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Global Forum on Remittances, Investment and Development 2018

Asia-Pacific

OFFICIAL REPORT



International Day
of Family Remittances
16 JUNE

8-10 May
Kuala Lumpur, Malaysia

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The Global Forums on Remittances, Investment and Development are a series of forums organized by IFAD's Financing Facility for Remittances in collaboration with international organizations, public and private institutions.

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List of acronyms

ADB	Asian Development Bank	GMG	Global Migration Group
AFI	Alliance for Financial Inclusion	GPFI	Global Partnership for Financial Inclusion
AML/CFT	anti-money laundering and combating the financing of terrorism	IAMTN	International Association of Money Transfer Networks
APRACA	Asia-Pacific Rural and Agricultural Credit Association	IDFR	International Day of Family Remittances
AUSTRAC	Australian Transaction Reports and Analysis Center	IFAD	International Fund for Agricultural Development
BNM	Bank Negara Malaysia (the Central Bank of Malaysia)	IFI	international financial institution
CEO	Chief Executive Officer	IMTC	International Money Transfer Conferences
CGAP	Consultative Group to Assist the Poor	IOM	International Organization for Migration
CLMV	Cambodia, Lao PDR, Myanmar and Viet Nam	KoFIU	Korea Financial Intelligence Unit
COO	Chief Operating Officer	KYC	know-your-customer
DLT	distributed ledger technologies	MAMSB	Malaysia Association of Money Services Business
DMA	Developing Markets Associates Ltd	MDGs	Millennium Development Goals
EBG	Equity Bank Group	MFMI	Migrant Family Motivation Initiative
EC	European Commission	MSB	money services businesses
e-KYC	electronic know-your-customer	MTO	money transfer operator
EPA	Emerging Payments Association	NMTA	National Money Transmitters Association
EU	European Union	ODA	official development assistance
FATF	Financial Action Task Force	PSD	Payment Services Directive
FFR	Financing Facility for Remittances	PSD2	Revised Payment Services Directive
FSB	Financial Stability Board	RSP	remittance service provider
FSP	financial service provider	SDGs	Sustainable Development Goals
GC/M	Global Compact on Safe, Orderly and Regular Migration	SME	small and medium enterprise
GDP	gross domestic product	SVP	Senior Vice-President
GFMD	Global Forum on Migration and Development	TA	technical assistance
GFRID	Global Forum on Remittances, Investment and Development	UNCDF	United Nations Capital Development Fund
		UN-DESA	United Nations Department of Economic and Social Affairs
		UPU	Universal Postal Union
		WSBI	World Savings and Retail Banking Institute

Foreword

Over one billion people around the world are impacted by remittances, either as senders or receivers. More than 200 million migrant workers contribute, through these vital flows, to raise their living standards and ensure their families' improved health, education and housing. Remittances also allow migrant workers and their families to be more entrepreneurial and resilient, particularly in rural areas of developing countries. At times of emergencies, during natural disasters, economic upheavals and political instability, remittance senders are often the first to respond, providing for the daily needs of their families.

Leveraging these remittances and enabling migrant workers' investments to have greater development impact are at the heart of discussions shared at IFAD's Global Forum on Remittances, Investment and Development (GFRID). The Forum is held every two years, bringing together key stakeholders from the private and public sectors, and from the civil society. Each GFRID is held in collaboration with key regional and international financial institutions, as well as other international organizations such as the World Bank Group, the United Nations Department for Economic and Social Affairs (UN-DESA), and the European Commission. Over the last decade, the GFRID has become a leading global platform for discussing current and emerging trends in the remittance marketplace, as well as challenges and opportunities.

Following the GFRID held at the United Nations Headquarters in New York in 2017 in the context of the Global Compact for Safe, Orderly and Regular Migration (GC/M), IFAD – jointly with Bank Negara Malaysia and the World Bank Group – hosted the first country-led regional GFRID Asia-Pacific 2018 in Kuala Lumpur.

This GFRID 2018 resumed the discussions raised at the Forum held in Bangkok in 2013, and focused on identifying new market and social impact opportunities in the Asia-Pacific remittance marketplace, to ultimately achieve the Sustainable Development Goals (SDGs).

Asia-Pacific is where fundamental transformation and achievement of the SDGs must happen. In fact, around US\$6 trillion in remittances are projected to be sent to developing countries by 2030, over half of which

will arrive in Asia-Pacific, very often in small towns and villages where these flows count the most. One in every 10 people (senders and receivers) in the region is directly affected by remittances, contributing more than 10 times net official development assistance from all sources combined. Remittances to Asia-Pacific remain the highest in the world, at US\$256 billion in 2017 (53 per cent of worldwide flows), and more than 4 billion people live in 29 remittance-receiving countries in the region.

The GFRID 2018 Asia-Pacific saw the launch of the web-platform RemitSCOPE. This platform provides data, analyses and remittance-market profiles for individual countries. RemitSCOPE Asia-Pacific contains market profiles for 50 countries in the region. Other regions will be gradually included.

The GFRID 2018 further promoted partnerships, exchange of knowledge and best practices, and connected the key actors across sectors involved in the Asia-Pacific marketplace. It also hosted the RemTECH Awards, assigned to the most innovative initiatives to leverage the impact of remittances for migrant workers and their families.

Through these Forums and ensuing initiatives, IFAD aims to promote the vital role of migrant workers in the achievement of their and their families' personal SDGs. In partnership with governments, international financial institutions and private-sector entities, IFAD is committed to work together to enhance the development impact of remittances, and recognize migrant workers and the diaspora as agents of change.

This report presents the key messages and conclusions of the GFRID 2018, including side events and parallel sessions, as well as opportunities for stakeholders from all sectors to maximize the impact of remittances and other migrant contributions in Asia-Pacific for the years to come.

Pedro De Vasconcelos

Manager of the Financing Facility for Remittances
International Fund for Agricultural Development

GFRID 2018 Outcomes

A set of specific priorities and actionable outcomes resulted from GFRID 2018. These are directly linked to the [2030 Agenda for Sustainable Development](#) and its [Sustainable Development Goals \(SDGs\)](#), and the [Global Compact for Safe, Orderly and Regular Migration \(GC/M\)](#). They are structured around the following five pillars:

- 1. Recognize the significant contributions of migrant remittances and diaspora investments to achieving the SDGs**
- 2. Expand and strengthen the collection, analysis and application of remittance- and diaspora-related data to foster effective public policies and private-sector investment, and informed decision-making at the customer end**
- 3. Continuously review legal and regulatory frameworks on remittance and diaspora investments to promote harmonization across jurisdictions; and ensure that they spur competition, innovation, technology and integrity, leading to greater market efficiency and lower cost**
- 4. Support financial inclusion and facilitate asset-building in order to leverage the impact of remittances and diaspora investment**
- 5. Convene the public and private sectors, and the civil society beginning from the local level up to national and international levels, to coordinate and implement strategies, policies and actions, and evaluate implementation efforts on a regular basis**

1

Recognize the significant contributions of migrant remittances and diaspora investments to achieving the SDGs

Every day, remittance families aspire to reach their own individual SDGs.

Two hundred million remittance families around the world are already engaged in reducing poverty, improving health and nutrition, attaining better education, and investing in housing and entrepreneurship. By doing so, the actions and aspirations of these individual families match up directly with several SDGs. In this regard, it should be noted that remittances to Asia-Pacific exceed 10 times ODA to the region.

But migrants “remit” far more than just money. They also bring innovative thinking that can leverage new ideas and create opportunities for their families and communities back home.

In this context, the SDGs provide a blueprint for ideas and actions to help create convergence between the goals of remittance families, the strategies of the private sector to tap underserved markets, public policies and the role of the civil society to promote positive change.

Proposed actions include:

- *Frame* the contribution of remittance families in terms of both financial flows and investments as potential “agents of change” in their countries of origin by promoting economic opportunities and sustainable development, emphasizing that these are private flows.
- *Recognize* that leveraging the development impact of remittances and diaspora investment to reach long-term goals can only be achieved when strategies to undertake concrete actions are formulated and implemented at both national and local levels.
- *Expand* awareness of the positive impact of remittances and diaspora contributions for migrant families in communities of origin. For instance, the endorsement of the IDFR¹ by the United Nations

¹ On 12 June 2018, the Resolution to declare 16 June as the International Day of Family Remittances was formally adopted by the United Nations General Assembly.

General Assembly would be an important step toward recognition of remittances as a key component of the development agenda.

- *Support initiatives in receiving countries that leverage on remittances and investment such as microcredit and remittance-linked products.*

Building capacity for the proper collection and use of information is required to develop effective strategies and policies, for example, through regional remittance and diaspora investment observatories. There have been successful examples such as Greenback 2.0 in Turin (Italy), Montreuil (France), Johor Bahru (Malaysia) and Lombok (Indonesia).

2 Expand and strengthen the collection, analysis and application of remittance- and diaspora-related data to foster effective policies and private-sector investment, and informed decision-making at the customer end

Data and market intelligence are the lifeblood of effective decision-making.

The enormous scale of remittances is already well known – US\$256 billion to Asia-Pacific in 2017 – with remittances to developing countries worldwide projected to reach US\$6 trillion from now until 2030.

However, the wide scope of remittances is still not fully appreciated: 100 developing countries each currently receive more than US\$100 million annually. In Asia-Pacific, those remittances go predominantly to countries with large rural populations.

Although remittance data continues to improve, availability, analysis and application of these data remains an issue. The same applies to disaggregated data regarding diaspora investment interest and capacity. These include both the collection and availability of transparent data to design remittance industry-related benchmarks, and the ability to evaluate their impact. These limitations lead to poor understanding about the motivations and requirements of senders and receivers of remittances and diaspora investors.

In turn, with access to information, financially literate remittance families and diasporas will have better opportunities and more options to use their money productively. At the same time, governments would have a much more reliable set of data to establish and modify their policies.

Proposed actions include:

- *Develop systems and surveys to identify and assess the level and impact of those flows of remittances that are not captured by the existing methodologies. Similarly, upgrade and expand the mechanisms to identify diaspora investment opportunities.*
- *Strengthen the capacity of public authorities to implement standardized measurement and reporting protocols for remittance flows and related data, beginning with existing market datasets.*
- *Disaggregate and disseminate national and local remittance data to stakeholders, highlighting key variables, including remittance flows, costs, access points and other data related to market competition and non-cash alternatives. For example, the Global Findex Database should be adapted to gather information regarding migratory states, in accordance with SDG 17.18.*
- *Engage the private sector to collect and provide data for analysis and strengthen the importance of their role in this field to Member States.*
- *Empower remittance families with practical, up-to-date information on costs, remittance products and services, and new access points and channels.*
- *Facilitate diasporas with practical, up-to-date information on investment opportunities, adapted mechanisms and products.*
- *Leverage regional forums such as regional governmental organizations to collect and share remittance and migration data at the regional level to complement global datasets.*

3. Continuously review legal and regulatory frameworks on remittance and diaspora investments to promote harmonization across jurisdictions; and ensure that they spur competition, innovation, technology and integrity, leading to greater market efficiency and lower cost

Innovation for remittance markets can be summarized in two words: competition and digital.

It is important to adopt legal and regulatory frameworks that can enable and facilitate the role of the private sector in delivering faster, safer and cheaper remittances. In turn, the authorities should encourage, via improved enabling environments, the introduction of innovation and technology into remittance markets, which is critical to reaching the “last mile” and to creating remittance-linked financial services.

The majority of remittance transactions continue to be cash-to-cash, but this scenario is rapidly changing with the advent of Internet-based tools, digital technologies and other innovative mechanisms. Unregulated flows are expected to continue throughout the Asia-Pacific market for some time, due to lower costs, greater convenience and a sense of trust and familiarity, combined with challenges over enabling irregular migrants to use legal remittance services. However, it is clear that the improvements in the market will soon absorb a large part of those remittance flows.

Even if it is impossible to know exactly how the technological innovation will evolve, innovations and new services are now a permanent part of the remittances infrastructure and can contribute significantly in reducing transaction costs. It is imperative that regulatory environments enable the testing of innovative solutions in a safe environment.

Proposed actions include:

- *Promote* coordination between regulators and innovators to incubate proportionate regulations, sandbox and other safe regulatory environment approaches, and subsequently bring to scale successful models.
- *Promote* healthy competition in the remittances market, by ensuring its contestability and the application of competition laws (where they exist and especially in respect of exclusivity agreements), and educate market participants with respect to their options and obligations.
- Assess the remittance market against the General Principles for International Remittance Services, which will provide a set of concrete recommendations to improve the market.
- *Implement* regulations that enhance security and reduce risks for remittances that are proportionate in nature in order to avoid excessive and costly procedures for senders, recipients and financial institutions.
- *Promote* the sharing of experiences to facilitate greater harmonization of laws as well as enhance training and strengthen capacity building of national regulators.
- *Support* service providers on both ends of remittance corridors to deploy cost-cutting business models and technologies needed to reduce transaction costs of sending remittances to 3 per cent by 2030.
- *Strengthen* international cooperation to support market development, including enforcement and supervision of the remittance sector.
- *Introduce* enabling measures to dissuade users and operators of informal remittances to increase the usage of formal remittance channels.
- *Implement* proportionate anti-money laundering and combating the financing of terrorism (AML/CFT) frameworks that: 1) take advantage of low-risk situations to facilitate financial inclusion; and 2) promote AML/CFT compliance by remittance firms.

4 Support financial inclusion and facilitate asset-building in order to leverage the impact of remittances and diaspora investment

Financial inclusion affects everything migrant families wish to accomplish.

While remittance recipients are still generally excluded from the formal financial system, they consistently demonstrate commitment to save and/or invest through channels that they understand and trust. Providing them with value-added options will improve long-term asset-building for themselves and their communities.

Experience demonstrates that: given more opportunities to save, remittance families will save more; given investment opportunities, customized to their circumstances and goals, remittance families will invest more; and given better mechanisms to develop their own human capital, they will make a strong commitment to their families' future.

Proposed actions include:

- *Develop* and strengthen national financial inclusion strategies, ensuring that migrant families are involved and at the center of precise efforts to increase their role and support of the overall objectives of the strategies.
- *Create* and support public and private initiatives that facilitate the expansion of remittance-linked financial services customized for underserved populations.
- *Implement and expand* practical mechanisms to enable remittance families to save and invest in sustainable businesses at the local level, ranging from basic savings, diaspora bonds and crowdfunding.
- *Promote* financial literacy and asset-building strategies for remittance families to help them use their financial resources more productively.
- *Identify and understand* the specific needs and behavior of different groups of migrants (e.g. in terms of their age group and level of skills among others) to effectively promote the uptake of diaspora investments.

5 Convene the public and private sectors, and the civil society beginning from the local level up to national and international levels, to coordinate and implement strategies, policies and actions, and evaluate implementation efforts on a regular basis

Stakeholders at all levels must engage to ensure sustainable impact from remittances.

Maximizing the impact of migrant remittances and investments will require collaboration among major stakeholders to develop appropriate frameworks to reach the SDGs. These partnerships should focus particularly on how to implement best practices down to local levels. Policy coherence among government and private institutions requires capacity-building in order to integrate remittances, migrant investment capital and entrepreneurship into strategic priorities and development plans.

Proposed actions include:

- *Encourage* public-private partnerships that promote new technologies, product development, investment and business models, as well as greater consumer participation in financial institutions, particularly in underserved, rural and remote areas.
- *Stimulate* knowledge-sharing and the dissemination of best practices for harnessing remittances and diaspora investment through international, regional and national platforms.
- *Support* advocacy programs and discourses on remittances to promote ownership of issues at the country and regional level. This includes ensuring continuity to the GFRID 2018 Asia-Pacific process and dialogue by identifying future Member States to undertake this initiative, and maintaining an open dialogue among the public and private sectors and the civil society at the regional level.
- *Incorporate* into future Forums a process to follow up and assess the implementation of the objectives of the Global Compact for Safe, Orderly and Regular Migration, in particular with regards to the aspects related to diaspora contributions (Objective 19) and migrant remittances (Objective 20).

About the GFRID 2018 Asia-Pacific

From 8 to 10 May 2018, Bank Negara Malaysia (the Central Bank of Malaysia), in collaboration with the International Fund for Agricultural Development (IFAD) and the World Bank Group, hosted over 400 practitioners from the public and private sectors, and the civil society, for the first country-led regional **Global Forum on Remittances, Investment and Development (GFRID 2018) – Asia-Pacific**.

Organizing partners included the Alliance for Financial Inclusion (AFI), the FinDev Gateway of the Consultative Group to Assist the Poor (CGAP), GSMA Mobile for Development, the International Association of Money Transfer Networks (IAMTN), the International Money Transfer Conferences (IMTC), the Malaysia Association of Money Services Business (MAMSB) and the World Savings and Retail Banking Institute (WSBI).

Twenty-two panels of experts discussed the current status of remittance flows to Asia-Pacific. They evaluated the latest developments in the remittance marketplaces serving the regions' 50 countries through more than 6,000 separate corridors, and proposed policies and mechanisms to make migrant remittances more

affordable, safer and easier to access, and maximize the impact of diaspora contributions to the socio-economic development of the receiving countries.

Forum discussions and interactive workshops benefitted from the active engagement of participants in exploring ways and means to improve regulatory environments, promote financial inclusion, enable innovation and customize investment opportunities to the needs and interests of remittance families and diasporas. Referring to many proven practices in the region, Forum attendees discussed the need to continue searching for coherent public policies to support private sector and civil society initiatives.

The Forum's specific priorities and actionable recommendations have been timely to contribute to the preparatory processes leading to the adoption of the GC/M in December 2018. It further showcased the crucial role of remittances and migrant investments to the guidance and achievement of the 2030 Agenda for Sustainable Development and its SDGs, as well as the Addis Ababa Action Agenda.



GFRID 2018 plenary

Key objectives

- explore recent developments, innovations and opportunities in the Asia-Pacific remittance market, to provide concrete recommendations to leverage the potential of diaspora investment and migrant remittances towards the adoption of the GC/M;
- highlight the contribution of migrant remittances and diaspora investment in Asia-Pacific to achieve the SDGs and their targets;
- update the stakeholders on findings and realities from recent initiatives in the region;
- further engage the public sector and regulators in creating an enabling environment to boost the development impact of remittances, and bridging the private and public sectors as well as the civil society; and
- identify adapted and scalable models of intervention and partners to implement future operations, particularly in the fields of (i) rural finance and financial inclusion, and (ii) financing agriculture through diaspora investment.

Main messages

- **One out of every 10 people (senders and receivers) in Asia-Pacific are directly affected by remittances.**

Remittances to Asia-Pacific remain the highest in the world, at US\$256 billion for 2017 (53 per cent of worldwide flows). These private financial flows contribute to the region more than 10 times net official development assistance (ODA) from all sources combined.

- **Migration should be a choice rather than a necessity.**

More than 4 billion people live in 29 net remittance-receiving countries of Asia-Pacific. However, receiving families in these countries are not fated to be “remittance-reliant” forever. In fact, none of these countries proudly proclaims the level of its reliance on remittances. Remittance-reliant countries recognize the need to generate enough economic opportunity

domestically to reduce the pressure on their citizens to migrate. Leveraging the impact of remittances can help achieve this goal.

- **Remittances positively impact SDGs.**

Fundamental transformation and achievement of the SDGs must happen in Asia-Pacific. In fact, around US\$6 trillion in remittances are projected to be sent to developing countries by 2030; over half of that money will arrive in Asia-Pacific, very often in small towns and villages, where remittances count the most.

- **Discourses on financial inclusion need to recognize the needs of the migrants.**

Over 200 million people live outside their country of origin. Many contribute to both origin and host countries through their work, skills and money they invest. These positive aspects are often neglected in the public discourse. In order to make remittance transfers more efficient and develop opportunities for investments at home and ultimately making migration work for all (as cited by the UN Secretary General), five key elements to be addressed are: identification of remittance sender, safety of financial services user, inclusiveness, usefulness, and convenience of financial products and services.

- **Cash-to-cash remittances can decrease substantially if innovation for financial inclusion is promoted.**

The persistence of cash in the remittance industry makes it harder to implement digital change. However, when combined with supportive regulatory frameworks, developed payment systems infrastructure and enhanced financial literacy, innovation can serve as a catalyst to deliver the promises of new technologies. The advent of new technologies and “out of the box” thinking in the public and private sectors have great potential to make remittance markets more competitive, convenient, safe and inclusive. While technology will be key to moving forward, the traditional over-the-counter model and agents are expected to continue to play a key role at least for the next five years. De-risking remains an important issue in the industry,

- The remittance market in Asia-Pacific offers tremendous opportunities.**

Since the last GFRID in 2013, the Internet-based economy has developed and there is an increasing number of digital operators and start-ups. Views differed on the potential and challenges of blockchains. Regulations and getting licenses to operate remain some of the key challenges for any newcomer in the industry in the region. Remitters also shy away from new products, representing a challenge for new market operators.

- The power of diaspora should be harnessed to enhance impact investments.**

Although investment is discouraging for many, migrants often have the desire to invest, but there is little awareness of which area to invest in and the mechanisms to doing so. This represents opportunities for service and product providers. From the supply side, there are four models that are more prevalent on diaspora investment: i) diaspora bonds; ii) venture capital investment funds; iii) crowdfunding platforms; iv) and a hybrid model (developed through IFAD projects and tested in Somalia and the Philippines) whereby diaspora co-invest with SMEs. In this area, there is a need to know the diasporas better and adapt and streamline investment products that reduce risk and attract more investors.

- Know and understand your diaspora.**

A common understanding was reached on the fact that the diaspora is not a homogenous group of people. There is an urgent need for better and more detailed profiles of migrant investors to develop further and scale up existing financial products and instruments that match their needs and ambitions.

Key statements

"The need is stronger than ever for determined leadership across all stakeholders to steer the public discourse towards credible facts and evidence, and away from xenophobia and discrimination. Migrants are needed in virtually all job markets. They bring skills and help economies flourish. Although migrants represent just slightly over 3 per cent of the global population, they contributed 9 per cent of the global GDP in 2015."

Louise Arbour

UN Special Representative for International Migration

"Let this Forum serve as a call to action, based on an honest search for better understanding and a genuine commitment to pursue individual and collective solutions."

Jessica Chew Cheng Lian

Deputy Governor, Bank Negara Malaysia

"With a broad global consensus on the power of remittances to drive development, it is high time that we move beyond recommendations and implement scaled-up initiatives."

Charlotte Salford

Associate Vice-President, External Relations and Governance Department, IFAD

"We have come a long way since we first realized the potential of remittances and started to work as a community to increase the focus on policies affecting international remittances."

Ceyla Pazarbasioglu

Senior Director for the Finance, Competitiveness and Innovation Global Practice, World Bank Group

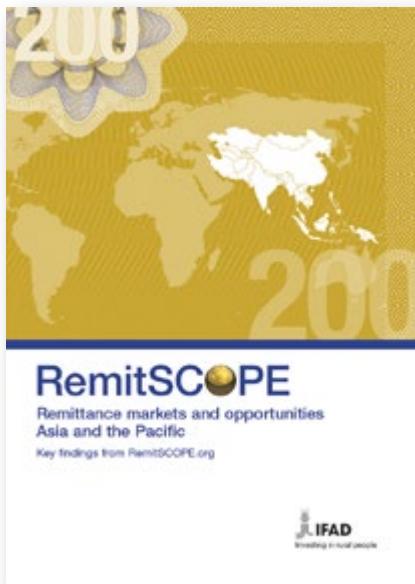
Remitscope – Remittance Markets and Opportunities in Asia and the Pacific

To set the stage and steer the discussions, the first RemitSCOPE for Asia-Pacific was launched during the GFRID 2018.

This new web portal provides data on remittances, remittance markets profiles and information on regulations for 50 countries in the Asia-Pacific region. It is a key resource for FinTech entrepreneurs, remittance service providers and regulators to understand market and financial inclusion opportunities. Ultimately, the objective of RemitSCOPE is to bring together the goals of remittance families and the strategies of the private sector to tap underserved markets, particularly in rural areas. Remittance data on other regions will be added progressively.

RemitSCOPE was extremely well received and was key to support the Forum recommendations. It was also substantively mentioned by the media.

As a result of the global media outreach on RemitSCOPE, and the GFRID 2018, over 900 news items to date have appeared in the media (print/online/television/radio).



The Forum Agenda

Private Sector Day – 8 May

By bringing together financial sector representatives and technology entrepreneurs with government policymakers and regulators, the Private Sector Day focused on the role of the private sector in contributing, through remittances and investment, to achieve the SDGs, in particular on opportunities and challenges that need to be overcome for sustainable growth. The opportunities, particularly in Asia-Pacific, are the sheer size of the remittance market, its leverage for financial inclusion, the application of new technologies and the focus and commitment of the public sector. However, there are many challenges to be overcome, such as de-risking and how to remain profitable. Through information sessions, panel discussions and case studies, the Private Sector Day covered key issues faced by the private sector and discussed challenges and opportunities in the remittance market, with a look to the future.

On this first Day, the GFRID also hosted the **Remittance Marketplace**, whereby 25 selected private sector entities and international organizations showcased their latest products and innovations, business models, tools and technologies. Exhibitors presented new products, business models, tools and technologies to a high-level audience of government officials, industry representatives, development workers and civil society leaders. [See Annex II]

To conclude the first Day, private sector representatives including digital and online money transfer operators (MTOs), cryptocurrency and FinTech companies were awarded for their innovative business models and potential for promoting further impact in the remittance market during the **Remittance Innovation Awards 2018 Asia-Pacific (RemTECH Awards)**.

Technical Workshops and GFRID 2018 Stakeholder Events – 9 May

The second Day was dedicated at exploring key themes in significantly greater detail. The morning featured four interactive workshops examining key topics, while in the afternoon, the organizers, partners and other selected entities hosted a series of meetings and side events with agencies and government representatives. Aim of these sessions, open to all Forum participants, was to facilitate knowledge sharing in their own areas of expertise, learn about new areas and provide examples of success stories in other regions which have similar circumstances to the areas of focus.

Public Sector Day – 10 May

The introduction of SDG 10.c in 2015 has brought a renewed focus on how to leverage remittances for development. The Public Sector Day built on the learnings from the past two days and incorporated them into some of the vital initiatives that are currently taking

place. Whilst a remittance, at its simplest, is a person-to-person money transfer, the development agenda recognizes that it presents opportunities to deliver so much more, especially through the potential contribution to financial inclusion and diaspora investment.

Through six plenaries and two parallel sessions, the Public Sector Day examined how to harness remittances for financial inclusion and how to achieve meaningful diaspora investment. It also looked at how to create successful public-private-partnerships and to implement the provisions set forth in the GC/M.

Day 3 concluded by bringing together the themes of GFRID 2018, outlining the Asia-Pacific action agenda for the following two years, and closing the Forum.

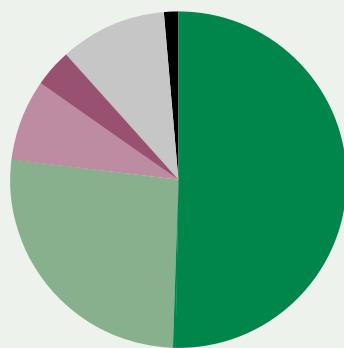
The virtual Forum report, featuring session videos and additional pictures, is available on the [Remittances Gateway](#).

Forum statistics

436 participants	22 panels
76 speakers	50 countries of which
27 exhibitors	25 from Asia-Pacific

Sectors

- Private sector
- Public sector
- Civil society
- Academia
- Media
- Other



Future of the Forum

The global migration agenda. The GFRID 2018 Asia-Pacific contributed to feed the discussions on how to reach the SDGs and the 2030 Agenda for Sustainable Development, and provided some valuable comments in relation to the ongoing negotiations towards the GC/M to be adopted in December 2018. To this end, recommendations stemming from the GFRID 2018 will feed the ongoing discussion on migration and development and support global efforts to increasingly recognize the crucial role of remittances and investment to achieve sustainable development and inclusive growth.

The road to GFRID 2020. Negotiations are currently ongoing to identify the next host of GFRID 2020. IFAD and partners are currently working together to ensure a smooth continuity of this process for the years to come.

The International Day of Family Remittances

The [International Day of Family Remittances \(IDFR\)](#) was unanimously proclaimed by all 176 IFAD Member States at its Governing Council in February 2015, and its Resolution adopted by the United Nations General Assembly on 12 June 2018.

Since its first celebration on 16 June 2015, the IDFR has received much encouragement and support from the public and private sectors, and development organizations. Each year, IFAD renews its call for endorsement to further raise awareness and involve more stakeholders to take action. In 2018, the IDFR saw a formidable support by the different sectors, as well as the key milestone of being formally adopted by the United Nations General Assembly.

All endorsements are available on www.ifad.org/idfr and www.un.org/en/events/family-remittances-day.

From the United Nations and international organizations:

- Global Migration Group (GMG)
- International Organization for Migration (IOM)
- United Nations Department of Economic and Social Affairs (UN-DESA)
- Universal Postal Union (UPU), and
- FinDev Gateway of the Consultative Group to Assist the Poor (CGAP)

From the private sector:

- International Association of Money Transfer Networks (IAMTN)
- GSMA
- World Savings and Retail Banking Institute (WSBI)
- National Money Transmitters Associations, Inc. (NMTA), and
- Emerging Payments Association (EPA)



International Day of Family Remittances

16 JUNE

Private Sector Day – 8 May

Session I: Opening and keynote address: migration and development in Asia-Pacific

PLENARY I – OPENING

- *Welcoming remarks from the organizers and keynote addresses*

Charlotte Salford

Associate Vice President, External Relations and Governance Department, IFAD

Ceyla Pazarbasioglu

Senior Director, Finance, Competitiveness & Innovation Global Practice, World Bank Group

Jessica Chew Cheng Lian

Deputy Governor, Bank Negara Malaysia (the Central Bank of Malaysia)



Welcoming remarks by Charlotte Salford

Associate Vice President, External Relations and Governance Department, IFAD

I am very pleased to have this opportunity to address you at this important event. This Forum brings together diverse stakeholders from government, the development community and the private sector who share a belief in the power of remittances to not only change individual lives, but to shape our common future as a whole.

Around the world, there are about 200 million people working outside their home countries. In 2017, they sent US\$480 billion in remittances to their families back home. These flows directly involve the lives of one billion people. Let me tell you the story of one of them. Her name is Lili.

Lili is a Filipino woman with four children. Her husband has been working in Saudi Arabia since 1998. He is one of the 10 million Filipinos who left their families to earn an income abroad. He sends home about US\$400 per month. Lili's budget is very tight and she doesn't have enough money to raise the family. She is also worried because her family depends entirely on remittances. And how will they survive when her husband returns?

These are the kinds of issues remittance families face. For more than a decade now, the International Fund for Agricultural Development has been working on remittances to help poor rural people overcome poverty and realize remunerative, sustainable and resilient livelihoods. Remittances are a lifeline in remote and under-resourced regions. They are sent to every developing country in the world, and add up to three times official development assistance worldwide.

Here in the Asia-Pacific region, remittances equal more than 10 times ODA from all sources. In more than half of the region's countries, remittances exceed 3 per cent of GDP. And let me underscore that the countries with the highest reliance on remittances are predominantly rural.

This is extremely significant, when you consider that three quarters of the world's poorest and hungry people live in rural areas. If we want to achieve a world in which extreme poverty and hunger are eliminated – which are the aims of Sustainable Development Goals 1 and 2 – then we need to invest in rural areas. Remittances can supply some of that investment. Indeed, remittances are already instrumental in helping millions of families reach their own personal goals of sustainability.

The 2030 Agenda and the SDGs are not the only global initiative to appreciate the immense potential to leverage remittances to address development challenges. The Global Compact on Safe, Orderly and Regular Migration is expected to be adopted later this year. Objectives 19 and 20 of the Global Compact specifically address

the positive contributions of migrants and diasporas to both their destination countries and their families and communities back home. In that regard, today we will be hearing directly from Louise Arbour, the United Nations Special Representative for International Migration, about the priorities of the Global Compact on Migration.

In another significant move, the United Nations General Assembly is also devoting attention to the issue of remittances and development. The General Assembly is currently scheduled to consider establishing 16 June as the International Day of Family Remittances, to promote recognition of the fundamental contribution by migrant workers not only to their families' needs, but to the sustainable development of their countries of origin.

A further sign of the sense of collective ownership of this issue is this Forum itself. We are very pleased to see the diversity of stakeholders at this meeting. And for the first time, the Forum is being convened by a Member State, through the Central Bank of Malaysia, Bank Negara.

Equally important is the increasing involvement of the private sector as an active participant. Effective and efficient remittance markets can develop only if remittance regulators, the private sector and civil society work in concert to achieve shared goals.

Over the past decade, the focus on remittances has been mostly on the sending side, through gathering data on volumes and costs. At IFAD, we believe that it is now time to give more attention to the receiving end. In particular, we need to look at how to increase the impact of these precious resources. With a broad global consensus on the power of remittances to drive development, it is high time that we move beyond recommendations and implement scaled-up initiatives. And these need to become an integral part of our strategy to reach the SDGs by 2030.

At IFAD we are already mainstreaming and bringing to scale our most successful operations and business models. Some recent examples in the Asia-Pacific region include three remittance grant projects in the Philippines and Nepal. With an IFAD contribution of US\$1.7 million, they have mobilized an additional US\$20 million in savings and investments from remittance families themselves towards agricultural development and rural

entrepreneurship. The success of these programmes in turn led to a US\$68 million partnership between IFAD and the Government of Nepal to scale-up support for remittance families, focusing on financial inclusion, value chain investment in agriculture, employment for women and youth. Remittances are often relatively small transfers, typically US\$200 or US\$300, but their cumulative impact is huge. Roughly 40 per cent of remittances are destined for the rural areas of developing countries, where most of the world's poorest people live.

As we are going to hear during this Forum, digital technology in particular offers an enormous opportunity to improve the way that remittance markets work, especially for those in isolated communities. Innovative technology can also provide families with more options to leverage the impact of their hard-earned money. And we know that they are eager to do so.

At IFAD, we have seen how rural people are ready to seize upon opportunity to improve their own lives and the health of their communities. In Tonga, for example, members of one community raised US\$100,000 from their own funds and from relatives living abroad to build a road from their village to the harbor, making it easier to transport goods to market and creating greater economic potential. To further capitalize on the development potential of remittances will require investment, an enabling environment, sound policies and strong partnerships. It demands coordinated support from governments, development institutions, the private sector and others.

With that in mind, I am sure that over the course of the next few days this Forum will provide opportunities to share new ideas and build new partnerships.

Lastly, let me finish the story of Lili. Lili had the opportunity to take part in a financial literacy project supported by IFAD. She learned how to budget, and how to save. With her first savings she invested US\$120 and bought two fish cages to do fish farming. Now she makes more than what her husband sent her. And her husband came back eventually. They now work on the fish farm and run it as a family business.

I look forward to a rich exchange of experiences and views so that we can further our collaboration.



Welcoming remarks by Ceyla Pazarbasioglu

Senior Director, Finance, Competitiveness & Innovation Global Practice, World Bank Group

I am very honored to be here at the first country-led regional Global Forum on Remittances, Investment and Development. Excited, as we have come a long way since we first realized the potential of remittances, which is huge, both in terms of empowerment – which was just mentioned – and also in terms of giving people dignity through sending and receiving remittances.

I would like to thank Bank Negara Malaysia for organizing this Forum alongside with the International Fund for Agricultural Development. On behalf of the World Bank Group we are very pleased to be a co-host of this important event.

We have come a long way since we first realized the potential of remittances, both in terms of what it means to send and receive money and to make sure this is low-cost, efficient, but also done with dignity. I underline this word. At the World Bank Group we have a very inspiring mandate, to eliminate poverty and increase shared prosperity. In our work with communities, you can see how important it is for them to be empowered and to be treated in dignity. I have seen with my own eyes the big difference it makes when you don't have to line up to receive money, but you can do it digitally.

We have made significant progress since the General Principles for International Remittance Services was issued 10 years ago. These principles have contributed to improving the remittance market and the cost of sending remittances has declined quite substantially since then. Today, the average global cost of sending remittances is about 7.1 per cent. According to our estimates, the cost reduction has saved migrants and their families more than US\$90 billion. That's how large the impact has been, which is thanks to many of you here today.

We at the World Bank Group are committed to supporting critical legal, regulatory, and financial infrastructure reforms to lower the cost of remittances, while maintaining consumer protection. We are working on several projects around the world that focus on creating environments where remittance services can be offered in competitive, transparent, and efficient manners. It is essential that regulations continue to adapt to the new challenges posed by complex and diverse markets, and that the payments infrastructure is properly leveraged and technological advancements are used efficiently.

Kuala Lumpur is a perfect setting to host the first country-led Global Forum on Remittances, Investment and Development. Malaysia's efforts around this are impressive. In recent years, Malaysia has implemented a series of reforms to transform its remittance market. These included amendments to the Money Services Business Act of 2011, as well as a more recent e-KYC regulation to facilitate customer due diligence while also promoting innovation for remittance services.

The World Bank Group, jointly with the Global Remittances Working Group, introduced a new indicator called SmaRT for Smart Remitter Target, to monitor progress toward the Sustainable Development Goals in a granular way. The UN has now officially recognized the SmaRT methodology for monitoring the 5 per cent target for each corridor. These targets will require that all stakeholders work together and take effective reforms to bring costs down.

Going forward, we had the opportunity to work on two specific areas:

1. Identify ways to accelerate the pace of reduction in average remittance costs.
2. Contribute to the important topic of mitigating de-risking pressures for remittance service providers.

'De-risking' has been put on the agenda in the Global Forum, on the Financial Stability Board, G20 and many others. There are countries that are suffering from the impact following implementation of some of the KYC regulations that are adequately put for fighting with corruption, money laundering and counter financing of terrorism. Although these regulations are

important, their disproportionate implementation had an unintended consequence of corresponding accounts moving from many of the countries we work in. Some of the smaller countries have been subject to decline in the correspondent accounts, but also very much concentrated, therefore vulnerable and fragile to one bank in some cases.

Recently, the Financial Stability Board launched a global initiative to address the challenges that de-risking poses for the remittance sector and created a Remittances Task Force, which has produced a set of recommendations to the G20 on:

- Promoting dialogue and communication between the banking and remittance sectors,
- Encouraging a better application of the risk-based approach and better supervision and oversight of the remittance sector,
- Leveraging innovations for reducing the cost of customer due diligence, improving efficiency in remittance services, reducing remittance service providers' dependency on correspondent banking networks, and
- Encouraging technical assistance efforts in targeted areas, such as strengthening risk-based regulations, developing national risk assessments, reducing the use of cash in remittance flows, and improving linkages between remittance sending and recipient countries.

The Financial Stability Board report recognizes the important role that the World Bank Group plays in providing technical assistance to improve remittance markets in general, and to enhance the capacity of national authorities in jurisdictions that are home to affected respondent banks.

Last week, we published a report called *The Decline in Access to Correspondent Banking Services in Emerging Markets* that examines what effect de-risking has had on developing countries. The report is based on eight countries in Latin America, sub-Saharan Africa, East Asia and South Asia that had expressed concerns over de-risking and its impact on their financial systems and remittances. It included a survey and interviews with government officials, regulators and supervisors, international and local banks, money transfer operators,

chambers of commerce, and inter-institutional commissions for financial inclusion. The report provides suggestions to limit de-risking that are fully consistent with the recommendations from the Financial Stability Board.

The de-risking agenda is pivotal to pursuing remittance cost reduction but it is also essential to furthering financial inclusion.

In today's agenda there was one word in particular that caught my attention. "RemTECH", which I gathered means remittance innovation. It caught my eye because at the World Bank Group, we are scaling up our focus on FinTech and that includes RemTECH. Payment systems have been at the forefront of technology applied to financial services for a long time, so we are very passionate about this and impressed at the progress we see around us.

Our role as the World Bank Group is to help countries take full advantage of new financial technologies, while also helping them identify and manage related risks. FinTech is a central topic for us because of its potential to reach the unbanked and the under-banked.

Technology is accelerating the pace of reducing the cost of remittances, but we also need to consider some of the challenges. For example, to what extent have these innovations disrupted the remittances market? What are the frictions that prevent them from achieving the impact and scale we have seen in other sectors? Which business models are showing better results? Can RemTECH help facilitate AML/CFT compliance for remittance service providers and reduce compliance costs?

These are some of the questions that I am very eager to hear about during the Forum. Thank you for your time and I hope you have an inspiring experience over the next two days.



Keynote Address by Jessica Chew Cheng Lian

Deputy Governor, Bank Negara Malaysia (the Central Bank of Malaysia)

Leveraging Remittances for Sustainable Development Goals: A Call to Action

It is my great pleasure to welcome you to Kuala Lumpur and the Global Forum on Remittances, Investment and Development 2018 Asia-Pacific.

We host many regional and global events here in this building. From time to time, we are reminded at these events that not all challenges are created equal. Some challenges inspire hope for the improvement of countless lives beyond our own borders, and create not just opportunities but a *need* for us to come together across social, economic and cultural boundaries to advance the development agenda. This Forum is such an occasion and Bank Negara Malaysia is honoured to be able to partner with those that we work closely together with to build a better future for economic migrants the world over.

To provide some context for the discussions that will follow over the coming days, it seemed fitting to draw on the work of Nobel Laureate Professor Amartya Sen nearly two decades ago. In his magnum opus "*Development as Freedom*", Sen described how a particular childhood incident shaped his views on the concept of development.

It was during the days of religious conflicts in Dhaka, now the capital of Bangladesh. Ten year old Sen was playing in his garden, when a man named Kader Mia came through the gate, bleeding profusely. He had been knifed by some communal thugs while working in the neighborhood. Kader Mia unfolded his tale of woe to Sen and his family as he was rushed to the hospital. Despite his wife's warning to Kader Mia not to venture into a hostile area in such troubled times, he had no choice but to seek work there to bring food home to his impoverished family. With the passing

of Kader Mia, Sen learned from a very early age that economic "unfreedom", as he calls it, in the form of extreme poverty, can make one a helpless prey in the violation of other kinds of freedom – including freedom from want, from fear and freedom from discrimination. Sen argued that development requires the removal of major sources of "unfreedom", one of them being poverty. In Kader Mia's case, the price he had to pay for his economic "unfreedom" was death. This is why we are here – to do our part to help many, like Kader Mia, who remain shackled by their circumstances, achieve economic freedom.

This Forum seeks to address not just the question of facilitating transfers more efficiently, but how to make such transfers *go further and do more* to meet today's most pressing global challenges – from access to healthcare and education, equal economic opportunity for all, to protection of the environment. Without addressing these challenges, economic freedom would remain an elusive dream for many. This Forum will cover a broad range of issues – not all of which will have clear solutions. But we will most certainly learn more, understand better and hopefully be able to determine what our next steps must be. With that in view, let me take this opportunity to offer some brief reflections on what those steps could be.

First, we need to do more to reinvigorate financial services to drive the United Nations Sustainable Development Goals (SDGs). Many countries in this region, including Malaysia, have made important progress in the adoption of the SDGs under the national development agenda. Certainly, Malaysia has had a long-standing commitment to the pursuit of sustainable and inclusive growth. Malaysia's national economic development policies adopted since more than four decades ago reflect many of the SDGs. Like many central banks in this region, financial inclusion is an important priority of Bank Negara Malaysia – one that is in fact legislated as a mandate of the central bank, which is actually not all that common in many countries. Because it is a statutory mandate of the Central Bank of Malaysia, it has enabled us to work on the financial inclusion agenda: to lead and drive that agenda with the support of our key domestic partners and stakeholders.

With growing global concerns over rising inequality and the disproportionate impact of crises on the poor, there has been considerable focus by governments

and policymakers to ensure that no segment of society is left behind in participating and benefitting from the nation's development. But what of the role of the financial services industry? It is worth noting that 14 out of the 17 SDGs include specific targets that focus at some level on the financial sector. To mention a few:

- *On poverty:* The SDGs include a specific target to build resilience of the poor and those in vulnerable situations.
- *On hunger:* Targets include doubling productivity and incomes of small-scale food producers through secure and equal access to financial services.
- *On health and well-being:* Ensure universal health coverage, including financial risk protection.
- *On education:* Ensure all youth and a substantial proportion of adults achieve literacy and numeracy.
- *On decent work and economic growth:* Encourage the formalization and growth of micro and small and medium enterprises, including through access to financial services
- *On industry, innovation and infrastructure:* Increase access of small-scale industrial enterprises to financial services.
- *And of particular interest to this Forum, on inequality:* Reduce the transaction costs of migrant remittances to less than 3 per cent and eliminate remittance corridors with costs higher than 5 per cent.

The list goes on.

Yet, based on a recent survey report by GlobeScan², only one third of the private sector respondents reflected on SDGs in setting long-term sustainable strategies for their organizations. This should concern us. In 2015, 15 years after the Millennium Development Goals (MDGs) were adopted, the United Nations itself conceded that the MDGs, despite propelling significant progress, fell short for many people. So a different approach was taken for the SDGs. One that was more encompassing and inclusive. Five million people from 88 countries shared their deepest, most pressing concerns and aspirations to create the SDGs. These aspirations would ring hollow without the dedication and commitment of those with the influence and position to make a difference. For the financial sector, this needs to go beyond the cursory initiatives that have generally been associated with "corporate social

responsibilities". Greater progress by financial institutions to more fully embrace sustainable principles in their business strategies will play an important catalytic role in delivering the SDGs. Among other things, it would provide a stronger focus on needs-based selling, increase financial resources that are directed at economic activities that promote sustainable goals, and encourage support for businesses to adopt sustainable practices.

Turning more specifically to remittances which is the focus of this Forum, more can and should be done to amplify the developmental impact of remittances. In its report *Sending Money Home*, IFAD estimates that about one billion people – migrants and their families – send and receive remittances. This translates to one in seven people in the world. The most dynamic growth in remittances over the past decade has been in Asia, which receives 55 per cent of all flows. In some countries, remittances equal more than 20 per cent of GDP. These statistics underscore the profound impact of remittances on development.

For most migrants, the prospect of dealing with banks remains generally daunting. Non-bank remittance service providers (RSPs) on the other hand are trusted by migrants and a regular point of contact to send and receive money. This places them in a strategic position to evolve from narrow service providers to change agents for entire communities, by providing financial education and solutions that can help pull families out of poverty traps. For example, RSPs can partner with financial institutions in sending and recipient countries to create savings, insurance and investment products that are linked to migrant remittances. Some developing countries with large diaspora groups have successfully issued diaspora bonds, where the bond proceeds have been channeled to finance development projects in their home countries. Other innovations can surely be developed to more effectively leverage migrant resources for development. There is certainly no shortage of creativity and innovation in financial services. Regrettably, the global financial crisis will remain a dark period of history where such creative forces were misdirected, with dire consequences for growth and development. We must ensure that this never happens again. But that should not discourage us from harnessing and redirecting such creative forces to address today's most urgent global challenges. And in the process, restore trust and confidence in the financial industry.

² Evaluating Progress Towards the Sustainable Development Goals, Globescan/SustainAbility (2017)

In recent years, global standard setters including the Basel Committee on Banking Supervision, the Insurance Association of Insurance Supervisors and the Financial Action Task Force, have heeded the call to promote a better balance between the objectives of financial stability, financial integrity and financial inclusion. This has resulted in important strides taken to encourage a more proportionate regulation. Despite this, a recent report by the Financial Stability Board disclosed that as of 2017, the de-risking phenomenon continued at the global level, affecting remittance service providers and many poor countries that rely on remittances from abroad. Clarifying regulatory standards is an important step, but clearly this alone is not enough. So where to from here?

First, taking a cue from Albert Einstein who famously said that we cannot solve our problems with the same thinking we used when we created them, there is a need for policymakers to create safe harbours for experimentation. A number of regulators have introduced regulatory sandboxes that have helped create a virtuous cycle of innovation and sensible regulation, while isolating risks. In Malaysia, solutions tested in the Bank's regulatory sandbox enabled the Bank to design regulatory safeguards that would allow the implementation of end-to-end electronic know-your-customer processes for the provision of remittance services. By dispensing with the need to conduct physical face-to-face verifications, this is expected to significantly expand access to remittance services for customers working and living in remote parts of Malaysia, while effectively addressing money laundering and terrorist financing risks. Bank Negara Malaysia also successfully collaborated with the World Bank Group and the money services business industry in Malaysia to pilot and adopt solutions that have expanded the reach and reduced the costs of formal remittances.

Second, policy life cycles will need to be managed more proactively, to allow for policies to be renewed when conditions change. While much is often said about policy stability, policies that fail to keep pace with conditions that are changing far more rapidly than we have experienced before, can be counterproductive at best, and at worst, create greater risks for the system. The SDGs are undeniably one of the most comprehensive attempts to capture the most important global challenges that we face. Solutions to these challenges will invariably create new issues for policy makers to consider. This in

turn will lead to shorter policy life cycles, and a need for faster policy responses to emerging issues.

Third, we need better remittance data. It is encouraging that efforts are being taken to ensure the availability of official global data sources on remittance flows. Yet, challenges remain in ensuring that the data is both complete and comparable. These challenges are compounded by an increasing need for data at a more granular and disaggregated level. For example, initiatives by the United Nations Capital Development Fund to survey remittance recipients in the Mekong region helped develop a better understanding of relationships between gender and financial inclusion. Yet such data is not available in many other countries. With the large and increasing size of intra-regional migration in this region, there are opportunities to collect and share remittance and migration data at the regional level to complement global datasets. This could be advanced through existing regional forums, including various forums at the ASEAN level. Without good data, we cannot hope to move very far, or with much confidence in efforts to increase the development impact of remittances.

In summary, the notion of proportionate regulation has more than one dimension. It should not be mistaken for lighter regulation, nor should it be informed by considerations of size alone. The world is much more complex and regulators will need to find creative ways to better understand and manage that complexity. This is a paradigm shift in the way that regulation is traditionally approached – to one that is more iterative, more inclusive and more discerning.

Let me conclude. Eleanor Roosevelt once said that universal human rights begins in small places close to home – where every man, woman, and child seeks equal justice, opportunity and dignity without discrimination. Remittances have significant potential to deliver such opportunities to millions of migrants in their home countries. Let this Forum serve as a call to action, based on an honest search for better understanding and a genuine commitment to pursue individual and collective solutions.

With much at stake, we cannot afford not to. I hope you have a very productive exchange in the coming days, and thank you very much for being here.

Plenary II: People on the move and inclusive financial services in a globalized economy

Louise Arbour

United Nations Secretary-General's Special Representative for International Migration (*Video message*)

SPEAKERS

Daniela Morari

State Secretary, Ministry of Foreign Affairs and European Integration,
Republic of Moldova

Tony Fernandes

AirAsia Group CEO and AirAsia X Co-Group CEO

Alfred Hannig

Executive Director, Alliance for Financial Inclusion

MODERATOR: Bela Hovy

Chief, Migration Section, Population Division, UN Department for Economic
and Social Affairs (DESA)



Though often maligned, migrants represent a positive economic force for hosting countries and financial markets. Migrants are often at the height of their productive years, arriving ready to work, along with skills and assets. In 2017, they contributed 9 per cent of global GDP. These 258 million migrants (of which 47 per cent are women and 10 per cent are refugees) support another 800 million people back home through remittances and local investment. What they lack is safe and easy access to financial services that would facilitate the movement of money and leverage their impact.

Despite these numbers and the great wealth they represent, there remains an inadequate understanding (and data) on migration corridors and migrant profiles. Perhaps as a consequence, facilitating regulation is muddled and inefficient, and corrective legislation is languishing. As a result, every migrant dollar lost to inefficient policies is a dollar not saved by a recipient nor invested in an emerging market. While the Global Compact for Migration (GCM) is working to make the migrant experience safe, orderly and regular, more must be done to make it effective. Public discourse must eschew xenophobia and discrimination to focus on credible facts and be guided by data. Innovative strategies must be developed to facilitate remittance transfers at lower costs, and to encourage greater investment opportunities.

Highlights

Creating inclusive financial services begins with an understanding of the hurdles faced by those who are excluded. Sending money home is of critical importance and remittances are often the first financial service used by migrants, making it extremely important that they are easy to access and inexpensive to use. Likewise, appropriate financial services are often missing on the receiving end, where remittance families need the tools to save and to contribute to the economic development of the home country through investment, microfinance and insurance.

Conclusions

Private sector and governments can help overcome impediments faced by migrants, particularly through:

- Sponsoring policies that value migrants as a positive force;
- Adopting/introducing measures that promote safety for migrants generally, but also specifically in the areas of financial and consumer protection;
- Providing access to efficient identification system;
- Implementing AML/CFT and KYC standards that impose disproportionate requirements on the segments with limited financial literacy; and
- Developing appropriate products that address the unique needs of migrants and their families.

Plenary III: Remittance market in Asia-Pacific: overview

REMITSCOPE: REMITTANCE MARKETS AND OPPORTUNITIES – ASIA AND THE PACIFIC

Pedro De Vasconcelos

Senior Technical Advisor and Manager of the Financing Facility for Remittances, IFAD

Leon Isaacs

CEO, Developing Markets Associates Ltd. (DMA)



This session provided an overview of the Asia-Pacific remittance market and launched RemitSCOPE, the new all-encompassing database. The content for the session is derived therefrom.

The Asia-Pacific market is massive. Encompassing over 50 countries and 6,000 transaction corridors, the region is geographically big, ethnically and politically diverse, and challenging to understand. While Asia-Pacific is the biggest remittance recipient in the world, with the top three remittance-receiving nations, it also contains some of the smallest nations and most remittance-dependent nations globally. It received US\$256 billion dollars in remittances in 2017 (53 per cent of worldwide flows) through 850 million transactions. The average cost to send to the region is slightly below the global average (6.9 per cent) but there is a long way to go to meet SDG 10.c. Despite the size of the market, reliable and consistent data is still an issue. As a result, it has been difficult to fashion effective business strategies and public policies. Nevertheless, as it becomes better understood, the region represents exciting opportunities for the private sector to tap into un(der)served markets and for the public sector to implement enlightened policies that leverage remittances for productive purposes.

Highlights

- Recognizing that the lack of data has hampered efforts to unlock the potential of remittances for the region, IFAD researched, collected and collated a broad range of useful data on all 50 countries in Asia and the Pacific. The data was launched at the Forum in the form of the new portal: *RemitSCOPE Asia-Pacific*. *RemitSCOPE* brings together information on the diverse markets, providing regional, sub-regional and country-level data, as well as market analysis. These data are aimed at providing policy makers and the private sector with the facts they need to shape better policies and make better business decisions, and will be continually updated.

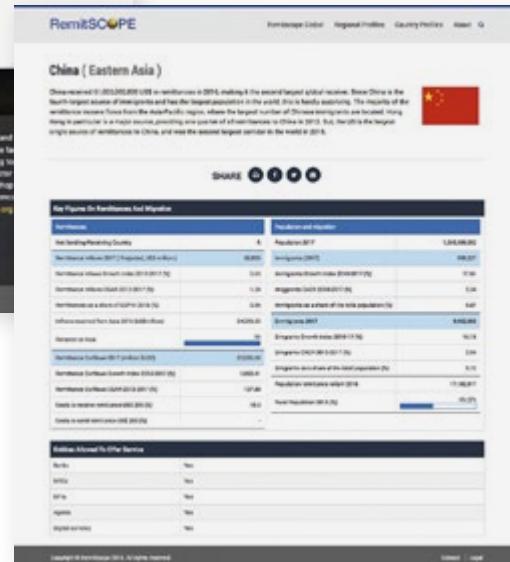
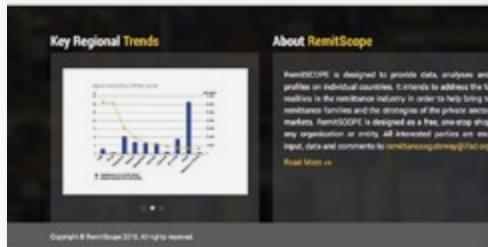
- For example, an MTO needs to understand the remittance sender, the receiver, the operating environment in each country (including the regulations), and the best way to market to its products and services. Previously, potential new market entrants needed to gather this information through their own research. This research needed to be carried out in multiple corridors before deciding to launch a service. Having such information compiled in one place makes it easier to enter new markets, because the basic information is now publicly available in one easy-to-find location. Moreover, it can help harmonize diverse practices and regulations across countries, and ensure that the strategies of the private sector match the needs of remittance families. For the public sector it can help to share best practices between policy makers, regulators and other development professionals.

Conclusions

RemitSCOPE provides the public and private sectors with easy-to-access data on Asia-Pacific remittance markets. Through the open sharing of information among players and well-organized data sets, it offers a better understanding of the region. As a result, better products and better policies can be developed to expand the remittance markets and increase financial inclusion.

The panel agreed on the main points below:

- MTOs are the main operators for sending; banks for receiving;
- Cash is still dominant; and
- Average costs (6.9 per cent per US\$200) are falling but there is a long way to go.



Session II: Remittances and investments: global trends and perspectives

PLENARY I: REMITTANCE MARKET IN ASIA-PACIFIC: TRENDS AND FUTURE OUTLOOK

SPEAKERS

Prajit Nanu

Co-Founder and CEO, Instarem

Yogesh Sangle

Head of Asia Pacific, South Asia and Middle East, MoneyGram

Molly Shea

SVP and General Manager, APAC, Western Union

Catherine Wines

Co-Founder and Director, WorldRemit

MODERATOR: Ceu Pereira

Senior Financial Sector Specialist, World Bank Group



The Asia-Pacific remittance market is in high growth. With 15 per cent of global remittance flows and more than 690 million mobile accounts, the region has moved from a majority remittance-receiving region to a sending region. As a result, Asia-Pacific is becoming the region with the most innovative start-ups and technologies.

Highlights

The panel discussed important trends in the Asia-Pacific remittance market.

- **Migration:** this phenomenon will continue as long as there are people seeking a better life for themselves and their loved ones.
- **Mobile technology:** mobile technology has changed the world, and will continue to change the remittance market. By allowing for very small transfers to greater number of people, it helps bring financial inclusion to the poor and unbanked population, and puts further spending power directly into the hands of women. In order to reap the benefits of mobile technology, the entire financial eco-system needs to evolve, as an e-wallet will be worthless unless there are vendors to accept electronic payments.
- **Cash:** despite changes in technology, cash remains the primary form of payment (90 per cent of remittances received), and is likely to remain dominant for the near future. Customers are slow to change; some still distrust the electronic payments, and some find digital transactions more expensive than cash. However, as customers become more sophisticated, the demand for real time, and more accessible and convenient services is likely to increase. Accordingly, the adoption of digital money is likely to increase, depending on

factors such as costs.

- **Regulation:** regulations are viewed as lagging in keeping pace with the increasing demand for technology. This trend will continue to represent one of the challenges for newcomers to the market. Inconsistent regulations keep out new entrants (especially in the area of licensing non-bank financial institutions), whose competition could help drive down costs. But new players are not only competitors. Restrictive regulations may hinder innovation that could benefit existing businesses, as well as customers.

Conclusions

In order to capitalize on Asia-Pacific market trends, the following strategies may be leveraged:

- Public sector:
 - Educate the public on the safety and security of digital money in order to facilitate its availability and use;
 - Create new legislative categories for non-bank financial service providers;
 - Allow FinTechs to provide services that banks do not; and
 - Streamline the licensing process.
- Private sector:
 - Collaborate and create partnerships among private industry to leverage expertise in new technologies; and
 - Be agile and keep up with changing technologies, so that users will choose what is easiest and what they trust; and
 - Take advantage of the popularity of using mobile phones – particularly among migrants without a bank account – to develop appropriate products and expand access.

PLENARY II: HARNESSING THE POWER OF PEOPLE ON THE MOVE: DIASPORA AND IMPACT INVESTMENT IN ASIA-PACIFIC

SPEAKERS

Lee Sorensen

Economic Growth, Private Sector Development, Impact Funds Expert

Ron Bevacqua

Co-Founder & Managing Director, ACCESS Advisory

Frédéric Ponsot

Remittances and Financial Inclusion Specialist, IFAD

Leigh Moran

Director on the Strategy, Communication and Impact Team, Calvert Impact Capital

MODERATOR: Liesl Riddle

Associate Professor, School of Business and International Affairs,
George Washington University



Beyond sending money to family, migrants desire to invest in their home country. Unfortunately, they often lack the knowledge and means to undertake such investment, which can be intimidating and confusing even under the best circumstances. To overcome this issue, migrants need tools and direction to understand that their funds are being used appropriately and effectively. This situation represents an opportunity for service providers.

Convincing some migrants to invest can be challenging. With limited time (migrants often work six days a week) and limited funds, it can be difficult to show the value of savings and investment. The best strategy for reaching migrants is to start with those who are plan to return home.

Highlights

The panel discussed four models of diaspora investment:

- *Diaspora bonds* – issued by a country to its own diaspora in order to tap into their wealth and finance public investment;
- *Venture capital* – investments funding agricultural value chains match the search of impact and return on the long run for better-off migrants and in particular those originating from rural areas;
- *Crowdfunding* – allowing diaspora to fund small businesses directly, with a low individual investment amount;

- *Hybrid models*, including *matching grants* of donor organizations, that allow diaspora to co-invest in SMEs while promoting jobs and local development.

Conclusions

- Financial education is key to making investment a priority for migrants and to orient them towards existing and affordable investment options that match their income and goals. Public and private actors should stress the value of putting money toward longer-term projects to accompany changes in financial mindsets and behaviors in favor of savings and long-term plans which require a sustained support and communication on the long run.
- FSPs should consider migrant-specific needs when developing products. While all customers want services that are convenient and easy to use, migrants in particular may need special considerations such as investments linked to remittances and the ability to contribute small amounts.
- Further, as the migrant community is not homogenous, FSPs should market to each segment appropriately. Poorer migrants have different needs than wealthier ones, as do women from men, and older from younger migrants. In this regard, existing products may need to be modified to meet specific needs.

Session III: Market opportunities to develop inclusive remittances and impact diaspora investment

PANEL I A: EMERGING MONEY TRANSFER BUSINESS MODELS: UNLOCKING OPPORTUNITIES

SPEAKERS

Mohd Khairil Abdullah
CEO, Axiata Digital Services

Prasanna Rao
Head of Sales, Valyou

Sudhesh Giriyam
COO, Xpress Money

MODERATOR: Hugo Cuevas-Mohr
Director, International Money Transfer Conferences (IMTC)



Innovative technologies are being developed across the remittance market. From cash-based money transfers to mobile and distributed ledger capabilities, these solutions are bringing together players which are normally not affiliated to one another. Both local and international players are coming together to share strategies, leverage strengths, and learn what can and cannot be done in the digital space.

Highlights

- Migrants depend on remittance services, but their needs extend beyond money transfers. Companies should consider the entire migrant experience, from needs people have when they first leave home (such as training and personal identification), to the needs they have when earning and using money (direct deposit of wages, e-wallets), to the needs they have once they find success (investment vehicles and insurance products). In addition, FSPs must keep in mind that they are not only competing with other formal institutions but also with the unregulated market that can often offer lower costs and more convenience.
- Customer satisfaction will determine whether users adopt new technologies. Convenience is key, and companies should look to develop products and services that are local (or mobile), self-directed, and simple to understand and use. A human-centric approach that takes into account what users want will result in more appropriate and successful products.

- Remittances alone are not high value, and companies will need to look at more comprehensive services, for example by linking remittances to other products such as savings, investment, microinsurance. Innovators can also thrive by targeting deficiencies in the market, for example by offering solutions to address market failure or identifying and reaching the un(der)served segments.

Conclusions

- Customers' needs change over time. Companies can better meet the unique needs of customers by addressing the entire migrant experience.
- Speed, convenience and low costs are prime expectations of customers. Companies will need to enhance these in order to differentiate their services from their competitors, both formal and unregulated.
- While cash is likely to remain dominant, improved technologies and a younger demographic may convince more users to adopt digital options. As a consequence, companies will want to exploit these trends.

PANEL I B: DIGITAL ECONOMY: REMITTANCE SERVICES FOR BROADER MARKET SEGMENTS

SPEAKERS

Roar Bjaerum

SVP Head of Financial Services, Telenor

Michael Kent

CEO, Azimo

Elmer (Jojo) M. Malolos

CEO, Wing, Cambodia

Carlo Corazza

Senior Payment Systems and Remittances Specialist, World Bank Group

MODERATOR: Leon Isaacs

CEO, Developing Markets Associates (DMA)



Digital technologies are expanding throughout the world, particularly in Asia-Pacific. Innovation is opening new avenues for remittance transfers and pushing digital money into a traditionally cash-based business. While these changes encourage greater financial inclusion, they also come with unique challenges.

Highlights

- Although new technologies are showing tremendous potential, old hindrances remain. Cross-border transactions are not allowed for non-bank financial institutions in many Asia-Pacific countries. Laws and regulations typically lag behind innovation and can sometimes present great barriers to new market players.
- While e-money services promise low costs, the start-up expense of building networks or setting up new channels can be significant. These costs are typically passed on to the customer and consequently may dissuade people from using electronic remittances and other digital services.
- Customers still prefer to cash out remittances, which can drive up costs and require the presence of agents, point-of-sale equipment, or additional brick-and-mortar locations. In addition, customer uptake of new digital applications can be difficult, as users lack financial literacy and often distrust what they do not understand. Physical cash and in-person transactions, even with unregulated vendors, still “feel” safer to many people.
- While there are many promising innovations in the remittance market, success stories of technologically-driven innovations remain scarce. Blockchain offers distributed and decentralized ledgers that provide

greater transparency and security; but FSPs are still unsure on how best to utilise this technology. Mobile wallets reduce the need to carry money; but more actors need to be involved in order to drive digital adoption and make transactions truly cashless. Consumer-to-business models allow customers to specify their needs and various companies to compete to fulfill those needs; but greater financial literacy will be required before these models become widespread.

Conclusions

- Many technological solutions already exist. In this regard, rather than developing their own digital solutions, MTOs and other FSPs should partner with digital innovators. This will not only help lower the barriers to entry and enable the partners to leverage on each other's strengths but may also result in more affordable services to benefit customers.
- Governments and businesses hold a key role in the use and acceptance of electronic money. Employers can pay workers electronically, vendors can accept and incentivize digital payments, and governments can support the provision of electronic accounts for all citizens through appropriate regulations. These steps would also help improve financial literacy.
- Also the public sector can encourage innovation. Legislation can allow non-bank FSPs to participate in the market, open up cross-border transactions, and balance risks and opportunities by ensuring new laws are compatible with new technologies. Governments can ultimately educate the public on the safety and convenience of digital money.

PANEL I C: DIASPORA INVESTMENT: SCOPE OF MARKET OPPORTUNITIES IN ASIA-PACIFIC

SPEAKERS

Eric Guichard

CEO, Homestrings

Josephine G. Cervero

First Vice President, Trust Banking Group, Land Bank of the Philippines

Mayumi Ozaki

Public Management, Financial Sector and Trade Division, South Asia Department, Asian Development Bank (ADB)

Bibiana Vásquez

Monitoring and Evaluation and Remittances Specialist, IFAD

MODERATOR: Mauro Martini

Remittances and Development Officer, IFAD



Although there is great potential for diaspora investment, it is currently inefficiently leveraged. It can be improved by focusing on better preparing the target client audience and by expanding the range and quality of products offered.

Highlights

The primary impediment to migrant investment is knowledge. Migrants often do not possess the financial literacy needed to make appropriate investment choices. This lack of understanding promotes a general mistrust in financial vehicles, making it difficult to link migrants to investment instruments. Despite this, migrants are willing to invest in meaningful opportunities, if given adequate guarantees. For example, they want to know that the money is funding important programmes, such as public infrastructure and education, even if these are not in their home countries.

A secondary impediment are the products themselves, towards which institutions often adopt a monolithic approach and provide few investment options. Linking individuals to products requires a more nuanced strategy, with instruments that reflect the client profile. For example, women tend to be more conservative when investing, but also more disciplined about saving. Migrant workers generally tend to be low skilled and financially illiterate, while only a limited of affluent diaspora members have the ability to understand financial products issued

by mutual funds. It was highlighted that Nepalese diaspora bonds were unsuccessful partly because they required too much sophistication on the part of the user. Businesses must consider these differences and focus on the client needs rather than just institutional strategies.

Governments can help address these issues by providing better financial education for migrants and their families. In particular, governments can promote savings and investment – especially toward retirement. Among other success stories featured was Bangladesh's Migrant Family Motivation Initiative (MFMI), which works with individual migrant families. The public and private sector can work together to promote a better regulatory environment across national boundaries for diaspora investment.

Conclusions

Both the public and private sectors can take advantage of remittances as a source for investment.

- Financial literacy is key: the public sector should promote education and the private sector should develop products that require minimal understanding.
- Understanding the migrant experience is crucial: the public sector can educate migrants before they emigrate, and the private sector can recognize that migrants are a heterogeneous group with varying skill levels and needs.

PANEL II A: DE-RISKING IN THE REMITTANCE MARKETPLACE: ISSUES AND ALTERNATIVES

SPEAKERS

Dianne Nguyen

Director, Australian Remittance and Currency Providers Association

Robert Bell

Chairman, KlickEx

Ceu Pereira

Senior Financial Sector Specialist, World Bank Group

George Inocencio

First Vice President and Head of Remittance Marketing Department, Development Bank of the Philippines

MODERATOR: Louis de Koker

Professor of Law, La Trobe Law School, Australia



De-risking is a practice by which financial institutions terminate or restrict business relationships with clients in order to avoid risk, rather than to manage it. It is particularly common with accounts that banks consider “high risk,” which are typically ones that are deemed as low profit, might carry reputational concerns, or might face increased AML/CFT scrutiny. Tellingly, a 2014 survey by the World Bank Group showed that *actual* AML/CFT sanctions and violations were not among the primary reasons that accounts were closed. Unfortunately, de-risking policies have been increasing, and locking out “good” players, thereby contributing to financial exclusion.

Remittance services in particular have been negatively impacted by de-risking policies. RSPs need to resort to unconventional methods to carry on business – sometimes moving large amounts of currency in cash. As for migrants, they are pushed to find alternative remittance services – sometimes finding them outside the formal economic system. So while de-risking tends to have a negative impact on remittance providers and users, there is little evidence that it actually reduces risk.

Highlights

Although de-risking is a serious threat to the remittance market, there are steps that the public and private sectors can take to limit its negative consequences.

- First, better communication between financial institutions and non-bank RSPs is imperative in particular to address the financial institutions’ concerns before closing accounts. At a minimum, the institution should be able to give thorough justification for why an account was closed or denied.

- Second, the public sector needs to better understand risks in the remittance market in order to foster better regulations. By collecting and analyzing data on transfers, the true threat posed by remittances could be better understood. Alongside these efforts, licensing of FSPs should be streamlined, while making oversight a priority.
- Third, encourage the adoption of technological solutions. Digital IDs, distributed technologies, bitcoin and other cryptocurrencies, and blockchain services (a more transparent method of moving monies electronically that is not reliant on any single entity), will likely be key to addressing the issue. In order to facilitate technological advancement, the public sector should support FinTech companies through a more enabling regulatory environment.
- Ultimately, a cultural shift will also be necessary. Access to banking services must be seen as a human right, and finding a way to differentiate between benign remittances and illicit channeling of monies is the next step.

Conclusions

Mitigating de-risking practices will involve:

- Promoting dialogue between respondents and correspondents;
- Modifying AML/CFT measures so they are scaled to actual risk; and determining actual risk based on transparent national assessments;
- Streamlining the certification process for MTOs while also improving oversight; and
- Leveraging FinTech to improve identification methods (e-KYC and electronic identification) and bypass correspondent banking (through blockchain and distributed ledger technologies).

PANEL II B: INNOVATIONS AND INCLUSIVE REMITTANCE BUSINESS MODELS AND PRODUCTS THAT MEET THE CLIENTS' NEEDS

SPEAKERS

Sofia Freyder

JP Morgan Chase

Eugene Nigro

Vice President of Global Business Development, Remitly

Michele Grosso

CEO and Founder, Democrance Insurance

MODERATOR: Juanita Woodward

Principal Consultant CTD Connecting the Dots, InfoCorp Technologies,
Singapore University of Social Sciences



Few companies innovate for the sake of their customers: they innovate in order to profit from new technology and thereby remain competitive. Luckily, innovation can also lead to better financial inclusion. The last three decades have seen incredible advances in technology from the business sector that have led to a plethora of new products and services.

In particular, companies are looking at additional services along with money transfers. These include budgeting tools, deposit and savings accounts, micro-lending, insurance and prepaid cards. Other innovations, less noticeable to the customer, decrease costs and increase security. These include tools such as blockchain, which manage transactions and settlements transparently and securely, and artificial intelligence, to assist in meeting compliance requirements and understanding customer trends.

Highlights

The panel discussed several innovations and how they are changing the market.

- **Real-time transfers** are the gold standard, but they are still unavailable in many parts of the world. Businesses can begin with domestic payments and then move to international payments. However it remains challenging to develop one product that works across different cultures, environments, and countries.
- **Pre-paid cards and e-wallets** are becoming more prevalent (69 per cent of people globally are banked). However, these instruments may not be quite the revolution they first seem. Customers use these tools widely, but they use them to acquire cash more easily.

Many locations are not set up to accept electronic payments, so customers resort to cash. Likewise, many vendors are reluctant to accept cards because of the high costs associated thereto. That said, mobile wallets do seem to empower women, who now have more direct access to money through a mobile device and can make their own decisions.

- **Insurance** remains out of the reach most people in the lower-income bracket, with less than 1 per cent having access to insurance; and yet migrants face risks that most workers do not. Furthermore, they have families back home who are dependent on their remittances, and any incident incurred would be devastating. As such, migrants would greatly benefit from insurance products. In this regard, microinsurance may be leveraged in order to provide the low-income population with affordable insurance services.

Conclusions

Although many companies want to rush a new product to the market, only those products designed with the customer in mind can truly succeed. Whether this is “human-centered design” or simply good product development, thorough research on the environment, focus groups and good testing are critical to ensure the right product for the right audience.

PANEL II C: PROMOTING SAVINGS AND INVESTMENT OF REMITTANCES: AMPLIFYING THE IMPACT OF REMITTANCES BEYOND HOUSEHOLD CONSUMPTION

SPEAKERS

Jonathan Capal

Director, Developing Markets Associates Ltd. (DMA), Asia-Pacific

Jean Drouffe

CEO, AXA Insurance Singapore

Mai Anonuevo

Executive Director, Atikha Overseas Workers and Communities Initiative

Robin Gravesteijn

Data Management Specialist, United Nations Capital Development Fund (UNCDF)

MODERATOR: Ron Bevacqua

Co-Founder and Managing Director, ACCESS Advisory



Institutions often give little regard to remittances. They are viewed as a minor product that promotes financial inclusion, but rarely goes beyond that. In fact, remittances can be a gateway to greater financial services, which not only benefit the client but can help the institution become more profitable.

Migrants and their families represent a distinct and potentially lucrative target market. But institutions have been slow to recognize that remittances are the first stage of a full suite of targeted products and services. By starting at remittances, institutions can link migrant clients and their families to savings, insurance, and investment products.

Highlights

While the needs of migrants are not homogenous, four generic features that make financial products and services attractive to migrants are:

- **Convenience.** Sending and receiving money can be a daunting experience, especially when one must travel great distances. In the recent years, digital remittances have proven to be popular among un(der)served populations and their usage are becoming more prevalent. In this regard, customers' experience in using digital remittances may be improved if such service is linked to other financial services such as savings accounts.

- **Simplicity.** Since financial literacy is often low among migrants; they require products that can be easily understood and managed. Likewise, many products such as traditional insurance tend to be complex and expensive for institutions to manage, so simplicity would also benefit the provider. Technology has helped with bringing down costs and making some products more accessible.

- **Control.** As customers, migrants want to manage their own resources and have some level of control over the money they send. For some, control means having investment tools that also benefit the home community.

- **Trust.** Because financial literacy tends to be low, migrants want assurance that their money is handled appropriately and safely.

Conclusions

FSPs have largely overlooked the potential that remittance services offer to open up new markets. By linking remittances to other services such as payments, savings, and investments, FSPs can tap into migrant communities and develop entirely new customer base. However, doing so will require FSPs to understand the unique needs of the migrant community so that appropriate products can be developed.

Wrap up of the Private Sector Day

SPEAKERS

Nik Mohamed Din Nik Musa

Director, Money Services Business Regulation Department, Bank Negara Malaysia

Isaku Endo

Senior Financial Sector Specialist, World Bank Group

Mauro Martini

Remittances and Development Officer, IFAD



Cash is still king in the Asia-Pacific, and there is a long way to go before electronic remittances become the standard. However, there are many steps that can be taken by both service providers and regulatory agencies to expedite the process.

Highlights

- The remittance market is not well understood. The public sector can make public data more accessible and disaggregated while the private sector can share lessons learned. Ultimately, a deeper knowledge is needed to make good decisions, and it will take public-private partnerships to leverage this information. Tools such as IFAD's RemitSCOPE can provide information on specific issues and bridge such gaps.
- The public sector needs to promote a positive view of migration and adjust policies to promote financial inclusion. Regulations should be harmonized across domestic and international borders, but remain nimble enough to adapt to a changing market.

- Migrants have needs that are different from other market segments, but migrant products can be profitable if properly designed. The lack of financial education is a road block to reaching potential clients, but when FSPs link remittances to savings, insurance and investments, they help expand financial access. Additionally, FSPs must also re-consider their de-risking policies, as these can undermine gains.
- Ultimately, technology will help bring down costs and provide greater access to financial services. From mobile devices to blockchain services, new technologies show great potential but also significant risk. Investment and testing is needed to understand what works efficiently and safely.

Conclusions

Public and private sector can work to increase the effectiveness of remittances, particularly through:

- Collection, analysis, and data sharing on migrants and remittances;
- Promote financial literacy and the use of remittances for savings and investments; and
- Make it easier and desirable to use remittances through linked accounts and greater convenience.

Session IV: The RemTECH Awards – 2018, Asia-Pacific

MODERATOR: Hugo Cuevas-Mohr

Director, International Money Transfer Conferences (IMTC)

The RemTECH Awards were established by the International Money Transfer Conferences (IMTC) to highlight the important role of technology in achieving the SDGs. Since 2017, these conferences showcase ground-breaking solutions that contribute to the development, transparency, speed, cost and reliability of the remittance industry.

The RemTECH Awards ceremony was hosted at the end of Private Sector Day on May 8. From 38 entries, the following five companies were chosen as winners in six categories:

- B2B Solution: [SimbaPay Chatbot](#);
- Compliance Innovation: [Trulioo's Mobile ID](#);
- End-User Experience: [Valyou Cash in Cash out Model](#);
- Remittance Synergies: [Airtel Tanzania and Mahindra Comviva – Domestic mobile money interoperability](#);
- Remittance for Social Impact: [Rewire](#); and
- Technology Innovation: [Valyou Mobile Wallet](#).

In addition, the following two awards were granted:

- Popularity Award: [TransferTo](#) for its Cross-border Mass Payouts Solution; and
- Community Building Award: [Afbit](#), to trade bitcoin over the counter instantly and remit mobile money to Africa.

The entries were selected by an independent judging panel co-chaired by U.S. blockchain payments expert and founder of Yokip Consulting, Olivia Chow, and bitcoin remittance entrepreneur, Luis Buenaventura. In addition to their well-known expertise, the panel was completed by top industry professionals such as Arundhoti



Banerjee, Jonathan Capal, Sofia Freyder, George Harrap, Leon Isaacs, Faisal Khan, and Sia Hui Yong.

Furthermore, the judges individually granted mentions to the following companies and individuals:

- Solution for De-Risking: [RemitONE Compliance Manager](#);
- Underserved Markets: [PayKii – Gateway to Borderless Bill Payments](#);
- Originality: [KBX-Lending](#);
- Wide-Ranging Potential: [Trulioo's Mobile ID](#); and
- Active Engagement: [Angelino Viceisza](#).

The RemTECH Awards Team invited the Forum participants to vote for the first-ever Industry Choice Award, that was announced and granted to Valyou right before the RemTECH Awards Ceremony. To this end, Yokip Consulting and Horizon State Technology developed a voting application that stored the completed ballots on blockchain, providing an auditable and transparent account of the process while maintaining anonymity.



The Director of the RemTECH Awards, Hugo Cuevas-Mohr, stated: "We are extremely happy to be a platform for companies, start-ups, and entrepreneurs who are changing the industry of remittances for good, to get global acknowledgement of their hard work. Remittances are a celebration of the hard work, sacrifice, and generosity of international workers, and we are very proud about highlighting people that will help the industry to better itself."

Technical Workshops and Stakeholders Events – 9 May

Session V: Interactive workshops

WORKSHOP A: REGULATION AND SUPERVISION OF MONEY SERVICES BUSINESS (MSB) SECTOR: COUNTRIES' PERSPECTIVES

CORE FACILITATOR: Bank Negara Malaysia

The remittance market is fraught with challenges for the public sector. While regulators are traditionally concerned with promoting market development and consumer protection, the surge in technological innovations present them with new challenges. However, along with the challenges comes increased opportunities for expanding financial inclusion and leveraging remittance money towards public and private investments.

Highlights

The session featured the comparative experience of three regulatory authorities in regulating and supervising the MSB sector.

Malaysia (Bank Negara Malaysia (BNM)): the Money Services Business Act was introduced in 2011 and serves as a single regulatory framework governing remittances, money changing, and wholesale currency businesses. In implementing the Act, the regulatory approach by BNM has been focusing on five pillars: i) emphasis on effective control by competent management and board; ii) strong focus on AML/CFT compliance and consumer protection; iii) promoting greater business flexibility and principle-agent arrangements; iv) enhanced supervision and surveillance; and v) strengthened enforcement power to deal with infringement of laws and regulations.

Australia (AUSTRAC): since Australia implements a registration regime for the supervision of the MSB sector (remittance dealers and foreign exchange dealers), the barriers to entry in Australia are considered low in comparison to other countries implementing licensing regime. MSB players in Australia are screened for: i) potential risks for money laundering or other serious crimes; ii) prior offences iii) compliance with AML/CTF obligations or any other laws; and iv) legal and beneficial ownership and control. As of December 2017, AUSTRAC has registered 88 network providers, 616 independent remitters, and 4,965 affiliates.

Other key requirements imposed on registered businesses include compliance with the AML/CFT programme, as well as regular reporting of international funds transfers, suspicious matters, and cross-border movements. AUSTRAC's regulation activities include on-site assessments, collaboration and partnership initiatives, and enforcement actions on non-compliances.

European Union: the Revised Payment Services Directive (PSD2) built on the previous PSD to address the regulatory gaps and fragmentation within the market. It seeks to encourage competition and innovation, improve security, and develop new payment services. PSD2 implements an enhanced consumer protection framework that includes, among others, safeguarding of accounts, review of unauthorized transactions, complaints-handling lines, and financial ombudsmen services.

Conclusions

While consumer protection should be the goal of the public sector, regulators can help develop a stronger and more dynamic remittance market by:

- Establishing strong collaboration between regulators, law enforcement agencies, and industry players in order to strengthen industry safeguards against risks;
- Continuously enhance the regulatory framework to ensure its relevance amidst developments in the remittance market;
- Collecting and analyzing data on remittance transactions to better understand consumer behaviour and foster data-driven regulations;
- Mitigating barriers to entry; and
- Focusing on financial education as a mechanism to promote greater usage of regulated remittance channels.

WORKSHOP B: BLOCKCHAIN AND REMITTANCES: ARE THE NEW MARKET STRATEGIES WITHIN REACH?

CORE FACILITATOR: World Bank Group

Blockchain shows great promise as a mechanism to address fundamental problems within the remittance value chain, such as transmission of consumer data and settlement between operators. However, as a new technology, blockchain carries unique risks, and the market is skeptical of its safety and application.

Highlights

Blockchain is a method by which transaction information (and other related information) is transmitted and shared across many points in a “chain” of nodes. Because the information is disaggregated, each point in the chain “knows” the same information. This distributed data makes it difficult to commit fraud, because a dishonest actor must convince multiple points in the chain that the information they have is wrong, and doing so is a difficult and costly process. As a result, blockchain, or distributed ledger technologies (DLT), offer a safer, more transparent method for sending money, having the potential to change the remittance market.

Blockchain offers real benefits to the remittance market:

- **De-risking:** blockchain may allow users to bypass formal banking institutions whose de-risking policies close out new players
- **Data:** blockchain can aid in identity verification (KYC), which is one of the main challenges for MTOs and financial institutions.
- **Settlement time:** blockchain transactions can be made faster and cheaper for players operating in the same network, and they can reduce the need for agents and other intermediaries.

However, as with any new technology, blockchain comes with its own challenges:

- **Applicability:** migrant families use remittances primarily to address everyday needs, and blockchain cannot easily be used to buy goods and services yet.
- **Cost/convenience:** currently, blockchain is not always cheaper to use, and it is often more challenging, especially for inexperienced customers.

- **Regulatory concerns:** regulators are wary of new technologies, and there are not simple solutions for regulating DLT.
- **Understanding:** there is a lack of understanding of blockchain within the industry, and there is no concerted effort to increase awareness. As a result, minimal resources are invested, and industries are reluctant to pursue blockchain while regulatory guidelines remain uncertain and risks remain unknown.

Conclusions

The remittance market may not be ready for blockchain today, but there are steps that can be taken to use it in the future.

- Regulators can establish regulatory sandboxes to encourage technology companies to test blockchain (and other DLTs) and identify what methods work best while still remaining compliant and safe for customers. In addition, regulators should conduct in-depth studies on the benefits and risks of blockchain, placing particular emphasis on individual (non-bank) accounts and micro-transactions.
- Private industry can use blockchain networks amongst themselves, testing the technology and preparing for widespread use. Beyond transactions, industry can test blockchain technologies for data storage (cloud services) and contracts, which are generally not restricted by financial regulations. They can develop use cases to explore how customers might take advantage of blockchain technologies.
- Public and private industry can explore blockchain as a way to verify customer information, making senders and intent transparent. Because blockchain offers greater assurance on who is performing a transaction, its use can lead to reduced AML/CFT concerns and greater financial inclusion.

WORKSHOP C: FINANCIAL INCLUSION AND MOBILE SOLUTIONS: ACHIEVING FINANCIAL INCLUSION IN BOTH THE FIRST AND LAST MILE OF THE REMITTANCE CORRIDOR

CORE FACILITATOR: Alliance for Financial Inclusion (AFI)



Mobile remittances is a fast-growing industry. Mobile technology is having a profound effect on emerging markets, processing US\$1 billion a day, with Southeast Asia as the fastest growing market. Mobile devices are making remittances significantly cheaper, in some places even lowering the cost below the SDG goal of 3 per cent.

Highlights

Despite promising data, the mobile industry faces significant challenges from users, the public and the private sectors. The ubiquity of mobile devices, even in the hands of very poor people, suggests that mobile money services should catch on easily, though languishing at simple services (like mobile top off). Cash remains dominant as people do not understand or distrust using mobile devices for digital money and more sophisticated financial transactions. FinTech industries struggle in still harsh regulatory environments: licensing is often difficult or time-consuming, and regulators are wary of new products. Protections can be overly burdensome, with many markets disallowing international remittances altogether. Furthermore, financial institutions contribute to the problem through de-risking, making it difficult for new players to enter the market.

Although technology can drive financial inclusion, it cannot solve the problem alone. It will take an active role of business and the private sector to make financial inclusion a reality.

Conclusions

- Achieve financial inclusion using digital solutions by coordinating among the stakeholders. It is important for the stakeholders to understand how unbanked people use mobile devices. Although cost, convenience, and ease-of-use are all critical elements for user adoption, more data is needed to understand the cultural aspects of financial exclusion. Providers and FinTechs must work in overcoming the psychological barriers as well as the technical ones. Without understanding the needs of the user, no product can succeed.
- Form private partnerships. Attempting to keep every step of financial transactions “in-house” can lead to unnecessary barriers and additional costs. Rather than try to own it all, companies should look for partners with expertise in areas they lack. In addition, companies should work towards industry standards rather than proprietary methods.
- Form public-private collaborations. Regulators should establish regulatory sandboxes for FinTechs, which would serve as short-term testing spaces for new products that help regulators understand the risks associated with them. With the public and private sectors working together, appropriate regulations can be developed that protect the customer but do not stifle innovation.
- Establish an open and level-playing field. Regulators should look for ways to make rules commensurate for the level of risk, including working with private industry to harmonize rules within and between countries.

WORKSHOP D: SOCIAL IMPACT INVESTMENT MEETS DIASPORA INVESTMENT IN RURAL AREAS: UNTAPPED OPPORTUNITIES

CORE FACILITATOR: IFAD



The rate of migration from rural areas is very high, as migrants tend to move from poorer areas to the more prosperous cities and from cities to more prosperous countries. They migrate to earn income, part of which they save and part of which they send to families back home.

In 2017, US\$480 billion in formal remittances were transferred to developing countries. It is also estimated that an equivalent amount was sent through informal channels. In addition, migrants likely retain a similar amount. Although remittances are largely used to pay for immediate needs, a significant portion of these funds could be better directed toward local economic development in migrants' home countries.

Ultimately, funds that are invested in businesses and infrastructure improve the local economy, creating more opportunities and reducing the need to migrate.

Highlights

About 25 per cent of remittances is invested in health, education, food security, and housing for the family. Only about 10 per cent is invested in income-generating opportunities and local investment. This amount remains low because, although many migrants want to invest in their home countries, significant barriers exist, including:

- **Lack of opportunities:** local communities may live in a difficult economic environment whereby local

officials may not prioritize infrastructure investment, they may be unfamiliar with mechanisms for leveraging remittance money or provide no opportunities for private or entrepreneurial investments.

- **Access:** migrants and their families are often excluded from the financial market, and thus may be discouraged from or locked out of opportunities to save and invest.
- **Ignorance:** lower skilled migrants often do not possess the financial literacy needed to adequately save or invest, but even highly-skilled diaspora may lack knowledge of safe available investment vehicles.

Conclusions

In order to overcome barriers to remittance investment, the public and private sectors can:

- Support financial inclusion and investment by promoting remittance services and linking them to savings accounts and other financial products.
- Market investment products (both on- and off-farm investments) directly to people with capital to invest, especially organized groups of migrants/diaspora or leadership of such groups, recognizing that migrants are a heterogeneous group with differing abilities and different financial needs. For example, some migrants are investors while others are entrepreneurs.
- Encourage financial communication and education. The public sector should encourage financial discussion among family members, especially in terms of planning, budgeting, and savings. Migrants often leave home without a plan for how remittances will be used; and as a result, money is spent rather than saved. The public sector could provide migrants with education before leaving, and migrant families could be encouraged to save. By helping families set specific goals (returning home, starting a business), they will be better prepared to use remittance money wisely.

Session V: GFRID 2018 Stakeholder Events

EVENT 1: HARNESSING MIGRANT REMITTANCES FOR RURAL INVESTMENT: IFAD'S REGIONAL PROGRAMME IN ASIA

ORGANIZED BY IFAD and ACCESS Advisory

Since 2014, IFAD has supported the development of “inclusive remittances.” These remittances enable migrants and their families to save and invest in their local economies. They combine “wealth building” packages of financial products, partnerships that enable migrants to remit into them, and locally-based financial institutions that mobilize those savings into farms and rural enterprises.

From 2014-2018, IFAD partnered with ACCESS Advisory Ltd. and others on the Regional Programme on Remittances and Diaspora Investment for Rural Development. Its aims were to develop scalable models for expanding financial inclusion to migrants and their families and to mobilize a portion of their remittances for local investment. Its main goals were to: 1) develop financial services that allow for savings and investment in rural economic activities; 2) provide access to secured savings and investment products in countries of origin; and 3) disseminate successful models for channeling diaspora capital towards rural economic activities.

Highlights

- IFAD's Regional Programme was quite successful: it created 25 member-financial institutions as associate partners (250 per cent of the target); it developed 18 wealth-building packages, 6 savings products, and 1 investment product (250 per cent of the target); it integrated financial education and promotion into the regular activities of its partners; and it opened new savings accounts (16,881 in the Philippines and 23,779 in Nepal) that far exceeded the target of 10,000 in each country. Overall investments (over US\$27 million) exceeded the US\$20 million goal; and the project exceeded the 10,000 person trainee goal (29,471 in the Philippines and 18,442 in Nepal).
- The inclusive remittance value chains built under the Regional Programme were composed of three main building blocks: 1) forging partnerships that originated remittances from banks/MTOs located in destination countries directly into family members' accounts at

local FSPs; 2) developing “wealth-building” financial packages that covered the range of migrant/family needs (and were still profitable to the FSP); 3) creating iterative, multi-stakeholder delivery of financial literacy education, bundled with product marketing and promotion.

- Lessons learned from the project: i) product design should address a range of needs, including features that provide delivery channels that are easy to access and discourage early withdrawals; ii) financial education is critical to changing mindsets and encouraging regular savings; and, while local FSPs are best positioned to serve migrant family members, they may not have the internal capacity to develop inclusive remittances without external financial and technical support.
- Wealth-building packages are important to migrants and their families because they are easy to understand, low-cost, convenient, fast and secure. Migrants want to protect their assets and to build on them. FSPs should emphasize “purposive savings” so that migrant families save for long-term goals and do not withdraw funds on impulse. To this end, FSPs should develop products that have a core directive (recurring savings with attractive interest); move the client to other products (collateral free loan upon return); and have add-on services (deposit insurance, Internet banking).

Conclusions

The following are several strategies for companies to harness migrant remittances.

- Create strategic partnerships and alliances. Partnerships offer the opportunity for resource-sharing (both expertise and cost), risk-sharing, faster replication, and broader coverage.

- Target migrants and their personal contacts directly. Expand services with existing clients, and reach out to family members; maximize use of social media and on-line tools; and work with local migrant associations.
- Update policies and procedures to make it easier for migrants and families to use services. Streamline account applications; simplify KYC requirements; improve communications with clients; and make products more appealing and appropriate to migrant needs.

EVENT 2: PROMOTING DIGITAL INNOVATION FOR INCLUSIVE AND SUSTAINABLE REMITTANCE MARKETS

ORGANIZED BY United Nations Capital Development Fund (UNCDF)



UNCDF is the United Nations' capital investment agency for the world's 48 least developed countries. It offers finance models that help unlock public and private resources in support of local economic development. UNCDF identifies market segments where innovative financing can have transformative impact in helping to reach the last mile and address exclusion and inequalities of access.

Highlights

UNCDF takes a three-pronged approach to supporting local economic development:

- (i) Provide technical assistance to local FSPs in three areas: policy and advocacy, capacity building, and human-centric product design;
- (ii) Facilitate strategic partnerships among providers, and support the transition from cash to digital transactions in order to create an integrated financial market; and
- (iii) Supply risk capital to encourage public and private sector stakeholders to innovate.

Recently, UNCDF issued the Mekong Remittance Challenge Fund as a way to promote digital innovation for remittances in Southeast Asia. Remittances from Malaysia to Cambodia, Lao PDR, Myanmar and Viet Nam (CLMV) amount to US\$17 billion a year through regulated transfers, and likely another US\$16-17 billion through unregulated channels. The Challenge Fund is designed to entice FinTech companies to develop innovative business models that foster use of regulated remittances to CMLV. UNCDF provides matching co-funding to get these projects off the ground, whose primary objectives are to improve adoption of low-cost digital financial services, and link remittances to savings and/or insurance products.

The goal is to prove these innovations are effective, financially viable, and scalable. While some projects are still in their initial stages, at least one has already shown definitive results, with many migrants gaining access to insurance products through remittance services.

Conclusions

From UNCDF's efforts, several lessons for FSPs are clear:

- Digitize remittances to reduce costs and improve access to rural areas;
- Link remittances to other products, such as savings, insurance in order to increase product use and overall financial awareness; and
- Form partnerships with digital innovators to leverage their knowledge and expertise.

EVENT 3: THE REMTECH SEMINAR: ROUNDTABLE ON REMITTANCE INNOVATION

ORGANIZED BY Mohr World Consulting and the International Money Transfer Conferences (IMTC)



The remittance industry faces many challenges. Specifically, the problems of de-risking, high costs, and access remain daunting. The participants discussed how technology is addressing these issues.

Highlights

- **Cryptocurrency.** Cryptocurrencies (like bitcoin) are non-cash, decentralized digital money units. They exist outside of national boundaries and central banks, but they can easily be converted to traditional denominations. The benefit of cryptocurrency is that anyone can use it, it is not reliant on a central authority, and it has great transparency and security, because it uses distributed ledger technology to maintain accuracy and cryptography to maintain security. Cryptocurrencies are subject to fewer intermediate agents and do not require traditional bank accounts, making them cheaper and not subject to de-risking.
- **Mobile money.** With so many mobile devices in use around the world, even very poor people can access information and accounts. Mobile money is helping to lower corruption, spur economic growth, and spearhead digital inclusion. Beyond direct access to accounts, mobile money opens opportunities to link users to other services such as micro-payments,

insurance, financial aid, and humanitarian aid in times of crisis. The biggest problems facing mobile solutions are the lack of: interoperability, a supporting ecosystem (vendors and employers will need to begin using digital money as well), and financial literacy. It is not enough to put a mobile device in a person's hand – the applications on it must be easy to use and understand.

- **Interoperability.** The remittance transfer system is highly fragmented. With various companies, technologies and networks, it can be difficult, expensive, or even impossible to perform transactions in many regions. Companies are looking at partnerships in order to find common platforms and open application programming interfaces with which to do business. Among other options, partnerships can be bilateral agreements, in which two companies agree to create a direct bridge, or hub-based, in which one company serves as the intermediary between two or more companies and manages any "translation" of information.

Conclusions

To overcome some of the more entrenched remittance-related issues and to take advantage of technologies, companies are:

- Exploring cryptocurrency technologies as a way to reduce the need for banks;
- Pushing mobile solutions for reaching the unbanked, with a focus on the particular needs of the user, keeping applications easy to use; and
- Establishing partnerships among FSPs and FinTech companies to establish shared networks and common platforms.

Public Sector Day – 10 May

Session VI: Promoting conducive and enabling remittance markets

PLENARY I: MONEY SERVICES BUSINESS TRANSFORMATION

Isaku Endo

Senior Financial Sector Specialist, World Bank Group

Although there is no global definition of money services business (MSB), in Malaysia this industry comprises of remittances, currency exchange and wholesale currency businesses. In 2017, Malaysian MSB transactions totaled almost US\$35 billion (141 billion MYR), which includes over US\$10 billion (44 billion MYR) in remittance services.

As Malaysia moved from an agricultural-based to an industrialized economy, and opened its doors to migrant workers, the need for a better-regulated remittance market ensued. Over the last decade, the MSB industry has become more dynamic and efficient, with strengthened safeguards against financial crime since the introduction of the enhanced regulatory regime under the Money Services Business Act 2011. The lessons learned from this process are applicable to many different markets.

Highlights

- Recognizing that regulations were not always proportional to the size of the business, Malaysia established the idea of “principals” and “agents.” Larger players could become principals who were subject to more comprehensive compliance reviews. Principals could contract with smaller companies who could act as their agents. This structure has led to an additional level of oversight, as the principal is fully accountable for the compliance of agents.
- Recognizing that migrants typically encountered problems in obtaining official identification documents in the host country, the regulations were updated to allow migrants to use their national identification documents to conduct remittance transactions.



- Recognizing that remittances are difficult to manage for people with low financial literacy, the Greenback programme was developed to reach out to migrants to educate and pull them into the regulated financial sector.
- Recognizing that industry was often separated from the public sector, the Malaysian Association of Money Services Business (MAMSB) was established to promote dialogue among members and with regulators, which has led to better understanding and representation of business needs.

Conclusions

The lessons learnt from the success of Malaysia in transforming the MSB sector include:

- Government oversight needs to be commensurate with the businesses size;
- Make identification requirements for migrants easier to fulfill;
- Promote financial literacy among the migrant community; and
- Promote communication among industry and the public sector.

PLENARY II: POLICIES AND STRATEGIES TO SUPPORT MARKET DEVELOPMENT

SPEAKERS

Mohit Davar

Chairman, International Association of Money Transfer Networks (IAMTN)

Dindo Santos

Director, Integrated Supervision Department I, Bangko Sentral ng Pilipinas

Kwiwoong Lee

Director, Head of Mutual Evaluation Preparation Team, Korea Financial Intelligence Unit (KoFIU), Korea Financial Services Commission

Nilixa Devlukia

Payments Expert, European Banking Authority

MODERATOR: Irina Astrakhan

Practice Manager, Finance, Competitiveness and Innovation Global Practice, World Bank Group



Despite being a highly regulated industry, the perception that the remittance market is chaotic and risky persists. This has led to de-risking by financial institutions, which consequently undermine the potential of remittances to expand financial inclusion, drive innovators out of the market, and increase usage of informal remittance channels.

Highlights

The panel outlined approaches to creating a vital remittance market:

- **Work collaboratively.** No one sector understands the market completely. Public sector, private sector, and the migrant community each have expertise and information to share. Through open communication, better regulations and better financial products can be developed.
- **Test and learn.** Regulators should encourage innovation, for example through the introduction of regulatory sandboxes. Putting a review period on new products and technologies allows the public sector time to understand and fashion appropriate regulations. A public sector that is open to experimentation can persuade other newcomers to enter the market.
- **Scale regulations to actual risk.** The restrictions that apply to thousands of dollars should not be the same as those that apply to tens or hundreds of dollars.

Regulators should focus on anti-money laundering rules; but they should create different classifications for large and small operators, and scale the rules accordingly, with differentiated requirements for smaller companies.

- **Create accounts targeted to un(der)served people.** Public sector could incentivize FSPs to create basic deposit accounts. These accounts could be opened with as little as US\$2, have no balance requirements, charge no dormancy fees, and incentivize remittance users to make deposits. According to World Bank Group data, 69 per cent of people have a bank account, but the availability of basic accounts could pull more people into the formal sector.

Conclusions

Strengthening the remittance market need not be hard:

- *Communicate needs.* Dialogue among private and public sectors, and the people is required in order to understand what each sector needs, and present appropriate solutions.
- *Focus on the real risk.* Minimize supervision to the areas of greatest concern, such as registration, licensing, record keeping, and large transfer amounts
- *Use regulatory sandboxes.* Testing new products in a closed environment and timeframe can allow all players to have assurance that the public will be protected and the private sector will be facilitated.

PLENARY III: PRIVATE-PUBLIC-PEOPLE PARTNERSHIPS

SPEAKERS

Patrice Kiiru

General Manager, Diaspora Banking & International Money Transfer, Equity Bank Group

Md Shafiqur Rahman

Director General, Special Security Force, Government of Bangladesh

Jaspreet Singh

Regional Technical Specialist for Digital Financial Services, United Nations Capital Development Fund (UNCDF)

Prasun Kumar Das

Secretary General, Asia-Pacific Rural and Agricultural Credit Association (APRACA)

MODERATOR: Michael Hamp

Lead Technical Specialist – Inclusive Rural Financial Services, IFAD



There are three main players in the value chain mechanism: the service provider, the regulator, and the end user. It will require good communication and collaboration among all three to improve the remittance market.

Highlights

The panel discussed several promising avenues for creating private-public-people partnerships:

- **Appeal the public sector to recognize contribution of migrant remittances.** Many central banks collect data on remittances, but do nothing to promote their impact. Regulations can differ significantly from country to country, and sometimes even within countries. Some countries discourage foreign investment, while others have legislation that makes it difficult for migrant families to start businesses or own property. Equity Bank Group (EBG) meets with regulators on a regular basis to discuss how remittances can be directed toward private and public investment. Along with other banking associations, EBG appeals to central banks and regulators, encouraging them to make the regulatory environment more inviting to foreign and domestic remittances.
- **Make direct contact with people.** The Migrant Family Motivation Initiative (MFMI) is a pilot project operating in four rural areas in Bangladesh that identifies and collects information on migrant families. Officials meet with the families both individually and collectively where they share information, educate migrants on their financial options, and often solve specific problems directly. These sessions help families, women in particular, develop skills and financial literacy for starting small agri-businesses.

- **Build a supportive eco-system.** Using technology to lower costs is important, but it is just as critical to understand the true needs of the end user, otherwise companies are simply replacing one financial process with another. The Central Bank of Pakistan uses digital applications to improve services. The applications assist customers by answering questions on sending money home, linking to other products, and addressing customer complaints by connecting them to officials who could assist with the problem. Customers who send more remittances gain special privileges, such as buying into voluntary pension products. Likewise, FSPs are encouraged to develop supporting products.

Conclusions

The following steps were suggested in order to facilitate development of private-public-people partnerships that lead to greater financial inclusion:

- Encourage discussion among the many players in the remittance space. The public sector should communicate with the private sector in order to fashion appropriate regulations that promote security without stifling innovation. In turn, the private sector should listen to the needs of the end client to develop appropriate products that meet the day-to-day needs of migrants.
- The public sector can create incentives for the private sector to reach out to underserved communities, make it easier to use services, and create products crafted to migrant family needs.
- The private sector can create incentives for users to move beyond remittances. Through remittance-linked products and services, migrant families can be drawn into the formal financial market.

PANEL IA: REGULATING THE REMITTANCE MARKET: EMERGING ISSUES

SPEAKERS

Jack Haldane

Acting Director Regulatory Investigations, AUSTRAC

Nutt Lumbikananda

Director of Foreign Exchange Administration and Policy Department,
Bank of Thailand

Ricky Satria

Deputy Director, Payment System Policy Department, Bank Indonesia

Ouk Sarat

Director of Payment Systems Department, National Bank of Cambodia

MODERATOR: Liat Shetret

Senior Independent Advisor for Financial Integrity, Research, Policy and Practice



Technological advances are rapidly transforming the financial industry. With so many new FinTech players entering the market, regulators struggle to keep pace with changes, especially as new services often occupy the gaps in public policy. Identifying issues and risks in the emerging market has become the focus of regulators.

Highlights

In regulating the remittance market, regulatory authorities are faced with a number of challenges:

- Determining who is subject to public oversight.
While FinTechs are not technically MTOs, many of the services they offer make it hard to distinguish them from conventional financial institutions.
New companies are often ignorant of compliance requirements.
- Finding the right balance of regulation. At the core of legislation is consumer protection. However, compliance can be expensive, and costs are ultimately borne by the consumer. Regulation that protects the customer but makes remittance services too expensive to use will undermine the objective of promoting financial inclusion.
- Although technology changes quickly, people do not. Many poor people often lack both technological and financial education. Therefore, while requiring e-KYC rules may sound good in theory, such requirements may be beyond the capabilities of some FinTechs and some customers.

Conclusions

Open dialogue and transparency can help mitigate emerging regulatory issues. Among other measures that regulatory authorities should give emphasis to are:

- Promote open discussion with companies and business associations in order to understand their needs and to learn about latest innovations;
- Encourage inter-operability among service providers;
- Online resources (e.g. Australia's AUSTRAC) should be fostered to make it easy to share information; and
- Share experiences with other local and regional authorities, and explore ways to harmonize rules across domestic and international boundaries.

PANEL IB: PROMOTING THE USE OF REGULATED CHANNELS: THE ROLE OF SENDING AND RECEIVING COUNTRIES

SPEAKERS

Dilli Ram Pokharel

Director, Research Department, Nepal Rastra Bank

Isaku Endo

Senior Financial Sector Specialist, World Bank Group

Nika Naghavi

Senior Insights Manager, Mobile Money Programme, GSMA

Leta Havea-Kami

Managing Director and CEO, Tonga Development Bank

MODERATOR: Nik Mohamed Din Nik Musa

Director, Money Services Business Regulation Department, Bank Negara Malaysia



The value of remittances sent through unregulated channels may be as much as that sent through regulated ones. Migrants use informal channels partly because they lack awareness of other options, but also because they see convenience in using them. Unregulated channels, while perhaps less safe, directly target migrants and their families, offering convenience – proximity, lower costs, and fewer restrictions – that the formal market does not always provide.

Highlights

The panel discussed strategies to encourage the use of regulated channels. These include:

- Promoting financial literacy by educating migrants on the advantages of using regulated channels, particularly from the consumer protection perspective, as well as on the availability of innovative products and services such as mobile remittances.
- Market remittances and other financial products directly to migrants and their families, including migrant communities and organizations. Publish information on costs of remittances and other services so migrants can compare options.
- Link remittances to other financial services. The use of savings, investment, and insurance products will draw people into the regulated sector and increase their financial literacy.
- Collect and publish data on remittances and trends. These data can be used to pinpoint the greatest needs and suggest how to create better products.

- Promote dialogue. The financial industry should share lessons learned and best practices. The public and private sectors should work together to ensure that regulations protect the public without stifling the market.
- Make transferring and receiving money more convenient, for example by establishing simple identification and KYC policies. In parallel, FinTech services should be enhanced in order to increase the use of mobile money, provide 24-hour accessibility, reach further into isolated areas, and reduce transfer costs.
- Design products with the user in mind. Migrants and their families have needs that differ from other customers, and among themselves. By focusing on customers, products can have a “human-centered design”, and be tailored to meet the needs of the un(der)served segments.
- Embrace the Global Compact on Migration (GC/M). By making migration safe and regular, migrants will have less fear of using the regulated market and be better equipped to use it.

Conclusions

In order to compete with unregulated channels, the financial sector must focus on:

- Access: remittances should be linked to other services (bill payment, savings, etc.);
- Convenience: remittances and other services must be accessible (or mobile) and easy to use; and
- Education: migrants need to be made aware of the safety and security that comes with the regulated financial sector.

Session VII: Migration, development and the SDGs

PLENARY I: REMITTANCES AS A LEVER FOR THE SDGS: HOW TO MULTIPLY THEIR EFFECTS THROUGH ENABLING POLICIES

SPEAKERS

Robin Newnham

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Muthukumarasamy Kalyanasundaram

CEO, International Network of Alternative Financial Institutions (INAIFI), India

Muhammad Ismail Iqbal

Deputy Secretary, Ministry of Overseas Pakistanis & Human Resource Development, Pakistan

MODERATOR: Rajeev Kumar Gupta

Head of regional Financial Inclusion program, United Nations Capital Development Fund (UNCDF)



Reducing the costs of remittances is a specific goal under the United Nations' Sustainable Development Goals (i.e. SDG 10.c: 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). Nevertheless, remittances would also help in achieving other SDGs, such as:

- **Goal 1: End poverty in all forms everywhere.** In many developing countries, remittances make up 60 per cent of household income. Reducing the cost of remittances could put an additional US\$20 billion in the hands of poor people, lifting many above the poverty line.
- **Goal 5: Achieve gender equality and empower all women and girls.** There is a 9 per cent gap between women and men's income, but remittances can help increase the level of education among women and thus raise their status. Indirectly, these improvements may also reduce domestic violence.

- **Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.** Many countries encourage investment of remittances, which can be used to develop the local economy and infrastructure.
- **Goal 10: Reduce inequality within and among countries.** Indirectly, remittances require a leveling of rules across regions and across borders. By standardizing the rules, even more indigent people have a fairer playing field.
- **Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.** Communities can use remittances to combat or offset the effects of climate change.

Highlights

- With the help of the private and public sectors, the SDGs can be achieved. For example, FSPs could link remittances to savings accounts and investment opportunities. Although remittances are transferred digitally, most are still cashed out and spent, which blunts their effectiveness. By linking transactions to other financial services, people are brought into the formal financial sector. They are encouraged to save and invest, thus increasing funds that could be used on local projects and consequently spur the local economy.
- Regulators could work to develop harmonized and specific regulations for cross-border transactions. They could standardize and simplify KYC and e-KYC regulations and speed up the migration process, possibly through biometric identity. They could design policies to ensure a level playing field for FinTechs and banks, and provide incentives for migrants to use formal channels. For example, prior to migration, Pakistan provides US\$10 thousand in life insurance and 5 years of coverage for migrants. In addition, it subsidizes banks for the cost of remittances, which means there is no transfer fee.

Conclusions

To help reach SDGs, private sector actors – such as FSPs – should:

- Link remittance services to other products such as savings accounts and investment options; and
- Develop products that address migrant-specific needs such as microinsurance.

In turn, public sector should:

- Harmonize cross-border rules for remittances;
- Ensure regulations are commensurate to actual risk; and
- Simplify identification and KYC standards.



PLENARY II: THE COMMITMENT OF DIASPORA THROUGH REMITTANCES AND INVESTMENT: CONTRIBUTING TO THE GLOBAL COMPACT FOR MIGRATION AND ACHIEVING THE SDGS

SPEAKERS

Jill Helke

Director, International Cooperation and Partnerships, International Organization for Migration (IOM)

B. Lindsay Lowell

Director of Policy Studies, Georgetown University

Pedro De Vasconcelos

Senior Technical Advisor and Manager of the Financing Facility for Remittances, IFAD

Shahadat Khan

Academic and researcher, RMIT University in Melbourne, Global Coordinator, Migrant Family Motivation Initiative (MFMI)

MODERATOR: Bela Hovy

Chief, Migration Section, Population Division, UN Department for Economic and Social Affairs (DESA)



Diaspora have proven their commitment to their countries of origin through the money they send in support of their families back home, the investment of hard-earned savings, and the entrepreneurial activities undertaken by returnees. The total dollar amount of these remittances is three times ODA, with 75 per cent supporting people directly and the rest channeled into savings and investment. And yet, despite these numbers, most remittance money is inefficiently directed and unable to be leveraged into more productive endeavors.

FSPs are beginning to address this problem by encouraging people to invest more, through diaspora bonds and other investment vehicles aimed at migrants. Overall, the level of commitment by FSPs and investment is still inadequate, mainly because of the financial sector's lack of understanding of their target market.

The migrant community is typically understood as a homogeneous group, when in fact, the market is quite segmented. There are significant differences between migrant skills and income levels; and FSPs should direct their marketing and products accordingly. For example, lower skilled (and thus lower income) migrants may need to be brought into the regulated financial sector

by linking remittances to savings services. On the other hand, higher skilled/higher earners are better positioned to direct monies beyond their immediate family, and thus need to be informed about investment products.

Ultimately, both public and private sectors need better data. Although governments often have good quantitative data, they are often “locked away” in departmental silos at no one’s benefit. Instead, such data should be shared and made public among departments, and accessible to the private sector. In particular, governments could publish data on remittances (from central banks) and migration flows (from labor departments), having everyone benefiting from disaggregating and freeing up data.

And while quantitative data is absolutely necessary, what is lacking is good qualitative data. Both public and private sectors need to place more emphasis on talking to migrants, performing in-depth interviews to get to the heart of the migrant experience and thus better understand it.

Highlights

- Without a clear picture of the migrant experience, neither the public nor the private sectors can act appropriately. The public sector needs to understand the migrant needs, or else it cannot implement good policies. Even well-meaning policies can have unintended consequences when not carefully implemented. For example, AML/CFT regulations may restrict fraud and terrorism, but they can also cut out good actors from the financial sector.
- While increasing financial access is a goal, what businesses want are viable business opportunities. But without a better understanding of the market, businesses will continue to create generic products that fail to meet the needs of migrants and their families.

Conclusions

- Public and private sectors need good data in order to create good policy and good products.
- Good data consists of both quantitative (e.g., number of migrants, amount of remittances) and qualitative (immigrant interviews) information.
- Although such data are currently collected, authorities should take one step further to make it publicly available;
- Private entities need to share lessons learned and best practices.

Wrap up of the GFRID 2018

Donald F. Terry

Senior Fellow, Jonathan Edwards College, Yale University



The history of remittances is short. It was only 25 years ago (1993) that Western Union rebranded its money transfer product as *Dinero en Minutos* (Money in Minutes) for remittances from the United States to Mexico. But they didn't know how big that market was. Nobody knew as there was no data. Fifteen years ago, remittances were unaccounted for by the World Bank, the International Monetary Fund, and central banks. Sending and receiving didn't make it to their ledgers. Only ten years ago, M-PESA was starting in Kenya. Five years ago, digital was barely mentioned at conferences like this one.

Even today, there are places in the world where nobody knows what is happening in the remittance market, because the information is not considered valuable, and the people are not valued. There's a long way to go, but the future is in remittances.

Today, a lot is known about how much is sent and received through formal channels, but very little about the remittances sent informally. Transaction costs were once predatory. They became expensive. Now they are just too high. Eventually, they will get to a reasonable cost of 3 per cent as foreseen in SDG 10.c.

Although remittance volumes and costs are known, it is crucial to focus on the receiving side of remittances and the impact they can make in communities and countries of origin. Going forward, we must focus on what we will do with the resources being sent.

Countries and families are not fated to be forever reliant on remittances. Malaysia is very good example of this truth. Two million documented migrant workers (and approximately one million undocumented) send money home to their families in the region. Malaysia is able to provide resources that support another 10 million people outside of Malaysia. Those are real people with real aspirations, who need more options to use money productively and to give those aspirations real capacity.

De-risking is a fraud. The banks simply don't want the customers. If we are truly interested in stopping terrorism, then we must provide financial inclusion to the millions of people who need it. The answer is in Know Your Customer, Know Your Diaspora: more financial inclusion equates to less terrorism.

Conclusions

There are five pillars to take away from this conference.

1. Recognize the significant contribution of migrant remittances and diaspora investments to achieving the SDGs.
2. Expand and strengthen the collection, analysis, and application of remittance-related data to foster effective public policies and private-sector investment.
3. Review legal and regulatory frameworks to ensure that they are spurring competition, innovation, and technology, leading to greater market efficiency and lower costs.
4. Support financial inclusion and facilitate asset-building in order to leverage the impact of remittances and diaspora investment.
5. Convene public, private, and civil society meetings from the local level up to engage in strategies, policies, and actions, and evaluate the implementation efforts.

The GFRID 2018 in pictures



From left to right: Bela Hovy (UN-DESA), Daniela Morari (Republic of Moldova), Alfred Hannig (AFI) and Tony Fernandes (AirAsia)



Ceyla Pazarbasioglu (World Bank Group) interviewed by journalists after opening remarks



Networking at the Remittance Marketplace



GFRID 2018 participants at photo booth



Bank Negara Malaysia staff at reception, after closing of Day 1



Traditional musicians at GFRID 2018



One of GFRID 2018 panels



GFRID 2018 participants during the opening ceremony



Leon Isaacs moderating one of GFRID 2018 panels



GFRID 2018 participants from the Philippines at the photo booth



GFRID 2018 participants from Nepal at the photo booth



GFRID 2018 participants at the photo booth

The Remittance Marketplace

The GFRID 2018 Remittance Marketplace saw the participation of 25 private-sector entities and international organizations showcasing 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.



List of exhibitors

1. International Fund for Agricultural Development
2. World Bank Group
3. Alliance for Financial Inclusion
4. International Organization for Migration
5. IMTC
6. Ria Financial Services
7. DMA
8. IAMTN
9. Travelex
10. Homestrings
11. CONTACT
12. TransferTo
13. Tik FX Malaysia Sdn Bhd
14. Bitspark
15. Max Money
16. NYUVO
17. Azimo
18. Merchantrade
19. Valyou
20. Xpress Money Services Ltd.
21. RemitRadar
22. Malaysian Association of Money Services Business
23. CIMB
24. Democrance
25. Western Union



Media

Following the media advisory “**Global Forum on Remittances, Investment and Development – Asia Pacific**” issued in English on 3 May, together with the two press releases: “**Remittances to the Asia-Pacific region reach US\$256 billion helping millions of families to build a better future**”, issued in English, French, Spanish, Arabic and Italian on 7 May; and “**Remittances – an engine for development that still needs to move up a gear**” issued in English, French, Spanish, Arabic and

Italian (on 8 May), the GFRID 2018 enjoyed a wide and global media coverage, with over 600 reports and articles in newspapers, blogs and TV/media channels both in Asia-Pacific and globally. Both the **GFRID 2018** and the new **RemitSCOPE** web-based platform received intense social media coverage through **Facebook**, including live interviews with high-level experts held during the Forum, and **Twitter**.

Migrant workers sent \$256 billion home to Asia-Pacific last year: U.N.

KUALA LUMPUR (Thomson Reuters Foundation) - Migrant workers from the Asia-Pacific region sent \$256 billion home last year, but more needs to be done to cut costs and make money transfers easier, said a United Nations report on Monday.

Remittances, which have risen about 5 percent since 2008, helped about 320 million family members across the region last year, according to the United Nations' International Fund for Agricultural Development (IFAD).

"It is crucial and critical to make sure these flows arrive fast and cheap," said Pedro de Vasconcelos, a remittance expert at the IFAD. "It is a lifeline for millions of families."

According to the report, 80 million migrant workers sent money home an average eight to 10 times per year.

Reuters

Les émigrés ont transféré 256 mds\$ vers l'Asie-Pacifique en 2017

KUALA LUMPUR, 7 mai (Fondation Thomson Reuters) - Les travailleurs émigrés partis de la région Asie-Pacifique ont envoyé chez eux l'an dernier 256 milliards de dollars (215 milliards d'euros), selon un rapport d'une agence des Nations unies, rendu public lundi.

Ces transferts, en augmentation de 5% depuis 2008, ont bénéficié à 320 millions de familles de la région Asie-Pacifique en 2017, selon le rapport du Fonds international de développement agricole (Fida).

"Il est crucial et critique de faire en sorte que ces flux d'argent arrivent vite, à un coût réduit", estime Pedro de Vasconcelos, expert des transferts d'argent au Fida. "C'est une bouteille de sauvegarde pour des millions de familles".

Selon le rapport, 80 millions de travailleurs émigrés ont envoyé de l'argent dans leurs familles en moyenne huit à dix fois par an. En moyenne, ils ont payé 7% de charges pour effectuer ces transferts d'argent, alors que voici une décennie, les transferts à destination

MSN News

Expertos urgen a ayudar a los migrantes a invertir en zonas rurales de origen

Voróbnich (Rusia), 18 may (EFE).- La inversión con las remesas de los migrantes en sus zonas rurales de origen puede contribuir a generar empleos y evitar un mayor despoblamiento del campo en países pobres como los de Asia central, insistieron hoy varios expertos.

En un acto durante la conferencia regional de esa agencia que se celebra en Rusia, el experto de la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO) Víctor Gutiérrez recordó que "la agricultura no es capaz de absorber a toda la gente que vive en el campo".

Ante la migración forzada de los habitantes rurales, Gutiérrez instó a ayudar a quienes abandonan sus hogares para que "tengan una segunda oportunidad" e invertir el dinero ahorrado en el extranjero en sus lugares de origen, de modo que puedan mejorar sus estándares de vida y los de sus familias.

La Vanguardia

Viet Times

Tin tức | **Khinh te**

Châu Á-Thái Bình Dương tiếp nhận nhu cầu hối nhất trên thế giới

Theo báo cáo mới nhất của Liên hợp quốc, năm 2017, người lao động nhập cư từ khu vực châu Á-Thái Bình Dương đã gửi về quê nhà 256 tỷ USD.

- ADB giữ nguyên mức dự báo tăng trưởng kinh tế 6% năm 2018 của châu Á
- Mỹ đầu tư 113 triệu USD vào khu vực Ấn Độ Dương-Thái Bình Dương
- Ấn Độ vượt Pháp trở thành nền kinh tế lớn thứ sáu trên thế giới

Ảnh minh họa.

Viet Times

The venue

Sasana Kijang, Kuala Lumpur

The GFRID 2018 took place in Kuala Lumpur at Sasana Kijang, a centre of knowledge and learning excellence established by Bank Negara Malaysia in 2011. The centre represents the Bank's continuous drive for talent development through effective learning initiatives, as well as creating a conducive environment to promote best practices in central banking. Sasana Kijang also hosts the Bank's regional and international strategic partners, namely the South East Asian Central Banks Research and Training Centre, Islamic Financial Services Board, and Alliance for Financial Inclusion.

The World Bank Group commenced operations at Sasana Kijang in March 2016, and the Asia School of Business is temporarily located here pending the completion of its campus development. The centre's modern facilities provide an opportunity for learning, research and engaging in discourse with full conference facilities, including a main auditorium, and meeting and conference rooms.



The Global Forums

The Global Forums on Remittances, Investment and Development (GFRID) are a series of international forums aimed at bringing together stakeholders from around the world involved in the field of remittances, migration and development, to stimulate the creation of partnerships and long-lasting synergies among public and private sectors, and the civil society.

Since 2007, the Global Forums have been organized by the International Fund for Agricultural Development (IFAD), in collaboration with key partners, such as the Inter-American Development Bank, the African Development Bank, the World Bank Group, the European Commission

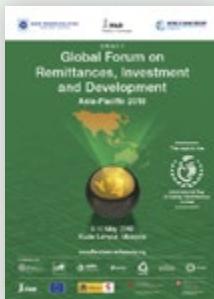
and the United Nations Department for Economic and Social Affairs (UN-DESA).

The GFRID has become, over the last decade, a unique platform in which to discuss global remittance-related issues and share solutions to maximize the development impact of these flows. The last two forums – Milan 2015 and New York 2017 – both saw the participation of over 400 representatives from the public and private sectors, and civil society, and contributed to the global discussion on remittances, migration and development by raising further interest from different perspectives.

2018

Global Forum on Remittances, Investment and Development | Asia-Pacific

Held in Kuala Lumpur, it was hosted by Bank Negara Malaysia, together with IFAD and the World Bank Group, and focused on the remittance marketplace in Asia-Pacific.



2017

Global Forum on Remittances, Investment and Development | Global

Global coverage focused on the role of remittances in achieving the SDGs, and opportunities in the global marketplace. Held in New York and organized together with the World Bank Group and the UN Department of

Economic and Social Affairs (UN-DESA).



2015

Global Forum on Remittances and Development | Europe

Focused on *European and global markets*, and development impact, organized by IFAD, the European Commission and the World Bank Group, held in Milan in conjunction with the Universal

Exposition EXPO Milano 2015.



2013

Global Forum on Remittances | Asia

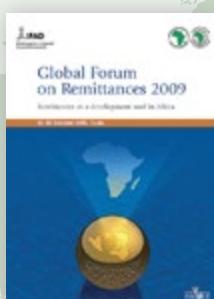
Focused on *Asia*, held in Bangkok, and organized together with the World Bank Group.



2009

Global Forum on Remittances | Africa

Focused on *Africa*, held in Tunis, in collaboration with the AfDB.



2007

International Forum on Remittances | Global

Global coverage, held in Washington D.C. and organized together with the IDB.



2005

International Forum on Remittances | Americas

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.

Resolution of the UNGA on the International Day of Family Remittances

United Nations

A/RES/72/281



General Assembly

Distr.: General
18 June 2018

Seventy-second session
Agenda item 14

Resolution adopted by the General Assembly on 12 June 2018

[without reference to a Main Committee ([A/72/L.56](#) and [A/72/L.56/Add.1](#))]

72/281. International Day of Family Remittances

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

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A/RES/72/281**International Day of Family Remittances**

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;

International Day of Family Remittances

A/RES/72/281

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*

United Nations

A/72/L.56/Add.1



General Assembly

Distr.: Limited
12 June 2018

Original: English

Seventy-second session

Agenda item 14

**Integrated and coordinated implementation of and
follow-up to the outcomes of the major United Nations
conferences and summits in the economic, social and
related fields**

**Algeria, Bangladesh, Colombia, Dominican Republic, Ecuador, El Salvador,
Ghana, Guatemala, Guinea, Honduras, Madagascar, Morocco, Philippines and
Tunisia: draft resolution**

International Day of Family Remittances

Addendum

Add the following countries to the list of sponsors of the draft resolution:

**Australia, Bolivia (Plurinational State of), Brazil, Canada, Costa Rica, Egypt,
Guyana, India, Indonesia, Ireland, Jamaica, Malawi, Mexico, Myanmar, Nepal,
Nicaragua, Nigeria, Paraguay, Republic of Moldova, Russian Federation, Samoa,
Singapore, Sudan, Thailand, Timor-Leste, Uruguay and Viet Nam**

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List of speakers

Welcoming remarks



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Cheng Lian
Bank Negara Malaysia



Charlotte Salford
IFAD



Ceyla Pazarbasioglu
The World Bank Group

Special address



Louise Arbour
United Nations
Secretary-General's
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Moderators



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Mohit Davar
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Michael Kent
Azimo



Shahadat Khan
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Kwiwoong Lee
Korea Financial Services Commission



B. Lindsay Lowell
Georgetown University



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Elmer M. (Jojo) Malolos
Wing, Cambodia



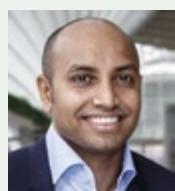
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* as of 30 May 2018

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IMTC is a forum of the money transfer industry, a forum of people involved in providing cross-border financial services, such as money transfer operators, banks and mobile money operators involved in financial services, and a large array of institutions, brick-and-mortar or digital first, for-profit and non-profit, that provide services along migration corridors, to people or companies, personal or commercial, formal or informal.

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