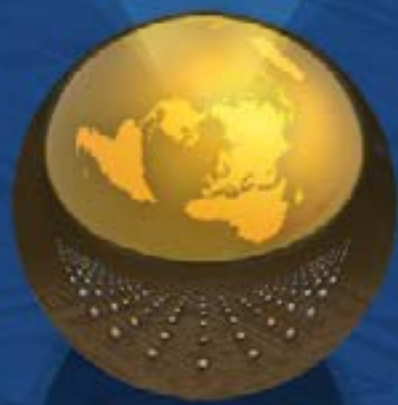




Global Forum on Remittances and Development 2015

16-19 June, Milan

OFFICIAL REPORT



Celebrating the first



International Day
of Family Remittances
16 JUNE

With the Patronage of



MILANO 2015
FEEDING THE PLANET
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Global Forum on Remittances and Development 2015

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OFFICIAL REPORT



The Global Forums on Remittances are a series of Forums organized by IFAD's Financing Facility for Remittances.

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Foreword



Migration and remittances are deeply embedded in the history of Europe and its people. Once a net remittance-receiving region, Europe is now a major source of remittances for countries throughout the world.

These financial flows constitute a critical lifeline for millions of individuals. They help families raise their living standards and contribute to improved health, education, and housing. Remittances also make it possible for recipients to be more entrepreneurial. This is particularly the case in the poorest countries with large rural populations. At times of emergency, remittance senders are often the first to respond. Remittance flows provide for the daily needs of families during natural disaster, economic hardship, or political instability.

In order to leverage these flows and enhance their development impact, IFAD organizes the Global Forum on Remittances and Development (GFRD) every two years. The Forum brings together key stakeholders from the private and public sectors and from civil society. Over the past decade, the GFRD has become a unique forum in which to discuss global remittance-related issues. Each Forum is held in collaboration with key regional and prominent international financial institutions (IFIs), the World Bank, regional development banks and our sister Rome-based agencies: the Food and Agriculture Organization of the United Nations (FAO) and the World Food Programme (WFP). The GFRDs have had both a global and regional focus: Latin America and the Caribbean (2005), global overview (2007), Africa (2009), Asia (2013) and Europe (2015). The next Forum, planned for 2017, will have a global focus and will be held in collaboration with FAO and WFP.

The 2015 GFRD, held in Milan, showcased the dynamic and innovative character of European remittance flows, worth almost US\$110 billion in 2014. It also highlighted the importance of financial inclusion, the use of innovation and technology to reduce transaction costs, and the importance of diaspora investments for creating employment opportunities back home. The Forum saw the participation of over 400 major stakeholders from the private and public sectors and from civil society. It promoted partnerships, the exchange of knowledge and best practices, and stimulated discussions and debates on global issues related to remittances, migration and development.

The Forum provided important perspectives for the consultations for the Addis Financing for Development Conference, the G20 meetings, the discussions on the 2030 Agenda for Sustainable Development, the Universal Financial Access (UFA) initiative, the Global Forum on Migration and Development (GFMD) and the recent Sustainable Development Goals (SDGs). The 2015 GFRD also saw the first celebration of the International Day of Family Remittances, aimed at recognizing and raising awareness of the critical contribution and support that migrants provide for their families back home.

IFAD is aware of the critical importance that remittances play in developing countries and is committed to working with its partners to focus more attention and resources on leveraging remittances from Europe to enhance the development impact of such flows. I am confident that this report on the 2015 GFRD will make an important contribution to this effort.

A handwritten signature in black ink, appearing to read 'Kanayo F. Nwanze', written over a horizontal line.

KANAYO F. NWANZE
President of IFAD

The International Day of Family Remittances



**International Day
of Family Remittances**
16 JUNE

The International Day of Family Remittances was unanimously proclaimed by all 176 IFAD Member States during its Governing Council in February 2015, and will be submitted to the United Nations General Assembly for formal endorsement in 2016.

IFAD's Resolution 189/XXXVIII Proclamation of an International Day of Family Remittances

The Governing Council,

Recalling the Declaration of the High-level Dialogue on International Migration and Development, unanimously adopted by the General Assembly and Member States on 3-4 October 2013,

Recalling Resolution 55/93 adopted by the General Assembly, proclaiming 18 December as International Migrants Day, which calls for the protection of their human rights,

Welcoming the recommendation, unanimously endorsed by representatives of the public and private sectors and civil society during IFAD's Global Forum on Remittances, held in Bangkok on 20-23 May 2013, to declare an International Day of Family Remittances,

Considering that in many developing countries, international remittances constitute an important source of income to poor families, projected to exceed US\$500 billion annually from 2016 onward,

Noting that the transformative impact remittances have on access to education, food, health and housing is most apparent in communities of the developing world, particularly in rural areas where poverty rates are highest,

Recognizing the critical contributions of migrants in supporting their families living in fragile states and during times of crisis,

Recognizing the work done by Member States, the United Nations system and the role of civil society organizations in promoting the development impact of family remittances,

Recognizing the role of the private sector in developing cost-effective and accessible financial transfer services,

Noting that families, as basic units of social life, are major agents of sustainable development at all levels of society and that their contribution to that process is crucial for its success,

Stressing that South-South remittances can represent an important element for international cooperation among developing countries, in their collective pursuit of economic growth and sustainable development,

Mindful that millions of families in rural areas are also supported by domestic remittances sent by family members typically living in urban locations,

Proclaims 16 June to be the International Day of Family Remittances,

- (a) **Invites** all governments, private-sector entities, civil society representatives and inter-governmental and non-governmental organizations to undertake special efforts in observance of this Day,
- (b) **Focuses** attention on the receiving end of family remittances, and the need to capitalize on their potential to further help meet the economic, social and environmental challenges confronting developing countries, particularly in rural areas,
- (c) **Encourages** the private sector to facilitate the sending of remittances and to link these flows to a range of financial services and products for migrants and their families,
- (d) **Invites** civil society organizations to bring forward initiatives based on synergies and partnerships with international organizations, governments and the private sector, that enhance the development impact of remittances in communities of origin,
- (e) **Calls upon** the United Nations General Assembly to endorse the observance of this Day.

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List of acronyms

AfDB	African Development Bank
AML	Anti-money laundering regulations
AMUCCS	Asociación Mexicana de Uniones de Crédito del Sector Social
BRSA	Banking Regulation and Supervision Agency
BSP	Bangko Sentral ng Pilipinas
CEMLA	Center for Latin American Monetary Studies
DMA	Developing Markets Associates Ltd
DoEx	Dollar Express, Inc
DWG	Development Working Group
EFLP	Economic and Financial Learning Program
EBRD	European Bank for Reconstruction and Development
EPIF	European Payment Institutions Federation
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FATF	Financial Action Task Force (on Money Laundering)
FDI	Foreign Direct Investment
FFR	Financing Facility for Remittances
FSP	Financial service provider
GDP	Gross domestic product
GFRD	Global Forum on Remittances and Development
GPFI	Global Partnership for Financial Inclusion
GRWG	Global Remittances Working Group
GSMA	Groupe Speciale Mobile Association
IAMTN	International Association of Money Transfer Networks
IASCI	International Agency for Source Country Information
ICMPD	International Centre for Migration Policy Development
IDB	Inter-American Development Bank
IDFR	International Day of Family Remittances
IFIs	International financial institutions
IFAD	International Fund for Agricultural Development

INAFI	International Network of Alternative Financial Institutions
IOM	International Organization for Migration
LAC	Latin America and Caribbean
MDGs	Millennium Development Goals
MFI	Microfinance institution
MENA	Middle East and North Africa
MFO	Microfinance Opportunities
MFW4A	Making Finance Work for Africa
MIF/FOMIN	Multilateral Investment Fund/Fondo Multilateral de Inversiones
MNO	Mobile network operator
MSME	Micro, Small and Medium Enterprise
MTN	Mobile telecommunication company
MTO	money transfer operator
NIDS	Nepal Institute of Development Studies
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OFWs	Overseas Filipino Workers
PSD	Payment Services Directive
SDGs	Sustainable Development Goals
Telco	telecommunications company
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNSGSA	United Nations Secretary-General's Special Advocate for Inclusive Finance for Development
WFP	World Food Programme
WSBI	World Savings Banks Institute

Executive summary

Overview

The fifth Global Forum on Remittances and Development (GFRD),¹ convened by the International Fund for Agricultural Development (IFAD), the World Bank and the European Commission, took place from 16 to 19 June 2015 in Milan, Italy. The event brought together more than 420 policymakers, private-sector stakeholders, civil-society leaders and delegates from 70 countries, to pave the way for leveraging the development impact of remittances.

The GFRD hosted the Remittance Marketplace, which provided a space for 25 organizations² from the private sector, the public sector, the development community and civil society to exhibit their products and services, programmes and projects.

This fifth anniversary event, dedicated to Europe, coincided with the first observance of the International Day of Family Remittances,³ recognizing the fundamental role of migrants who, through the remittances they send to their families, strongly contribute to the sustainable development of their countries of origin. Her Excellency Queen Máxima of the Netherlands, in her capacity of United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) was the patron of this first celebration.

The GFRD 2015 received extensive media coverage with over 800 press clippings covering the content of this unique international platform.

The four day event examined remittances from the perspectives of the

PUBLIC SECTOR (DAY 1)

PRIVATE SECTOR (DAY 2)

CIVIL SOCIETY AND DEVELOPMENT ORGANIZATIONS (DAY 3)

with a special day dedicated to side-events and country specific meetings (Day 4).

DAY 1 – Public Sector Day: main highlights and conclusions

The forum opened with the observance of the first **International Day of Family Remittances**. The keynote speakers included Her Majesty Queen Máxima of the Netherlands, in her role as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), Kanayo F. Nwanze, President of IFAD and Peter Sutherland, United Nations Special Representative of the Secretary-General for International Migration. The speakers highlighted the critical importance of remittances: their contribution to poverty alleviation and the opportunities remittances represent for productive investment and financial inclusion. However, they observed that the challenge remains on how to maximize the development impact of remittances in a sustainable way, and how to help individuals and families to grow economically. The Keynote speakers made a global call for support to address this complex agenda in an integrated and comprehensive way.

1 http://www.remittancesgateway.org/index.php?option=com_content&view=article&id=185&Itemid=353

2 Participating exhibitors were as follows: 15 companies and organizations from the private sector: Auxfin and HealthNet TPO, Azimo, Contact, Developing Markets Associates Limited (DMA), E-tranzact, International Association of Money Transfer Networks (IAMTN), International Money Transfer Conferences (IMCT), MasterCard, Moneytis, Moneytrans, Ria Money Transfer, Small World, Unistream and Xend>Pay; 6 organizations from the public sector: the African Institute for Remittances, the Inter-American Development Bank (ADB), the International Fund for Agricultural Development (IFAD), the International Organization for Migration (IOM), the Swiss Agency for Development and Cooperation (SDC) and the World Bank; 5 organizations from civil society: Atikha overseas workers and communities initiative, Basug – diaspora and development, International Network for Alternative Financial Institutions (INAFI), Oxfam Novib and Shuraako.

3 <http://www.ifad.org/remittances/idfr/index.htm>

Day one highlights included:

- *Policy and Regulatory Reforms to Improve the Safety and Efficiency of the Remittance Markets*

Efforts need to be made to harmonize remittance market regulations in sending and receiving countries while allowing competition. Discussants highlighted the difficulties in harmonizing legislation and regulation, both nationally and internationally, since these can also differ from country to country. Innovation is promotes of competition, particularly at the international level. This has been especially true for Europe, where recent efforts towards harmonization have brought in new market players with new business models, and in the process remittance transfers costs for a significant number of sending countries have decreased. In contrast, the speed at which new technologies are being introduced often exceeds the adoption times required by customers. This issue highlighted the fact that technology alone is not enough to empower people and, most importantly, to empower the most excluded – rural women among them. Gender-sensitive financial literacy training and security about the use of such technologies are necessary steps.

- *Role of government in leveraging remittances in favour of financial inclusion and development*

The role of public authorities is to provide information, educate, explain and gradually transform the way remittances are transferred. The linkage between remittances and financial inclusion is no longer in question. The issue today is how to scale up good practices, and how access to and use of banking services can be established sustainably. Successful models demonstrate the importance of public-private-people partnerships, along with appropriate marketing and diversification of products and offerings.

- *Role of governments and development agencies to support the private sector*

Once pilot models are proven to work, private sector companies should continue expanding the project, especially under an enabling environment and with proper regulations. Market information is an important second line, which has positive externalities. Development agencies can help cross-reference best practices from diverse parts of the world. This requires exploration and study of the remittance market conditions and its stakeholders in different countries. The work of the G20 and the World Bank has been exemplary in this regard. Coordinated initiatives from public-private-civil society are critical for the link between remittances and financial inclusion to happen. Examples include financial education initiatives in schools and pre-departure orientation programmes for migrant workers.

DAY 2 – Private Sector Day: main highlights and conclusions

- *Competition and costs*

Traditional MTOs: Cash-to-cash remittances still dominate the market, and traditional MTOs providing such services will probably dominate the market for the next five years. The main barrier to increased competition is the prevalence of exclusivity clauses in partnership agreements between leading MTOs and banks or postal networks, which prevent competitors from using their branch networks. The regulatory frameworks, especially AML-CFT measures, are considered increasingly stringent, out of proportion to the risk and costly for traditional MTOs. In addition, the closure of MTOs bank accounts is a threat for all MTOs, especially the smallest.

Innovative MTOs and other remittance service providers (RSPs):

New models are emerging such as internet, cards and bank accounts on the sending side, and cash-out payment networks of bank, postal and mobile payment networks on the receiving side. Different types of platforms, combining inter-operability of payment systems, foreign exchange and settlement management, give added value for the customer in terms of convenience and costs. Other innovative approaches, including social networks and peer-to-peer payment, bring unique convivial customer experiences that may be transposed to the migrants' future patterns for sending money.

Costs: The costs to send money home have decreased, reaching 7.9 per cent on average. However, costs vary according to the instruments, the RSP, and the corridor used. Costs to send money to Africa and within Africa are still high, reaching 20 per cent of the amounts sent. Innovative MTOs bring opportunities to dramatically decrease costs per transaction, with a low variable cost structure that can modify the pattern to send money through more frequent payments of smaller amounts and direct payment of good and bills. As services and pricing methods become more diverse, consumer protection, transparency measures and financial education will need to be properly designed, implemented and monitored under the coordination and the supervision of public authorities.

- *Business environment and regulation*

In the context of the European payment zone, a specific regulation for payment and remittance services providers has been set up. The regulation has introduced a new category of payment institution besides banks to lower the costs, encourage innovation and increase transparency.

In some receiving countries like Bangladesh, specific regulations for payment institutions have been set up as well to promote financial inclusion and universalize payment service. However, in most countries, banking laws are still limiting for remittances services, and AML-CFT regulations apply without differentiation for low-value transactions, leading to high reporting and identification costs. Lack of harmonization among countries with respect to AML-CFT, consumer protection and data privacy increases the costs of due diligence and the risk exposure to regulatory fines, thus reducing opportunities to develop cross-border agreements among RSPs, mobile payment networks and other financial institutions. Forum participants rallied around the need for more proportionate regulations and a more enabling regulatory environment, taking into account the specific activities of MTOs. MTOs and payment institutions involved in the remittance provision called for a collective representation of the sector to engage in sustained dialogue with regulators and other financial institutions to better understand their practices and social issues related to remittances.

- *Inclusive approaches*

New cross-border retail payment platforms and new technologies are enlarging the frontiers of financial inclusion, connecting a wide array of financial institutions to senders and receives. These institutions include MTOs, banks, MFIs, postal networks, Mobile network operators (MNOs). These new delivery models can help to reduce the costs, the distance to the cash-in/cash-out point and the identification burden in the case of biometrics technologies. Furthermore, they can improve non-bank or underbanked population experience of mobile accounts and mobile wallet linked products (micro-loans, savings and insurance) when

remittances are received on such instruments. Linking remittances to bank and MFIs accounts or mobile wallet can increase the usage of more sophisticated financial products for the senders or the receivers. Migrants in sending countries should be considered a segment of a banks' customers, based on specific needs related to their countries of origin. Regulation issues to open and use remote accounts and other related products need to be better understood to develop specific global offers for migrants in the country of destination.

Day 3 – Civil Society Day - main highlights and conclusions

- *Characterization of diasporas*
Migrants and diaspora communities, even from the same country, are very different in terms of level of skills, education, earnings and the reasons for migration. They have different expectations and potential contributions. Therefore, different approaches are necessary to succeed in working with diaspora groups. What is common among them is their desire to help their families and/or communities. Guidance is key in aiding migrants. Support programmes should include basic financial planning, investment knowledge and wealth management as appropriate to their migrant life cycle. As philanthropic funding are decreasing, new sources of funding must be sought. Migrant investments in social projects is one alternative, as they want to tackle the issues that caused them to migrate.
- *The developmental role of diasporas*
Diaspora communities play a catalytic role and can facilitate participation of migrants and civil society organizations supporting them. Diasporas provide a unique vision of development and direct investment

at the national or local levels. However, with few exceptions, diasporas lack organization, relevant skills and human resources to materialize their engagement with countries of origin. The governments of host and origin countries generally neglect the diaspora in the design, funding and implementation of development policies. Typically, diaspora affairs are managed by multiple governmental offices, ministries and sectors, which results in a non-coherent and ineffective set of policies. A holistic approach towards migration is necessary in order to leverage the potential for development.

- *How to better support diasporas and migrants to invest back home*

The most important role that organizations supporting the diaspora can play is to be facilitators of information, services, products and policies adapted to their goals and needs. In a successful scenario, NGOs in both the countries of origin and destination provide information, training and technical assistance. MFIs and banks can provide access to savings schemes and funds to start businesses, and along with hometown associations (HTAs), they can provide financial education and entrepreneurship skills to individuals sending and receiving remittances. Specialized organizations from the private sector and civil society can provide investment opportunities for diaspora individuals and organizations.

Trust is an issue. When planning for investments back home, migrants need to trust those organizations with whom they are working. Building trust with migrants and migrant communities is a long and intricate process. It is particularly complicated in fragile states or countries where corruption in banks and government institutions is present.

High-quality investment vehicles and products are also a must. Getting people to invest is difficult. One of the keys is to first introduce products that migrants can understand: pension plans and insurance among others. Community investment can be bought online, and these investments are a tool to connect people to communities and to the causes they value. These types of practice are gathering momentum among diasporas who are looking to create social and financial returns. Likewise, crowdfunding has democratized the ability to invest. Governments need to have programmes in place to support diaspora investments and to welcome back diaspora. In Central America, for example, central banks have an important role in shaping the market. They can affect not only the remittance market, but they can also help create an enabling environment for investments by diaspora, venture capitalists and angel investors.

The most important factor are diaspora organizations that can work bi-nationally and transnationally. In Mexico, for example, the 3x1 is an innovative programme that helps migrant communities to align and influence local development policies back home. For every dollar a collective group of migrants invest, the local, state and central government each match that dollar. The initiative came about because Mexican diasporas were telling Mexican government that they were sending money home but the conditions of their families and communities were not improving.

Side events, awards and *Sending Money Home to Europe* report

Side events

There were two workshops on diaspora investments in rural development in Bangladesh and engaging overseas Filipinos in rural development. In parallel, there was a meeting on special consultations with Making Finance Work for Africa (MFW4A) to present the terms of reference of a survey on diaspora investments in Africa. In addition, the first meeting of the **Remittance2020 initiative** took place, in which international finance institutions (IFIs) shared their strategic and operational approaches for scaling up the impact of remittances on development.

Sending Money Home: European flows and markets

The new IFAD report “Sending Money Home: European flows and markets” was presented. It analyses the US\$109 billion remittance market and its individual flows within and from Europe as well as development related issues such as financial inclusion and ramifications for fragile states.⁴

(Download report here: <http://www.ifad.org/remittances/publications.htm>)

4 http://www.ifad.org/remittances/pub/money_europe.pdf

Awards ceremony

An awards ceremony recognized the best practices in the field of remittances and development. IFAD awarded a central bank, a non-governmental organization (NGO), a diaspora entrepreneur and a private company for their excellence and their efforts to help remittance recipients leverage the funds they receive for greater social and development impact. Awardees were chosen on the basis of innovation and on their demonstration of impact for development, following three principles that represent the work that IFAD's Financing Facility for Remittances supports: promoting access to remittances in rural areas; linking remittances to financial services and products; and developing innovative and productive rural investment opportunities for migrants and community-based organizations.

The way forward

While remittance figures have increased over the years, the take-home message of the GFRD was: access, financial inclusion, entrepreneurship and opportunities to save and invest. All are related to key development goals that can help make migration a choice rather than a necessity and provide hope for millions of families to remain together.

Despite the significant progress achieved in recent years and the increasing role that remittances play in the development of countries of origin, much more still needs to be done, in terms of operations and advocacy.

As we enter the post-2015 era and its development goals at a time of limited resources, migrants and their families are an inspiration for development organizations like IFAD. Towards the aim of making their efforts count, participants called upon governments, private sector institutions, NGOs, and civil society groups to join in a global effort to make a difference in the field of remittances. In addition, identifying concrete roles each stakeholders can play in order to make migrants' remittances count more should be prioritised while keeping in mind that promoting effective mechanisms to further leverage their investments back home in their families and in the communities where they live is essential.

Beyond 2015, stakeholders should identify and apply already proven ways to scale these efforts to spur development, taking into account what more than 100 experts and more than 400 participants who took part during this GFRD brought to the table in terms of latest innovations, trends and challenges.

Between now and the next Global Forum on Remittances and Development a lot of homework awaits. To assess this progress, IFAD extended an invitation to meet again in 2017 at the United Nations Headquarters in New York and to observe every year, on June 16, the International Day of Family Remittances.

The GFRD 2015 – Europe

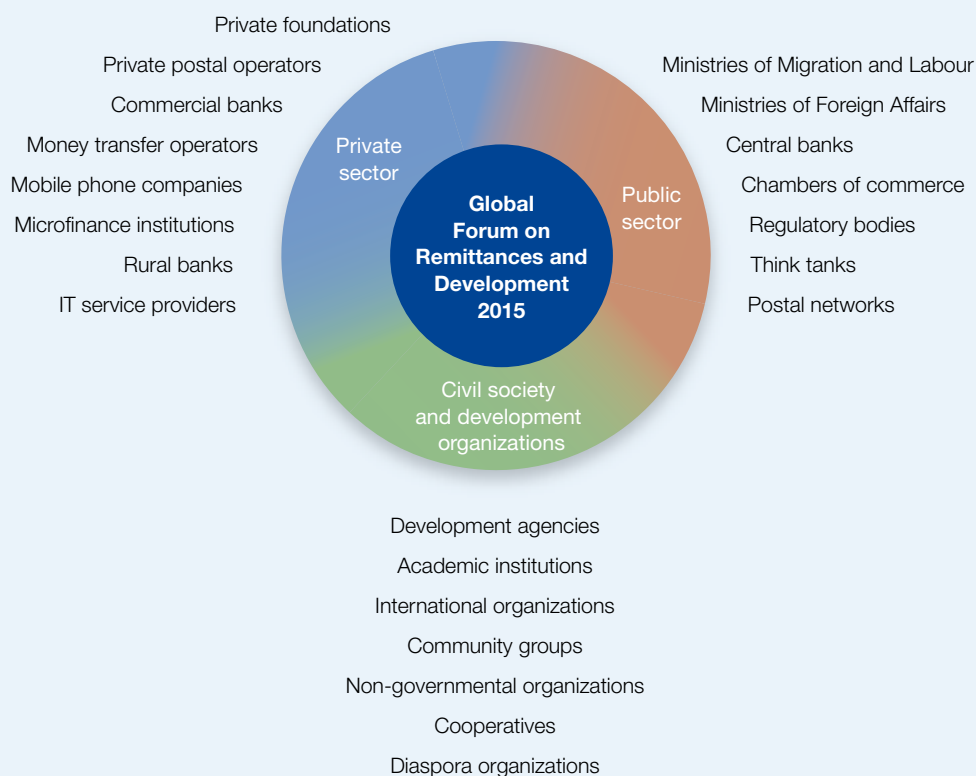
The fifth Global Forum on Remittances and Development (GFRD), convened by the International Fund for Agricultural Development (IFAD), in collaboration with the World Bank and the European Commission, took place from 16 to 19 June 2015 in Milan, Italy. The event brought together more than 420 policymakers, private-sector stakeholders, civil society leaders, and delegates from 70 countries to discuss the increasing importance of remittances in the global development agenda and how to leverage their impact.

Around 250 million people currently live outside the countries they call home. The individual decisions to leave their families for destinations abroad are stories of great dedication and sacrifice, and have direct effects on development of countries of origins.

Officially recorded remittances to developing countries are expected to reach half a trillion dollars this year, representing significantly more than all foreign direct investment to developing countries, and over three times larger than official development assistance. Simply put, remittances are an extremely important and stable source of private inflows to developing countries, helping to sustain the well-being and future prospects of millions of families.

Given their critical role, remittances continue to attract high-level domestic and international policy attention focusing on facilitating their safe and efficient flow, as well as maximizing their impact on economic growth and development. The quality and cost of remittance services can be among the most fundamental

The Forum's Core



determinants of the ultimate impact of these flows. Such services vary significantly across remittance corridors, depending on market conditions in both sending and receiving countries.

No continent has more experience and ongoing involvement in remittances than Europe, being the source of enormous migration and resulting in remittances flowing back home. In the twenty-first century, Europe as a whole is a net sender of remittances; but in many European countries millions of families continue to rely on these flows.

Main objectives of the GFRD Europe were to:

- Identify the impact of remittances and economic implications in Europe and its related remittance corridors outside the continent;
- Facilitate the development of a remittances market more conducive towards financial inclusion;
- Develop effective public-private-people-partnership approaches in remittances and development; and
- Build a development framework to scale up successful strategies involving diaspora and remittances.

The GFRD also hosted the Remittance Marketplace, which provided a space for 25 organizations from the private and public sectors, the development community and civil society to network, showcase their products, services and programmes, and to share business models and experiences with the ultimate goal of maximizing the benefits of remittances.

Agenda and roll-out

The GFRD topics were discussed over three days, addressing remittances from the perspectives of

PUBLIC SECTOR (DAY 1)

PRIVATE SECTOR (DAY 2)

CIVIL SOCIETY AND DEVELOPMENT ORGANIZATIONS (DAY 3)

Day 4 was dedicated to region and country-specific topics and to the first IFI scaling-up initiative on remittances and development:

- Diaspora investment in rural development: Bangladesh and global experience
- Engaging overseas Filipinos in rural development
- Making Finance Work for Africa (MFW4A): Supporting productive diaspora investments in Africa
- First meeting of the Remittance2020 Initiative, in which international financial institutions (IFIs) shared their strategic and operational approaches for scaling up the impact of remittances on development.

Publications

IFAD launched its new report, *Sending Money Home: European flows and markets*, which analyses the remittance market and flows within and from Europe. The report paved the way for the subsequent Forum discussions.



Awards

The GFRD hosted the Best Practices Award ceremony which recognized the innovations and the public-private-people-partnerships in the field of remittances and development. IFAD awarded Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCCS), Bangko Sentral ng Pilipinas (BSP), Bioessence Labs, and WorldRemit Ltd for their excellence and their efforts to help remittance recipients leverage the funds they receive for greater social and development impact. Awardees were chosen on the basis of innovation and impact for development, following three main principles: promoting access to remittances in rural areas; linking remittances to financial services and products; and developing innovative and productive rural investment opportunities for migrants and community-based organizations.

Media

GFRD had worldwide media coverage, with over 840 reports and articles in newspapers, blogs and TV/media channels. The Forum was recognized as a unique platform where all aspects of the remittance environment could be represented and where its proponents could meet to discuss ways to create an enabling market and link remittances to development. Coverage included stories in the *Financial Times*, *New York Times*, *Washington Post*, Huffington Post, and hundreds more print and online newspapers. The world's news agencies – AFP (France), ANSA (Italy), Associated Press, Bloomberg, DPA (Germany), EFE (Spain) and Reuters – also covered the story for their thousands of subscribers, as did television and radio broadcasters, including ABC News, Al Jazeera, CNBC, France 24 and RAI Radio.

Remittances from Europe provide 'lifeline' to millions worldwide, says UN agency



15 June 2015 – According to a report released today by the Rome-based United Nations International Fund for Agricultural Development (IFAD), migrant workers living in Europe last year provided a lifeline to more than 150 million people around the world by sending home a total of \$100.4 billion in remittances.

A key finding of the report on remittances from migrants based in Europe, *Smoothing Shores, Moving Money: European Flows and Markets: Ways that benefits for families back home could be significantly higher if they had access to more competitive money transfer markets and targeted financial services to help save and/or invest their funds.*

IFAD President Karim P. Nayindou emphasized, "We need to make sure that the hard-earned money is sent home cheaply, but more importantly that it helps families build a better future for themselves – particularly in the poorest rural communities where it matters the most."

On the sending end, Western Europe and Russia accounted for 75 per cent of the flows. In 2014, the top remittance sending countries were the Russia (\$20.5 billion), the United Kingdom (\$17.1 billion), Germany (\$14 billion), France (\$13.6 billion), Italy (\$12.4 billion), and Spain (\$9.4 billion).

UN News

Remesas de migrantes en Europa llegan a 109,400 mdd

Los trabajadores migrantes que viven en Europa transfirieron en el 2014, 109,400 millones de dólares a sus países de origen, indicó este lunes en un informe el Fondo Internacional de Desarrollo Agrícola.

JUN 15, 2015 11:04

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RELACIONADAS

10 Reportan los remesas de migrantes centroamericanos

Los trabajadores migrantes que viven en Europa transfirieron en el 2014, 109,400 millones de dólares a sus países de origen, indicó este lunes en su informe el Fondo Internacional de Desarrollo Agrícola (FIDA).



Le Figaro



Spiegel Online

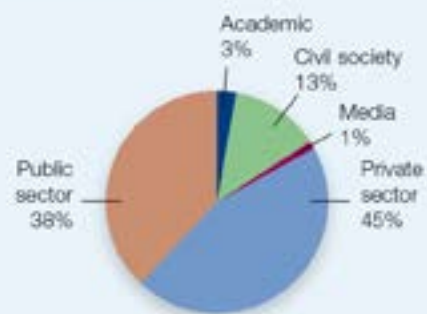


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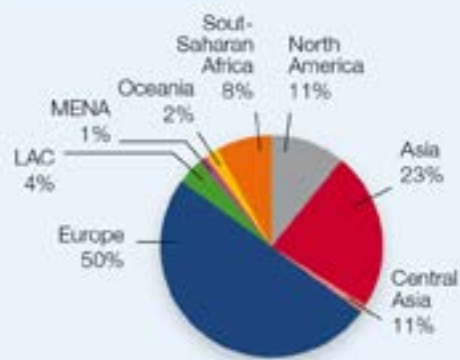
Stats and Figures

- 3 days of sessions: 15 sessions – 23 panels
- 21 moderators
- 57 speakers from governments, civil society and private sector
- Over 420 participants engaged from 88 countries, of which:

Participants by sector



Participants by region



- Over 800 news items in the international press
- 500 downloads of the GFRD2015 mobile app with over 38,000 hits

The Global Forums

The Global Forum on Remittances and Development (GFRD) is a series of ground-breaking international forums, launched by the Inter-American Development Bank (IDB) and after which its organization passed on to IFAD.

These globally-recognized events are aimed at bringing together stakeholders from around the world involved in the field of remittances, migration and development, to stimulate partnerships and create long-lasting synergies among public and private sectors, and civil society actors. Originally established as a platform to share lessons learned and best practices, the GFRD has become, over the past decade, a unique opportunity to discuss

global remittance-related issues and find solutions to maximize the development impact of these flows.

The past Forums were held in collaboration with key regional and prominent international financial institutions (IFIs), as well as sister agencies such as regional development banks and the World Bank.

In 2017, the Global Forum on Remittances and Development will be held in New York at United Nations Headquarters, and will focus on the global remittance market and its impact in migrants' countries of origin, in light of the Sustainable Development Goals (SDGs) and its growing importance in the global development agenda.

2007 GLOBAL
International Forum on Remittances: *Global coverage*, held in Washington D.C. and organized together with the IDB.



2015 EUROPE
Global Forum on Remittances and Development: Focused on European and global markets, organized in collaboration with the European Commission and the World Bank, and held in Milan in conjunction with the Universal Exposition *EXPO Milano 2015: Feeding the planet, energy for life.*



2013 ASIA
Global Forum on Remittances: Focused on *Asia*, held in Bangkok, and organized together with the World Bank.



2005 AMERICAS
International Forum on Remittances: 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.



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



The GFRD2015 and Expo Milano 2015 – Feeding the planet, energy for life

The GFRD2015 was held under the patronage of **EXPO Milano 2015: *Feeding the planet, energy for life.***

EXPO Milano 2015 has been a unique and innovative experience. More than an exhibition, it provided the opportunity for people from all over the world to actively participate in the theme of *Feeding the planet, energy for life.*

Open from 1 May to 31 October 2015, the Expo hosted 145 countries, 3 international organizations, 13 nongovernmental organizations and many other non-official participants. Running for 184 days, the exhibition site covered one million square metres and welcomed over 21 million visitors, with as many as 250,000 people per day.

Visitors undertook a unique journey into the complex realm of nutrition and were exposed to traditions and food of countries from all over the world. Besides its beautiful country pavilions, EXPO Milano 2015 will be remembered for its contribution to education on food and the importance of protecting the planet's precious resources.

Given IFAD's commitment to food security in its many agricultural programmes and the importance of remittances on household nutrition, EXPO Milano 2015 was the perfect context where the Global Forum on Remittances and Development (GFRD) took place.



The Venue – Stella Polare Convention Centre





16 June – Celebration of the first International Day of Family Remittances



SPEAKERS

Kanayo F. Nwanze

President, International Fund for Agricultural Development (IFAD)

H.M. Queen Máxima of the Netherlands

United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA)

Enrico Morando

Vice Minister of Economy and Finances, Republic of Italy

The Forum opened on 16 June with the observance of the first *International Day of Family Remittances (IDFR)*.

In launching the international day, the keynote speakers – Her Majesty Queen Máxima

of the Netherlands, in her capacity of United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) and Patron of the first Day, Dr Kanayo F. Nwanze, President of IFAD, and Mr Enrico Morando, Vice Minister of Economy and Finances of the Republic of Italy – emphasized the importance of remittances for families and developing countries, and called for global recognition of the impact of remittances on development.



Mr Nwanze welcomed all participants to the fifth Global Forum on Remittances for Development, and he extended his special thanks to the keynote speakers. He also thanked Italy, which is both the host nation of EXPO 2015 and home to the three Rome-based United Nations agencies – FAO, IFAD and WFP. Dr Nwanze reminded the audience that the opening day – 16 June – marked the first celebration of the *International Day of Family Remittances*. The Day was recognized and declared by all 176 IFAD Member States and will be brought to the attention of all United Nations Member States in the coming year.

H.M. Queen Máxima of the Netherlands, in Her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) and Patron of the first *International Day of Family Remittances*, gave the keynote address.

Mr Morando gave his Keynote Address

Mr Morando expressed his gratitude for being present to open the Forum and the celebration of the first *International Day of Family Remittances*. He also expressed his appreciation to IFAD for having contributed so substantially to attracting public attention to remittances and for turning a theoretical vision into concrete and innovative projects through the creation of the FFR.

Welcoming Speech by Her Majesty Queen Máxima of the Netherlands



It is my pleasure to be here today. I am honoured to celebrate with you the first *International Day of Family Remittances*.

For centuries, people have left home and crossed countries, continents and oceans in search of better opportunities for themselves and their families. Today, more than 240 million people live outside their countries of birth. And half of them are women. Some people will risk everything – even their lives – for the chance of a brighter future for themselves and their families. Almost every day we are confronted with the human tragedies arising from this need, here in Italy, in Europe, and all around the world.

The millions of migrants who have not faced such dramatic circumstances still make great personal sacrifices. Just think of the courage it takes to leave familiar surroundings, family and friends to live in a foreign country, often for years on end. It can mean – for example – not seeing your children grow up. As a mother I can imagine how hard that must be.

From a human perspective, we have to make sure that these families can make the most from their hard-earned money. And there is a macroeconomic dimension to the issue as well. Remittances represent an important flow of foreign currency, with tremendous impact in local communities and national economies. According to the UN Conference on Trade and Development, a 10 per cent rise in remittances may lead to a 3.5 per cent reduction in the share of people living in poverty.

As the UN Secretary-General's Special Advocate for Inclusive Finance for Development, I am acutely aware of the importance of remittances to developing countries. I have seen first-hand the positive impact they have.

Three months ago, I was in Myanmar, one of Southeast Asia's poorest countries, which is struggling to recover after decades of economic stagnation. Millions of people from Myanmar are earning their livelihoods abroad, in Thailand, China, or the United States. They provide a

lifeline to their cash-strapped families back home. And they are helping to make growth, development and financial stability possible in their home country! Remittances are more stable than many other types of capital flows. And what is more: they can even greatly enhance the recipient country's sovereign credit rating.

The key question with remittances is: how can we maximize their development impact? How can the great efforts being made by migrant workers have the highest impact possible? What can we do to ensure that remittances are more secure and less costly so that they achieve their intended purpose? We know that these purposes are varied. They can include building a new house, investing in a business, or providing children with an education. We should never forget that to millions of families in developing countries these efforts represent their only hope for building a better future.

I think we can all agree that remittances are vitally important. However, migrants and their families are faced with a system that is expensive, inappropriate to their needs, and, at times, insecure. At the end of 2014, the global average cost of sending remittances ate up almost 8 per cent of their total value. In some remittance corridors, rates can go above 20 per cent! For a father or mother on a five-day workweek, that would mean working one whole day a week just to pay the transfer costs. And the reality is that most of the people involved are working six days a week or even more. Reducing these costs from the current average of 8 per cent to 3 per cent would translate into huge saving of over US\$20 billion annually for migrants and their relatives.

Beyond the steep macroeconomic savings, there is a real personal advantage to reducing these costs. Because migrants will be able to send more money in just one year, they will have to spend less time away from their families to be able to buy that house, start that business, or finance an education for their children.

And sending and receiving remittances is often inconvenient. Locating dependable channels to transfer cash, filling out paperwork, dealing with red tape and long lines make the transfer of remittances complicated and expensive at both ends. Innovation from providers such as new mobile approaches holds great promise in overcoming some of these difficulties. Imagine if a father or mother, working overseas, could transfer money to their family simply by using a smartphone.

A large proportion of remittances is used for basic needs such as food, clothing, medical care, housing and education. But families can benefit even more if remittance income can be protected and invested within the formal financial system through savings, insurance and other services. Specialized products could translate these transactions into long-term welfare gains. Further gains can be made by coupling these services with financial education, allowing for the full potential of remittances to be realized.

Vast remittance flows are sent and received through informal channels because migrants are often unable to access the formal financial system. This is largely due to regulations aimed at preventing money laundering and terrorism financing. The focus on these measures has led many banks to stop offering remittance services and to close the accounts of money transfer operators. This relegates migrants – most of whom conduct only limited transactions – to expensive and risky informal alternatives. There are, no doubt, real concerns to be addressed here. However, we should be careful not to drive substantial cash flows into the informal sector. What we need is a proportionate approach that carefully weighs

risks, on a case-by-case basis, in line with established global standards. This would prevent that these flows become invisible, untraceable and insecure – a situation that leaves migrants, recipients, banks, regulators, and everybody else worse off.

These are some of the main issues. And they are all connected. There are no easy answers. Tackling these challenges takes partnerships and dialogue between senders, receivers, providers, regulators, development agencies, and key international political fora such as the G20.

Today's forum is an excellent occasion to discuss the ways in which we can support them by maximizing the development impact of remittances. Given the size of remittance flows, whatever progress we make will have an outsized benefit. We need to get this right. We owe it to the millions of fellow citizens around the world who are working long hours far from their loved ones. We owe it to their families who depend on them and are in need of support. And we owe it to their countries of origin, which need secure and efficient remittance flows to support their fight against poverty and hunger, and their quest for equitable growth and development.

Highlights from the second keynote address by Enrico Morando, Vice Minister of Economy and Finances, Republic of Italy



Migrant remittances are a motor for development in their countries of origin. The fruits of their labour enrich their home country and feed its economy. The figures are impressive: according to the World Bank,⁵ about US\$580 billion in

remittances were sent in 2014, of which US\$436 billion went to developing countries. Around US\$16 billion came from Italy. Remittances have become the second most important source of financing in developing countries, and their development potential – both long- and short-term – has yet to be reached. Remittances reduce poverty and provide much-needed income for health and education. And they are proven to be less variable and more resistant to shocks than other international financial flows.

The long-term potential of remittances is even more significant. They can offer a bridge between the commercial interests of banks and the financial service needs of rural communities. About 2.7 billion people do not have access to financial services to open a bank account or to take a loan. Channeling remittances through the formal financial system can pave the way for financial inclusion, create investment opportunities and have a significant impact on the economy

However, such results require patience and a long gestation period. Moreover, access to financial services must be accompanied by financial education and strong regulation. The public sector has an important role to play. Any imposed taxes should be kept to a minimum, transparency and competition must be promoted, and anti-money laundering measures must be simplified. Finally, public authorities must collaborate with the principal stakeholders, in particular national and international regulators.

5 World Bank: Migration and Development Brief 24 | Remittances: Recent Developments and Outlook. Special Topic: Financing for Development <http://bit.ly/1H1YxyT>

Highlights from the opening address by Kanayo F. Nwanze, President, International Fund for Agricultural Development, IFAD



Today, on the first-ever *International Day of Family Remittances*, we pay tribute to the migrants who work so hard and contribute so much to their new countries, while making life better for those they left at home.

This *International Day* is a small token of our respect for their efforts, and an opportunity for all of us who work with migrants or in development to draw attention to the important role that remittances play in the lives of poor people in developing countries. When we talk of remittances we tend to focus on migrant workers. But for every person who finds work in a new land there are many others who depend on their earnings back home. They rely on this money to buy their food and clothing, to educate their children and to pay for the roof over their heads. For millions of people, remittances are the only social safety net they have. And when disaster strikes, migrant workers are among the first to respond. In Nepal, for example, remittances amounted to around US\$6 billion, or one quarter of gross domestic product, before the earthquake hit. We saw the same thing after the 2010 earthquake in Haiti and the 2009 typhoons in the Philippines. Whenever there is a flood, earthquake or other natural, political or economic disaster, it is the migrants who step up to send much-needed aid.

Migrants also play a vital role in the long-term development of their countries of origin. With this in mind, over the last decade IFAD has supported more than 50 projects to increase the development impact of remittances. Projects such as the one that works with a group of one thousand Filipino workers who, together, are now investing in a poultry business back home. Not only has this created jobs in their local communities, but it has provided the families of migrants with a regular source of income in their own country. This is just one example of how remittances can provide the means for rural women and men to become financially independent when they contribute to income-generating activities.

This last point is important because, while remittances are crucial to the survival of hundreds of millions of poor rural people, our ultimate goal should be to move beyond remittances by creating vibrant developing economies so that poor women and men no longer feel forced to leave their homes and families in search of work.

We have seen that remittances can make a tangible difference to the development of nations, but today there are still too many barriers that prevent remittances from meeting their development potential. The most obvious barrier is the cost. But the most formidable barrier is at the receiving end, where remittance-receiving families lack access to the financial services that would give them more options on how to use these funds, and allow them to use the money more productively. This is a particular problem in rural areas, where only about 10 per cent of poor rural people have access to the most basic financial services.

I am happy to say that today there is a greater degree of appreciation of remittances by governments and the international community than ever before. Efforts by champions such as H.M. Queen Máxima of the Netherlands, and all of the development partners gathered here today, have made a difference. Our job now is to make sure that every hard-earned dollar, euro, pound, rouble, yen, dinar or naira sent home count for even more. **On the *International Day of Family Remittances*, let us commit to the goal of making the migration of future generations a choice rather than a necessity.**



High-Level Panel on Migration and Development

SPEAKERS

H.E. Deepak Dhital

Ambassador, Embassy of Nepal in Geneva,
Permanent Mission of Nepal to the United Nations
and other international organizations

Sir Peter Sutherland

United Nations Special Representative of the
Secretary-General for International Migration

Gloria Grandolini

Senior Director, Finance and Markets Global Practice,
the World Bank

Gervais Appave

Special Advisor to the Director-General of the
International Organization for Migration (IOM)

FINAL REMARKS

Giampaolo Cantini

Director-General for Development Cooperation,
Ministry of Foreign Affairs and International Cooperation,
Republic of Italy



MODERATOR

Zeinab Badawi

International Journalist
and Chair
of the Royal African
Society



“We claim, in the UN, to stand for rights and the equality of man. If you believe in the dignity of the human beings, you should be actively engaged in the migration debate.”

Sir Peter Sutherland

Introduction

Migration and its impact was a side issue for a very long time, but the tragedy being witnessed in the Mediterranean has suddenly catapulted it to the top of the political agenda, where it is being hotly debated. This panel discussed the new focus on immigrants and remittances.

Highlights

While it has become easier for highly-qualified people to move around the world, mobility is still a two-tiered system. Migrants want to work; and our daily lives would grind to a halt without them. There are millions of migrant workers in the health industry, who do the catering, who drive trains and buses, who do the construction work.

Nevertheless, people and governments are reluctant to acknowledge the reality of migration. We have come to accept that our world depends on the exchange of commodities, goods, services and capital. But until we acknowledge the exchange of human capital, it will be difficult to develop the appropriate policies that enable people to migrate safely and with dignity. The post-2015 global agenda contains commitments to reduce





“Migration is an enabling factor for development, as well as a vehicle for entrepreneurship.”

Giampaolo Cantini

remittance costs, ensure safe migration and ensure financial inclusion. Believing in the dignity of the human being, implies that one should be actively engaged in the migration debate. Until we do so, we cannot adequately address the remittance issues.

Remittances have a tremendous impact on home countries, often accounting for a significant portion of the country’s GDP. But there remains the question whether remittances are driving financial inclusion. For example, in Nepal, remittances account for 29 per cent of GDP, and this amount is increasing. Around 3 million Nepalese work abroad and remit money. This money has resulted in substantial and visible changes in society, especially in rural areas. However, after consumption, repayment of loans, and similar expenditures, only about 2 per cent remains, which is insufficient for investment in microenterprises and capital formation, among others. Nevertheless, remittances are an immense benefit to the country, where salaried jobs are very rare; and therefore, it is extremely important for Nepal to have more opportunities for foreign employment. At the same time, migration needs to be made safe, with ethical practices throughout the migration corridors.



“The decrease [in the average cost of remittances] from 10% to 7.7%, has resulted in about 60 billion dollars increase in savings.” Gloria Grandolini

Although average remittance costs have decreased, they remain costly, with the world average still above 5 per cent⁶ – and disproportionately higher in the poorest nations. The World Bank is working with the public and private sectors to make remittances reliable, safe and less costly. It looks at multiple aspects of remittances, including payment infrastructure, the enabling environment of sending and receiving countries, migration corridors and technology options. Data collection is critical, and the Bank is trying to develop new indicators to better understand the costs and other components. A new indicator called SMART has been developed, which will be unveiled soon.

Conclusions

It is time to recognize that migration is a fact of our world and that remittances have a huge impact on developing economies. It will not be easy, but migration must be confronted head on in order to harness the power of remittances to create a more humane world.



“The international community agrees that remittances contribute immensely to poverty reduction, but there is the second challenge: how can we ensure that they contribute to sustainable development?”

Gervais Appave



“We can develop some kind of cooperative among the migrants, to pool their resources and invest in productive sectors that can bring better income for their families...as well as a cycle of good investment and saving.”

H.E. Deepak Dhital

6 Reference made to the ‘5x5 objective’ to reduce remittance costs.

Session I: Sending Money Home: European flows and markets

SPEAKER

Adolfo Brizzi

Director, Policy and Technical Advisory Division, IFAD

Introduction

Mr Brizzi gave a brief presentation of the fifth edition of the *Sending Money Home* series of reports, focused on Europe. He started with four key global figures:

- **250 million** – international migrants in 2015
- **US\$436 billion** – remittances received in 2014 in developing countries
- **8 per cent** – average cost of transactions worldwide
- **40 per cent** – remittances that go to rural areas

Highlights

Migrants in Europe mainly come from Eastern Europe (39 per cent), followed by Asia (25 per cent). One third of remittances from Europe go to Eastern Europe and the remaining two thirds go to developing countries in regions outside Europe. North Africa and Central Asia are the regions beyond Europe that are most reliant on European remittances, largely from France and Russia. Latin America and the Caribbean receive US\$6 billion, primarily from Spain.

The top ten European sending countries account for 82 per cent of the outflows. The top six sending countries – Russia, United Kingdom, Germany, France, Italy and Spain – are also among the world's top sending countries. While these flows represent less than 0.7 per cent of annual GDP of the sending countries, they can account for up to 39 per cent of GDP in receiving countries. And they often account for more than 50 per cent of receiving household income.

The cost of sending money is coming down, but it is still too high. Migrants typically send US\$200 per transaction, with an average transaction cost in Europe of 7.3 per cent, which is slightly below the world average of 7.9 per cent. Western Europe is above the world average, and Russia has the lowest cost at 2.4 per cent. Competition among money transfer operators (MTOs) and wide distribution of payout locations are the key drivers for reducing costs. However, limited information is often a barrier to finding the least expensive remittance option.

Migrants in Europe still prefer cash-to-cash remittance transfers. Three global MTOs – MoneyGram

Sending Money Home: European flows and markets – an overview

Remittances from Europe represent a quarter of remittance flows worldwide. In 2014 migrant workers living in Europe sent home US\$109.4 billion in remittances, providing a lifeline to more than 150 million people around the world.

On the sending end, Western Europe and the Russian Federation were the main source of remittances. On the receiving side, about US\$36.5 billion of European remittances went to 19 countries in the Balkans, the Baltics and Eastern Europe, including ten European Union Member States. The remaining US\$72.9 billion went to over 50 developing countries outside Europe.

Beyond Europe, about US\$34.9 billion went to Asia and the Pacific, US\$23.1 billion were sent to Africa, and US\$8.7 billion went to the Near East and the Caucasus. Latin America and the Caribbean received US\$6.2 billion. Northern Africa and Central Asia were the regions most reliant on European flows, largely from France and Russia, respectively.

Europe is also a source of considerable remittances to fragile states such as Afghanistan, Iraq and Sudan, where these flows are vital for the survival of millions of families.

Remittances do not represent a significant outflow of wealth from the 26 main sending countries in Europe, amounting on average to less than 0.7 per cent of each country's GDP.

The Report is available here: <http://bit.ly/1LaRgNF>.





“Go beyond access [to remittance services] and look at use, and beyond use, how this use can be leveraged in investment. This triptych approach of access, use and investment back home would enhance the true potential of remittances.” Adolfo Brizzi

International, Ria and Western Union International – are present on both the sending and receiving sides, and they dominate the market. Banks are also a major collection and distribution channel, but they act mainly as MTO agents, and they don't provide financial services to remittance clients. Postal networks are also widely present, but their potential is still largely underutilized, particularly in rural areas. Mobile operators and online services are less expensive, and they provide a good alternative for receiving money in rural areas.

Beyond the numbers, there are three pillars for opportunity – access, use, and investment back home. Financial inclusion is not only about facilitating access but also about promoting the use of financial services and eventually to generating investment and employment.

Access

Retailing infrastructure, payout locations in rural areas, competition, information, and new mobile technology could substantially improve efficiency and access to remittances, particularly in rural areas. With regard to access, women are the most excluded: while 59 per cent of men have a formal account in developing economies, only 50 per cent of women do.

Use

Currently the market is mostly driven by MTOs, but financial institutions have a unique opportunity to consider providing more services to remittance clients.

Europe has a high proportion of adults with bank accounts, and remittances offer significant opportunities for financial institutions to cross-sell products to their existing client base.

Investments back home

Investments create jobs and small rural enterprises.

There are a number of market policy implications:

- Better harmonization of regulatory frameworks would increase competition, expand financial options and lower risks (e.g. new technology for money transfer)
- Cost reduction could be enhanced by promoting diversity among service providers, limiting exclusivity agreements and providing incentives for low-cost transfers (postal systems)
- Leveraging the impact of remittances requires differentiated development strategies in the receiving countries
- Remittances count the most in rural areas, where they are a lifeline against poverty, and present an opportunity for scaling up development

Remittances offer a number of opportunities:

- Shift transactions from **'cash-to-cash'** to **'account-to-account'**
- Encourage use and adoption of **new technologies**
- Support **financial education** for both senders and receivers
- Promote **savings from remittances**
- Utilize remittances to establish **credit history**
- Empower migrant workers with more **options to invest**

Remember: remittances are 'their money' (i.e. private money) that should not be 'deducted' from ODA.

Conclusion

More needs to be done to bring down the cost of remittance transfers. By bringing down costs in formal channels, we can spur greater financial inclusion and ultimately greater investment in countries of origin.

Session II: Priorities on remittances and migration in the international agendas

SPEAKER

Yakup Asarkaya

Head of Strategy Development Department, Banking Regulation and Supervision Agency (BRSA) of Turkey

In July 2009, at L'Aquila summit, the G8 pledged to reduce the global average cost of transferring remittances from 10 per cent to 5 per cent in five years (the '5x5 Objective'). To this end, the World Bank was asked to create the Global Remittances Working Group (GRWG), aimed at facilitating and coordinating international efforts to make remittance markets more efficient and to reduce their cost. Previously, in 2008 the World Bank had begun to survey and publish the prices of remittances worldwide through the Remittance Prices Worldwide database.⁷ The 2011 report of the Development Working Group (DWG) contained a toolkit of measures⁸ that have proven to be effective in reducing remittance costs.



In 2015, under the Turkish presidency of the G20, a template for country plans to facilitate remittance flows was discussed and agreed to at the first DWG meeting in February, where the G20 member countries provided their overview. This plan focused on emerging technologies and market-based approaches, recommending the use of innovative services. In April, peer support was provided, and, following their feedback, draft country plans were submitted to the presidency and circulated to members and related parties prior to the third DWG meeting. Member countries were divided in subgroups according to geographic areas and migration corridors in order to better share knowledge and experiences.



"[Turkey's plan] focused on 3 basic headings: increasing competition... enhancing transparency... and improving infrastructure." Yakup Asarkaya

⁷ <http://remittanceprices.worldbank.org/en>

⁸ <http://bit.ly/1z1Z0NV>

The Progress Achieved in 2015

- The template of the country plans was discussed and agreed at the first DWG meeting.
- Members provided an overview of their country plans, and peer support arrangements were discussed at the second DWG meeting.
- Peer support arrangements have been designed to seek the opportunity of sharing knowledge and expertise, ensuring technical input from the GPFII and its implementing partners

Although currently still in draft form, the Turkey country plan is focused on three components:

- Increase transparency, through a portal displaying the transaction costs of multiple institution types (not just banks)
- Increase competition, by allowing non-bank organizations to enter into money-sending business (e.g. mobile operators)
- Facilitate the use of new technologies, particularly through mobile payment systems

The G20 asked the World Bank to perform a study on de-risking activities in 19 countries, with results expected soon. The country plans are expected to be finalized in advance of the fourth DWG meeting (14-16 September) and then submitted in October 2015.

Enforcement of these country plans is still under discussion; but the Global Partnership for Financial Inclusion (GPFII) will identify some implementation mechanisms. Monitoring progress remains a key issue, but it will hopefully contribute in reaching the '5x5 Objective'.

Conclusions

The cost of remittances can be reduced, but it will take a commitment by many players and the implementation of multiple strategies.

Session III: Shaping remittance markets: Opportunities and challenges

Plenary Panel 1

Facilitating remittance flows: Policy and regulatory reforms to improve the safety and efficiency of the remittance markets



“The inflow of remittances [to Bangladesh] has increased gradually over the past years, from 3.3 billion (2003) to 14.3 billion (2013).” Nazneen Sultana

SPEAKERS

Francisco Tur Hartmann

Deputy Head Market Integration Division, Directorate General Market Infrastructure and Payments, European Central Bank

Nazneen Sultana

Deputy Governor, Bangladesh Bank

Corinne Brunon-Meunier

Deputy Director for Development and Public Goods, Minister of Foreign Affairs, France



MODERATOR

Massimo Cirasino

Head of the Payment Systems Development Group, the World Bank

Introduction

The five principles for international remittances⁹ are:

- Transparency and consumer protection
- Payment system infrastructure
- Legal and regulatory framework
- Market structure and competition
- Governance and risk management

Public authorities and remittance service providers have roles to play in assuring the adherence to these principles. Since the global effort began, the reduction in the cost of remittances resulted in S\$60 billion saved. Moreover, in 75 per cent of remittance corridors the

cost of sending money dropped below 10 per cent, and there are no longer any corridors above 20 per cent. The panel discussed ways to live up to these principles.

Highlights

Transparency and consumer protection. The remittance market requires transparency. There must be a systemic way to gather and analyze information on different types of money transfer operators, including their costs, volumes, etc. An enabling environment requires a full understanding of the operations of each remittance corridor in order to set priorities right. Bangladesh Bank hopes to increase the percentage of remittances that go toward investment. However, for this to happen, transparency is critical. People want to be sure that their money is serving their families and communities well, which involves trust and communication among migrants, financial institutions and the financial authorities in both the sending and receiving countries. To that end, Bangladesh Bank has developed a Customer Protection Division and a hotline to ensure smooth service. Consumer protection also means putting in place new tools so that migrants and their families understand their loan options, including workshops to enhance human capacity, as well as to obtain “instant money”.



9 <http://bit.ly/1OpVnXu>



“We need regulation and harmonization. But we really need to convince people to use formal channels...It’s the role of public authorities to give information, educate, explain; and then, little by little, transform the way remittances are used.” Corinne Brunon-Meunier

Payment system infrastructure. Payments infrastructure in Europe has notably improved, resulting in more efficient payments, and a widespread use of cashless payments. Common standards have been implemented so that payments from a single account can be made throughout Europe as efficiently as they can within one member state. Bangladesh Bank’s achievements include mobile and online banking, and high-school banking. Mobile services are very recent, and the number of mobile accounts has doubled in one year. In rural areas, post offices and microfinance institutions are now allowed to provide remittance services as sub-agents, thus eliminating informal vehicles almost entirely. In France, the concept of “bi-bancarization” is taking hold, in which banks that are not part of the European Union can offer products they provide in their home countries to migrants who are in France. The products normally have lower rates, and smaller loans can be taken.

Legal and regulatory environment. Europe is establishing common business rules and improving its legal and regulatory framework to uphold these standards. The challenges that remain have to do with harmonizing legislation and prodding innovation. Harmonization is tricky because every country thinks it has the best regulations, which means that compromises must be made. However, banks often provide more services than some of the newer payment institutions; therefore, the latter should be confronted with less regulation. Remittances to Bangladesh from migrant workers are one of the most important forces of foreign exchange. Bangladeshi migrants are dispersed throughout the world, and the inflow of remittances has increased four-fold

in the past decade. Bangladesh Bank has a regulatory body and has formulated policy guidelines for banks; for instance, local banks have established exchange houses abroad in strategic locations. Beyond financial regulation, it is important to create a positive view toward migration in the public’s mind. France developed a law, the first of its kind, on development and orientation of aid.¹⁰ The law specifically cites migrants and their important contribution to development. The fact that this concept is enshrined in the law is critical. It implies that public authorities should work to help migrants, the development of their countries, and facilitate the sending of remittances.

Market structure and competition. Regulation and competition go hand in hand. As new players enter the market, harmonization of the legal framework becomes increasingly important, but the presence of international and new players also stimulates competition, creating diversity of products and reducing costs. France is active member of the Pilot Group of Innovative Financing, and fully involved in programmes led by the African Development Bank and the World Bank, set up to lower the transfer cost of remittances, and to draw them to productive investment.

Governance and risk management. As the remittance market continues to evolve, institutions will need to balance risk with the opportunity to expand financial inclusion. As new rules and new players emerge, it will be increasingly important to keep a view on institutional capacity. New technologies can help, but they are not a panacea for good governance.

Conclusions

The five principles provide guidance to creating an improved remittance market, because they accommodate all stakeholders. When everyone understands and plays by the same rules, everybody wins.



“To develop new financial products, you first need an infrastructure that facilitates the communication between financial institutions; central banks can play a key role.” Francisco Tur Hartmann

10 <http://bit.ly/1JO0SON>

Plenary Panel 2 Remittances and financial inclusion: Opportunities hidden in plain sight

SPEAKERS

Paola Giucca

Principal Manager, Market and Payment System Oversight Directorate, Bank of Italy

Pedro de Vasconcelos

Manager, Financing Facility for Remittances, IFAD

Fernando Jimenez-Ontiveros

Acting General Manager and Deputy Manager for Operations, Multilateral Investment Fund, Inter-American Development Bank (IDB)

Sibel Beadle

Senior Banker, Financial Institutions, European Bank for Reconstruction and Development (EBRD)



MODERATOR

Henri Dommel

Director, Inclusive Financial Practice Area, United Nations Capital Development Fund (UNCDF)

Introduction

Remittances are often the first experience of a financial service for their recipients; these people-to-people payments can trigger financial inclusion. The panel discussed ways in which to bring migrants into the formal financial system, with emphasis on three core issues:



“The three aspects: innovation, competition and consumer protection, need to go together.” Paola Giucca

- The linkages between remittances and financial inclusion
- How policy shapes synergy between remittances and financial inclusion
- The role the private sector can play in implementing opportunities

Highlights

Remittances create an entry point into the acquisition of other financial services. However, the majority of remittance recipients still remain outside the formal financial system (i.e., they are “unbanked”), indicating that the gap between supply and demand needs to be addressed if the full impact of remittances is to be attained.

Besides a more efficient use of remittances, migrants require access to a broader range of financial services and products to fully enter into the formal financial system. These include cashless banking, savings and payment services, and new forms of credit and insurance. In a real sense, access to financial services is an important aspect of overall integration of a migrant, and remittances are just the first step. This said, what measures are needed for migrants to fully enter the formal financial system?





“Remittances services are largely initiated and paid out by cash, and generally migrants are less likely to be financially included.” Sibel Beadle

Eliminate the mistrust of the formal financial system, which can be achieved if the banking and regulatory systems can begin to understand how best to serve low-income populations. In Latin America, 60 million have escaped poverty, but they are not integrated in the financial system, so they lack the tools to start accumulating assets and help fight the contingencies they might have to face. If the financial sector fails to understand this, these people could fall back into poverty without appropriate financial safety nets. And **it is expensive to be poor.**

Find the right regulatory balance. Many compliance mechanisms are obstacles to inclusion. For example, the application of de-risking regulations often has an adverse effect on remittance flows. Banking in rural areas needs to be made easier, not harder; because when regulation is difficult to navigate or understand, remittance senders will use informal channels rather



“Remittances offer a unique opportunity to bring millions into the formal financial sector. Given the frequent interaction between remittance senders, receivers and the financial system, remittances could spark a long-term and life-changing relationship leading to financial inclusion.”

Pedro de Vasconcelos

than open a bank account. EBRD supports the provider sector in Eastern Europe and former Soviet countries. In this region, regulation limits financial inclusion of remittance receivers. So the main challenge is how best to remove regulation rather than implementing new ones.

Involve the private sector. The US\$200 billion market in rural areas should be sufficient incentive for the private sector. Successful pilot interventions can encourage involvement and, in turn, can be picked up and brought to scale by the private sector. At the same time, public-private-civil society need to work together, otherwise no progress will be made.

Provide financial education. It was discovered that only 10 per cent of Eastern Europeans who collected remittances at a bank had bank accounts. This situation made it clear that it was necessary to educate these people to take advantage of the banking services available to them. After a training programme on banking services was conducted, 30 per cent of the remittance receivers opened bank accounts, thus paving the way for greater financial inclusion.

Conclusions

Big changes don't necessarily require big efforts; sometimes education can change the game. Showing the financial sector that financial inclusion can lead to greater profits, and educating migrants on their financial options, can lead to linkages that could not be achieved through innovation alone.



“There is a kind of poetic justice that the same people that had to [migrate] because they were excluded...can be a powerful source to restore financial inclusion.” Fernando Jimenez-Ontiveros

Session IV: Summary of Public-sector day and the road ahead



Pio Wennubst, Assistant Director-General and Head of the Directorate for Global Cooperation of the Swiss Agency for Development and Cooperation, closed the first day with the following points:

- Migration helps to assure well-being. In fact, our wealth is related to migration: we tend to forget this fact quickly and create citadels to be defended from foreigner invasions.
- We need to change the narrative. Remittances need to be embedded in a shift towards strengthening global governance on migration and moving from a negative notion of migration to a more positive one of mobility.
- The Sustainable Development Goals (SDGs) agenda offers a great opportunity to move in this direction. There is a fundamental difference between the SDGs and the Millennium Development Goals (MDGs): since they have been negotiated, they will be considered legitimate and have a universal validity. Commitments around migration and remittances are already built into many of the goals.
- Once the SDG agenda is set, strengthening global governance on migration will require revisiting the current architecture to enhance its cohesion. There are different ways to get there, and soon the time will be ripe to discuss different options.
- Remittances require a more transparent and customer-oriented financial system that not only reduces transaction costs but helps to assure better access to and use of a variety of services.
- We need to apply technology wherever it allows us to leap-frog into the future. We need only look at the African mobile banking revolution that is currently taking place to understand the dramatic positive changes that technology can bring about.
- Technology alone is not enough. In order to empower people and, most important, to empower women, we need to ensure gender-sensitive financial literacy training.
- IFAD and associated partners should be recognized for having been leaders on remittances and more broadly on migration and development over the past ten years.



Plenary Panel 1 The global and European remittance markets: State of play

SPEAKERS

Tim Keane

Chief Executive Officer and General Manager,
Western Union Payment Services Ireland

Sebastian Plubins Malfanti

Managing Director for Europe, Middle East,
Africa & South Asia, Ria Money Transfer

Elena Gafarova

Vice-President responsible for global development,
CONTACT payment system, RAPIDA Ltd

Y. Sudhir Kumar Shetty

President, UAE Exchange



MODERATOR

Leon Isaacs

Chief Executive Officer, Developing
Markets Associates Ltd (DMA)

Introduction

The panel discussed the current state of remittance markets in Europe and the challenges it presents to several of the current financial players. The panel included a short video¹¹ from Mr Isaacs which discussed remittance senders in Europe.



“Applying the principle of you get what you measure, we believe in setting specific measures that are a necessity to achieve.” Tim Keane

Highlights

The market for remittances remains complex and costly, even for large financial institutions.

The **regulatory environment** is constantly changing, and while these changes are usually well-intentioned, they often have unrealistic adoption windows, and even more importantly, their real-world impact is often overlooked. As a result, burdensome regulations tend to de-incentivize players to participate.

A more holistic approach is needed, with regulators working together to produce **harmonized rules that are consistent across borders**. One area in particular to address is reaching the right balance for anti-money laundering compliance, which can be costly and misaligned to actual risk.

The current market is anti-competitive as a result of **exclusivity contracts** that prevent players from seeking better deals, and thus drive up costs for everyone.



11 <https://youtu.be/uAsYqFHP81s>

With the support of the World Bank, IFAD and banks, pressure could be brought to end exclusivity contracts. Furthermore, if players are allowed to create partnerships freely, more partnerships would be created and economies of scale could be realized, thus further driving down costs for consumers. The goal of bringing down the cost of remittances to 5 per cent would be achievable.

Banks avoid MTO accounts because they are seen as too costly.

Technology offers many channels for sending money, including mobile wallets, bitcoins and FlashRemit (instant host-to-host transfer mechanism). These technologies can significantly reduce the costs of money transfers, both for the banks and for the consumer; and they can also make the market more transparent. That said, technology infrastructure does not come without cost, and it is important to recognize that reducing transaction costs must be balanced against paying for infrastructure investment.



“Russia has the lowest sending fee, [at] about 1.5-2%.”

Elena Gafarova

The Global and European remittance markets: State of play



Source: Bank of Russia statistics

Conclusions

Several reforms would help reduce complexity in the remittance market and encourage more players to enter:

- Harmonize regulations across borders
- End exclusivity contracts
- Invest in technologies that offer opportunities to lower costs



“Technological innovation will certainly play a big role in the coming years; however, today’s heroes are the network of agents creating trust and bonds with our clients.”

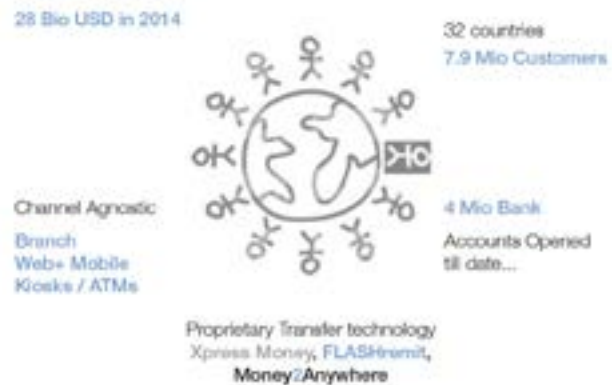
Sebastian Plubins Malfanti



“If banks do not support the MTOs, then migrants will seek informal channels. Banks are shying away from the relationships because of compliance complexity. This is a potential problem.”

Y. Sudhir Kumar Shetty

Our Outgoing story



Source: UAEXCHANGE

Plenary Panel 2 Compliance challenges in the remittance marketplace

SPEAKERS

Nickolas Reinhardt

Director, European Payment Institutions Federation (EPIF)

Laybaa Hernandez

Chief Operating Officer, Dollar Express, Inc (DoEx)

David G. Specker

Senior Examiner Officer, De Nederlandsche Bank N.V. (DNB)

Peter Green

Vice-President, Compliance Leader Europe, CIS, Israel and Africa, MoneyGram



MODERATOR

Louis De Koker

Chair in Law, Faculty of Business & Law, Deakin University



“The key is changing that perception [of inherent risk], giving them [banks] more confidence about our markets and operations.” Peter Green

Introduction

Given the increasing complexities in the regulatory environment, the panel discussed whether it is possible to have a safe regulatory framework and a viable remittance market.

Highlights

The remittance market is in constant flux. While the goal is to decrease the cost of remittances, doing so is extremely difficult in the current environment. A significant driver of costs is adherence to **anti-money laundering (AML) regulations**.

Not only do rules vary from country to country, but regulators are continually raising the bar, as today's compliance is never good enough, and there is always more due diligence to be conducted. Adhering to regulations can be costly: for example, DoEx has two regulatory arms, with one dedicated solely to AML. Smaller players can find it difficult to survive in such an environment and, in fact, many MTOs in the United States are put in the position of playing immigration officer as much as service provider, which tends to drive away potential customers.



While there continues to be disagreement as to the overall effectiveness of AML, there are avenues for keeping up with compliance while still keeping costs down.

One answer is to have a **skilled compliance officer**. Although such positions are costly, they tend to be less so than the systems required in lieu of such a position.

Another option is for financial institutions to **provide quality products**. While low remittance rates are important, they are not the sole criterion on which consumers make decisions. The ability to protect the client's money is also a benefit that clients value.

Thirdly, while compliance requirements might tend to increase generally, it is possible to **make adjustments to regulations** that would make it easier for smaller operators to participate, such as minimum thresholds and lessened requirements for smaller amounts.

Finally, it is critical to continue the efforts to **harmonize regulations** among countries. Having the same rules from one end of the transaction to the other reduces the overhead for financial service providers and reduces the cost to consumers.



“A lot of money remitters want compliance to be there; they understand that compliance is indispensable to operate.”

David G. Specker

Conclusions

There are steps to reduce the burden of complying with regulations:

- Hire skilled compliance officers
- Adjust regulations to accommodate smaller operators and transactions
- Harmonize regulations across borders



“FATF is trying to develop Guidelines linked to de-risking, giving banks guidance on their risk-based approach, creating a framework in which everybody can work.” Nickolas Reinhardt



“The money transfer industry needs to find a common voice. Unlike other industries, we have not been able to create an association that can speak to the regulations on the same voice, with the same objectives.”

Laybaa Hernandez

Session VI: Towards a more inclusive and profitable market: Opportunities within reach

Panel 1A Innovations and inclusive remittance products

SPEAKERS

Adrie Kuyper

Chief Operation Officer, Small World Financial Services Group

Michael Kent

Chief Executive Officer and Founder, Azimo

Rajesh Agrawal

Chairman and Chief Executive Officer, XendPay

Jeff Pietras

Vice-President for Global Business Development, WorldRemit



MODERATOR

Mohit Davar

Chairman of Advisory Board, International Association of Money Transfer Networks (IAMTN)



“The user experience is really key. Loyalty is critical. When you have a great experience that enables easy and quick transfers, the behaviour of remittance senders changes.”

Jeff Pietras

Introduction

The remittance market is being transformed by digital technology. Today, customers take advantage of a wealth of different technology options to send and receive monies. The advantage of these services is that they are simple to use and typically low cost to the consumer. However, the speed of change is a challenge for service providers. New technology can be costly, which can offset the ability to reduce cost to the consumer. New technology can be risky, as regulations fail to keep pace with the change or are too loose or too restrictive. And new technology can be uncertain, as it is often unclear which methods users will adopt. The panel discussed the range of services available and some of the challenges they represent.

Highlights

Small World is a trusted brand that has expanded rapidly across Africa, Asia, Europe and North America. Small World uses a proprietary software that allows cash-to-cash and account-to-account transfers to be





“The industry is evolving at a much faster rate. Many solutions are very innovative and could be looking for a problem that doesn’t exist. At the end of the day, the customer will decide. The biggest mistake is to second-guess the customer. The traditional, the new, and the yet to come can live in harmony for a while.” Adrie Kuyper

conducted quickly. The digital service leverages the existing Small World physical infrastructure and existing partnerships. Of the transfers that use the Small World service, half are performed on a PC, while 25 per cent are conducted on a mobile device, and 25 per cent are conducted on a tablet.

Clients of Azimo can send money from almost anywhere in Europe. The company has no physical locations other than its headquarters. However, anticipating customer behaviour is tricky: customers appear to be abandoning PCs in favor of phones; and it is uncertain whether simpler mechanisms for sending money will result in customers sending smaller amounts more frequently. Likewise the market and regulations for newer options like mobile wallets and bitcoin are uncertain.



“People say that the remittances industry is getting bigger; the remittances industry is getting smaller, if you look from a revenue perspective it is actually shrinking, which is a good thing.” Michael Kent

XendPay offers a self-service portal that not only allows customers to do things themselves, it also allows them to choose their own fee – even a zero fee. Surprisingly, 90 per cent of clients choose to pay something, and 70 per cent pay the recommended fee, suggesting that clients understand the value of the service.

WorldRemit provides low-cost digital transfer services, with 50 per cent conducted on mobile apps. While the set-up process for online services can be tedious, once customers fill out the required information they tend to remain loyal. Furthermore, digital customers provide a wealth of data about behaviour and demand which is simply not available through traditional methods.

Conclusions

Digital technology offers great rewards, but its rapid pace brings some risk as well. Solutions should address existing customer needs rather than try to anticipate those that may or may not materialize in the future.



“I took a very radical step... drop[ping] the mark-up of the exchange rate to zero. So, if you are a large multilateral organization, and you are buying 100 million dollars’ worth of foreign exchange, the exchange rate that you get, is the same one that we are giving to those sending 50 dollars back to their country of origin.” Rajesh Agrawal

Panel 1B Inclusive technologies: Card, mobile and web-based

SPEAKERS

Max Chion

Group Executive, Product Platforms for Emerging Payments, MasterCard Europe

Simone di Castri

Regulatory Director, Mobile Money for the Unbanked Programme, GSMA

Brad Prentice

Senior Vice-President Asia and Pacific, Fastacash

Valentine Obi

Managing Director and Chief Executive Officer, eTranzact



MODERATOR

Torbjörn Fredriksson

Chief of the ICT Analysis Section, Science, Technology and ICT Branch, Division on Technology and Logistics, UNCTAD

Introduction

The goals of any new payment system are: 1) reaching more people; and 2) reducing costs. Online transfers offer the lowest cost, and this method is growing. The panellists discussed the many technological options available for sending money.

Highlights

Today there are 261 mobile money products for the unbanked in 89 countries, and the industry is growing the



“There are four roles that governments can take in terms of promoting the adoption of electronic payments: interoperability across different solutions [...], consumer education, getting the flows of funds active and international standards.” Max Chion

most in Sub-Saharan Africa. Mobile network operators (MNOs) lead the operations of 60 per cent of the mobile money services through subsidiaries that are regulated by the financial systems of each country. In fewer than ten years there are 2.2 million agents providing money outlets globally, and services are extending into rural areas and to the unbanked. This past year, the fastest-growing service was international remittances. A few of the technological options are discussed below.

HomeSend is an open platform created by MasterCard that enables global remittance flows through different corridors, mainly MNOs and MTOs, with 24,000 financial institutions. While credit cards are accepted under the same conditions around the globe, remittance transactions often have different conditions and regulations in different countries. HomeSend helps eliminate these differences by creating bilateral relationships between institutions.

eTranzact built the first mobile switching platform in Nigeria interconnecting banks and mobile operators. This





“Regulators cannot impose a one-fit-all solution. We need to study each particular corridor and understand which kind of infrastructure can be leveraged.”

Simone di Castrì

has helped level the playing field for remittances, even reducing the barriers for MTOs to participate. eTranzact allows people to create accounts through mobile wallets and perform the entire remittance transaction, while complying with regulations. Proximity is a key feature for inclusive solutions and mobile wallets have proven effective at reducing costs, cross-selling products and gathering behavioral data. In countries where the financial system has not been developed to provide services to the majority of people, this has been a solution for financial inclusion. Mobile companies use retailers and agents in their network, allowing people to cash-in and cash-out, and perform transactions through agents without the need to open a traditional bank account nor to visit the closest bank branch.

Enabling the connection between Airtel and Mobile telecommunication company (MTN) in the Ivory Coast-Burkina Faso corridor proved successful. Initially, there wasn't much trust in this mechanism, as the average remittance was US\$90 and volume of flows was US\$1 million a year. However, one year later, the average remittance increased to US\$160 and the total volume increased to US\$9 million. This is an example of how once customers learn to rely on technology solutions they quickly adopt them.

GSMA is the trade association of mobile operators around the world. It works on advancing the use



“In Egypt, more than 80% of those with access to Internet are very active on social media; but less than 3% are making online payments.” Brad Prentice

of mobile phones for development, with a focus on emerging markets. The mobile money project has the goal of supporting mobile money operators and policymakers to find solutions for the development of digital financial systems.

Based in Singapore, Fastacash plays a key role in a global platform that allows users to transfer value across social media messaging platforms with the ability to include digital content. It provides a secure URL. It partners with banks, MTOs, telcos and payment service providers.

Social media is integrated into daily life. There are 2 billion social media users with 50 billion messages per day; but currently people cannot transact. Facebook is entering into the payments market.

Conclusions

Digital platforms offer numerous opportunities to reach financial inclusion, including services such as sending and receiving money, airtime and bill payment services. But there is still more to be done. Governments can encourage electronic payment systems and offer better options for consumers, particularly remittance users, by promoting: (i) interoperability across MNOs, platforms and solutions to provide easier access; (ii) consumer education, so they can trust the system, to transition from a cash-based society to one that offers digital solutions; (iii) an active flow of funds (i.e. get social disbursements from governments into electronic payments) so that people get used to these systems (this may imply having to earmark the payment to a specific use); and (iv) standards to bring consistency among modalities, which are different for mobile vs. cash transactions, so people may get more cash through a mobile transaction.



“In Africa, you cannot compare the outreach of mobiles and bank accounts; you have around 13 million bank accounts and 150 million mobile users.”

Valentine Obi

Session VII: From transactions to relationships: Growing long-term strategies

Panel 1A The sending side

SPEAKERS

Walter Pinci

Head of Payment Systems, Bancoposta, Poste Italiane

Franciso Sanchez-Apellaniz

Managing Director, MoneyTrans

Stefano Signore

Head of Unit, Employment, Social Protection,
Migration, DEVCO, European Commission

Ekaterina Karlik

Head of International Business Development,
Unistream Bank

MODERATOR



Carlo Corazza

Senior Payment Systems and
Remittances Specialist, Payment Systems
Development Group, the World Bank

Introduction

Migrant workers want to send monies home. The challenge is how to bring these senders into the formal financial market, when many are not aware of – or understand – their options. The panel discussed the challenges and the opportunities on the sending side.



“Regulators have a very difficult job. On the one side they have to protect a system based on trust and the respect of rules. Especially now with technology, the risk of financial crime is very high. On the other side, regulators have to be smart and have vision. They cannot block the evolution of technology. These are challenging times for regulators. Sooner or later, cash is going to be reduced, reduced, reduced.” Walter Pinci

Highlights

Education is the first challenge for bringing migrants into the formal financial system. On settling in their host country, migrants are likely unfamiliar with what options they have. For migrants to Italy, their first exposure to the financial system is through Poste Italiane, where many apply for residency visas. About 45 per cent of immigrants have a relationship with Poste Italiane; these tend to be the more financially literate and already integrated into the financial system. As a result, the number of cash-to-cash remittances is relatively small.

A second challenge is creating financial products that meet the needs of migrants. While low-cost remittance payments are a primary need, making other financial services available is key to truly making migrants part





“Where does the 8% [average remittance cost] come from? There are still corridors with a very high cost, and these are the corridors which risk to lag behind. We would like to concentrate our efforts in these corridors.” Stefano Signore

of the formal financial system. Poste Italiane offers an interest-bearing postal savings account and a bank card that allows for easy money storage, sending and withdrawal. MoneyTrans offers airtime, bill payment and prepaid credit cards. Unistream has been experimenting with self-service kiosks as a low-cost mechanism for sending money. Such products allow migrants to ‘graduate’ from the cash-to-cash level of services.

Financial inclusion must be made simple. Migrants often lack financial literacy, but more importantly, like all customers, they want their services easy to use. Services must not require complex underwriting, burdensome paperwork or onerous steps to follow. MoneyTrans found that products that required complicated processes to enroll in or to use were not successful.

Likewise, the payment system itself must be simplified. To that end, the Payment Services Directive (PSD) was an important piece of legislation which has had a dramatic positive impact on money transfer services. The legislation created a new type of intermediary –



“In ten years’ time, all the cash will disappear from the market.” Ekaterina Karlik

payment institutions – many of which are remittance service providers. The directive was built on two pillars: (i) a foundation of commonalities for a different level of protection; and (ii) compliance among payment institutions in other member states. This provides additional opportunities for consumers and an enhanced competitive framework. Remittance services were not entirely covered by this directive, but the negotiations around PSD II seek to expand remittance options.

Conclusions

No one product, service or method is a panacea. There will always be challenges and costs whether from infrastructure, regulations or hackers. But some steps can make it easier to bring migrants into the formal financial market and to move closer to a cashless society.



“I don’t believe in incentives. I believe in the market. The incentive is in the market, and legislation has to be done with common sense. At the money transfer level, if a customer is sending US\$100, the regulations are absurd. Money is like water. It will always find a way out. The more regulations there are, the more the money moves into informal channels. As the saying goes, ‘Don’t kill a mosquito with a bazooka.’” Francisco Sanchez-Apellaniz

Panel 1B The receiving end

SPEAKERS

Ala Polustanova

Head, Retail Products Development and Management Department, Moldova Agroindbank

Juan Sebastián Gómez Vélez

Chief, Department of Project Development, COMFAMA

Elisabeta Gjoni

First Deputy Governor, Bank of Albania



MODERATOR

Nicolaas de Zwager

Director, International Agency for Source Country Information (IASCI)

Introduction

For many low-income countries or regions, remittances represent a life-saving lifeline. The challenge is to move these monies to investment and other development opportunities. The panel discussed the prospects for remittances in Moldova, Colombia and Albania.

Highlights

Moldova

Studies show migrants in southeast Europe do not migrate to remit, they remit to accumulate wealth. On average, migrants save four times more than they remit. As the poorest country in Europe, Moldova receives a



“[In Moldova the total number of migrants] show that every family has a member of the family who works abroad. As a bank, we cannot ignore these clients.”

Ala Polustanova

larger portion of remittances. In contrast, in Romania, families move in blocks so remittances are lower. In these cases, savings are piling up and not always being used. For every euro remitted, 4 euro are saved abroad.

So the challenge is attracting that money towards investment. Remittances (combined with social and human capital and best business practices) could be used to create local development; but there is a disconnect between migrant needs and what the market offers in terms of services and products, especially for those migrants whose goal is to save to go back home.

Moldova Agroindbank was the first bank in Moldova to open a product package for migrants and their families. Moldova Agroindbank is a commercial bank with more than 500,000 clients and 30,000 legal entities. It works with the migration process for Moldova because 370,000 Moldovan migrants work abroad (and unofficial statistics indicate it could be twice that many). With a population of 3.2 million, every family has a member who works abroad. This bank works with money transfers and offers savings.





“We created a programme to promote the use of remittances towards housing purposes, instead of only using them for family expenses.”

Juan Sebastián Gómez Vélez

Money transfers in Moldova represent more than 32 per cent of GDP. Bank account transfers account for 20 per cent, while 80 per cent is done through MTOs. Most of the money transfers are from Russia, where the cost of transfers is very low. However, this low cost has not been sufficient to attract clients to financial services in local banks. There remains a lack of trust in financial services.

Colombia

Statistics in Colombia indicate that 70 per cent of remittances received in Colombia are used to buy food or pay utility bills. Giving access to other products, like mortgage loans, helps bank the unbanked. Use of remittances improves family welfare and human development can be leveraged.

COMFAMA is a Colombian private organization that is part of the social security system. It provides microfinance, health, housing and recreation services. It is financed by 4 per cent tax on the payroll of 79,000 local companies. It reaches 4.7 million people in Colombia, 82 per cent of whom are low-income. COMFAMA's remittance programme is called My house with remittances.

Albania

Historically, remittances have contributed significantly to the Albanian local economy. In the past 20 years remittances have made up as much as 20 per cent of GDP, although today they make up 6 per cent of GDP and 14 per cent of private consumption. Remittances are sent for consumption needs and are not a considerable source of investments. As potential investors are largely

limited to government bonds and treasury bills, more options might encourage more investment.

The Central Bank of Albania is the authority in charge of regulating licensing and supervision of the payment system and its operators. When the Central Bank of Albania considers savings, consumption, or exchange rate, remittances always play a key role.

In the past 25 years, migration has been relative to the economic situation in Albania and in the host countries. During Greece's financial crisis (40 per cent of remittances to Albania originated from Greece), remittances decreased, but an inflow of Albanian savings was observed, and 100,000 families came back in two years. However, Albania lacked re-integration services such as employment services, investment and business services, and language programmes for children of returnees.

Conclusions

Low-income countries or regions struggle to use remittances for activities beyond consumption. In addition, the cost of remittances involves not only transfer costs, but also the social and economic consequences, i.e. the incentives for people in countries of origin to stop working. Migration may generate more migration, particularly in rural economies where there are fewer options for investment. Therefore, by expanding financial and investment products, they might begin to move beyond subsistence. However, there is a disconnect between migrant needs and what the market offers in terms of services and products, especially for those migrants whose goal is to save to go back home.



“[In Albania], remittances have become the second foreign financing after FDI for our economy.” Elisabeta Gjoni

Session VIII: Reaching the last mile: Key actions towards financial inclusion

SPEAKERS

Anjani Kirana

Founder, Indonesian Worker Entity Foundation

Sabasaba Moshingi

Chief Executive Officer, Tanzania Postal Bank

Muthukumarasamy Kalyanasundaram

Chief Executive Officer, International Network of Alternative Financial Institutions (INAFI) India

Rupert Scofield

President and CEO, FINCA

José Luis Trigueros Islas

Managing Director, Envíos Confianza, Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)



MODERATOR

Michael Hamp

Lead Technical Specialist, Inclusive Rural Financial Services, Policy and Technical Advisory Division, IFAD



“People can resonate with postal offices.” Sabasaba Moshingi

Kibondo Post Office

Western Union inward international transfers, millions of TZS



MPESA volumes, millions of TZS



Source: Tanzania Postal Bank

Introduction

Migrants require access to financial services, and whether they are formal or informal is less important than their availability. The formal market typically considers the ‘last mile’ to be a semi-urban area, whereas in truth, financial services are needed in deep rural areas as well. The panel discussed the difficulties in reaching the unbanked and how financial service providers (FSPs) might extend their services.

Highlights

Large portions of the world remain unbanked; rural areas especially lack access to formal financial channels. While financial illiteracy is one culprit, FSPs often fail to offer services outside of urban and semi-urban areas. In Indonesia, 81.4 per cent of the





“Delivering remittances through saving accounts can provide stability and a sense of accomplishment to the clients.”

Jose Luis Trigueros Islas

population lives in rural areas and lacks access to FSPs, despite US\$8.4 million being transferred into the country through formal channels in 2014. Likewise in Tanzania, more than 80 per cent of the population is financially excluded. However, there are low-cost options for reaching these people.

Microfinance institutions (MFIs) can offer services that are safer and less costly than informal channels. In India, MFIs have stepped into the role of FSPs, offering remittance services, savings, financing for small businesses, payment points and other services. However, there is little oversight in these areas and less recourse for mismanagement.

Agents can also extend the range for FSPs. Agents typically understand the territory better and they may know the clients personally. On the other hand, agents themselves are not always financially literate; and there is always a tension between servicing the customer and servicing the bank, especially when one's own income may depend upon one's choice.



“The technology needed to increase the outreach of financial services is usually a costly investment that requires strategic partnerships.”

Rupert Scofield

Mobile banking can eliminate the need for physical branches, and it can reach people who are widely separated from population centers. Tanzania Postal Bank developed a mobile solution, and within three years it has reached 250,000 clients. In India migrant ‘hotspots’ and help desks are slowly gaining momentum. But technology comes with its own infrastructure costs as well as a cultural challenge. Most potential clients only understand cash, so they will need to be given mobile application literacy as well as financial literacy.

Conclusions

FSPs have avoided rural areas because they are seen as too costly to service. Mobile technology and financial service representatives can reduce costs, extend the ‘last mile’, and reach more of the unbanked; but these solutions will need to be coupled with greater education (for clients and agents) and more formal oversight.



“Two new ‘animals’ are being created in India: small payment banks and small finance banks, changing the landscape of financial inclusion in India.”

Muthukumarasamy Kalyanasundaram



“Money transfers are just a trigger. The critical issue would be to understand how are those resources being used.”

Anjani Kirana

Session IX: Prospects and concluding remarks for Private-sector day

Norbert Bielefeld, Deputy Director, Payments and Securities, World Savings Banks Institute (WSBI) summarized the main issues of the day.

- The cost of sending remittances should be low enough to encourage the receiving side to save and to invest for sustainable development.
- De-risking has made accessing bank accounts and payment systems more difficult; dialogue is needed between industry and regulators to prevent further damage.
- ‘Exclusivity contracts’ is an ongoing topic, but not much has changed. There must be a more balanced contractual agreement between sending and receiving providers, not driven by the market share of the institution.
- Compliance measures to prevent money-laundering are burdensome. Regulation needs to be more proportionate. In this regard, there is a need for greater policy influence.
- There is a need for innovation and transformational players with strong customer-orientation in all aspects of the remittance cycle. For the receiving end, the private sector has a significant role to play in offering a range of assets – both tangible and intangible – that migrants can invest in.

The ‘last mile’ should be the ‘first mile’. Financial inclusion should be achieved before migrants depart.



“The bigger the market share of a sending payment company, the lesser liability that sending party is taking. A more balanced contractual environment is therefore needed.” Norbert Bielefeld

Massimo Cirasino, Head of the Payment Systems Development Group of the World Bank, concluded the day by reflecting on the relevance of working in close collaboration with the private sector to achieve remittance market goals. He urged the participants to continue to provide feedback on the de-risking issue as well as the SMART way to look at remittance costs, in an attempt to identify some measurement other than global average to quantify the impact of services and the cost to communities. The target of universal financial access to all adults by 2020 is within reach, if we work together.



“Dr Jim Yong Kim has announced the goal of providing a transaction account, which is not necessarily a bank account, to all adults, not all households, by 2020.” Massimo Cirasino

Session X: The global diaspora and migrant communities

Panel 1 The human face of globalization

SPEAKERS

Anne Hastings

Manager, Microfinance CEO Working Group

Kingsley Aikins

Chief Executive Officer, Diaspora Matters

Oscar Chacón

Executive Director, National Alliance of Latin American & Caribbean Communities



MODERATOR

Stefano Signore

Head of Unit, Employment, Social Inclusion, Migration, DEVCO, European Commission

Introduction

Migrants and diaspora are referred to as a homogenous group, with similar needs and life trajectories. In fact, the migrant population is quite diverse. The panel discussed the heterogeneous nature of the diaspora and how to assist them.



“We set up a crowdfunding site for diaspora called Zafèn, which means ‘it is our business’. We were trying to get across the concept of ‘Haiti is your business’, so the diaspora, instead of trying to invest a big amount that could be at risk, could invest 25 dollars for a project.” Anne Hastings

Highlights

Types of migrants

The remittance community is made up of senders and receivers. The Microfinance CEO Working Group aims to empower both ends: supporting migrants in becoming successful entrepreneurs, and supporting recipients in moving from consumption to investment. Because migrants are at different stages in their financial path, it is important to provide assistance at all stages: from understanding remittances, to setting aside savings, to creating investment groups.

Many migrants want to invest in their home communities. Hometown associations can make this desire a reality by linking migrants to projects in need. One successful strategy is crowdfunding: small amounts can be invested by many people to fund enterprises back home. Beyond remittances, it is important to



consider all types of capital when talking about migrant communities: **human capital (migrant workers), financial capital (remittances) and knowledge capital (financial literacy).**

Networking and advocacy

No one teaches networking, and yet it is essential to achieving influence. The United States is home to 22 million Latin Americans residents, yet migrant communities have overlooked their potential to be more effective agents in policy advocacy. By identifying an area of public policy, they can advocate for change – in both destination countries and countries of origin.

Countries that have between 10 and 30 per cent of their population residing abroad should have strong policy advocacy. In fact, given the diversity of the diaspora, even states within a country might exert considerable influence. However, most do not take advantage of this potential. Latin American immigrant communities are crucial to the United States, but the recent rise in anti-immigrant and racist behavior makes advocacy difficult. Nevertheless, having a greater voice in policy can help to stem this issue.



“Ironically, the countries that lost the most to emigration, are actually in a position to benefit the most by diaspora engagement.” Kingsley Aikins

Conclusions

It is important to recognize the rich diversity within the migrant population. By recognizing the depth of the migrant community, we might better address their individual financial needs; by recognizing the breadth of the migrant community, we might better empower them to advocate for themselves.



“When [migrants] are sent back, the story becomes a sad one because the countries of origin don’t have any re-integration programme. The dominant view about those who left the country is that they are all successful and well-to-do entrepreneurs. Convincing governmental elites that they have to do better in supporting families when they return is not easy. This is where organized diaspora communities can help.” Oscar Chacón

Session XI: Global diasporas and development

Panel 1A

Meeting diasporas' needs: Private, public and people partnerships

SPEAKERS

Mark Kosmo

Chief Finance Officer, the Mentor Group Chair, Massachusetts Albanian American Society

George Duncan

CEO, Sankofa Netherlands

Daniel González

Program Director, Avina Foundation



MODERATOR

Agnès Deshormes

Diaspora Investments and Entrepreneurship Expert, IFAD

Introduction

The panel discussed opportunities for diaspora investment in their home countries and how this related to Albanian and Ghanaian diaspora in particular.



“People migrate to create wealth, and that can be done by investing in their own country, but an enabling environment needs to exist.” Mark Kosmo

Highlights

Migrants are willing and interested in investing in their home country, and in their home community specifically. Some want to invest in a business that will generate local income for their families; some want to create a safety net for a future when they return home; and some wish to invest out of a sense of responsibility. However, the lack of an enabling environment prevents them from investing. There are several areas that must be addressed:

- Lack of knowledge among migrants on where to invest and how to invest
- Lack of trust in the legal and judicial system
- Weak financial and regulatory environment
- High level of corruption

These issues can be addressed in a number of ways as described ahead:



Government

Without a sound policy, it is very hard for migrant workers to be effective investors. In this regard, they tend to have an affinity for the city or town they are from, more so than their country. Therefore, local-level government is important. Governments can provide tools and incentives for investment, but they must also ensure that funds are handled safely and not lost to corruption.

Diaspora organizations

More effective coordination is needed among diaspora organizations, perhaps by establishing a committee or a congress. Diaspora can organize to exert influence on both their home country and their destination country. It is not necessary to wait for people to be successful in their destination country for them to have political representation. The innovative Mexican programme '3x1' helps migrant communities in the United States to influence policy at home: for every dollar a collective group wants to invest in its town of origin, the three levels of government each give one dollar. The initiative came about because Mexicans were telling the Government that they were sending money home, but that their people were worse off, and that the Government had to help.



“A significant challenge among Ghanaian migrants is the enormous pressure they face from the family to not return home out of fear of the remittances stopping. These families need to be educated so that they don't discourage their family members abroad who have plans and are tired of where they are living.”

George Duncan

Organizations in-country

The private sector of the home country, as well as players such as universities, can have a strong influence on government policy.

Education of diaspora and natives

There needs to be a broader vision that engages both the diaspora and others within the host country to invest. Once a year, Sankofa conducts a workshop on business in Africa in order to encourage the Dutch private sector, together with the migrants, to invest in Ghana. One challenge is that most Ghanaians in the Netherlands are low-skilled and are not aware of the different business possibilities.

Conclusions

Migrants will invest in their homeland if they understand how to do so and they believe that the monies will be used wisely. Migrants, along with the private sector, can influence governments to create an enabling environment for such investments.



“[Migrants] are sending money back home, and they are very active political players who can increase and improve the business environment in their home countries.” Daniel González

Panel 1B Where remittances matter the most: Rebuilding post-conflict societies

SPEAKERS

Lee C. Sorensen

Director, Shuraako – Connect>Invest>Jobs

Chukwu-Emeka Chikezie

Director, Up!-Africa Limited

Behar Xharra

Founder, KosovoDiaspora.org



MODERATOR

Cornelius Hurley

Center for Finance, Law and Policy,
Boston University

Introduction

Panelists presented the role of remittances in three post-conflict states (Somalia, Kosovo, Sierra Leone). They discussed challenges and opportunities for remittance mobilization and diaspora investment in these countries and how their organizations were addressing these conditions.



“It’s all about framing. And what we are doing in Somalia is relieving the misperceptions so that we have a better understanding of the true risks vs. perceived risks.” Lee C. Sorensen

Highlights

Somalia

- Remittances account for 45 per cent of Somalia's GDP
- GDP per capita is estimated at US\$491
- General unemployment at 54 per cent; youth unemployment at 67 per cent
- 75 per cent of the population is under 30
- Adult literacy is 24 per cent

The challenges to economic growth include:

- Credit gap (for businesses and individuals), due to the collapse of institutions several decades ago
- Highest cost of electricity in the world
- Weak institutions and governance, and
- Unskilled, uneducated workforce

In addition, Somalia is an import economy, so there is a potential large market in the country that could be regained (by local and returning Somalis) by producing and selling in-country.

There are between 1 million and 2 million Somalis in the diaspora. The figure that follows shows where the US\$1.003 billion remittances to Somalia flow from.



Remittances vs. Humanitarian Assistance (2012)



Estimated population and location of Somali diaspora



Source: Shuraako

About 80 per cent of diaspora sends remittances home, with average annual remittances at US\$1,200-4,000. Almost three quarters of remittances flow through one of the 20 formal money transfer operators, which face issues such as frozen licenses and money flows being cut off. This stimulates the use of informal channels. Forty per cent of Somalis survive on remittances, which are the primary source of start-up capital for small businesses. However, credit is often not granted for remittance payments, even if there is a history and a regularity to them.

Shuraako is a project of the One Earth Future Foundation, a non-profit organization based in Colorado. The organization helps businesses become finance-ready and helps financiers understand the real risk of investing in businesses locally. Somalia lacks a neutral brokerage service. Many migrants want to return to Somalia, and they may have good business ideas, but they have very little information about how to realize these ideas on the ground. In addition, many businesses want diaspora investment, but they do not know what diaspora investors want. With IFAD, Shuraako has created the AgriFood Fund, which will match seed capital to diaspora investment to local investment.

Kosovo

- Unemployment rate at 37 per cent
- Poverty rate at 34 per cent

- An estimated one third of the population comprises the diaspora. However, unlike other diaspora, Kosovar migrants can more easily move in and out of the country
- US\$1.2 billion in remittances sent each year, representing 17 per cent of GDP
- About 42 per cent of remittances are sent as cash, 32 per cent through banks and 23 per cent through MTOs
- About 25 per cent of businesses that have been established since the end of the conflict are at least partially financed through remittances. However, these funds are most often used for consumption

Kosovo is an example of how conflict shook up the foundations of safety nets, life and the economy. The gaps left by the Government were filled by different actors. One of these is the KosovoDiaspora.org platform, established in 2012, that aims to build online communities of Kosovars and connect them with their home country.

In post-conflict situations, there is an increasing demand from both the Government and people to invest. While the diaspora do send money back home, incentives and efficient mechanisms need to be in place – by the Government and institutions – to link entrepreneurial remittances to development. With the help of IOM, UNDP and bilateral donors, the Government of Kosovo

is looking into building an investment fund, which will then serve as an endowment for start-up companies. Entrepreneurial bank loans currently range from 14 per cent to 22 per cent. A diaspora investment fund would bridge that gap.

Trust in the Government is another issue. Research shows that the diaspora expects the Government to take the lead and provide incentives to bring the key actors together. The Government established the Ministry of the Diaspora three years ago. It deals mostly with identity and cultural issues, but not so much with economic ones. The creation of this ministry has led to assumptions that anything related to the diaspora will be dealt with by this ministry. As a result, the diaspora issue has been fragmented from the greater policy framework, which should also involve the Ministry of Finance and Economy.

Sierra Leone

The post-conflict situation in Sierra Leone became even more fragile after the Ebola crisis.

The Ebola crisis is a prime example of a missed opportunity for governments to draw on the strengths of the migrant community. During the Ebola crisis, the diaspora mobilized 60,000 lbs. of medical supplies. However, the supplies sent from the UK were stuck at the port for about a month. The Government of Sierra Leone was not good at engaging with diaspora at the time of need. It had no policy or framework for capitalizing on this opportunity. Similarly, neither of the destination countries (United Kingdom and United States) knew how to incorporate the diaspora into their



“It is no surprise that the countries where it is more expensive to send money are also the weakest and the poorest.” Chukwu-Emeka Chikezie

humanitarian response. Diasporas are not seen as providers of humanitarian relief, and so the opportunity to engage them was lost.

Although the diaspora were willing and able to help, they were unable to engage effectively. They lacked access to governments and people on the ground.

But diaspora and governments need not wait for disaster to mobilize. Diasporas can be more proactive as institutional entrepreneurs if they build their capacity, given the fact that institutional weaknesses are the primary obstacles to maximizing development. Leveraging investment for construction and vocational skills should be developed. The construction sector can be used to kick-start the wider economy by creating local jobs.

Conclusions

Unsurprisingly, it is the poorest countries where it is the most expensive to send money.

Those countries where the public sector is most involved tend to maximize diaspora investment best. Especially in post-conflict areas, governments must look to organizing and supporting diaspora to use their remittances for investment. In particular, governments must improve their engagement with diaspora and build capacity among diaspora entrepreneurs.



“Remittances are a supplement to income, but they also have an impact in terms of participation in the labor market.” Behar Xharra

Session XII: Diaspora goals: Building the road to opportunity

Panel 1A Learning, sending, saving and investing

SPEAKERS

Liesl Riddle

Associate Professor, George Washington University

Estrella Mai Dizon-Añonuevo

Executive Director, Atikha Overseas Workers and Communities Initiatives Inc.

Ganesh Gurung

Executive Director, Nepal Institute of Development Studies (NIDS)



MODERATOR

Maria Jaramillo

Senior Manager, Microfinance Opportunities (MFO)



“With diaspora investment models, we need to grow trust and build a product portfolio that allows that trust.” Liesl Riddle

Introduction

Remittances become crucial during times of natural disaster. The panellists discussed the impacts on home countries in the wake of devastation.

Highlights

Natural disaster typically affects the poorest people the most, as they tend to live in fragile areas and have the fewest protections against calamity (houses built with poor construction materials; no safety nets). Remittances have had a powerful positive effect on countries, especially after natural disaster. Following the earthquake in Nepal:

- Remittances increased by 50 per cent, as an emergency response to families
- Remittance companies did not charge transfer fees during the emergency period



- Social remittances also increased, as many migrants brought home their knowledge and skills to provide rescue, relief and reconstruction

Despite these positive efforts, more action is needed. Preparation is key: not only should governments prepare for disaster within the country, they should look for ways to build their assistance infrastructure outside the country. Governments can get ahead of the next disaster by understanding the diaspora organizations, such as where they are and who their go-to people are. Governments need to build relationships with these organizations long before disaster strikes so that diaspora communities know which development actors they should contact for any assistance efforts.

Having these connections established beforehand is critical to responding quickly – and effectively – following a disaster, but they are also important to have in place for non-emergency situations. Governments can link migrants to worthy projects that could be scaled up with remittance investment, such as the Atikha and IFAD-supported projects. The prime project activity is education, especially the ‘Training of Trainers’ of migrant organizations abroad, families left behind and local government staff. However, financial literacy is not enough. Peer and psychological counselling is



“After Nepal’s earthquake, remittances increased by 50%.”

Ganesh Gurung

necessary, given the high social costs of migration, especially since about 50 per cent of migrants are women. These two components are followed by linkages between families, savings and investment opportunities.

Conclusion

Migrant remittances can have a powerful impact on home countries, especially following natural disaster. But they can be more effective if governments find ways to connect with migrant organizations long before disaster strikes, so that lines of communication, and even infrastructure, can be built.



“Migrants often have a misguided view of migration. They don’t really understand what awaits them, the conditions under which they will live, how much they will actually be able to remit and to save, etc... Pre-migration seminars need to be offered for those who are going to migrate and their families.”

Estrella Mai Dizon-Añonuevo

Panel 1B Financial instruments for diaspora investors

SPEAKERS

Nicolaas de Zwager

Director, International Agency for Source Country Information (IASCI)

Leigh Moran

Senior Officer, Strategy, Calvert Foundation

Josephine G. Cervero

FVP Trust Officer, Land Bank of the Philippines

MODERATOR



Ron Bevacqua, PlaNet Finance Technical Advisory Services Inc.

Introduction

There are financial services and products that can be used to channel funds from the diaspora into social economic development. The panel discussed what has been learned from experience and how it can be applied to encourage diaspora investment.



“The diaspora that we are aiming for are people that have maintained active and material connections with their country of heritage whose agendas overlap...with development agendas.” Leigh Moran

Highlights

Migrants are interested in investing in their home country but they are often suspicious of formal institutions and regulatory frameworks. Likewise, there is often a lack of investment channels that are safe and that have a track record.

Migrants tend to invest conservatively, focusing on products such as deposits, insurance and pension plans. As a non-profit impact investment fund, Calvert Foundation enables people to invest in social goods regardless of wealth or status. It raises capital from individuals and institutional investors, and it invests in social and financial returns globally, and especially in those that deal with the root cause of migration (see the online platform www.vested.org). In the past two years Calvert has explored how to use the platform to facilitate diaspora investment, mainly in India and in Latin America.



Reaching the diaspora community and convincing them to invest can be challenging. One option is to reach out to them before they go abroad. Pre-departure seminars, including basic financial education and information on potential financial services based on migrant profiles, can be effective. Once migrants have gone abroad, there are two basic strategies for reaching them: (i) communication through their families in their places of origin; and (ii) by developing trust in the transnational household. Reaching out directly to investors requires transparency and trust, given that diaspora organizations are very sensitive to corruption and misuse of funds.

Ultimately, guidance and training for migrants on investment is key. IASCI works through resource centers for migrants. Migrants are segmented in three groups: those who migrated a long time ago and are well-established, recent migrants who are still finding their way, and those migrants who are returning home. They are introduced to the various products and services available to them and their particular status (e.g. banking, pension plans, insurance schemes). In particular, they are made aware of wealth and return management. Investors can purchase a Note that will direct their investment to one of those two portfolios.



“You can set up migrants’ investment trust funds, but do it in the country of destination. Migrants are keeping their money in those countries for a reason, because they trust the system. So leverage that trust.”

Nicolaas de Zwager

Conclusions

Diaspora is a broad market that has great potential as investors. But institutions must prove themselves trustworthy, they must educate migrants in the value of investing, and they must develop products appropriate to the migrant life cycle.



“We are not talking about redirecting remittances, or doing a philanthropic investment; we are leveraging private capital to invest in economic development.” Josephine G. Cervero

Segmenting migrants according to gender and life cycle



Source: Philippine Statistics Authority, 2012 Survey on Overseas Filipinos

Session XIII: Remittances, migration and development: Policy and operational considerations

Panel 1 Global agenda on migration and development

SPEAKERS

Bela Hovy

Chief, Migration Section, Population Division, United Nations Department of Economic and Social Affairs (UNDESA)

Dilip Ratha

Lead Economist, Head of the Global Partnership on Migration and Development (KNOMAD), Migration and Remittances Team, Development Prospects Group, the World Bank Group, Chairman of the Global Migration Group

David Khoudour

Head of the Migration and Skills Unit, OECD Development Centre

Laurent De Boeck

Head of Labour Migrations and Human Development Division, International Organization for Migration (IOM)



MODERATOR

Pietro Mona

Deputy Head of Unit, Global Programme Migration and Development, Swiss Agency for Cooperation

Introduction

The panel discussed remittances within the broader policy debate on the SDGs and on Financing for Development.



“Where there is money, there is political value. If remittances have economic value, then politicians have to pay attention to it.” Bela Hovy

Highlights

By 2050 the number of migrants globally could double to 450 million, and remittances will grow likewise.

Among migration corridors, the 15-29 age group in Africa has the highest migration rate, and that number will likewise double. As part of the SDGs, it is imperative that countries begin capacity development. Further, it is necessary to show that remittances work for development in order to help remove the stigma associated with migration. There are eight channels or links between migration and development: remittances, diaspora investment, trade, tourism, knowledge transfers, technology transfers, and impacting values at home and in destination countries (South-South and South-North migrations).

Remittances are a trillion dollar industry. An additional US\$110 billion a year for development could be raised by leveraging diaspora resources by:

- Reducing remittance costs (US\$30 billion). The global average cost for remittances is 8 per cent, but there are regions where the cost is much higher.



- Realizing diaspora savings via diaspora bonds (US\$50 billion). Many diaspora savings are in savings accounts with no interest. If, for example, a country of origin issues a 4 per cent bond with five-year maturity to build a bullet train near a migrant’s village, the migrant would most likely invest. It is a question of the instrument being secure enough.
- Reducing recruitment fees paid by low-skilled migrant workers to agents to have a job at the other end (US\$20 billion). It is estimated that about 10 million migrants have paid these kinds of fees.
- Promoting diaspora philanthropy. If transfer fees are waived in such cases additional funds could be saved (US\$10 billion).

Remittances require an enabling environment. Currently, public policy is narrowly conceived, particularly in terms of regulation of flows and reintegration of migrants. Policy should be used to encourage remittances as a complement to income generated at home (rather than a replacement for it). The development policies in four sectors in particular can make a significant contribution to creating an enabling environment:

- **Investment and financial services policies:** more efficient and widely available financial services, tax exemptions and financial education
- **Agricultural policies:** more secure land rights, crop insurance, subsidies and agricultural training



“Too much focus on remittances might lead governments not to feel accountable. On the same lines, certain people are having their family deciding for them, because remittances might seem like the only solution.”

Laurent De Boeck

- **Health and social protection policies:** health and social benefits, pensions
- **Education and skills policies:** conditional cash transfers, scholarships and non-monetary benefits

Notwithstanding these recommendations, policy should focus on the broader issue of migration generally. Migration is a complex issue, but it is one that must be addressed humanely. On the migrant-receiving side, it must be acknowledged that migrants are an important resource in host countries, so more flexible and open regulations are needed to allow people to live in a more secure environment and avoid problems with local populations.

Conclusions

Human migration will grow significantly by 2050. With a recognition of the value of migrants and the creation of a more enabling environment for remittances, countries can meet the SDGs.



“Diaspora savings is an untapped pool of resources, that somehow we have neglected.” Dilip Ratha



“Public policies can affect remittances in three ways: they influence the decision to send remittances or not; they can affect the volume and the frequency of remittances; they can affect the use of those remittances.” David Khoudour

Panel 2

From pilots to scale: IFIs helping to make a difference

SPEAKERS

Tomas C. Miller

Access to Finance Unit Chief, Multilateral Investment Fund/
Fondo Multilateral de Inversiones (MIF/FOMIN), IDB

Pedro De Vasconcelos

Manager, Financing Facility for Remittances, IFAD

Introduction

Despite the amount of money sent in remittances and the number of people who benefit from them, an astounding number of people still remain unbanked and vulnerable. The speakers discussed lessons learned from their projects and provided recommendations for the way forward.

Highlights

There are 250 million migrants worldwide who sent US\$436 billion in remittances in 2014. The cost of these transactions was US\$37 billion, with an average transaction size of US\$200. In Latin America and the Caribbean around 40 million migrant workers sent a total of US\$65.4 billion in 2014. The majority of these remittances are paid in cash and channelled for consumption. Nevertheless, many of these people (48.6 per cent of adults in Latin America and the Caribbean) do not have a savings or checking account. Therefore, there is a significant opportunity to reduce economic vulnerability of remittance senders and recipients and increase the client base of financial institutions by:

- Increasing access by strengthening the rural remittance market by:
 - promoting competition
 - increasing intermediation (e.g. MFIs, postal offices)



“There are a lot of aggregated data, but disaggregated data are lacking. These type of data are important for stakeholders to identify where the gaps are and where the business opportunities are.” Tomas Miller

- using innovative models (e.g. mobile, virtual)
 - establishing a regulatory framework that promotes private-sector innovation (the legal and regulatory framework should take into account the needs of the lowest-income populations and find a balance between the objective of financial inclusion and the stability of the financial system)
 - providing access to reliable and updated data to help the private sector understand market dynamics and inform investment and operational decision-making
- Increasing use of financial services by remittance users:
 - creating more distribution channels
 - promoting financial literacy; savings habits should be created from the outset, and efforts by the public and private sectors are needed
 - cross-selling financial products
 - mobilizing savings; promoting savings of remittance clients by bringing payment transactions closer to receiving families, and having the appropriate infrastructure to undertake cash-in and cash-out transactions (e.g. agent banking).
 - Increasing investment back home by:
 - identifying opportunities
 - establishing productive investment models (e.g. funds, bonds)
 - developing skills
 - promoting entrepreneurship

The approach used by MIF/FOMIN is depicted in the following box.

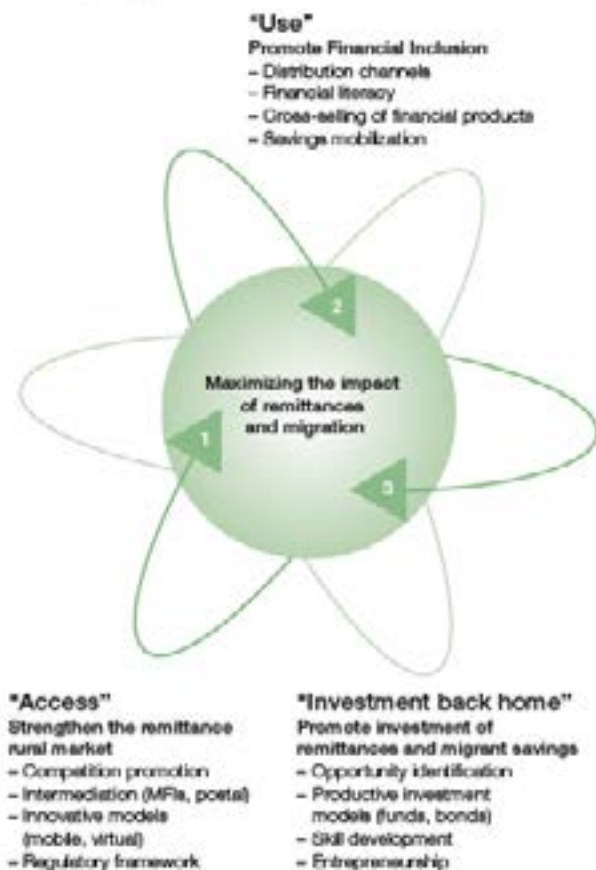
Mr De Vasconcelos briefly described how IFAD's country strategies and portfolio contribute through scalable models and inclusive finance: operations (supplementary funded grants, small and large grants, loans), knowledge management and advocacy (research and analysis, knowledge products, policy advocacy).



“Scaling up programmes on remittances and diaspora investment is the natural pathway to maximize the impact on millions of families in developing countries and, by the same token, support the global effort to achieve the SDGs.”

Pedro De Vasconcelos

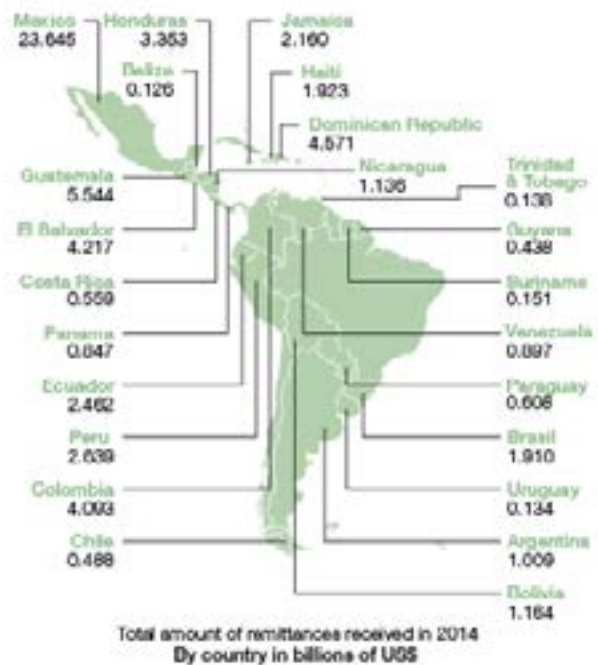
Remittances and Development in Rural Areas: Strategic opportunities for IFAD



Source: IFAD

FOMIN's remittances work

- **Market information.** Annual remittance reports, market research, capacity-building to collect and publish information
- **Market Environment.** Annual remittance reports, market research, capacity-building to collect and publish information
- **Business Models.** Remittances and financial inclusion projects, with an emphasis on savings



Source: FOMIN

Panel 3 Project Greenback 2.0: Remittance champion cities

SPEAKERS

Paola Giucca

Principal Manager, Market and Payment Systems Oversight Directorate, Bank of Italy

Marco Nicolí

Remittances Specialist, Payment Systems Development Group, the World Bank

Alison Ang

Deputy Director, Money Services Business Regulation Department, Bank Negara Malaysia



MODERATOR

Gloria Grandolini

Senior Director, Finance and Markets Global Practice, the World Bank

Introduction

The panellists discussed champion cities in Project Greenback 2.0.



“At the end, the financial inclusion process goes together with the social integration of the migrant.” Paolo Giucca

Highlights

Project Greenback 2.0 is designed to assist migrants with financial inclusion. It takes an innovative bottom-up approach by trying to understand the needs of migrants and their families at home. There are a number of ‘champion cities’ where the project is being implemented.

The current cities include Turin¹² and Montreuil.¹³ In 2015, the initiative will be launched in the Balkans, Haiti, Indonesia, Malaysia and the United States (Chicago). Plans are also being made to launch the project in Canada, Germany (Frankfurt) and the United Kingdom (London). Malaysia will be the first Asian country to participate. Its champion city is now being selected.



¹² <https://youtu.be/4Fgg7Qf8tr0>

¹³ <https://youtu.be/7yiHrAiMcBA>

Pick Remit: we are getting there



Users can select sending and receiving country and compare services available near them to find the one they prefer

Project Greenback

Project Greenback 2.0 has made users of remittance services more dynamic and informed. In 2015, 20 per cent of project participants in Turin had opened bank accounts. The project focuses on:

- Improving education and awareness among project participants (remittance users comprised primarily of urban migrant workers, plantation workers, and small and medium enterprise owners)
- Raising awareness of the most appropriate methods for sending money home
- Fostering dialogue between different stakeholders, but especially between migrants and local payment service providers at local level
- Furthering market transparency and competition, and reducing prices for remittance services



“The scope of [Greenback] will be expanded to cover people in the plantation areas, since 15% of foreign workers are there.”

Alison Ang

The project promotes the above through financial education (classes, crash courses, city tours); market monitoring (analytical data, mystery shopping, anecdotal evidence); migrant-led activities (Challenge Fund, radio shows, social and sports events); and market-led initiatives (workshops, migrants-meet-providers). The project has also introduced a new app called Pick Remit, which enables users to select sending and receiving countries and compare services available near them with find the one they prefer. Additional mobile kiosks and temporary booths that serve as non-bank remittance service providers will be placed in designated locations where the concentration of migrant workers is high. City tours will also be given in order for participants to see where the access points are.

Conclusions

The challenges to financial inclusion are great, but through the Project Greenback 2.0 migrants in Turin are beginning to enjoy the economic benefits in terms of investment, savings and credit. There is also the dimension of social inclusion, which is equally important.



“Pick Remit will allow migrants to select the service they want to use, and compare the services available.” Marco Nicoli

Session XIV: GFRD2015 Best Practice Awards for Innovations and Public-private-people-partnerships

Tapping into the expertise of the remittance stakeholders, the GFRD Awards showcased innovative models and best practices that can contribute to strengthening the remittance market through replication and/or scale. The first GFRD Awards were launched during the GFRD2013, where three of the 50 IFAD co-funded projects saw their efforts officially recognized as being the most innovative. At the GFRD2015, IFAD's Financing Facility for Remittances (FFR) extended the award to participants from all organizations working on and with remittances around the world. This year, applicants' initiatives were framed within three goals that represent the work that IFAD and the FFR promote:

- Promoting access to remittances in rural areas
- Linking remittances to financial service and products
- Developing innovative and productive rural investment opportunities for migrants and community-based organizations

The call for proposals for the GFRD2015 Awards received an outstanding response from organizations and initiatives from around the world. Submissions focused on a variety of topics related to: (i) increasing competition and reducing the cost of remittances and related financial services; (ii) broadening the geographical reach of financial services; (iii) improving transparency and accessibility to promote migrant protection; (iv) enabling migrant workers to best use their resources through financial/entrepreneurial education; (v) increasing the variety of financial services available to the diaspora and their families; and (vi) encouraging the diaspora to channel remittances for entrepreneurial activities.

Awardees

Awardees were chosen not only on the basis of innovation, but also on their capacity to involve key partners in their operations while demonstrating impact, sustained commitment and scalability. The following three organizations and one individual were awarded in the categories of private sector and project awards. All have demonstrated excellence in remittances for social and economic development.



GFRD 2015 Awardees

Private-Sector Award	Project Award
<p>Industry</p> <p>WorldRemit Ltd. <i>iOS and Android mobile Apps</i></p> <p>WorldRemit Ltd. is the world's largest mobile-centric money transfer service, providing a convenient, low-cost alternative to expensive and traditional money transfer options.</p>	<p>Civil society</p> <p>Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)</p> <p><i>Red Confianza</i> is a shared platform that seeks to reduce the urban-rural divide and accelerate financial inclusion.</p>
<p>Diaspora entrepreneurship</p> <p>Mame Khary Diene <i>Bioessence Laboratories</i></p> <p>A committed young woman entrepreneur who, through the social impact of her enterprise, proved that to succeed it is not necessary to continue going abroad.</p>	<p>Public sector</p> <p>Bangko Sentral NG Pilipinas (BSP)</p> <p>The <i>Economic and Financial Learning Program</i> is a pioneer multi-partner initiative for Filipino migrant workers and remittance-receiving family members launched by a central bank – BSP.</p>

The four runners-up deserve to be recognized for their commitment, innovation and unique contributions in the field of remittances and development.

GFRD 2015 Recognitions

Private-Sector Recognition	Project Recognition
<p>Industry</p> <p>HomeSend <i>Partnering for mobile remittances in Africa</i></p> <p>A B2B service provider offering an open and neutral remittance hub and a real-time money transfer processing network. HomeSend launched the first mobile-to-mobile remittance corridor in Africa.</p>	<p>Civil society</p> <p>International Agency for Source Country Information (IASCI)</p> <p><i>Nexus Moldova Project</i> is a catalytic project supporting migrants to set and realize their migration goals from preparation to departure, during migration period and to sustainable return.</p>
<p>Industry</p> <p>UAE Exchange <i>Mission Zero Suicide and Flash Remittance</i></p> <p>UAE Exchange drives financial inclusion agendas worldwide through technology-driven products and solutions.</p>	<p>Public sector</p> <p>Center for Latin American Monetary Studies (CEMLA)</p> <p>The <i>General Principles Applied to Remittances Market</i> is a unique remittance market principles initiative for central banks in Latin America and the Caribbean.</p>

GFRD 2015 Awardees



Winner of the Private-Sector Award – Industry

WorldRemit Ltd.

Remittance network provider

Geographic scope: 50 send countries and 123 receive countries

www.worldremit.com

About WorldRemit

Founded in 2010, WorldRemit is the world's largest mobile-centric money transfer service, providing a convenient, low-cost alternative to expensive and traditional money transfer options. WorldRemit allows customers to send money to friends and family living abroad using a computer, smartphone or tablet. With low fees and guaranteed exchange rates, WorldRemit brings fair, transparent pricing to the money transfer industry.

WorldRemit offers a wide range of services including bank deposit, cash collection and Mobile Money. Customers can also send mobile airtime top-ups, which can convert airtime top-up customers into remittance senders. More than 50 per cent of all WorldRemit transfers to Africa are currently received on Mobile Money accounts.

Highlighted innovation

iOS and Android mobile App

In November 2014, WorldRemit launched its *iOS and Android mobile App*, enabling customers to send fast, secure and low-cost money transfers from their Apple and Android devices. The App was downloaded over 10,000 times within three weeks of its launch. It allows customers to send money directly to friends and relatives back home, including those with a Mobile Money account. Remittance recipients can receive small amounts on their mobile wallet through this App and also use the Mobile Money account to directly pay at local shops and businesses that are enabled to accept Mobile Money payments.

WorldRemit App:
Transfer example



Highlighted achievements

- WorldRemit has become a market inspiration company that brings not only adapted and innovative mechanisms to send and receive remittances, but also a model that directly fulfils migrants' needs
- 234 per cent growth in transfers to Mobile Money accounts over the past 12 months
- Raised US\$100 million in a Series B funding round led by Technology Crossover Ventures in February 2015
- New product enables customers to send to 11 Mobile Money services in 10 countries
- Major global partnership with MTN telecommunications group in January 2015, enabling WorldRemit customers to send remittances instantly to MTN's Mobile Money customers



Winner of the Private-Sector Award –Diaspora entrepreneurship

Bioessence Laboratories
 Natural cosmetics and food supplements enterprise
 CEO: Mame Khary Diene
www.bioessencelabs.com

About Bioessence Laboratories and Mame Khary Diene

Bioessence Laboratories is a Senegalese enterprise specializing in the beauty and wellness industry. It was founded by Mame Khary Diene, whose goals were to create and promote the finest ‘natureceuticals’



in the market (cosmetics and food supplements), showcasing African flora. In early 2005, Mame left her business consultancy

in Europe and established Bioessence Laboratories, and its brand Karypur, which is recognized in the world of natural and African cosmetics and organic food supplements. Mame is one of the thousands of diaspora entrepreneurs who are true agents of change. In her words: “I wanted to demonstrate, as a young entrepreneur, that it is possible to succeed in Africa and it is not necessary to go abroad. Having a social impact with my enterprise was a main concern in my decision to return home.”

Highlighted innovation Bioessence Laboratories

Bioessence Laboratories aims to combine traditional knowledge and technology to transmit the richness of African biodiversity to the world through its ‘natureceuticals’ products. It works for sustainable rural development and conservation of forest resources, and promotes local products from Senegal and Guinea with a social impact on small producers, particularly women, providing them opportunities to sustainable livelihoods.



Highlighted achievements

- Since its foundation, Bioessence Laboratories has created 30 permanent jobs and a sustainable source of income for 4,000 women in Senegal and Guinea
- Bioessence Laboratories strengthens women producer organizations from the poorest and marginalized communities, particularly ethnic minorities, through guaranteed prices, processing equipment and training
- Bioessence products are exported to Austria, Canada, France, Germany, Japan, Mauritania, South Korea, Spain and the United States



Winner of the Project Award – Civil society

Asociación Mexicana de Uniones de Crédito del Sector Social (AMUCSS)
Non-governmental organization

Project title: *Red Confianza* (2013 – ongoing)

Banking remittances as a financial inclusion and development strategy in rural and indigenous areas of México

Geographic scope: 22 states in Mexico through 96 financial institutions
www.amucss.org.mx

About AMUCSS

AMUCSS is a Mexican non-profit organization formed by a network of rural financial institutions and micro-banks. Since its inception in 1992, AMUCSS has accomplished a series of innovations that turned it into a leading organization linking remittances with financial intermediation at the communities of origin.

Linkages have a dual purpose: (i) to achieve financial inclusion of peasant and indigenous families in rural migration areas; and (ii) to boost remittance investments for development. AMUCSS has successfully converted migrant remittances into savings that are reinvested as loans to promote local economic development.

Highlighted innovation

Red Confianza

Since 2013, *Red Confianza*, an emerging technological company (belonging to AMUCSS Group) allows remittance delivery directly to the receiver's savings account. It is aimed at creating a transactional financial ecosystem in rural areas through debit cards and mobile banking, connecting remote communities to national and international financial systems. It is an attractive business model for all the stakeholders: local financial institutions (card issuers), transaction administrators and remittance receivers. *Red Confianza* is associated with *Envios Confianza*, a previous innovation of AMUCSS. The innovation relies on serving the poorest and most vulnerable population by reducing delivery costs, encouraging recipients to efficiently use remittances by linking them to savings accounts through effective

models of financial education, and the linkage to a rural network of local microfinance institutions that increases financial inclusion for migrants' relatives.

Previous pioneer projects

Since 2008, *Envios Confianza* is a money transfer company integrated to a network of rural finance institutions, working with remittance transfer companies that link global money senders to remote rural financial institutions.

Rural micro-banks (1998) are a model of community financial organization in regions of high migration. These banks empower local leaders and adapt services such as savings, credit and microinsurance for people in communities of origin and migrant families. Common savings groups are an innovative method in extreme poverty communities to pool funds that are further invested in farm and non-farm economic activities through credit.

Highlighted achievements

- 44 rural micro-banks and a network of 68 financial institutions with 300 points of payment in rural areas of Mexico
- Average banking penetration: 70 per cent
- Reduction of 15 to 20 per cent in remittance transaction costs
- Annually serves 30,000 migrant families, benefiting 59,000 people
- 7 out of 10 recipients of remittances open a savings account with total monthly savings mobilization of US\$1.5 million





Winner of the Project Award – Public sector

Bangko Sentral ng Pilipinas (BSP)

Public sector – The Central Bank of the Republic of the Philippines

Project title: *Economic and Financial Learning Program (EFLP)*, (2010 – ongoing)

Geographic scope: The Philippines and countries hosting Filipino migrant workers

www.bsp.gov.ph

About BSP

BSP was established on 3 July 1993 under the provisions of the 1987 Philippine Constitution and the New Central Bank Act of 1993. BSP’s primary objective is to maintain price stability conducive to balanced and

sustainable economic growth. It is a pioneer in having a dedicated and integrated financial education strategy for the general public and specific audiences, including remittance recipients.

Highlighted innovation *Economic and Financial Learning Program (EFLP)*

Launched in 2010, *EFLP* brings together under one flagship programme BSP’s key learning activities, particularly those pertaining to economic information and financial education, targeted to the general public (particularly the unbanked), sectoral representatives and specialized stakeholders. A major component of *EFLP* is the Financial Learning Campaign for overseas Filipinos and their beneficiaries, which is targeted to remittance recipients. By highlighting the importance of using remittances to build savings and directing them to productive investments in financial instruments and business ventures,



the campaign aims to reinforce the positive and beneficial effects of remittances for the socio-economic well-being of overseas Filipinos and their families.

Highlighted achievements

- *EFLP* has reached most of the regions, benefiting around 41,000 participants in the Philippines
- Financial education sessions have been conducted in countries with a large concentration of overseas Filipinos such as Bahrain, Hong Kong, Italy, Japan, Qatar, Saudi Arabia, Singapore, South Korea and the United Kingdom
- Under *EFLP*, BSP developed a module on savings for use in the Pre-Departure Orientation Seminars required of all departing overseas Filipinos
- Learning materials and modules being used to conduct the campaign were distributed to 94 embassies/consulates of the Philippines abroad, to be used in conducting financial learning activities for overseas Filipinos
- The estimated number of Filipino households that save money has quadrupled in the past five years

FLC Bacolod City, Negros Occidental Deputy Director Maria Farah D. Angka presenting the topic on “Tips on Safeguarding Remittances”



GFRD 2015 Recognitions



Runner-up of the Private-Sector Award – Industry

HomeSend

Remittance network provider

Geographic scope: 50 network participants in over 200 countries

www.homesend.com

About HomeSend

A joint venture between MasterCard, eServGlobal and Belgacom International Carrier Services, HomeSend provides an open and neutral remittance hub that bridges the gap between the finance and

telecommunication worlds by integrating the systems of multiple payment service providers, whether mobile or electronic wallets, traditional money transfer systems or banking systems.

Highlighted innovation

Partnering for mobile remittances in Africa

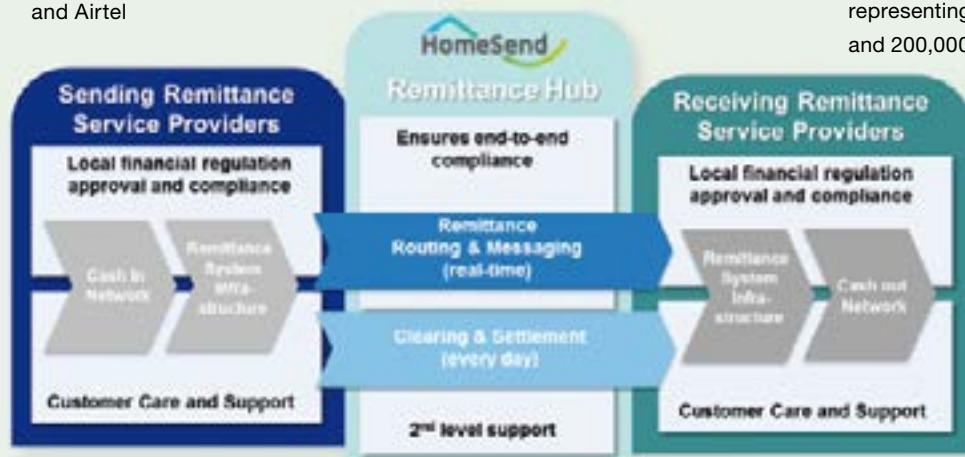
In 2014, HomeSend, together with its partners Airtel and MTN, launched the first mobile-to-mobile remittance corridor in Africa. HomeSend contributed two core capabilities to the mix:

1. A real-time money transfer processing network
2. The management of clearing and settlement activities between MTN and Airtel

The initiative has made it possible for consumers in Ivory Coast to transfer funds to recipients in Burkina Faso in real time and securely, simply using their mobile phones.

Highlighted achievements

- Launched with over 50 partners worldwide, including Airtel, MoneyGram, MTN, Vodafone, WorldRemit and Xpress Money
- The cross-border partnering in Ivory Coast and Burkina Faso was a huge success and is estimated to represent more than 15 per cent of total transfers between these two neighbouring countries
- Commercial contracts with mobile network operators and MTOs representing 1.2 billion subscribers and 200,000 cash agents





Runner-up of the Private-Sector Award – Industry

UAE Exchange
 Money transfer company
 Geographic scope: 769 offices in 31 countries
www.uaeexchange.com

About UAE Exchange

UAE Exchange is one of the leading global remittance, foreign exchange and payment solution brands. It has a wide remittance network globally, with over 750 branches and 9,000 professionals representing over 40 nationalities, serving over 7.9 million customers worldwide. An ISO 27001 certified organization, UAE

Exchange has partnerships with MasterCard, SWIFT and more than 150 global banks. UAE Exchange has pioneered remittance-related services in the industry, including Flash Remit, Smart Pay and Mission Zero Suicide. UAE Exchange drives financial inclusion agendas worldwide through technology-driven products and solutions.

Highlighted innovation

Mission Zero Suicide

As part of the financial inclusion drive, the *Mission Zero Suicide* campaign was launched in 2012. At least 500,000 financially distressed migrant workers have been banked through on-ground account savings activations in Gulf, Southeast Asian and African countries. The campaign also focuses on creating awareness about financial discipline to avoid getting trapped in debts or to tide over financial troubles.

Flash Remit is a technology-driven product that caters to the need for getting real-time remittances into bank accounts. The remitter is notified through a mobile phone text message within seconds of the credit being sent to the beneficiary's account.



Highlighted achievements

- Handles 6 per cent of the total volume of global remittances
- First remittance brand in the UAE to have the prestigious SWIFT membership and MasterCard Principal Membership, and to partner with Visa for Visa Money Transfer initiative
- First remittance brand in the Middle East to have been certified by TISSE2012 (The International Standard for Service Excellence)
- Winner of Asia's Most Promising Brand Award, Dubai Quality Award, SKEA, Deutsche STP Excellence Award, Banker Middle East Product Award
- In the past four years, over 500,000 unbanked expatriates have opened accounts and sent from US\$150 to US\$200 per month on average, affecting more than 1 million people



Runner-up of the Project Award – Civil society

International Agency for Source Country Information (IASCI)
Non-governmental organization

Project title: *Nexus Moldova Project – Strengthening the Link between Migration and Development: Testing an Integrated Service Provider to Moldovan Migrants and their Communities* (2012 – ongoing)

Geographic scope: 35 projects in 18 countries
www.iasci.info – www.nexusnet.md

About IASCI

IASCI is a non-profit organization established in May 2004 in Austria. IASCI works alongside countries of origin and destination, partner organizations, the private

sector and migrants to foster systematic dialogue to create innovative evidence-based solutions that maximize positive benefits for all stakeholders.

Highlighted innovation

NEXUS Moldova Project

To implement the *NEXUS Moldova Project*, IASCI leads a consortium of partners including the Republic of Moldova's State Chancellery and local public authorities in three pilot regions. The project was launched in December 2012 and is grounded on a clear migrant-centric and holistic approach by providing practical support to the individual needs of migrants during every phase of their circular migration experience – from preparation to departure, during migration periods, to sustainable return. The project fosters links between migration and



development at the local level through the development of capacities and systematic collaboration among national and local authorities, civil society and private-sector stakeholders.

Highlighted achievements

- To date, 30 focal points have been appointed in national public organizations, national ministries and agencies
- Service provider and cooperation partnerships established with 4 international agencies, 10 national private-sector companies, 3 national civil society organizations, and 24 local private and civil organizations
- In its first year of operation of three pilot service centres, the project served 800 clients and processed 1,500 information requests related to individual migration or return processes
- The project plans to expand to eight additional regions in Moldova before 2017, six counties in Romania, and one oblast in Ukraine. An integrated Migration and Development Programme in Nepal is in its early stage of development





Runner-up of the Project Award – Public sector

Center for Latin American Monetary Studies (CEMLA)
 Non-governmental organization

Project title: Application of the General Principles to the Remittances Markets in Latin America and the Caribbean project (2007-2014)

Geographic scope: Latin America and Caribbean (LAC) region – 30 countries
www.cemla-remesas.org

About CEMLA

The Center for Latin American Monetary Studies (CEMLA), an association of central banks in Latin America and the Caribbean headquartered in Mexico, was established in September 1952 and currently has 53 member institutions, partners and collaborators, mostly monetary and financial authorities. CEMLA's objectives include: promoting a better understanding of monetary and banking matters in the region, as well

as the relevant aspects of fiscal and exchange rate policies; helping to improve the training of personnel in central banks and other financial organizations through training events, meetings of specialists and experts and publications; providing technical assistance, conducting research and systematizing the results obtained in the aforementioned fields; and providing information to members on events of international and regional interest in the areas of monetary and financial policies.

Highlighted innovation

Application of the General Principles to the Remittances Markets in Latin America and the Caribbean Project

The project supported central banks and financial authorities in the LAC region in implementing the Principles for International Remittances Services. It focused on performance evaluation missions of remittance markets, technical assistance for policymaking recommendations, awareness events, regional seminars, development of databases with remittance prices (including mobile applications) and a variety of publications on migration and remittances. The long-term outcome of the project is to help increase net flows of remittances in the region by reducing the cost of sending remittances in a more transparent, efficient, affordable, competitive and secure market.



Highlighted achievements

- A total of 23 out of 30 central banks in the LAC region participated in the project
- Half of the remittance markets in LAC were evaluated
- Technical assistance provided

to one third of LAC countries' authorities on different aspects of the remittance market (e.g. legal and regulatory framework, the role of agent banking in expanding access to payment and remittance services, and supervision of remittance firms)

- Training by high-level experts given on payment systems, and awareness workshops offered for central bank officials
- 15 documents published on remittances and migration relevant to central banks and stakeholders in LAC



Session XV: Closing of the Global Forum on Remittances and Development 2015

Mr Mordasini, Vice-President of IFAD, closed the Forum with the following remarks:

Over the last three days we have learned a lot, which I hope will help everyone in this room to reaffirm their commitment to migrant workers. We know that 250 million people currently live outside the country they call home. But while some of us have chosen to live abroad for career reasons, most migrants have left their homes so they can provide for their families. Whatever the reasons for leaving, migrant workers share a profound connection with the families, friends and communities they left behind.

The strongest expression of this connection is the money hard-working migrants send home. These remittances added up to an estimated US\$436 billion sent to developing countries in 2014. This trend shows no indication of slowing. If it continues, cumulative remittances over the next five years will add up to more than US\$2.5 trillion. Of this, more than US\$1 trillion is destined for rural areas.



“At IFAD, we believe that remittances ‘count the most’ in the small rural towns and villages of developing countries around the world. Here, the most important value is not measured by millions or billions, but by the individual remittances that a father or mother, son or daughter, sister or brother, sends home regularly as a demonstration of devotion and commitment to the future.”

Michel Mordasini

The consistency and scale of remittances indicate that the migrant diaspora have a significant role to play in long-term development. In fact, this is a role they are already playing as they move beyond traditional remittances sent to their families, to using their hard-earned savings as investments in productive activities as well. Their ultimate goal is to break the cycle poverty, hunger and desperation, so that their loved ones do not need to follow the path of forced economic migration.

The key words and concepts that have come out of our meeting are:

- Access
- Financial inclusion
- Local economic development and entrepreneurship
- Opportunities to save and invest

Each of these amounts to goals that are vital if we are to achieve the development impact that will help make migration for future generations more of a choice than a necessity, and provide hope for millions of families to remain together instead of having loved ones scattered across the globe.



The more than 100 experts and more than 400 participants who took part during this Global Forum on Remittances and Development brought to the table the latest innovations, the latest trends, and certainly the latest challenges. In closing this Global Forum on Remittances and Development, I am reminded just how far we have come since the first successful Forum a decade ago and subsequent Forums, in Washington, D.C., Tunis and Bangkok. I also realize, despite all the progress, how much more still needs to be done. Therefore, in order to continue this process of truly integrating the everyday reality of millions of ‘remittance families’ into the global development agenda, and assess our progress in meeting that goal, IFAD would like to extend an invitation to meet again in 2017 at the United Nations Headquarters in New York.

So, where should we go from here? The post-2015 development era is more ambitious than the MDGs that went before, but financial resources for development are limited. But migrant workers offer proof of what ordinary people can achieve. While individual remittances are typically no more than US\$200 or US\$300, collectively they add up to hundreds of billions. Migrants and their families are an inspiration for development organizations like IFAD. In order to make their efforts count even more, we call upon governments, international development organizations, private-sector institutions, NGOs and civil society groups to join in a concerted campaign to make a difference.

Let us identify what role each stakeholder can play in order to make migrants’ remittances count more. Let us empower migrant families back home with more options and better mechanisms to save and invest remittances for their own benefit in the communities where they live. Let us work together to take proven models and scale them up to maximize their development impact and help transform the rural landscape.

This year’s meeting has been a success because of the commitment of each and every one of you. Let us make sure that this commitment does not ebb when we leave. By working together, we can make sure that the hard work of migrant workers and their families counts for more.



“Remittances represent a huge market; but we need to get beyond talking about the numbers. What we really need to talk about is replicating the best practices and innovations that make the remittance market work for the people who rely on it.”

Donald F. Terry

Engaging Overseas Filipinos in Rural Development

The Pinoy Worldwide Initiative for Investment Savings and Entrepreneurship (PinoyWISE) Marketplace event entitled “Engaging Overseas Filipinos in Rural Development” was indeed a success. The activity was part of the Global Forum on Remittance and Development 2015 and was organized by Atikha in partnership with the Financing Facility for Remittances of the International Fund for Agricultural Development (FFR/IFAD). It was held 19 June, 2015 at Centro Congressi Stella Polare in Milan (Italy).

The event brought together more than 30 delegates – from United Arab Emirates, Germany and the Philippines, and also convened over 80 Filipino migrants from Milan, Turin, Genoa, Modena, Firenze and Brescia (Italy).

The programme showcased the best practices in migration and development, opportunities in the tourism industry and agribusiness, and investment opportunities in the Philippines. The event engaged notable speakers from the Philippine Senate, Congress, national government agencies such as the Departments of Agriculture and Tourism, the National Economic Development Authority, financial institutions, representatives from the Union of Local Authorities of

the Philippines and local government units implementing migration and development initiatives, and migrant organizations and NGOs.

The PinoyWISE Marketplace Event provided an avenue to convene the significant agents of the migration and development – the migrants, private sector, civil society and local authorities. The local authorities introduced different programmes and services in their respective provinces, while the private sector prepared investment opportunities for the migrants. They were given an investment menu where savings could be put in. Such encounter was organized by Atikha, a civil society organization. Migrants are easily encouraged to invest because of a menu of concrete and varied choices. We personally met the people behind the investment programme. The PinoyWISE event was a very enriching experience.

To close the event, Cri Quintos, co-organizer of PinoyWISE Milan (Italy) said: “We have waited for this moment so long, where individuals and agencies from the public and private sectors work in partnership with us, Overseas Filipino Workers (OFW), towards the improvement of our lives, our families and communities. We are, thus, grateful that you, our partners, have come to be with us today.” A fitting message to close a successful event.



The PinoyWISE Marketplace event in Italy was a three-day back-to-back activity. In addition to the 19 June event, side meetings also took place this past 20 June at Chiesa Santa Maria Del Carmine in Milan and on 21 June at the Generalate of the Franciscans Missionaries of Mary (FMM) in Rome, which was attended by about 300 migrants. Aside from migration programmes, services, agribusiness and investment opportunities, the side events provided an avenue for closer encounter of migrants and provincial representatives. OFWs learned and appreciated the ongoing initiatives of national and local governments, private sector and civil society organizations in the provinces of Batangas, Laguna, Tarlac and Oriental Mindoro.

The event is part of the series of programmes of the PinoyWISE Movement. PinoyWISE started as the financial education project of Atikha in the FFR/IFAD assisted project on “Mobilizing Migrant Resources Towards Development”. It was adopted by migration stakeholders in the Philippines as a platform that provides financial education, mobilizes investment and promotes trade and tourism to overseas Filipinos and their families.



“We (attendees from Germany) are very enthusiastic with the event, that opened opportunities for us. Some of us are now thinking of going back to the Philippines for good and work on untilled lands. We also like the Goat Raising Project and we would like to share the initiative with our fellow Filipinos here in Germany.” Cristina Fernandez, President of PhilNetz, Germany

MFW4A meeting @ GFRD2015

Aim of the meeting was to present the main elements and to test the objectives and approach for the proposed MFW4A study: *A systematic approach to supporting diaspora investment*, that MFW4A will be launching together with DMA and IOM and in partnership with AfDB, ICMPD and the World Bank.

The meeting gathered 20 participants representing 15 organizations from government donor agencies, development finance institutions, the private sector and not-for-profit organizations, all of whom expressed interest in actively working together in the area of diaspora investment more broadly.

The research team provided an overview of the motivations for undertaking such a study, including its aims and objectives, alongside an outline of the proposed methodology, timeline for delivery and outputs. Involved institutions were all keen to participate and to share experiences so as to make the outcomes of the study as robust and as useful as possible for the future programming relating to diaspora investment. Particular attention was given to the areas of investigation, including the investment modalities, as well as social and cultural implications that may impede a global approach to invest in the migrants’ home countries.

To being the process, MFW4A will ask partners to identify experts for the mapping document that will be a key output of the overall study.



Remittances 2020

Facilitating cooperation between IFIs on scaling up remittances and development

The *Remittances 2020* initiative aims at bringing together international financial institutions (IFIs) that share the vision of leveraging the development impact of the half-a-trillion US\$ remittances and the additional half in savings accumulated by migrants abroad. The initiative looks forward to facilitating cross learning and coordination among IFIs on key initiatives in which remittances play a fundamental role.

Launched by IFAD, *Remittances 2020* involves the following IFIs: African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, the Multilateral Investment Fund of the Inter-American Development Bank, and the World Bank.

The initiative will have a rotating chair so as to facilitate ownership of the process by the participating institutions. By 2020, *Remittances 2020* will have demonstrated its usefulness for improving operations, models and methodologies and for supporting the set-up of common priorities. Remittances will be the main topic of this platform, but within the context of financial inclusion, financial services and rural development initiatives, and with a particular attention to fragile

states.

During the first meeting, the discussions focused on how challenges and opportunities were addressed by the IFIs involved. The ongoing situation in Somalia was used as an example on how information-sharing could help avoid risk of failures, as well as facilitate successful interventions on the field. Each organization could learn from what happened in one specific country and find solutions to similar problems. The cases of Sri Lanka, Kosovo and El Salvador could shed light on successful initiatives that could be replicated in Somalia.

The initiative presents several opportunities stemming from such inter-agency collaboration, first of which a global effort on remittances structured along the same operational lines and methodologies. Usefulness of this platform should also be found in an informal quick response mechanism and the creation of a shared/ common expertise, knowledge and working procedure. Interaction and information-sharing could be facilitated by online tools, such as a closed website, in order to allow more frequent exchanges.

To conclude, it was agreed to meet on a yearly basis, with special online meetings if requested by its members. For the next *Remittance 2020* meeting, it was proposed to hold it as a side event at the World Bank annual spring meetings in Washington, D.C.



Diaspora investment in rural development: Bangladesh and global experience

The opening session was addressed by Chairman of the Netherlands-based diaspora organization BASUG, Mr Bikash Chowdhury Barua and Program Officer of Oxfam Novib, Mr Ismail Awil. The two separate sessions were moderated by Mr Hubert Boirard, Country Programme Manager, Asia and the Pacific Division, IFAD and Dr Ahmed Ziauddin, Advisor and Director Projects of BASUG.

The speakers at the discussion were: Dr Daniel Gonzales, Program Director of Avina Foundation, Mr Chukwu-Emeka Chikezie, Director of Africa Limited and co-founder of AFFORD UK, Dr Md. Mafizur Rahman, Economic Counsellor of Bangladesh Embassy in Italy and Permanent Representative to IFAD and FAO, and Mr Ashraful Alam, Deputy General Manager, SME and Special Program Department of Bangladesh Central Bank.

BASUG organized this workshop in the framework of the GFRD and linked to the Diaspora Investment and Rural Development (DIRD) in Bangladesh, a very relevant initiative to many other participating countries.

Dr Mafizur Rahman said it was very difficult to measure the volume of remittances invested in rural development. In Bangladesh, there are five main sectors where remittances are invested: family consumption, investments for shared buying, set up banks or business entities, social investments and savings in banks for interests/benefits.

Although there is some development in rural areas, still the Government should give incentives to diaspora to invest there, to minimize migration costs and to secure remittance inflows in the country. The Government should also have a crucial role in encouraging collective remittances for development, instead of letting migrants send remittances in a scattered way and not collectively for a development initiative.

Mr Chukwu-Emeka Chikezie began by stating that the face of poverty in Africa is still largely rural, although in urban areas as well, where women and youth are the most marginalized. Some of the challenges in the rural context relate to land, the shortage of which, and access thereto have not given people many other alternatives but to migrate to urban areas. The other key factor is skills shortages. All of these hamper investment in rural area, and only through public policies and initiatives can these constraints be addressed.

Senior official of Bangladesh Central Bank, Mr Ashraful Alam, said that 10 million Bangladeshis are currently working abroad, most of them being either semi-skilled or unskilled labourers. In this context, the diaspora and migrant workers have used remittances for financing development, particularly in rural areas. Migrants' remittances are an integral part of the Bangladeshi economy, and have an important role in accelerating the country's economic growth. Bangladesh relies on remittance inflows to drive consumer spending, which accounts for nearly 80 per cent of the domestic GDP. So what is the potential for rural development by the remittance influx in the country? Similar to other countries, Bangladesh has also 99 per cent of the enterprises as MSMEs, and most of them are in rural areas, which are often informal and don't have any licenses. So energizing rural economy needs consumption boost and investments. Engaging the individual remittance to investment requires careful planning of the mechanism that will ensure fair return to the diaspora and migrants investors and easy mobilization. Remittances are drivers of rural economic growth and have significantly helped to build a huge foreign currency reserve, which is over 24 billion US\$ right now. Mr Ashraf reminded that policymakers should not forget about the human dimension of migration, and the Government should help migrants by protecting them, promoting skill development, providing the right incentives. More international corporations like IFAD help promoting safe migration and the use of remittances for development, which are of great need nowadays.

Awards



Side events



Networking





The Remittance Marketplace

The Remittance Marketplace, held in conjunction with the Global Forum on Remittances and Development 2015, provided a space for the private sector, development organizations and civil society stakeholders to exhibit their products, programmes and projects. It also served as a networking arena to promote partnerships and worldwide cross-learning experiences. Participants learned about innovative business technology approaches to reduce transaction costs, and maximize the impact of remittances by linking them to other financial services. In all, 25 top companies, international organizations and no-profit entities participated. These included representatives from migrant associations, remittance technology

providers, commercial banks, MFIs, credit unions, money-transfer companies, international organizations, financial regulatory agencies and donor agencies. The Marketplace contributed to the creation of stronger alliances and the share of best practices with other key players in the remittance market.

List of exhibitors

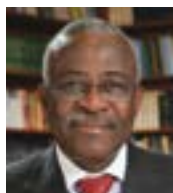
1. African Union Commission
2. International Fund for Agricultural Development (IFAD)
3. International Organization for Migration (IOM)
4. Swiss Agency for Development and Cooperation (SDC)
5. The World Bank
6. Inter-American Development Bank (IDB) – Multilateral Investment Fund (MIF)
7. Auxfin and HealthNet TPO
8. Azimo
9. Contact
10. Developing Markets Associates Limited (DMA)
11. Etranzact
12. International Association of Money Transfers Networks (IAMTN)
13. International Money Transfer Conferences (IMTC)
14. MasterCard
15. Moneytis
16. Moneytrans
17. Ria Money Transfer
18. Small World
19. Unistream
20. XendPay
21. Athika
22. BASUG-Diaspora and Development and Oxfam Novib
23. International Network of Alternative Financial Institutions (INAFI)
24. Shuraako





List of speakers

Opening of the GFRD 2015 and Celebration of the International Day of Family Remittances



Kanayo F. Nwanze
President, International Fund for Agricultural Development (IFAD)



H.M. Queen Máxima of the Netherlands



Peter Sutherland
United Nations Special Representative of the Secretary-General for International Migration



Giampaolo Cantini
Director General for Development Cooperation, Ministry of Foreign Affairs and International Cooperation, Republic of Italy



Enrico Morando
Vice Minister of Economy and Finances, Republic of Italy



H.E. Deepak Dhital
Ambassador, Embassy of Nepal in Geneva, Permanent Mission of Nepal to United Nations and other International Organizations



Gloria Grandolini
Senior Director, Finance and Markets, The World Bank



Gervais Appave
Special Adviser to the Director General of the International Organization for Migration (IOM)

Moderators

21 moderators from governments, civil society and the private sector



Zeinab Badawi
International Journalist and Chair of the Royal African Society



Massimo Cirasino
Head of the Payment Systems Development Group, The World Bank



Henri Dommel
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Speakers

57 speakers from governments, civil society and private sector



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List of participants

415 participants engaged from 88 countries, of which:

- 45% from the private sector
- 38% from the public sector
- 13% from civil society

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IFAD's Financing Facility for Remittances

www.ifad.org/remittances

The International Fund for Agricultural Development (IFAD) is an international financial institution and a United Nations specialized agency dedicated to eradicating poverty and hunger in the rural areas of developing countries. IFAD's US\$35 million multi-donor facility – the Financing Facility for Remittances – increases economic opportunities for poor rural people by supporting and developing innovative, scalable cost-effective and easily accessible remittance services that promote financial inclusion and productive investment in rural areas. Currently the Facility's portfolio includes almost 50 projects in more than 40 countries across the developing world.



European Commission

http://ec.europa.eu/europeaid/sectors/migration-and-asylum_en

The EU and its Member States are the world's largest aid donor, providing more than half of public aid in 2013. EU development aid goes to around 150 countries in the world, increasingly focusing on countries and sectors where it can make the biggest difference and be most effective. The European Commission engages with the main countries of origin, and transit and destination countries to promote effective governance of migration and mobility and improved management of migratory flows. It seeks to enhance the positive impact that increased regional and global migration and mobility can have on economic, social and environmental development, and improve a common understanding of the migration and development nexus.



The World Bank's Payment Systems Development Group

www.worldbank.org/paymentsystems

The World Bank is a leader in financial infrastructure development in emerging markets, including payment systems and remittances, credit reporting and secured lending. Its Payment Systems Development Group has been active in over 100 countries through a variety of instruments, including support to comprehensive reform programmes, development of reform strategies, technical advice and management of multi-country and regional initiatives.

In collaboration with



International Association of Money Transfer Networks

www.iamtn.org

The International Association of Money Transfer Networks is the only global international trade organisation that represents Money Transfer Industry/ Payment Institutions providing cross border payments. Founded in 2005, provides a platform for industry partners to come together to discuss common challenges, industry initiatives, and create opportunities. IAMTN works closely with governments, regulators, regional associations and all other stakeholders to champion the creation of the most effective, safe, reliable and efficient payment system.



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