SUSTAINABLE DEVELOPMENT GOALS

IFAD
Investing in rural people

Recovery and Resilience through Digital and Financial Inclusion

#FamilyRemittances

International Day
of Family Remittances
16 JUNE

IDFR 2021-2022
Campaign

Observance event

NAIROBI | KENYA
United Nations Office at Nairobi
Thursday, 16 June 2022
8 A.M. (East Africa Time)

www.familyremittances.org remittances.kenya@ifad.org

Table of contents

Acronyms

CBK	Central Bank of Kenya
CoP	community of practice
FFR	Financing Facility for Remittances
FSP	financial service provider
GCM	Global Compact for Safe, Orderly and Regular Migration
GDP	gross domestic product
IDFR	International Day of Family Remittances
IFAD	International Fund for Agricultural Development
MTO	money transfer operator
NRSN	National Remittance Stakeholder Network
PRIME Africa	Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa
RSP	remittance service provider
SDGs	Sustainable Development Goals

Highlights

Global trends

- The IDFR observance events highlighted the power of remittances to help people and communities. Since the IDFR was unanimously adopted by the United Nations General Assembly in 2018, recognizing the contribution of over 200 million migrant workers supporting their 800 million family members back home, remittances have been acknowledged as the human face of globalization.

- Remittances and global resilience are two sides of the same coin. Despite the impact of the COVID-19 pandemic, migrants continued to send remittances back home. Money sent home by 200 million migrant workers around the world reached **US$605 billion in 2021**, an increase of 12 per cent compared to 2020. Remittance flows more than tripled the total amount of official development assistance provided by the countries of the OECD Development Assistance Committee (US$178.6 billion). This money represents a lifeline for more than 800 million family members.

- The Global Compact for Safe, Orderly and Regular Migration (GCM) brings together 164 Member States to achieve 23 migration-related objectives, including that of promoting faster, safer and cheaper transfer of remittances and to foster financial inclusion for migrants and their families (objectives 19 and 20). At the recent International Migration Review Forum in May 2022, where the GCM implementation status was discussed for the first time, Member States committed to reduce the average costs of sending remittances. We are not there yet. The global average cost of remitting US$200 remains above 6 per cent, twice the SDG 10.c target of 3 per cent.[1]

- South Asia remains the region with the lowest receiving cost, with an average of 4.3 per cent, while sub-Saharan Africa remains the most expensive region to send money, averaging 7.8 per cent. Banks remain the most expensive way to send remittances, with a global average cost of 10.3 per cent.

- By meeting the Sustainable Development Goal (SDG) 10.c, migrants would save an additional US$1 billion in transaction fees every year.

- After the United States, the European Union (EU) is the second region from which remittances are sent to low- and middle-income countries (LMICs), accounting for 11 per cent of the total flows.

- In 2021, remittances inflows to Africa reached US$94 billion. Particularly in sub-Saharan Africa, flows soared to US$49 billion in 2021 following an 8.1 per cent decline in 2020.

- The power of remittances to help people and communities has been confirmed once again, as they help secure economic wealth and livelihoods for rural families and communities, particularly in times of crisis, and prevent many people fall into poverty traps when faced with financial shocks.

- Remittances are also key in enabling rural people to invest in resilient activities, providing them with sustainable alternatives to migration. Through remittance-linked adapted savings, insurance, credit and investment products, these flows bring resilience to hundreds of millions of families back at home. They are also crucial in helping them build their way towards financial independence.

1/ By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.

- Migrants represent insurance for families back home. Remittance-linked insurance products can therefore give recipients the opportunity to better manage funds and cover unexpected shocks.
- Remittances and diaspora investments to rural areas offer a concrete avenue for climate adaptation as they allow smallholder farmers to better anticipate, manage and become resilient to climate change.
- Ten years ago, lack of access to digital options for sending remittances made them expensive and inconvenient. Today, the number of digital remittance players has grown, although digital flows still represent less than 4 per cent of global flows.
- The COVID-19 pandemic also proved to be an unprecedented opportunity to further leverage the development impact of remittances. Indeed, the crisis created the conditions for an increased adoption of digital channels which, in turn, promoted the use of formal channels. In many cases, they even brought down costs.
- Deliberate efforts to popularize digital services by the various players during the pandemic allowed customers to use cheaper and faster options, pushing the uptake of digital remittances. In the banking sector, there was a push to mobile applications, online banking and education to increase intake among customers.
- The uptake of digital platforms among excluded populations is limited due to lack of digital financial literacy, poor infrastructure (access to electricity and mobile data in rural areas), and people's fear of fraud.
- Partnerships among diverse remittance service providers (RSPs), financial service providers and fintechs result in more options to the customers. They provide last mile delivery by adapting and integrating their products, hence reducing the cost to the end users.
- Because the financial services sector is the most regulated industry worldwide, fintechs are realizing that to get into the financial system they need to partner with other players.
- Collaboration between different players – as banks provide migrants with tailored products, and provide remittance options (in the absence of exclusivity agreements with MTOs), can enable banking solutions that target youth and women, to build their credit history and leverage remittances including starting small businesses.
- Blockchains help reduce the cost to a certain point (2-3 per cent). However, engaging with traditional players can increase costs.
- There is a need for financial literacy among remittance senders and recipients.

Kenya

- Kenya is the third biggest recipient of remittances in sub-Saharan Africa in absolute terms, following Nigeria and Ghana.
- Remittances to Kenya have increased tenfold in the last 15 years, reaching an all-time record of US$3.7 billion in 2021 despite the COVID-19 pandemic, and are equal to over 3 per cent of the country's GDP.
- The top five sending countries to Kenya – United States, United Kingdom, Saudi Arabia, Germany and Australia – represent almost 80 per cent of the total remittances received.
- The average cost to remit US$200 to Kenya almost halved in the last ten years (2011-2020), from 13 per cent in 2011 to 8 per cent at the end of 2020, due to the tremendous digital innovation led by mobile money services. This cost is marginally lower than the average sending cost for sub-Saharan Africa (7.83 per cent) but much higher than the global average of 6 per cent. The cost figure is still far above the 3 per cent indicated by SDG 10.c target, to be reached by 2030.
- Digital channels and intense competition allowed specific corridors to almost reach the 3 per cent target (Oceania-Kenya, North America-Kenya and East Africa-Kenya) whereas, in other corridors, high transfer costs and lack of trust in digital transactions push people to use informal channels.
- The event's discussions highlighted the need to consider a multi-stakeholder approach to maximize remittances through conducive policies and an enabled regulatory environment, as well as collaborative ecosystem pathways.
- Remittances are crucial to rural and more vulnerable communities, especially in times of crisis. Rural communities can be better served by encouraging the use of digital channels, alongside deeper penetration of mobile money and banking agents.

Read the newsletter on the IDFR Observance Event

The Kenyan remittance community at the IDFR

- Over **100 attendees** from the public and private sectors
- Half day marked by **2 sessions**, **1 report presentation** and **5 panels**
- **13 speakers** from key Kenyan and global entities involved in the remittance ecosystem
- Over **1,000 impressions** on social media using #familyremittances

FFR Retweeted
Samuel Hall @Samuel_Hall_ · Jun 16
Today, #InternationalDayofFamilyRemmittances, Samuel Hall's @JaredAOL & @stef_barratt attended this⬇️insightful @FFRemittances @IFAD event that discussed migrants' role in #SDGs & leveraging links b/w mobile remittances & financial inclusion. The Mobile Remit report was launched.

FFR @FFRemittances · Jun 15
To mark the IDFR, #remittance stakeholders from #Nairobi will meet to discuss the contribution of #migrants in helping achieve the #SDGs and the crucial role of the private sector in fostering greater #digital and #financialinclusion....

FFR Retweeted
Felix Macharia @felixmacharia_ · Jun 16
"Despite Africa bringing in $49billion in remittance, sub-sahara Africa is the most expensive region to send remittance to by 7.8%.
By eliminating the middlemen, we reduce the burden of transaction cost from the sender."

#FamilyRemittances
@IFAD @IFADEastAfrica @FFRemittances

FFR Retweeted
IFADEastAfrica @IFADEastAfrica · Jun 16
Kenyan Diaspora in the #EU sent a total of US$ 226 million of remittances to #Kenya in 2021 half of these flows come from Germany about US$ 116 million; 3,1%. Katrin Hagemann, Deputy Head, European Union Delegation to Kenya
#FamilyRemittances

FFR

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View of the audience.

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Networking at the event.

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Networking at the event.

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Networking at the event.

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The event's attendees.

Event pictures and video recording

Main outcomes

Opening ceremony

Mariatu Kamara
IFAD Country Director Kenya

Stephen Jackson
UN Resident Coordinator in Kenya

Katrin Hagemann
Deputy Head, European Union Delegation to Kenya

IDFR 2021-2022 Campaign

Welcoming remarks

Mariatu Kamara

IFAD Country Director Kenya

- For centuries, people have been moving from rural to urban areas, and across national borders in search of better opportunities. That is how human nature drives migration. People leave home in order to give their families the chance to remain in their hometowns and villages, and in some cases prepare the basis for a possible return.

- Over half of the remittances sent to Kenya in 2021 went to rural areas where they count the most and present the greatest challenges and opportunities. Despite these years of health and economic crises, Kenyan migrants demonstrated once more incredible resilience and commitment to their loved ones, as they continued to send remittances and invest in their country.

- The COVID-19 pandemic also proved to be an unprecedented opportunity to further leverage the development impact of remittances, as it created the conditions for an increased adoption of digital, formal channels, bringing the costs down.

- In Kenya, through the financial contribution of the EU, and in close collaboration with key partners and stakeholders, IFAD's Financing Facility for Remittances (FFR) is implementing the PRIME Africa initiative, with the aim to address the main challenges in the country's remittance market to leverage their impact for rural development and financial inclusion.

- As part of the initiative, a National Remittance Stakeholder Network has been set up in the country to promote an inclusive dialogue on the key aspects of the national remittance market. Within the same framework, a country-focused call for proposals was launched last year, aimed at identifying innovative interventions to leverage the impact of remittances.

- IFAD's engagement will also continue to increase in the coming years, in partnership with key national and international actors, with the aim to make Kenya an example to learn from by other African nations.

Stephen Jackson

UN Resident Coordinator in Kenya

- Every 16 June, Ireland celebrates Bloomsday, in memory of the life of Irish writer James Joyce, author of Ulysses, named after its main character Leopold Bloom. Ulysses is about migration, showing that we are all involved in this phenomenon, being the nature of the modern world.

- Remittances and global resilience are two sides of the same coin. The degree to which these remittances have held up to the global challenges – despite the heavy impact of the prolonged COVID-19 pandemic on economies, including loss of jobs and financial instability – shows migrants' great resilience, by continuing sending money to their loved ones in LMICs.

- Kenya is an excellent example of increased access to digital channels for remittances. M-Pesa and the banking sector in general, have taken measures to increase daily transaction limits and reducing transaction costs. Visa has partnered with M-Pesa to launch the M-Pesa Global Pay, the virtual Visa card, enabling virtual M-Pesa access in more than 200 countries.

- These new technologies have driven this growth – what we call silicon savannah in Kenya – driving both profit and purpose. But more can be done to make remittance markets more transparent and inclusive for senders and recipients.

- The Global Compact for Safe, Orderly and Regular Migration (GCM) brings together 193 Member States to talk about how to better manage migration. In objective 20, we have the desire to promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants.

- At the recent GCM meeting, where Kenya played a leading role, Member States reiterated such commitment. We are not there yet. The global average cost of sending a US$200 remittance still remains above 6 per cent, twice the SDG 10.c target of 3 per cent. In sub-Saharan Africa the average cost is even higher, at 7.8 per cent, in Kenya it is 7 per cent. We need to work together to lower the cost at global level.

Katrin Hagemann

Deputy Head, European Union Delegation to Kenya

- Remittances are a major source of external finance for foreign direct investment (FDI), official development assistance, and portfolio investments. In the recession year 2020, remittances proved resilient and were the paramount source of international financing for developing countries, as FDI dropped 12 per cent on the back of declining global activity.

- The Kenyan Diaspora in the European Union (EU) sent in total US$226 million to Kenya in 2021, representing an 11 per cent year-on-year increase. Half of these flows come from Germany.

- The EU is supporting remittance initiatives through a partnership with IFAD's FFR, which has received EUR 25 million through five contribution agreements since 2006.

- The EU is co-financing the PRIME Africa initiative, implemented by IFAD's FFR in seven African countries, aimed at reducing remittance costs, fostering digitalization and promoting better access, especially in rural areas. In the same context, the EU is working to accelerate digitalization and to pilot investment schemes for migrants and their families.

- Lessons from the COVID-19 crisis offer a unique opportunity to draw a new consensus on remittance actions to be undertaken to address long standing issue in its complex environment. The five pillars of this consensus are:
  - Timeliness of data exchange;
  - Digital cross-border payment systems;
  - Market transparency;
  - Connecting remittances and development action; and
  - Promoting financial education programmes on remittances.

Main outcomes

Remittance families and the Sustainable Development Goals




MODERATOR

Pedro De Vasconcelos
Manager, Financing Facility for Remittances (FFR), IFAD

PANELLISTS

Sharon Karuga Kinyanjui
Principal, Diaspora Bridge Advisory and Former Regional Director, WorldRemit EMEA

Fridah Kibuko
Project Manager, WIDU.africa, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Stephen Kuria
Chairman, Kenya Diaspora Alliance

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This panel aimed at addressing the impact of remittances on the social and economic development of receiving families, through greater financial inclusion, investment and employment generation. The session analysed the national context, cover aspects such as customer protection and market integrity, and the linkages to the sending end. Examples of current and upcoming initiatives were also shared.

Highlights

- Ten years ago, there were no digital options for sending remittances. It was inaccessible, unaffordable and inconvenient. Today digital remittances have become a game changer. They are now faster, quicker and accessible at your fingertips. For refugees, this has been life changing as they no longer have to walk long distances outside the camp to the nearest bank to access their money. Mobile remittances have indeed reduced the risks they face when accessing their remittances.

- According to a study by GSMA, in markets like Bangladesh women are 52 per cent less likely to have access to mobile phones, which in turn would allow them to access remittances. While in Kenya the gender gap is only 7 per cent, women are almost at par with men in accessing mobile phones, thus allowing them to access mobile wallets and remittances.

- Diasporas are not organized as a unique group and hardly ever speak to one another. However, if they come together, they could make a significant contribution to the G20 and the national governments. The amount of remittances they send is not the actual figure, as there is still a peer-to-peer exchange of money that does not go through the bank, thus remaining unaccounted for.

- Regulations needs to change and address the cost of transaction, otherwise people will keep on turning to informal channels if the costs remain high.

- There is a need to use a holistic approach to remittances and diaspora. A one-stop solution that provides various services in a short period could help in light of the reduced time availability.

- Africa needs to get out of aid towards trade. It does not need to come from the top, but it can come from the bottom through small-scale enterprises. The diaspora can support this process and have a multiplier effect. WIDU is training small-scale enterprises on their business management, to enable their capacity to scale up and build on it. This could help formalize the small enterprises and enable them access financial products from the banks.

- Not everyone needs a bank account. If they have M-Pesa, such platforms can be optimized to allow rural communities to create enterprises from what they already have.

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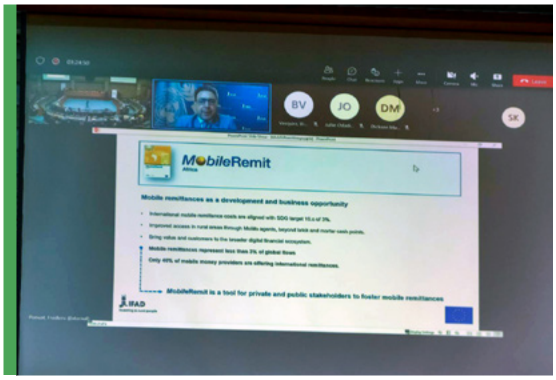
Panellists of the “Remittance families and the Sustainable Development Goals”.

Main outcomes

Presentation: MobileRemit Africa report

Frédéric Ponsot
Senior Technical Specialist on Remittances, Diaspora and Inclusive Finance, FFR, IFAD



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- The first IFAD MobileRemit Africa report creates a mobile remittance-enablement index score for African countries, allowing for a nuanced understanding of the factors that may aid or impede the adoption of the mobile channel for remittances. The index is built upon five pillars that allow for country comparisons and best practices dissemination. These are:
  - E-money international money transfer;
  - Market environment;
  - Enabling environment;
  - Inclusion environment; and
  - Consumer protection.

- Kenya's index score of 97/100 makes it the best-in-class in Africa.

- The success of mobile money combined with the ability to send and terminate international remittances into mobile wallets sees Kenya securing an index score of 97, placing it first in Africa.

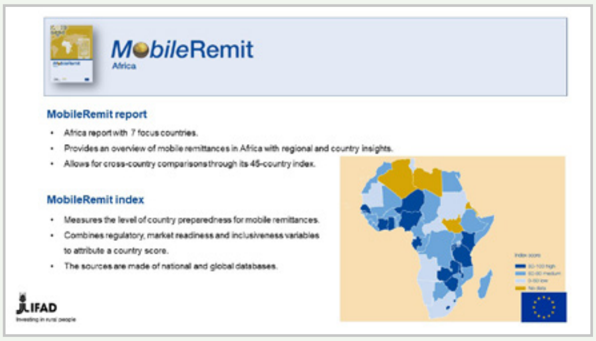
- Kenya's top index score is comprised of perfect scores in the pillars accounting for regulatory permission to process international remittances in the form of e-money. Market participants are actively doing so today and also protecting the consumer.

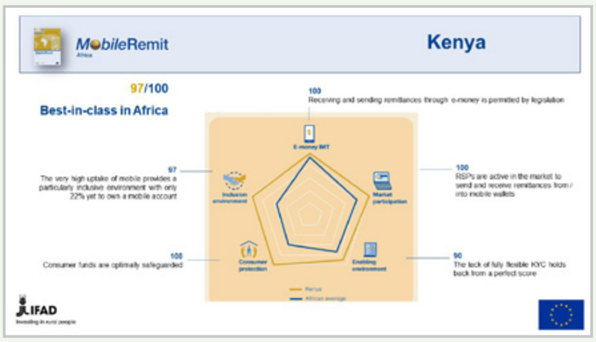
- Kenya achieves near-perfect scores for its inclusive environment, with some points being taken off for the remaining 22 per cent of the adult population yet to own a mobile money account (a perfect score here may be impossible to attain for coverage reasons). Kenya also has one of the highest scores for an enabling regulatory environment in Africa, with the lack of a fully flexible know-your-customer regime holding it back from a perfect score.

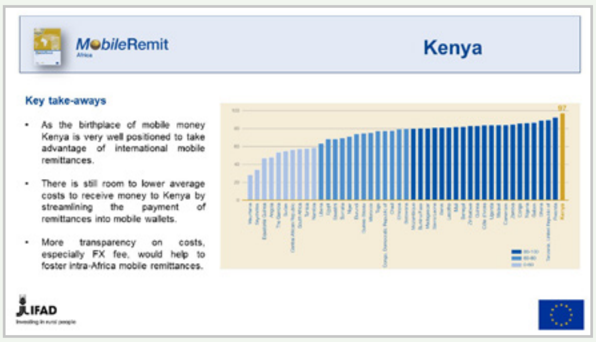
- As the birthplace of mobile money, Kenya is very well-positioned to take advantage of mobile-enabled international remittances. The very high uptake of mobile money, coupled with a favourable licencing regime for mobile money operators, and the ability to terminate and send international remittances into and from mobile money wallets will see the prevalence of mobile remittances increasing over the coming years from their already high levels. Although remittances are generally expensive to send to Kenya, some digital to mobile offerings are already at or below the SDG 10.c target of 3 per cent of an average US$200 remittance. The exception is mobile money to mobile remittances, both into and out of the country, where the authorities could do more to promote competition in the sector.

MobileRemit Africa report

Video recording of the presentation







Main outcomes

The role of the private sector in greater digital and financial inclusion





MODERATOR

Juliet Mburu
Senior Digital Financial Infrastructure Specialist, FSD Kenya

PANELLISTS

Ali Hussein Kassim
Chairman, Kenyan FinTech Association

Pauline Kieme
Head, Diaspora Banking and Remittances, Co-operative Bank

Polycarp Ndekana
Head of Department, Next Financial Services (M-Pesa), Safaricom

John Ngari
Director for Africa, MNOs, MFS Africa

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The panel highlighted the opportunities offered by the national remittance market, and how digitalization and innovative business models can play a crucial role in facilitating access and the provision of inclusive remittance-related services to underserved customers, particularly in remote areas, and to women and youth.

Highlights

- Remittances were resilient during the COVID-19 pandemic, contrary to what was expected. This was because many customers were forced to move to formal, digital channels to either send or receive remittances.
- The COVID-19 pandemic accelerated the efforts to popularize the services on offer by the various players, allowing the customer to use cheaper and faster options, thus creating the momentum and incentives to push the uptake of digital remittances.
- On the receiving end, acceptance of digital payments was also widespread since there was a challenge accessing the pay points.
- Central Banks are imposing transaction costs for fintechs, so it is very challenging to address the issue of cost, as it has to be an ecosystem conversation which is still hard to take off.
- According to the Central Bank of Kenya, US$350 million come in every month, with the average transaction amount being of US$500, reaching about 700,000 households in 2021, with the bulk of the money used for education and medical bills.
- Though there is a lot of talk on digital remittances, countries like Nigeria are cash-based, so there is need to look at the context. The key is to look at the second level of need to ensure the money goes into the economy and caters for household needs beyond the immediate ones.

- Fintechs are realizing that to get into the financial system it will take much more time than they envisioned, because the financial service industry is the most regulated worldwide. For fintechs to play in this sector, they have to partner with others.

Final take aways

- Need for collaboration within the ecosystem;
- Forge partnerships within and outside the ecosystem;
- Find innovative ways of reducing costs;
- Link remittances to innovative and tailored financial services;
- Provide opportunities to channel remittances into investments;
- Share information on the financial products available; and
- Offer financial literacy trainings for migrants and their families, allowing them to access dedicated services for broader opportunities.

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Panellists of the “The role of the private sector in greater digital and financial inclusion”.

Main outcomes

Closing remarks

Pedro De Vasconcelos
Manager, FFR, IFAD

- There are still many issues to touch upon, which require further discussion and interaction among cross-sector stakeholders. Through the National Remittance Stakeholder Network (NRSN) this dialogue can go on continuously, to share best practices, opportunities, and to assess what works and what does not.

- A holistic discussion, considering the different aspects of the remittance ecosystem, is the only way to ensure that the reality and needs of millions of Kenyans are duly taken into consideration.

- The global community needs to walk the walk and talk the talk, through initiatives to be approved, supporting not only remittance senders and receivers, but the diaspora, as impact investors and agents of change for their communities of origin.

- In light of that, in 2023, IFAD will organize the *Remit Fair & Expo Africa 2023* in Cape Town. This convention gives the opportunity to key private sector entities to showcase their latest business models and innovations, and to learn from emerging technological innovations from other regions. Public sector representatives will also join, following the Global Forum on Remittances, Investment and Development (GFRID) Summit 2023 to be convened in New York, 16 June 2023.

Organizers

IFAD
Investing in rural people

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.

Financing Facility for Remittances

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

Sponsors

European Commission
ec.europa.eu

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International Fund for Agricultural Development
www.ifad.org

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The Government of the Grand Duchy of Luxembourg
maee.gouvernement.lu/en.html

MINISTERIO DE ASUNTOS EXTERIORES Y DE COOPERACIÓN
cooperación española

Spanish Agency for Development Cooperation (AECID)
www.aecid.es/EN/aecid

Sweden
Sverige

The Swedish International Development Cooperation Agency (Sida)
https://www.sida.se/en

Resolution adopting the International Day of Family Remittances

Resolution adopted by the United Nations General Assembly on 12 June 2018

A/RES/72/281

The General Assembly,
Recalling its resolutions 53/199 of 15 December 1998 and 61/185 of 20 December 2006 on the proclamation of international years, and Economic and Social Council resolution 1980/67 of 25 July 1980 on international years and anniversaries, particularly paragraphs 1 to 10 of the annex thereto on the agreed criteria for the proclamation of international years, as well as paragraphs 13 and 14, in which it is stated that an international day or year should not be proclaimed before the basic arrangements for its organization and financing have been made,

Reaffirming its resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Recalling its resolution 71/237 of 21 December 2016 on international migration and development, in which it noted the adoption of resolution 189/XXXVIII by the Governing Council of the International Fund for Agricultural Development, on 16 February 2015, in which the Governing Council proclaimed 16 June as the International Day of Family Remittances,

Welcoming the work of the International Fund for Agricultural Development to develop and promote innovative investment mechanisms to increase the development impact of remittances and diaspora investment for sustainable development, including through the Global Forum on Remittances, Investment and Development, bringing together representatives of the private and public sectors and of civil society,

Considering that in many developing countries international remittances constitute an important source of income for poor families and are projected to exceed a cumulative 6.5 trillion United States dollars, of which half will reach rural areas, during the 2015-2030 time frame for achieving the Sustainable Development Goals,

Noting that 1 billion people are directly impacted by remittances annually, either as senders or as recipients, and that 75 per cent of annual remittance flows go to meet the immediate needs of recipients and the remainder – over 100 billion dollars a year – is either saved or invested,

Recognizing the transformative impact that remittances, including those from migrants, have across the Sustainable Development Goals and in supporting long-term development strategies, particularly on poverty reduction and access to basic services at the household level, and that remittances foster local investments that can encourage entrepreneurship and financial inclusion, especially in rural areas of developing countries where poverty rates are highest, and in times of crisis and disaster,

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

Recognizing the work done by Member States, the United Nations system, the World Bank and the Group of 20 and the role of civil society organizations in promoting the development impact of migration and family remittances,

Recognizing also the role of the private sector in developing cost-effective and accessible money transfer services, including by linking them to other financial services for remittance senders and their families, and the role of all relevant stakeholders in realizing by 2030 the objective of target 10.c of Sustainable Development Goal 10, to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent,

Acknowledging that innovative digital technologies such as mobile money transfers can effectively reduce the cost of the transfer of remittances, which enables efficiency and cost savings for senders and recipients of remittances,

1. *Decides* to proclaim 16 June the International Day of Family Remittances;
2. *Invites* all Member States, organizations of the United Nations system and other international and regional organizations, as well as civil society, including non-governmental organizations, individuals, the private sector and academia, to observe and actively support the International Day in an appropriate manner and in accordance with national priorities, in order to raise awareness of the impact of remittances;
3. *Calls upon* the International Fund for Agricultural Development to facilitate the observance of the International Day, including through the Global Forum on Remittances, Investment and Development and mindful of the provisions contained in the annex to Economic and Social Council resolution 1980/67;
4. *Stresses* that the cost of all activities that may arise from the implementation of the present resolution should be met from voluntary contributions;
5. *Requests* the Secretary-General to bring the present resolution to the attention of Member States, the organizations of the United Nations system and all relevant stakeholders for observance.

95th Plenary Meeting
12 June 2018

Sponsors of the Resolution:
Algeria, Australia, Bangladesh, Bolivia (Plurinational State of), Brazil, Canada, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Egypt, El Salvador, Ghana, Guatemala, Guinea, Guyana, Honduras, India, Indonesia, Ireland, Jamaica, Madagascar, Malawi, Mexico, Morocco, Myanmar, Nepal, Nicaragua, Nigeria, Paraguay, Philippines, Republic of Moldova, Russian Federation, Samoa, Singapore, Sudan, Thailand, Timor-Leste, Tunisia, Uruguay and Viet Nam.

The #FamilyRemittances Campaign 2020-2030

IFAD, as *custodian* of the IDFR, aims at ensuring support of the observance and dissemination of resulting actions in the framework of the decennial ***#FamilyRemittances Campaign 2020-2030: Support one billion people reach their own SDGs***. In that timeframe, through a spotlight on yearly themes aligned to the global development agenda, the campaign aims at strengthening and guiding stakeholders in focusing on the new trends and priorities that make remittances count more.

Furthermore, the campaign presents an opportunity to highlight practices, initiatives, innovations and partnerships that are committed to facilitate faster, cheaper and safer transfers, and to link these funds to inclusive financial services for migrants and their families.

Since its launch in 2020, the first campaign theme has shed light on how remittances can support migrant families in Building resilience in times of crises. In 2021-2022, the campaign theme focused on Recovery and resilience through digital and financial inclusion, as presented in the following section.

Supporting
one billion people
reach their own
SDGs

#FamilyRemittances2030

International Day
of Family Remittances
16 JUNE

The #FamilyRemittances Campaign 2021-2022

Recovery and Resilience through Digital and Financial Inclusion

#FamilyRemittances

International Day of Family Remittances
16 JUNE

IDFR 2021-2022 Campaign

The theme of the 2021-2022 #FamilyRemittances campaign is a step in the direction of enabling digital remittances, which saw a spike after the COVID-19 crisis despite catastrophic predictions of a severe fall in global flows. Indeed, data from the past two years have demonstrated that remittances have remained resilient during the COVID-19 pandemic and ensuing economic crisis. Global crises have always been a testing ground for the resilience of any economy. Remittances have, time and again, stayed afloat due to the strong commitment of migrant workers to the well-being of their families back home.

In 2021, remittance flows to LMICs reached US$605 billion, registering an increase of over 8 per cent from 2020 (World Bank, 2022). Such recovery follows the trend initiated in 2020, when remittances declined only by a modest 1.6 per cent, equal to US$540 billion, in the face of one of the deepest recorded global recessions.

One of the greatest catalysts of formal remittances during the past two years is the accelerated adoption of digital technology by migrant workers and their families. Both online and mobile digitalization buoyed remittance flows during this challenging period. Mobile remittances alone increased 48 per cent during 2021 to US$16 billion (GSMA, 2022). Digitalization proved to be less costly than cash transfers, which further reinforced the adoption of mobile money, thereby advancing the financial inclusion of migrants and their families.

Current estimates indicate that US$1 trillion is processed annually by the mobile money industry, an increase of 31 per cent year-on-year (GSMA, 2022). The value of international remittances sent and received via mobile money grew by 48 per cent in 2021, reaching US$16 billion.

In addition to highlighting the resilience displayed by migrant workers and their families through the pandemic, the IDFR 2021-2022 campaign also builds on behavioural shifts among migrants and the diaspora over the past two years, toward the accelerated adoption of digital technology. The campaign showcases practices and initiatives that led to the promotion and uptake of digital transfers and remittance-linked financial services, toward greater financial inclusion.

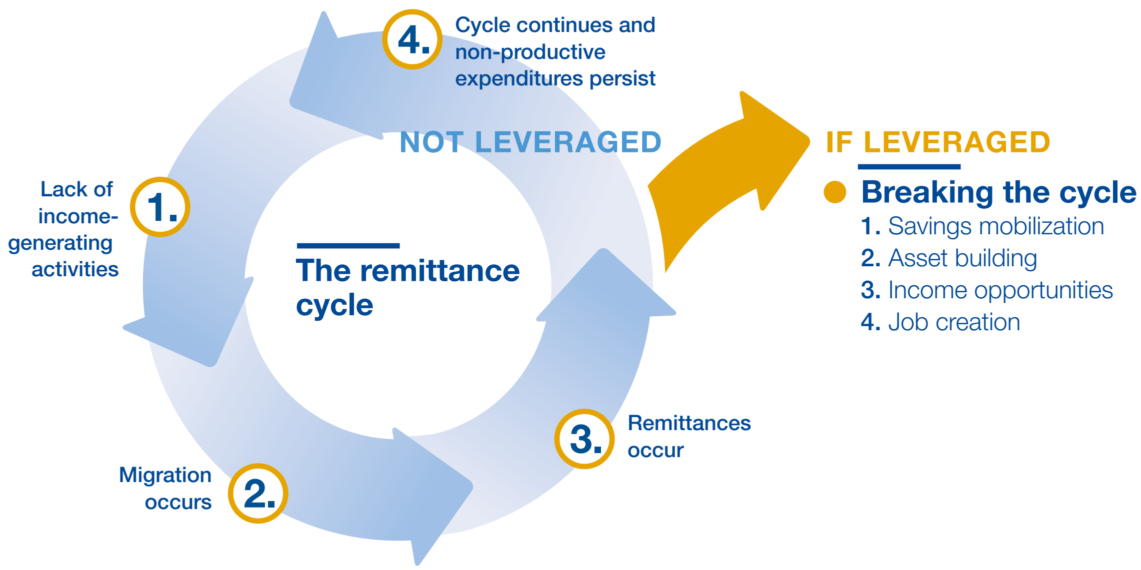
The PRIME Africa initiative

Through the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa – the PRIME Africa initiative –, IFAD's FFR and its partners in Africa are working to promote cost reduction, formalization and digitalization of remittance flows, and financial inclusion in seven African countries – Ghana, Kenya, Morocco, Senegal, South Africa, The Gambia and Uganda.

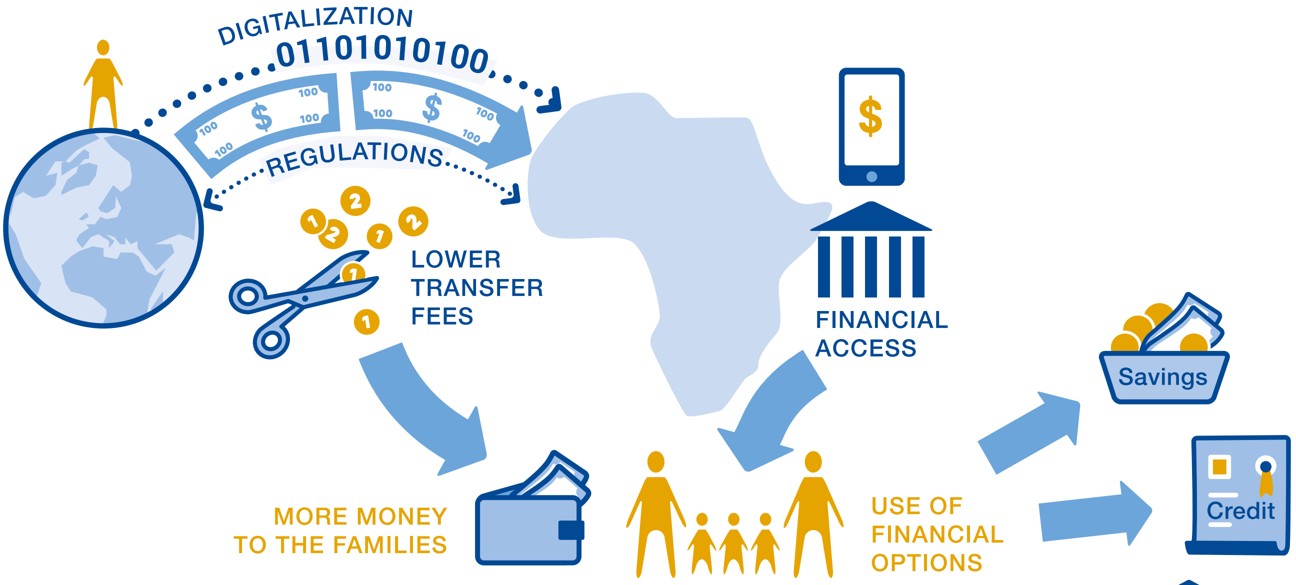
Through the implementation of 15 projects, in partnership with remittance service providers, with the co-financing of the European Union and the other FFR donors, IFAD expects to benefit over 1 million people.

Furthermore, in each of the seven target countries, National Remittance Stakeholder Networks and related Communities of Practice have been established to promote a regular inclusive dialogue on key aspects of the national remittance markets.

PRIME AFRICA'S THEORY OF CHANGE



GOALS

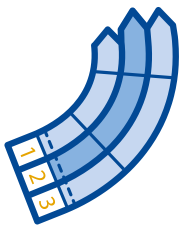


REDUCED REMITTANCE TRANSFER COSTS from Europe to and within Africa

ENHANCED FINANCIAL INCLUSION through remittance-linked financial services

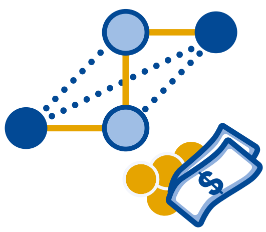
ACTIVITIES

- **Address the data gap**
  Strategic market data allow for further market depth and width, and targeted capacity-building to key stakeholders for remittance data creation and use.



- **Increase market competition**
  Expand access to remittances through close cooperation with public and private sectors, and additionally reduce significantly direct and indirect costs, and spur market competition.

- **Support an enabling environment**
  Coherent national regulatory frameworks in both sending and receiving countries can foster competition in remittance corridors and enable safe, cheap and fast transfers.



- **Finance and promote business models linking remittances and financial services**
  Co-finance and promote innovative, replicable and scalable business models and technologies that link remittances to financial services, towards greater financial inclusion.

- **Finance scalable innovations and related capacity**
  Collaboration mechanisms in place among central banks, regulatory bodies, the private sector and diaspora communities in sending and receiving countries; and strengthened capacity to adapt and scale up best practices within an operational framework that allows cooperation among partners.

SUSTAINABLE DEVELOPMENT GOALS

International Fund for Agricultural Development (IFAD)
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.

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

For more information, visit: www.ifad.org/ffr | www.gfrid.org | www.familyremittances.org

IFAD

Financing Facility for Remittances

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2022