ML/TF) risks and their impact on the profitability of the affected business relationships. While the causes of de-banking are complex, AML/CFT concerns lie at the heart of many bank decisions.

Valuable progress has been made globally in increasing access to financial services. Since 2014, however, de-banking has posed a challenge, with banks deciding to terminate their respective relationships with other smaller banks, and with banks refusing to provide services to money transfer operators (MTOs). De-banking impacts the quality and cost of remittance and financial inclusion services.

Financial institutions are required to manage their ML/TF risks, and their risk management is receiving close attention from oversight bodies. It makes commercial sense for FIs to limit their risk by terminating risky relationships and closing accounts, for example those with MTOs and banks in fragile countries. However, remittance sending and receiving have been impacted by bank decisions to close accounts.
The impact of such service denials has been studied in Horn of Africa communities in Melbourne. MTOs formed by leaders of the affected refugee communities were forced to close down, adversely affecting business owners, their families and their employees, who were often members of the same community. The closures also impacted remittance-receiving families, who stopped receiving remittances from abroad. Senders for their part have been forced to turn to informal channels to support families in their home countries. AML/CFT-registered MTOs, for example, started couriering cash, with couriers declaring it at the airport.

Affected businesses expressed grave concern that de-banking was not driven by risk concerns but by banks taking advantage of risk-based regulations to increase their market share of remittance payments.

The COVID-19 pandemic, of course, impacted remittances. Senders lost employment, thus affecting the amounts sent. Countries closed their borders, affecting legitimate cash couriering.

Despite attention to these problems by a range of national and international bodies, no significant rebanking has taken place. De-banking has continued, albeit at a slower pace in the past few years. For the near future, it is important to take note of one positive development: in 2021, the Financial Action Task Force (FATF) launched a project to mitigate the unintended consequences of the FATF Standards, including those related to de-risking, and stakeholders are looking forward to concrete positive outcomes in the months to come.

One concerning development, however, is the change in FATF standards, with the imposition of increased compliance obligations in the form of an assessment of the proliferation of financing risk and appropriate management of higher risks. While the support for antiproliferation measures is welcome, the new obligations are complex and potentially expensive. If they are not sensitively handled by regulators, they may expose smaller institutions, including medium size and small businesses, to further de-banking. This in turn may have a negative impact on remittances in terms of both access and costs.

Cross-border payments: a global roadmap for improvements
Kieran Murphy,
Financial Stability Board (FSB)

The Financial Stability Board’s Roadmap for Enhancing Cross-border Payments, published in October 2020 and endorsed by the G20, aims at addressing the cross-border payment issues that have comprehensively been identified.

The four challenges facing cross-border payments (high costs, limited access, low speed and insufficient transparency) affect end-users and service providers but do not all in the same way. Individual and small companies face particular challenges with retail cross-border payments, and for many, it is not just a question of cost or speed but a more basic question of financial inclusion.

The roadmap covers five focus areas (commitment to a joint public and private sector vision to enhance cross-border payments; coordination of regulatory, supervisory and oversight frameworks; improvements in existing payment infrastructure; increased data quality and straight-through processing by enhancing data and market practices; and new payment infrastructure and arrangements) through 19 building blocks. Each of these has three to five practical milestones, spelled out in detail in the roadmap document. Remittances play an important role in this roadmap – for example, in how to apply AML/CFT in a sustainable manner.

The aim of quantitative targets is to define the roadmap’s degree of ambition and create accountability, thus providing a commitment mechanism to drive change.

A public consultation was launched on 31 May 2021. The targets will be sent to the G20 leaders for endorsement at the October 2021 Summit. The proposed targets are simple, high-level, small in number (nine in total), set at the global level and end-user-focused.

The report proposes three market segments (wholesale, retail, remittances) for which targets are to be set across the challenges, as described below.
Remittance market segments include: low value/high volume transfers of money between individuals – typically to family/friends abroad and may be recurring or non-recurring.

Service providers include international MTOs, commercial banks, post offices and mobile money operators. The differentiation between other P2P and remittances is not always easy.

**Cost targets:** The United Nations SDG 10.c is well-known and not yet achieved, and retaining it would show consistency of ambition.

**Speed targets:** Since over 50 per cent of service providers are already processing payments in less than an hour, an ambitious but realistic goal could be for 75 per cent of payments to be processed within one hour of the payment’s initiation (defined as when the payment order is received by the payer’s payment service provider).

**Access:** The basic aim of this target is to allow the vast majority of adults globally who send or receive remittances (including those who do not have a bank account) to make cross-border payments for legal purposes via services that conduct proper AML/CFT checks.

**Transparency:** A single target is set across the three target segments. The RSP provides a minimum defined list of information to create a floor of transparency across the market while avoiding unintended consequences of data provision (e.g. higher costs due to having to source and provide data).

Once agreed, targets that can be met through the roadmap’s building blocks have the potential to make a real and positive difference in many lives around the world, particularly in the remittance segment.

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**Applying risk-based approaches to the last remittance mile: e-KYC and CDD**

Robin Newnham,
Alliance for Financial Inclusion Global

Remittances can be a key gateway to financial inclusion, especially when funneled through digital channels. However, where cash-based remittances persist, this may limit the potential to leverage remittances for financial inclusion.

Digital transformation of financial services can be a game changer for remittances, financial inclusion and effective implementation of AML/CFT standards.

The risk-based approach requires enhanced due diligence in cases of high ML/TF risk but also allows for simplified measures in cases of low risk. In practice, this approach is not implemented as consistently as it should be, and the incentives for actors in the AML/CFT value chain do not favour its implementation.

One of the unintended consequences of AML/CFT regulations for financial inclusion is that identification and verification challenges are a key barrier in many low-income jurisdictions. Data from the World Bank Findex shows that in some sub-Saharan African and East Asian countries, more than 40 per cent of the unbanked are excluded due to identification and verification challenges. Lack of flexibility can disproportionately affect vulnerable populations, especially women.

Major barriers to women’s financial inclusion result in an average 9 per cent gender gap across developing countries. Women are often less likely to have access to identification in many fragile countries.

AFI has been working with Cenfri to develop the Inclusive Financial Integrity toolkit to offer guidance on financial inclusion considerations in key AML/CFT processes and value chains, looking at regulation, supervision and engagement with financial institutions.
In line with the toolkit’s recommendations, many countries have issued specific guidelines for simplified due diligence. Some have removed the proof-of-address requirement for KYC or other requirements of individual financial institutions that have become commonplace but were not required by FATF in the first place. They have rolled out national e-ID schemes and enacted emergency measures to reduce KYC on mobile wallets (Bangladesh, South Africa, Costa Rica and Jordan are some of these countries). Financial inclusion, remittances and AML/CFT are complementary goals, but practical challenges remain in country-level application of global standards. Various tools and resources are available to assist policymakers, regulators and supervisors in aligning AML/CFT and financial inclusion goals in practice. Disadvantaged groups, including women and forcibly displaced persons, may require targeted policy approaches.
Main takeaways

- The average cost of sending remittances is steadily decreasing, but slowly. If the average price were to drop to the SDG target of 3 per cent, it would represent savings of between US$18 billion and US$24 billion annually.

- It is important to distinguish between structural and market-driven cost factors in both sending and receiving countries.

- In receiving countries, several structural issues impact remittance costs. For example, state fragility (civil war, conflict, transnational organized crime, famine, etc.) is an important factor.

- Cash-based distribution is a very expensive model that is being replaced by digitalization or mixed models.

- Remittance costs must be addressed at the corridor level, because each corridor is different and has its own specificities at both the sending and receiving end.
Leon Isaacs,
Developing Markets Associates Global (DMAG)

According to the World Bank, the average cost of sending a remittance (across 367 corridors) was 6.38 per cent. This means that consumers spent US$45 billion on remittance transactions last year. For LMICs, the figure is US$34 billion. Consequently, if the price were to drop to 3 per cent, the total cost would be between US$16 billion and US$21 billion, representing savings of US$18 billion to US$24 billion.

Between Q1 2009 and Q3 2021, the trend in remittance prices shows a decline of 3.29 per cent – or around one third over that period. At the current reduction rate, it may be possible to meet the SDG 10.c target, but it will require major joint efforts by all parties. To meet the SDG target, the price of remittances would have to be reduced by about the same percentage.

Manuel Orozco,
Center for Migration and Economic Stabilization

The cost of a transaction should always be framed within the context of financial inclusion and financial integrity.

It is important to distinguish between global structural-driven and market-driven cost factors. For example, state fragility (civil war, conflict, transnational organized crime, famine, etc.) is an important factor to be considered in addressing structural costs.

To address market-driven costs, it is essential to identify risk factors accurately and proportionately. What are the ones determining high cost? The size of the originating and receiving market, origin and destination networks, exchange rate, number of participants in the market corridor, quality of partners, etc. Economies of scale are a key aspect that drives down remittance costs: both the number of monthly transactions and the number of players in a given market affect the cost of sending remittances.

Digital tools have different compliance costs compared to cash-based models, some of which are related to KYC regulations.

Transparency remains another key aspect to consider. Even if costs are falling, people are not aware of it and often persist in using the traditional methods they are accustomed to.

All these factors should be used as guidelines to understand the steps required to make transaction costs more affordable.

Malick Seck,
RIA Financial Services

Until recently, remittances were considered part of the banking market in Africa, and other entities were not permitted to offer these services. Many companies entered the market in just the last decade.

Historically, exclusivity agreements by large remittance companies were one of the main causes of high costs and led to high informality.

This has changed in recent years thanks to the elimination of exclusivity agreements and the subsequent market entrance of new actors, increasing competition and driving down costs.

Compliance costs, exchange rates and the cost of infrastructure on the ground have been high in the past. Regulations have improved recently, and the consumer switch to digital as a result of the COVID-19 pandemic has helped to lower prices.

Cash-based distribution is still a very expensive model that can be addressed by digitalization or mixed models.

The government-sponsored Pakistan Remittance Initiative, which subsidizes remittances, to make their cost very low for customers, is an example of policies that promote formal regulated channels with the aim of increasing the flow of remittances into the country. In Bangladesh, the government has provided an incentive to attract new customers.

Remittance costs must be addressed at the corridor level, because each corridor is different and has its own specificities at both the sending and receiving end.
Remittances remain a network business that has changed little over the years. Agents are still key. Even if there are digital services on the send side, at a certain point, remittances will need to be cashed out at the receiving end. It is therefore important not to focus on only one channel but to offer the widest range of opportunities so that clients can choose the best option for accessing their money.

Dora Ziambra,
AZIMO

Azimo does not have a physical network but offers either web or app services. This has allowed it to lower the cost to consumers. On average, a transaction with Azimo is 90 per cent cheaper than with a commercial bank (with an average charge of 2 per cent). The foreign exchange management cost is a fraction of the total cost. The payout cost varies with the delivery method (bank deposit or cash pick up, which is the most expensive method). Bank deposit transactions are growing in importance. For example, in the Philippines, Azimo showed how bank account transactions increased from 25 to 50 per cent of the transfers.

A combination of factors drives changes in costs. Sending costs vary with the country of destination. There are also opposing forces regarding compliance requirements: while digital lowers the cost, regulators are increasingly imposing more compliance requirements on digital companies. Technology has made compliance easier to handle and is scalable, but the industry still lacks coherence in implementing the rules.

Trust goes along with cost. Customers take some time to gain confidence with digital products. Switching to a new model for transferring remittances requires preparation, research and confidence. All this also has an unquantifiable cost.

Compliance costs are not going down. Despite current trends, financial institutions (banks) are increasingly asking customers for even more specific information, which implies additional collection costs.

KYC practices should be allowed to rely on what is available on the ground. Proof of address can be required, but in many cases, a specific address does not exist in developing countries, so it is important to be flexible and adapt to country realities.

In conclusion, to lower the cost of remittances, the following are relevant: changing business models to enhance and promote digital payments; coordination and cooperation between all stakeholders – in particular, to address compliance standardization and the development of an effective ecosystem (including full interoperability across all payment types) – and; addressing high foreign exchange costs.

Understanding the structure and circumstances of each corridor will lead to a tailored approach.
Making remittances cheaper and count more

Main takeaways

- Remittances have proven to be resilient in times of crisis due to the commitment of migrant workers toward their families and communities of origin.

- It is critical to ensure the resilience of the 800 million people at the “receiving end” of remittances, where the development impact is greatest.

- Remittances are critically important to rural and more vulnerable communities, particularly in times of crisis.

- While remittances are private financial transactions, their impact can be magnified only in concert with coherent public policies and priorities, coupled with civil society and private sector initiatives.

During the two days of the GFRID Summit, over 600 participants engaged in a timely dialogue on the importance of family remittances, which involve more than 1 billion people globally. Through the lens of the public and private sector and civil society, stakeholders discussed the direct relevance of remittances in times of crisis and their contribution to the 2030 Agenda for Sustainable Development.

For the development community, the main challenge from now until 2030 is ensuring that the projected US$6.7 trillion in aggregate remittances deliver a significant multiplier effect – improving livelihoods and strengthening resilience.

However, for a remittance-receiving family, what counts most is neither in billions nor trillions. At the human level, what matters is the US$200 average monthly remittance that families receive.

In order to highlight the importance of the role of remittances in the development arena and accelerate progress towards the Sustainable Development Goals, it is critical to ensure the resilience of the 800 million people at the receiving end of remittances, where the development impact is greatest.

Remittances are critically important to rural and more vulnerable communities, particularly in times of crisis. While they are private financial transactions, their impact can be magnified only in concert with coherent public policies and priorities, coupled with civil society and private sector initiatives.

For more than a decade, IFAD has supported migrant workers and their families back home in more than 50 countries to maximize the impact of migrant investments and remittances to improve quality of life, financial inclusion and gender equality and provide more opportunities for youth. All this has resulted in enhanced local economic development. IFAD strongly believes that
replicating and scaling up these initiatives can spearhead the transformation of food systems while addressing the needs of migrants and their families.

In response to the UN Secretary-General’s call for solidarity on the COVID-19 pandemic in 2020, the international community came together in support of remittance families. As a result, 41 international organizations and Member States launched dedicated actions to help mitigate the impact of the pandemic on remittance families. Under IFAD’s leadership, the Remittance Community Task Force (RCTF) was created.

The measures identified by the RCTF are currently implemented to benefit remittance families and the communities where they live. In the coming months, IFAD will be introducing over a dozen innovative solutions in Africa with key private sector stakeholders to provide cheaper and inclusive digital remittance services in rural areas, expecting to reach over 1 million people in three West African countries alone. This will bring us closer to meeting SDG target 10c.: to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.

These extremely challenging times have brought the international community together. Through various global, regional and national actions, the incredible concerted global response to protect family remittances from the impact of the COVID-19 pandemic is testimony that the United Nations, together with public, private and civil society stakeholders, can successfully deliver as one.
ANNEX I

Media report on the GFRID Summit 2021 and the International Day of Family Remittances

GFRID/IDFR web and social media outreach

**Key numbers (15-17 June)**

- 50,000+ impressions
- 3,000+ unique visits
- Website familyremittances.org: 5,000 views
- IFAD socials: 30,000+ impressions

The IDFR observance and other partner events received wide media coverage and were extensively promoted/publicized on social media.


**Total pickup by source type**

- Online news sites and other influencers (46/37.4%)
- Newspapers (33/26.8%)
- Broadcast media (23/18.7%)
- Trade publications (7/5.7%)
- Financial publications (6/4.9%)
- Financial news service (5/4.1%)
- Other (8/6.5%)

**Total pickup by industry**

- Media and information (70/56.9%)
- Financial (21/17.1%)
- General (15/12.2%)
- Tech (10/8.1%)
- Business services (10/8.1%)
- Other (5/4.1%)
UN International Day of Family Remittances: 2020 beats forecasts

16 June 2021

Launched in 2015 to build awareness of the contribution that migrant workers make to economies of their home countries, the UN’s International Day of Remittances (IDR) this year welcomes a more positive picture than had been predicted by the World Bank.

Forecasting in April 2020 that global remittances would decline by 20% throughout the year, the World Bank overestimated the impact Covid-19 would bear on the space, which fell by just 1.6%.

Myjoyonline.com

International Day of Family Remittances: UN urges support for migrants

Over 200 million migrant workers send over a trillion dollars every year in family remittances to support over 800 million relatives in low- and middle-income countries.

vaticannews.va
Official IDFR graphics, observance event photos and multimedia materials/cards were shared by more than 20 UN agencies, member states, public and private sector entities and development partners, to highlight key messages related to IDFR and the 2021 campaign theme.
High-profile figures used their profiles to observe the IDFR:

1. Volkan Bozkir, President of the 75th session of the United Nations General Assembly
2. Antonio Guterres, United Nations Secretary-General
3. Amina J. Mohummad, Deputy Secretary-General of the UN
4. Pedro Brolo Vila, Minister of Foreign Affairs, Republic of Guatemala
5. UNSGSA – H.M. Queen Máxima of the Netherlands
6. Sonia Gardner, UNCDF Goodwill Ambassador for #GenderEquality in Access to Finance and President, Co-Founder Avenue Capital Group
7. Gilbert Houngbo, IFAD President & Meike van Ginneken, AVP, Strategy and Knowledge, IFAD
8. Abibatou Wane, IOM Ghana Chief
9. Ghada Fathi Waly, UNOCD Chief
10. Preeti Sinha, Executive Secretary of the United Nations Capital Development Fund
The Global Forums

The Global Forum on Remittances, Investment and Development (GFRID) as a UN-led, informal process which contributes to shape and steer the debate on remittances and investment toward sustainable development. Through its advocacy work, the GFRID particularly aims at highlighting the crucial contribution migrants make to the well-being of their families and communities back home. The GFRID culminates in a series of summits, aimed at bringing together stakeholders from around the world, to stimulate the creation of partnerships and long-lasting synergies among public and private sectors, and civil society. In addition, the GFRID hosts virtual “eGFRIDs”, dedicated webinars with a specific thematic focus and the involvement of renowned experts and practitioners.

Since 2007, IFAD leads the organization of the summits, in collaboration with key partners, such as the Inter-American Development Bank, the African Development Bank, the World Bank Group, the European Commission and the United Nations Department for Economic and Social Affairs (UN DESA).

Over the last decade, the GFRID has become a unique platform in which to discuss global remittance-related issues and share solutions to maximize the development impact of these flows.

2021
Global Forum on Remittances, Investment and Development Summit | Virtual
The summit focused on the role of digital and financial inclusion towards recovery and resilience in a post-pandemic world, stressing the importance of remittance flows during the crisis, as well as diaspora investment.

2019
Global Forum on Remittances, Investment and Development | Asia-Pacific
Held in Kuala Lumpur, it was hosted by Bank Negara Malaysia, IFAD and the World Bank Group, and focused on the remittance marketplace in Asia-Pacific.

2017
Global Forum on Remittances, Investment and Development | Global
Global coverage focused on the role of remittances in achieving the SDGs, and opportunities in the global marketplace. Held in New York and organized by IFAD, the World Bank Group and the UN Department of Economic and Social Affairs (UN-DESA).

2015
Global Forum on Remittances and Development | Europe
Focused on European and global markets, and development impact, organized by IFAD, the European Commission and the World Bank Group, held in Milan in conjunction with the Universal Exposition EXPO Milano 2015.

2013
Global Forum on Remittances | Asia
Focused on Asia, held in Bangkok, and organized by IFAD and the World Bank Group.

2009
Global Forum on Remittances | Africa
Focused on Africa, held in Tunis, in collaboration with the AfDB.

2007
International Forum on Remittances | Global
Global coverage, held in Washington D.C. and organized by IFAD and the IDB.

2005
International Forum on Remittances | Americas
Focused on Latin America and the Caribbean, held in Washington D.C. and organized by the IDB, after which the organization passed on to IFAD.
ANNEX III

List of speakers

High-level remarks

Piero Cipollone
Bank of Italy, GPFI Co-Chair, G20 Presidency

Gilbert F. Houngbo
IFAD

Martin Seychell
European Commission

Meike van Ginneken
IFAD

Dominik Ziller
IFAD

Special address

Message from H.M. Queen Máxima of the Netherlands
United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA)

Volkan Bozkir
President of the 75th session of the United Nations General Assembly

Liu Zhenmin
Under-Secretary-General, Department of Economic and Social Affairs (DESA), United Nations

António Vitorino
Coordinator of the United Nations Migration Network

Teodoro Locsin Jr.,
Secretary of Foreign Affairs, Republic of the Philippines

Pedro Brolo Vila
Minister of Foreign Affairs, Republic of Guatemala

Video messages from:

Pedro De Vasconcelos
Developing Markets Associates Global (DMAG)

Frédéric Ponsot
IFAD

Steve Wilson
IFAD

Moderators

Killian Clifford
IFAD

Pedro De Vasconcelos
IFAD

Leon Isaacs
Developing Markets Associates Global (DMAG)

Frédéric Ponsot
IFAD

Steve Wilson
IFAD
The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations and an international financial institution, with the mandate to invest in rural people to eradicate poverty in low- and middle-income countries.

IFAD’s US$65 million multi-donor Financing Facility for Remittances (FFR) aims at maximizing the impact of remittances on development and promoting diaspora engagement in migrants’ countries of origin.

Technical partners

- African Diaspora Network
- FinDevGateway
- GSMA
- International Association of Money Transfer Networks
- International Money Transfer Conferences
- World Savings and Retail Banking Institute
Sponsors

European Commission

German Cooperation
Deutsche Zusammenarbeit

International Fund for
Agricultural Development

The Government of
the Grand Duchy of
Luxembourg

Spanish Agency for
Development Cooperation
(AECID)

The Swedish International
Development Cooperation
Agency (Sida)