



# Global Forum on Remittances, Investment and Development 2017

## RECOMMENDATIONS



Celebrating the



International Day  
of Family Remittances  
**16 JUNE**

United Nations Headquarters, New York  
15 – 16 June 2017

In collaboration with



[www.ifad.org/GFRID](http://www.ifad.org/GFRID) 2017



THE GOVERNMENT  
OF THE GRAND DUCHY OF LUXEMBOURG  
Ministry of Foreign and European Affairs

Directorate for Development Cooperation  
and Humanitarian Affairs



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

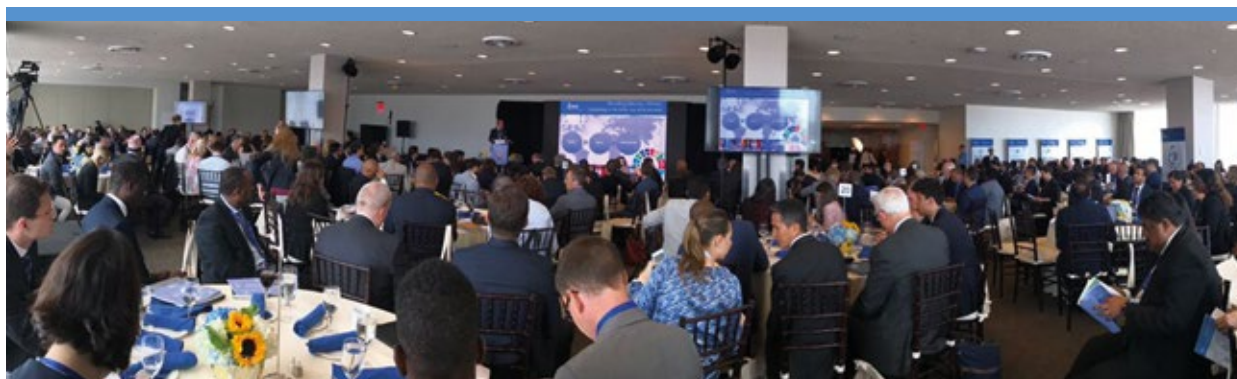
Swiss Agency for Development  
and Cooperation SDC

# The GFRID 2017

On 15 and 16 June 2017, on the occasion of the **International Day of Family Remittances**<sup>1</sup>, over 350 practitioners from the public and private sectors gathered at the United Nations headquarters in New York for the fifth **Global Forum on Remittances, Investment and Development (GFRID)**<sup>2</sup>. The participants had the opportunity to discuss challenges and opportunities in the remittance market, and present innovative approaches and successful business models, framing the discussions around the role of migrants' remittances and investment towards achieving the **Sustainable Development Goals (SDGs)**<sup>3</sup> by 2030.

The GFRID 2017 outcomes and recommendations are actively contributing to the negotiations towards the

adoption of the **Global Compact for Safe, Orderly and Regular Migration**<sup>4</sup> in 2018. The Global Compact on Migration process was established by the the **New York Declaration for Refugees and Migrants**<sup>5</sup>, endorsed by all United Nations Member States on 19 September 2016, following the high-level summit to address large movements of refugees and migrants. The Global Compact will be the first, intergovernmentally negotiated agreement to cover all dimensions of international migration in a holistic and comprehensive manner. It represents a significant opportunity to improve the governance on migration, to address the challenges associated with today's migration, and to strengthen the contribution of migrants and migration to sustainable development.



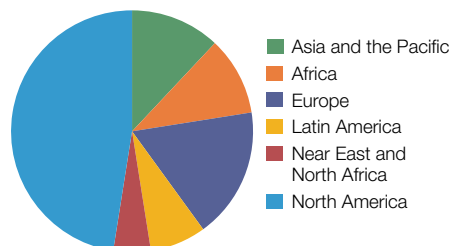
GFRID 2017 – Private sector day, Delegates Dining Room, United Nations Headquarters – 15 June

## Forum's statistics

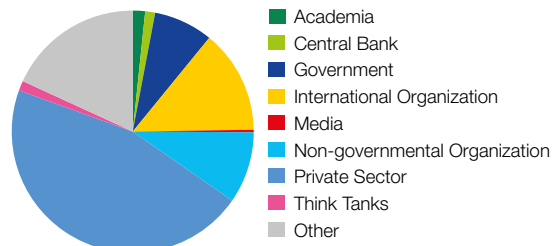
### 350 participants

60 countries  
53 speakers  
11 moderators  
18 panels  
27 exhibitors

### Participants' countries of origin



### Sectors



1/ [www.un.org/en/events/family-remittances-day](http://www.un.org/en/events/family-remittances-day)

2/ [www.ifad.org/gfrid2017](http://www.ifad.org/gfrid2017)

3/ [https://sustainabledevelopment.un.org/?menu=1300](http://sustainabledevelopment.un.org/?menu=1300)

4/ <http://refugeesmigrants.un.org/migration-compact>

5/ <http://refugeesmigrants.un.org/declaration>

# Recommendations

**Recommendations** were developed through the feedback of panellists and the contribution of over 350 stakeholders at the Forum. These are presented in their draft form in the following section and will be shared with GFRID participants and the Member States consultative group.

The recommendations are structured around five points:

- Recognize migrants' key contributions to the Sustainable Development Goals.
- Improve the collection and reporting of strategic data on remittances flows and market features to support policymakers and private sector investment.
- Promote enabling environments that ensure market efficiency and remittance cost reduction.
- Leverage the impact of remittances through financial inclusion and diaspora investment.
- Promote global partnerships at the national, regional and international levels among the public and private sectors and civil society.

## 1. Acknowledge the full spectrum of migrant contributions to the Sustainable Development Goals

The 2030 Agenda for Sustainable Development highlights the significance of migrant contributions to inclusive growth and sustainable development in countries of origin, transit and destination.<sup>6</sup> Migrant remittance flows are the most visible contribution to the Sustainable Development Goals (SDGs) and their sheer size commands global attention. In 2016 alone, migrants sent over US\$429 billion in remittances home to families in developing countries.<sup>7,8</sup> This number reflects private flows that deliver large public benefits, by lifting families out of poverty, expanding access to healthcare, better housing and educational opportunities for children. But migrants “remit” far more than just

money. Many are resilient risk-takers who leverage new ideas, entrepreneurial thinking and global networks that improve communities and create opportunities back home.

Today over one billion people are positively affected by remittances. But with rising political resistance to migrants in many destination countries, action on safer, more productive migration policies, including on remittances, has languished. We thereby recommend that Member States and other stakeholders:

- *Frame* the contribution of migrants in terms of both remittance flows and migrants' positive influence as agents of change in their countries of origin, promoting economic opportunity and sustainable development.
- *Promote* the engagement of stakeholders in expanding the positive impact of migrants on sustainable development. For instance, the endorsement by the UN General Assembly of the International Day of Family Remittances would be a critical step toward a broader framing of remittances and recognition of remittances as an important element in the development agenda.
- *Recognize* that the separation of family members drives remittances everywhere. The broader goal must be to enact policy incentives that encourage transparency, safety, inclusion and the productive use of remittances, as opposed to disincentives that drive these flows into informal channels.

## 2. Improve remittances data to foster effective policies and private-sector investment

Estimated total remittance flows are impressive and contribute substantially to the Sustainable Development Goals. However, actual levels are likely to be significantly higher than estimated totals. Underreporting and faulty estimation methods, particularly of informal flows, prevent an accurate measurement of remittance flows in many markets. In several countries, including most in sub-Saharan Africa, remittance flows are

6/ Migration-specific targets are included under SDGs 8 and 10

7/ [www.worldbank.org/en/news/infographic/2017/04/21/trends-in-migration-and-remittances-2017](http://www.worldbank.org/en/news/infographic/2017/04/21/trends-in-migration-and-remittances-2017)

8/ IFAD, Sending Money Home: Contributing to the SDGs, one family at a time: [www.ifad.org/documents/36783902/4a5640d9-e944-4a8c-8007-a1bc461416e6](http://www.ifad.org/documents/36783902/4a5640d9-e944-4a8c-8007-a1bc461416e6)

entirely unrecorded. Without robust remittance data, policymakers will be hard pressed to design effective policies to reduce informality and financial exclusion. Moreover, private actors, including money transfer operators (MTOs) and financial institutions, are hampered by a lack of actionable data on the remittance market, thereby reducing the expansion of access points and exacerbating financial exclusion. We thereby recommend that Member States and other stakeholders:

- *Strengthen* the capacities of public authorities to implement standardized measurement and reporting protocols for remittance flows and related data, beginning with existing datasets on flows, costs and access points.
- *Disseminate* national remittance data to stakeholders that highlight key variables, including remittance flows, costs, access points and other data related to market competition, non-cash alternatives, etc.
- *Develop* strategic national remittance plans in recipient countries, using maps that identify access points, financial services and apply related metrics to highlight priority areas for the improvement of remittance formalization and financial inclusion.

### 3. Promote greater market efficiency and reduce the cost of remittance flows

The environment that shapes the remittance market is influenced by several major factors. Government policies can promote or impede the competition that drives lower costs and expands access and financial inclusion. Evolving technology continually drives efficiencies and cost reductions, and plays an important role in the competitive position of incumbents and emerging business models. Myriad cross-border partnerships also influence the structure of remittance markets in both receiving and sending countries.

Major policy disincentives to formalization, transparency and access include the taxation of remittance flows and stringent exchange regimes. These often have the

effect of driving many remittances underground and dampening competition among regulated remittance providers. Exclusivity clauses for MTOs are additional disincentives in receiving countries that serve to lower competition and raise costs for migrants and their families.

Anti-money laundering and counterterrorism financing programmes are currently among the most serious challenges constraining the contribution of remittances to the SDGs. These “de-risking” measures are intended to address serious threats to global security, but can have the unintended consequence of causing financial institutions to deny services to law-abiding customers who send and receive remittances that average US\$200 per transaction. De-risking protocols tend to reduce competition in remittance markets and increase the financial exclusion of migrants and their families.

Improving the scope, efficiency and transparency of the remittance market will require a sustained dialogue among several stakeholders, including policymakers and relevant regulatory bodies and remittance service providers (RSPs) in sending and receiving countries. We thereby recommend that Member States and other stakeholders:

- *Implement* regulations that enhance security and reduce the risks for *low-value* transactions and avoid excessive and costly procedures for senders, recipients and financial institutions.
- *Avoid and reduce* exclusivity agreements, onerous taxation and the cancellation or denial of bank accounts to remittance senders and receivers.
- *Improve* market transparency by empowering end-users with practical up-to-date information on costs, remittance products and services, new access points and channels, and required disclosures and procedures, among others.
- *Incentivize* RSPs on both ends of remittance corridors to deploy the cost-cutting business models and technologies needed to achieve the global goal of a 3 per cent average transaction cost of sending remittances.

- *Promote* an enabling environment for technological innovators, such as “FinTechs,” mobile network operators, non-bank financial institutions and others that can help complete the last mile by linking financial services to unserved populations.

#### **4. Increase financial inclusion and diaspora investment to leverage the impact of remittances**

Aligning the incentives of both migrants and financial service providers creates the most sustainable foundation upon which to leverage the impact of remittances. Remittances are financial flows in search of financial products, when these resources land in transactional accounts linked to financial services, such as saving accounts, longer term relationships between transnational families and financial institutions can flourish. No other relationship is as important to financial inclusion as the mainstreaming of migrant remittances in the financial institutions of countries of origin.

There are emerging instruments and practices for pooling investment resources in the diaspora. Diaspora bonds, securitized remittance flows, crowdfunding platforms and dedicated flows to microfinance institutions can create value where capital markets are limited. But these do not offer the shorter-term potential of transactional accounts linked to financial services, and will also require further legal and regulatory development before becoming viable on a widespread basis.

Migrants’ investment capital and entrepreneurial capacities are other development resources that are under-utilized in countries of origin. Amplifying the development potential of these resources requires the recognition by public authorities that migrant capital, networks and entrepreneurship deliver important economic and social spillovers and help contribute to SDGs. We thereby recommend that Member States and other stakeholders:

- *Create public and private incentives* that facilitate the expansion of remittance-linked financial services and products that serve underserved populations.
- *Implement and expand* practical mechanisms to enable migrants to invest directly or through investment vehicles in SMEs in various sectors in their home countries.
- *Recognize the development impact of greater financial inclusion* for tens of millions of remittance families, and the impact of a more productive use of migrant investment resources, networks and entrepreneurship, with the highest benefits accruing to rural communities.
- *Strengthen* the financial literacy, skills and asset-building strategies of remittance families to promote investment opportunities in communities of origin.

#### **5. Bring together public, private and civil society at the national, regional and international levels to agree on realistic policies and actions**

Maximizing the development impact of migrant remittances and investments will require collaboration among the major stakeholders that form the framework for leveraging these resources. We thereby recommend that Member States and other stakeholders:

- *Encourage* public-private partnerships that promote new technologies, product development, investment and business models, and greater consumer participation in financial institutions particularly in underserved, rural and remote areas.
- *Promote* policy coherence among government institutions in order to integrate remittances, migrant investment capital and entrepreneurship into national priorities and development plans.
- *Stimulate* knowledge-sharing and the dissemination of best practices for harnessing remittances and diaspora investment through international and regional platforms such as the Global Forum on Remittances, Investment and Development.



# GFRID 2017 Brief

## 1. Main outcomes

- The GFRID outcomes and recommendations are officially contributing and feeding the discussions towards the adoption of the **Global Compact for Safe, Orderly and Regular Migration**, in particular for the **Informal Thematic Session #4 – Contributions of migrants and diasporas to all dimensions of sustainable development, including remittances and portability of earned benefits**. A dedicated meeting will be held in New York on 24 and 25 July 2017.
- The Forum saw a wide support by the **private sector**, who actively participated and discussed with regulators and public sector stakeholders on the opportunities and challenges to maximize the impact of remittances for development. Interactions on models of intervention, best practices and new technologies were also extensively discussed.
- The third annual celebration of the **International Day of Family Remittances**, on 16 June, was extensively endorsed by **Member States, the private sector and international organizations**. This acknowledgement was key in raising further awareness of the crucial role of migrants and their transformative impact in both host countries and communities of origin, through the money they send back home.

## 2. Key messages

- **One billion people, one every seven people on Earth, are directly impacted by remittances.** Remittances have a crucial role for migrant families, allowing them to procure food, education, health, and income-generating activities, particularly in rural areas where these flows count the most. It is through these flows that they are achieving their own **Sustainable Development Goals** and contributing towards long-term **rural transformation**.
- The migration narrative needs to change: while money flows leaving as migrant remittances have very little impact in host countries, they make a difference back home. It is about people helping other people. This is why the international community needs to acknowledge the crucial role played by migrant workers and find ways to support them.



Gilbert F. Hounbo, President of IFAD

***“Now the time has come to fully engage with the reality of one billion people who either receive or send family remittances. All nations can help leveraging the impact of these flows, to contribute reaching the Sustainable Development Goals by 2030. And I know we can do this, one family at a time.”*** Gilbert F. Hounbo

*“According to the New York Declaration for Refugees and Migrants, the Global Migration Compact should be guided by the 2030 Agenda for Sustainable Development. By facilitating financial inclusion, remittances expand opportunities for recipients. In short, I think it’s fair to say that remittances allow families to reach their own Sustainable Development Goals.”* Louise Arbour



**Victor Manuel Asturias Cordón**, Minister of Economy of Guatemala

- **Governments, development stakeholders and private sector representatives recognized the tremendous contributions of migrant workers and their families** to the social and economic well-being of countless communities (particularly in rural areas), and towards achieving the Sustainable Development Goals by 2030.
- **Migrant contributions can further support long-term sustainable development.** This can be achieved by strengthening remittance families’ resilience and financial independence through skills, financial access, and asset-building strategies within an enabling environment that promotes competition, innovation and cost reduction in the remittance marketplace.



**Louise Arbour**, United Nations Secretary General’s Special Representative for International Migration

- **While the cost of sending remittances is still an issue of major concern**, it is recognized that an enabling environment is the primary element to achieving the goal of 3 per cent cost on remittance transfers by 2030.
- The potential development impact of migrant remittances and investments can only be fully realized in partnership with **coherent and realistic public policies and priorities, coupled with private-sector initiatives.**
- For the first time, the GFRID 2017 made it clear that not only did the volume of remittances increase by over 50 per cent over the past decade, but the scope of remittances is evidenced by the fact that **100 countries receive at least US\$ 100 million in remittances annually.** For most of these countries, the **majority of their populations live in rural areas.**

### 3. International Day of Family Remittances

Since its first celebration in 2015, the **International Day of Family Remittances (IDFR)** has increasingly been recognized by the public and private sectors, with an **unprecedented support in 2017<sup>9</sup>**.

#### Private sector endorsements

- Nearly **800 mobile operators and more than 300 companies** in the broader mobile ecosystem through GSMA.
- Over **100 Money Transfer Operators (MTOs) representing 80 per cent of the remittance market**, through the International Association of Money Transfer Networks (IAMTN) and individually.
- **Savings and retail banks from 80 countries, representing approximately 6,000 banks** in all continents, through the World Savings and Retail Banking Institute (WSBI).
- Two companies (**Wells Fargo** and **SolidTrust Pay**) celebrated the IDFR with a **Zero Transfer Cost Day** on 16 June, while other companies took additional concrete actions, such as free tickets home (**Azimo**).



**International Day  
of Family Remittances**  
**16 JUNE**

#### Support from Member States

- Several **Member States** supported the campaign towards formal IDFR endorsement by the United Nations General Assembly. The **informal Consultative Group of Member States**, established by IFAD to contribute to the GFRID 2017 agenda, provided strong support in promoting the Day and involving more government representatives.

#### Support from International Organizations

- Through the **Global Migration Group (GMG)<sup>10</sup>**, **22 agencies of the United Nations** supported the Day, including an individual pledge by the **International Organization for Migration (IOM)**.



United Nations Headquarters Conference Room 4 on 16 June

IDFR Resources are available at  
[www.ifad.org/idfr](http://www.ifad.org/idfr)  
[www.un.org/en/events/family-remittances-day/](http://www.un.org/en/events/family-remittances-day/)

9/ [www.ifad.org/topic/event/tags/remittances/idfr/y2017/43861915](http://www.ifad.org/topic/event/tags/remittances/idfr/y2017/43861915)

10/ [www.globalmigrationgroup.org](http://www.globalmigrationgroup.org)



## 4. Sending Money Home: Contributing to the SDGs, one family at a time

To set the stage and steer the discussions, the fifth report of the *Sending Money Home* series, was launched during the GFRID. It is the first ever that looks at a 10-year trend on sending and receiving remittances, as well as their impact and their contribution towards the achievement of the SDGs.

The report was extremely well received and was key to support the Forum recommendations. It was also substantively mentioned by the media. [View Report](#)<sup>11</sup>.

As a result of the global media outreach on the **Sending Money Home report** and the **GFRID 2017 and related events**, over **900 news items** to date have appeared in the media (print/online/television/radio).



## 5. Remittance marketplace and RemTECH Awards



An industry award ceremony and marketplace were hosted on 15 June.

The **GFRID Remittance Marketplace** saw the participation of 27 private sector entities who showcased their latest products and innovations to all Forum participants. Exhibitors had the opportunity to present new products, business models, tools and technologies to a high-level audience of government officials, industry representatives, development workers and civil society leaders.

The **Remittance Innovation Awards (RemTECH Awards)**<sup>12</sup>, whose aim was to showcase the most innovative and outstanding ideas, models and projects designed to improve remittance services worldwide, were announced at the GFRID 2017. Several digital and online money transfer, cryptocurrency and fintech companies were awarded for their innovative business models and potential for promoting further impact in the market. The judging panel was composed of independent experts and coordinated by the International Money Transfer Conference (IMTC).



The RemTECH Awards

11/ [www.ifad.org/documents/36783902/4a5640d9-e944-4a8c-8007-a1bc461416e6](http://www.ifad.org/documents/36783902/4a5640d9-e944-4a8c-8007-a1bc461416e6)

12/ <https://remtech.org/>

# The GFRID in pictures



**Alexandre Trepelkov**, Director, Financing for Development Office, UN-DESA



**Daniela Morari**, Deputy Minister for Foreign Affairs and European Integration, Moldova



**Judith Arrieta Munguia**, Minister, Permanent Mission of Mexico to the United Nations and co-chair of the Global Compact on Migration



**Masud Bin Momen**, Permanent Representative of Bangladesh to the United Nations and co-chair of the Friends of Migration, and **Gilbert F. Hounbo**, President of IFAD



The financial contribution of migrants, diaspora groups and refugees to development. Moderator: **Jürg Lauber**, Permanent Representative of Switzerland to the United Nations; **Kingsley Aikins**, CEO, Diaspora Matters; **Dilip Ratha**, Senior Economist, World Bank; **Micol Pistelli**, Financial Inclusion Officer, UNHCR; **Ashraf El Nour**, Director, IOM Office at the United Nations



Financial inclusion through remittances: Opportunities hidden in plain sight. Moderator: **Henri Dommel**, Director, Inclusive Finance Practice Area, United Nations Capital Development Fund (UNCDF); **Marc Hollanders**, Special Adviser on Financial Infrastructure, Bank for International Settlements; **Patrice Kiiru**, General Manager, Diaspora Banking & International Money Transfer, Equity Bank Group; **Manuel Orozco**, Senior Director, Inter-American Dialogue; **Shari Spiegel**, Chief, Policy Analysis and Development Branch, FfD Office, UN-DESA





Private sector engagement: A driving force to reach scale  
 Moderator: **Masud Bin Momen**, Ambassador and Permanent Representative of Bangladesh to the United Nations; **Mohit Davar**, Chairman of Advisory Board, IAMTN; **Nathan Naidoo**, Director of Policy and Advocacy, Mobile Money, GSMA; **Ian Radcliffe**, Director, WSBI; **Stefano Signore**, Head of Unit Migration, Employment and Inequalities, Directorate-General for International Cooperation and Development, European Commission



Migrants' contribution to development  
**Leon Isaacs**, Chief Executive Officer, Developing Markets Associates Ltd. (DMA)



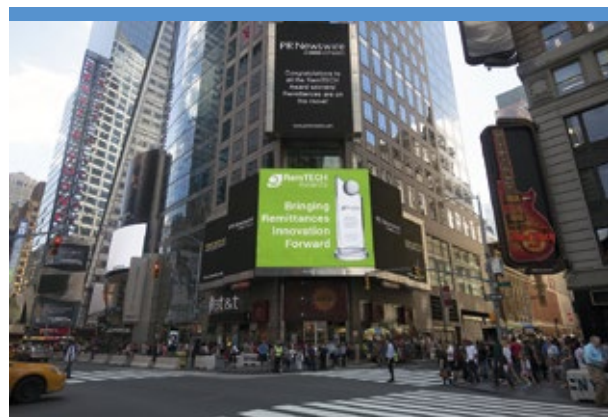
**James Cockayne**, Head of UNU New York and 2017 chair of the Global Migration Group; **Victor Manuel Asturias Cordón**, Minister of Economy of Guatemala; **Teodoro L. Locsin Jr**, Permanent Representative of the Philippines to the United Nations



**Sebastian Molineus**, Director, Finance and Markets Global Practice, World Bank Group



The GFRID 2017 Remittance Marketplace



The RemTECH Awards advertised in Times Square

# Future of the Forum

After a decade of Global Forums fully organised by IFAD and its partners, and in order to promote a systematic regional dialogue and cooperation, it was proposed to give Member States a stronger ownership of the GFIRD process, whereby IFAD and its IFI partners will provide key strategic and technical support.

In this regard, the Central Bank of Malaysia (Bank Negara Malaysia) announced that they would host the

first in a series of regional Member States-led fora: the *Global Forum on Remittances, Investment and Development: Regional series – 2018* to be held on 8-10 May in Kuala Lumpur. It is expected that other government agencies and/or central banks in Asia will uptake the Forum for the years to come. Discussions with partners in Africa and Latin America have also been initiated during the second half of 2017 to stimulate a similar uptake.





## Global Forum on Remittances, Investment and Development

### Regional series – Asia 2018

8-10 May 2018 – Kuala Lumpur, Malaysia

**SAVE THE DATE**





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 [www.youtube.com/user/ifadTV](https://www.youtube.com/user/ifadTV)

[www.ifad.org/gfrid2017](http://www.ifad.org/gfrid2017)  
[www.ifad.org/idfr](http://www.ifad.org/idfr)  
[www.un.org/en/events/family-remittances-day](http://www.un.org/en/events/family-remittances-day)