

Event

The impact of remittances on rural transformation in Africa: from commitments to action

Friday, 11 October 2019 | 9:00 am – 1:00 pm
Small Conference Room 1
African Union Headquarters
Addis Ababa, Ethiopia

Concept note

Ecuador's GFMD 2019 Chair, in partnership with the International Fund for Agricultural Development (IFAD) and the African Institute for Remittances (AIR), organizes an event on "**The impact of remittances on rural transformation in Africa: from commitments to action**," which will be held on Friday, 11 October 2019 at the African Union Headquarters in Addis Ababa (Ethiopia).

The event will provide a platform to exchange good practices and present new initiatives that can guide Member States, the private sector and the civil society in Africa towards achievement of SDG 10.c: "*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 by 2030*", and on the implementation of Objective 20 of the Global Compact for Safe, Regular and Orderly Migration "*to promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants*".

Furthermore, the outcome of the event will directly contribute to build the discussions on one of the thematic priorities of the upcoming GFMD Summit in Quito, "*harnessing migration for rural transformation and development*", but will also function as a standalone event, bringing forward the global debate on the contribution of migrants to sustainable development in Africa through better access and use of the remittances they send back home.

In this regard, it will be the occasion to assess progress in the implementation of the recommendations and commitments made by the international community in relation to both SDG target 10.c, the Financing for Development's Addis Ababa Action Agenda (AAAA), and Objective 20 of the Global Compact for Migration. In this regard, as an actionable response to these commitments, the Platform for Remittances, Investment and Migrant Entrepreneurship in Africa (PRIME Africa) – a new initiative launched by IFAD, in partnership with the World Bank Group, AIR, and the UN Capital Development Fund (UNCDF) and co-financed by the European Union – will be presented.

This event also addresses the strategic objective of Ecuador as 2019 GFMD Chair to decentralize and regionalize GFMD's thematic discussions, therefore contributing to a broadened participation of regional stakeholders outside Geneva and New York.

The event will target all stakeholders involved in the African remittance market and, more broadly, in the migration and development field. Among others: the African Union Member States, local and central governments, private sector companies, academia and civil society representatives.

Overview

It is estimated that formal remittances to low- and middle-income countries exceeded US\$529 billion in 2018 – representing over three times the amount of official development assistance (ODA) globally and, for the first time, the foreign direct investment (FDI) in these countries – and are expected to surpass US\$ 550 billion in 2019. Furthermore, indicatively 50 per cent of these flows go to rural areas, where they count the most.

Migrants' remittances to and within Africa were over US\$85 billion in 2018 – of which over US\$25 billion have been sent by migrants residing in Europe – and benefiting over 200 million family members of African migrants in a continent where 55 per cent of the population still live in rural areas. The sum of international migrants and family members receiving remittances provide the magnitude of remittances among the African population with 1 out of 5 people sending or receiving international remittances, without considering domestic flows.

While the world average cost of sending remittances is currently at 6.84 per cent, the average cost to and within Africa is still at 8.52 per cent, the most expensive region worldwide and with the presence of many of the highest cost remittance corridors. Reduction to at *least 3 per cent by 2030 as per SDG target 10.c would lead to an additional US\$5 billion per year* being received into the hands of migrant families in Africa. Furthermore, in several African countries remittances are equal to a very high share of their GDP: in 5 African countries is almost 20 per cent, and in 11 countries is currently higher than 5 per cent.

Objectives

With the aim to address all above challenges and concretely contribute to achieve the international commitments on remittances, this event intends to exchange best practices, foster synergies and discuss challenges and opportunities of migrants' engagement in the countries of origin with all relevant actors in the African remittance market.

The event has four main objectives:

1. To explore the roles of public and private sector entities in Africa involved in the remittance market as well as central banks and other regulatory authorities in promoting the concrete implementation of relevant goals and targets of the SDGs, as well as of objectives 19 and 20 of the GCM.
2. To promote multi-stakeholder partnerships to develop practical solutions for implementing the 2030 Agenda and the GCM in the continent with regards on migrants' contribution to development.
3. To explore options for African policy makers at national and local levels to enhance positive effects of migration and remittances in the transformation of rural areas, in response to the 2019 GFMD Roundtable 3.2.
4. To present concrete examples and strategies of successful initiatives at national, regional and global level in Africa – such as the PRIME Africa Initiative – aimed at maximizing remittances for sustainable development, and promoting financial inclusion for migrants and their families.

Structure

The meeting will tap into the first-hand experiences of the international community, private sector entities, local and national authorities, practitioners and experts, in particular with regards to the African remittance market.

The meeting will open with brief welcoming remarks by the organizers. The opening will be followed by two multi-stakeholder panels, each of which will feature relevant presentations followed by Q/A sessions. A live discussion will engage the audience before closing the event.

Simultaneous interpretation in English and French will be provided.

A light lunch will be served afterwards.

Registration

Please **RSVP** to IFAD's Remittances Team (remittances@ifad.org) and/or AIR (air@au-air.org), copying the GFMD Support Unit at support.unit@gfmd.org by

Wednesday, 9 October.

Along with your confirmation message, kindly ensure to share **a copy of your passport**, which will allow you to enter the AU premises.

Agenda

09:00 – 09:30	Registration
09:30 – 10:00	Opening Remarks Videomessage by H.E. Santiago Chavez Pareja, GFMD 2019 Chair, Republic of Ecuador H.E. Ms. Amira Elfadil, Commissioner for Social Affairs, African Union Commission Han Ulac Demirag, Director of Sub-Regional Hub, International Fund for Agricultural Development (IFAD) H.E. Mr. Mohammed Arrouchi, Ambassador Permanent Representative of the Kingdom of Morocco to the African Union and UNECA, Chair of the African Regional Forum on Sustainable Development
10:00 – 11:30	<u>Session 1: The remittance market in Africa: leveraging inclusive remittance business models and innovation towards cost reduction and increased financial inclusion</u> Presenters: <i>Remittances trends and data in Africa</i> Amadou Cissé, Executive Director, African Institute for Remittances, African Union <i>The current African remittance market and the role of the private sector</i> Leon Isaacs, CEO, DMA Global <i>The African regulatory environment: challenges and opportunities</i> Céu Pereira, Senior Financial Sector Specialist, Finance, Competitiveness and Innovation, World Bank Group

	<p><i>New technologies in place and impending technological changes expected</i> Barry Cooper, Technical Director, Centre for Financial Regulation and Inclusion (CENFRI)</p> <p><i>The impact of remittances and financial inclusion in rural Africa</i> Sabine Mensah, Digital Finance, Regional Technical Specialist, United Nations Capital Development Fund</p> <p><i>Discussions and Q/A</i></p>
11:30 – 11:45	<i>Coffee break</i>
11:45 – 12:30	<p><i>Session 2: Concrete responses to the international commitments on reducing the cost of remittances and maximizing their impact to development</i></p> <p>Presenters:</p> <p><i>The Platform for Remittances, Investment and Migrants Entrepreneurship in Africa – PRIME Africa</i> Pedro De Vasconcelos, Manager of the Financing Facility for Remittances, International Fund for Agricultural Development</p> <p><i>Opportunities and risks of digitizing remittances in francophone West and Central Africa</i> Abdelkader Benbrahim, Making Finance Work for Africa, African Development Bank</p> <p><i>The role of African postal operators in the remittance market</i> Younouss Djibrine, Secretary General, Pan-African Postal Union</p> <p><i>Discussion and Q/A</i></p>
12:30 – 13:00	<p><i>Closing remarks and way forward</i></p> <p>Pedro De Vasconcelos, Manager of the Financing Facility for Remittances, International Fund for Agricultural Development</p> <p>Amadou Cissé, Executive Director, African Institute for Remittances, African Union</p>