



Concept note

IFAD – European Commission Joint Webinar on:

**“Remittances and investment:
How migrants finance sustainable development”**

26 January 2022

14.00h - 15.30h (GMT+1)

Zoom – Register [HERE](#)

Background

Migrants’ economic contributions to their countries of origin have a huge potential for the development of local and national economies and includes, among others, remittances, investment, goods and services trade, and knowledge.

Remittances are the most visible and widely-known expression of migrants’ economic contribution to the development of their home countries. These person-to-person private financial flows, directed to families back home, bring many benefits of their own, such as supporting migrants’ family members’ access to food, health or housing. Leveraging them further, through financial access, education and investment in businesses would strengthen economic development, benefitting entire communities.

In 2020, migrants’ remittance flows to low- and middle-income countries (LMICs) reached US\$540 billion, only 1.6 per cent below the US\$548 billion seen in 2019, and are expected to recover in 2021. Despite the global health crisis, over 200 million migrants defied predictions of the pandemic and continued to send money home to their over 800 million family members in countries of origin, demonstrating once more an incredible resilience and the usual care for their families back home.

But while remittances are indeed crucial, there are also many other ways that migrants make a financial contribution to their countries of origin. These include investments, made by migrants individually or collectively, in agriculture and in micro, small and medium enterprises (MSMEs) among others.

Diaspora investments involve financial asset transactions which transfer funds from migrants to private and public sector entities through appropriate investment mechanisms or funds. For instance, migrants directly invest their savings into specifically-targeted initiatives, such as direct investments

in MSMEs or social investment projects in their towns and villages of origin, or collectively mobilize large financial inflows to support the economic development of their communities and countries (as with many diaspora bonds). They can range in scale from relatively small contributions for specific projects to investment funds worth millions of dollars.

To fully leverage the potential of both financial flows – remittances and investment – it is important to have greater understanding of the implications of each, as well as their differences, similarities and complementarities. While both financial flows come from the same origin – migrants and the wider diasporas – they are different in scope and modalities. Fostering them both requires dedicated policies, initiatives and interventions from governments and public agencies in countries of both origin and residence, supported by evidence and analysis.

Through this webinar, IFAD and the European Commission JRC aim to shed light on these two modalities of migrants' financial contribution to their countries of origin and their complementarities, to offer cues on how they can be supported and leveraged, and to identify potential strategies in alignment with development challenges.

The discussions will draw on the European Commission Joint Research Centre (JRC) report [Diaspora finance for development: from remittances to investment, prepared jointly with ODI](#), which draws attention to the broad range of financial mechanisms which enable migrants to transfer funds to, and invest in, their countries of origin. Alongside the report's extensive review of evidence and framework for classifying different forms of diaspora finance, we will also discuss direct experiences and lessons learned of successful initiatives from the portfolio of IFAD's Financing Facility for Remittances.

Agenda

Opening Remarks:

- Francesco Luciani, Head of Unit, Migration and Forced displacement, DG INTPA, European Commission

Moderator:

- [Pedro de Vasconcelos](#), Manager, [Financing Facility for Remittances](#), IFAD

Setting the stage

Main findings from the report [Diaspora finance for development: from remittances to investment](#)

- Simon McMahon and Sona Kalantaryan, European Commission Joint Research Centre (JRC)
- Stephen Gelb, Principal Research Fellow, Overseas Development Institute (ODI)

Discussants

Remittances and new technologies: remittances through mobile money ([more info](#))

- [Nika Naghavi](#), Director, Strategic Projects, MFS Africa

Remittances and financial inclusion: linking insurance with remittances ([more info](#))

- [Michael J. McCord](#), Managing Director, Microinsurance Centre at Milliman

Remittances as a path for local entrepreneurship ([more info](#))

- [Alina Cebotariu](#), Director, Nonbank Credit Department, National Commission for Financial Markets, Republic of Moldova (NCFM)

Migrants' investment for SMEs development ([more info](#))

- [Mamadou Ndao](#), Programme Manager, Investisseurs & Partenaires (I&P)

Questions & answers

Closing remarks

Panel description

The event will last one hour and a half, and will consist of a brief introduction of the EC JRC report, followed by a panel discussion. It will then conclude with a Q&A session and a final wrap-up. Short project videos will be shown, presenting concrete activities and successful business models.

Speakers are global experts and practitioners from both public and private sectors, who will share their insights, experiences and lessons learned.

The eGFRIDs

Since the start of the COVID-19 pandemic in 2020, IFAD has been convening a series of virtual events, the eGFRIDs, entitled [Remittances in times of crisis: Response, recovery and resilience - Dialogue to Implementation](#). Hosted within the framework of the [Global Forum on Remittances, Investment and Development \(GFRID\)](#) process, these events intend to facilitate the coordination and engagement needed for the implementation of remittance-related policy options as identified by [Financing for Development in the Era of COVID-19 and Beyond](#) and the [Blueprint for Action](#) developed by the Remittance Community Task Force (RCTF).

The eGFRIDs have two major objectives:

- First, to inform the global community of the evolving impact of the crisis on the remittance ecosystem and its beneficiaries, and to gather and disseminate best practices across the remittance community; and
- Second, to identify necessary actions to undertake, to ensure timely and effective implementation of recommended measures and actions.

The first eGFRID was held on 14 December 2020, followed by the first three sessions in January 2021 and the second in April of the same year. The last eGFRID took place on 4 November 2021 within the framework of the Financial Inclusion Week.

The organizers

The [International Fund for Agricultural Development \(IFAD\)](#) is a specialized agency of the United Nations and an international financial institution, with the mandate to invest in rural people to eradicate poverty in low- and middle-income countries. IFAD's US\$65 million multi-donor [Financing Facility for Remittances \(FFR\)](#) aims to maximize the impact of remittances on development and promote diaspora engagement in migrants' countries of origin.

The European Commission's [Knowledge Centre on Migration and Demography \(KCMD\)](#), based in the Joint Research Centre, provides scientific evidence for strengthening the Commission's response to the opportunities and challenges related to migration, demography and related policies. It works in close partnership across the Commission's Directorate Generals and services to make sense of existing knowledge, address knowledge gaps and facilitate the uptake of its findings among policy-makers and other stakeholders.

The [Overseas Development Institute \(ODI\)](#) is an independent global think tank working in more than 100 countries, providing cutting-edge research to generate evidence and solutions, acting as trusted expert advisers to those making change, and bringing people together to turn ideas into action.

Practical information

- The event will take place in English only.
- For further information and RSVP, please contact Ms Alessandra Casano at a.casano@ifad.org.