



United Nations
Office of the Special Adviser
on Africa

IFAD
Investing in rural people



WORLD BANK GROUP

Global Forum on Remittances, Investment and Development 2023

Outcomes Report



DIGITAL REMITTANCES
TOWARDS FINANCIAL INCLUSION
AND COST REDUCTION

IDFR 2023-2024
Campaign



International Day
of Family Remittances
16 JUNE

#FamilyRemittances



Global Compact
FOR Migration
Objectives 19 and 20



SUSTAINABLE
DEVELOPMENT
GOALS

United Nations
Nairobi, Kenya

14–16 June 2023



#gfrid
www.gfrid.org
gfrid@ifad.org

IN COLLABORATION WITH



CrossTech



GSMA



SPONSORED BY



About the GFRID Summit 2023



In partnership with the United Nations Office of the Special Adviser on Africa (UN OSAA) and the World Bank, the International Fund for Agricultural Development (IFAD) hosted the eighth Global Forum on Remittances, Investment and Development (GFRID) Summit at the United Nations Office in Nairobi (Kenya) from 14 to 16 June 2023.

Endorsed and promoted by the United Nations as a platform to engage all sectors, the summit aimed at bringing together stakeholders from around the world involved in the field of remittances, diaspora investment and development. It was also a continuation of the previous forums and dedicated [eGFRID webinars](#) aimed at addressing key thematic areas related to remittances and diaspora investment.

The GFRID Summit 2023 saw the participation of **over 650 practitioners and stakeholders** from the public and private sectors and civil society in Africa and around the world. The event was an interactive platform

for participants to discuss opportunities and challenges in the post-pandemic landscape. Main remittance corridors and diaspora investment innovations in Africa were a main focus. Within this framework, the summit was an opportunity to agree on key milestones related to the impact of remittances on achieving the Agenda 2030 for Sustainable Development Goals (SDGs). The summit highlights are expected to support the upcoming **High-level Political Forum on Sustainable Development (SDG Summit)** and the next Implementation Review of the [Global Compact for Safe, Orderly and Regular Migration \(GCM\)](#).



FROM LEFT TO RIGHT

Cristina Duarte
Under-Secretary-General,
Special Adviser on Africa to the
UN Secretary-General, UN OSAA

Ugochi Daniels
Deputy Director General, IOM

Roseline K. Njogu
Principal Secretary, State Department for
Diaspora Affairs, Government of Kenya

Alvaro Lario
President, International Fund
for Agricultural Development (IFAD)

H.E. Henriette Geiger
Ambassador of EU to Kenya

Sara Mbago-Bhunu
Director, East and Southern
Africa Division, IFAD

Dr Patrick Ngugi Njoroge
Governor, Central Bank of Kenya

Gopinath Prahlada Char Tulasi
Advisor, Department of Economic Policy
and Research, G20/GPFI Presidency
2023, Reserve Bank of India

The summit in figures

655 attendees

from over **60 countries**

3 days involving

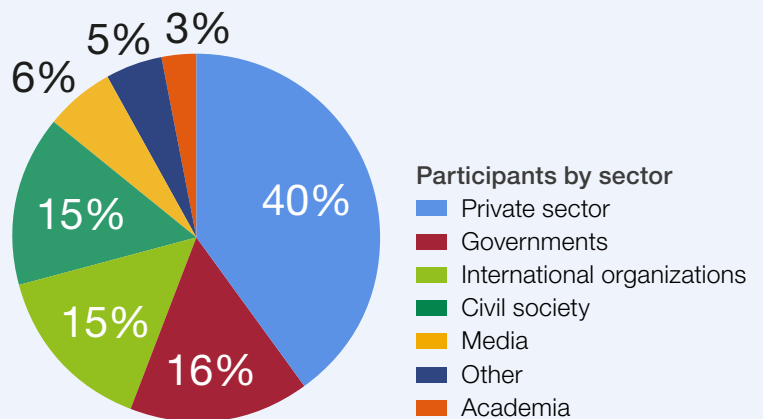
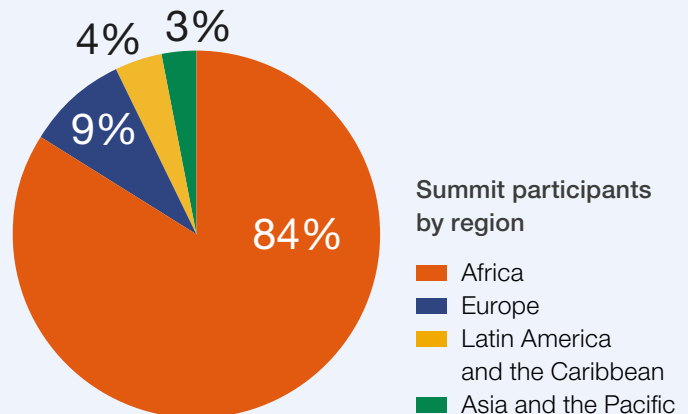
33 panels, including
4 opening sessions and
4 keynote addresses

118 speakers from
international financial
institutions, governments,
the private sector and
civil society

Over **100 articles**
and mentions in the
international press

Over **100,000 impressions**
on FFR and IFAD
social media platforms

Over **5,000 web profile** visits



Global remittance flows and trends

Global remittances to developing countries witnessed a remarkable 36 per cent increase between 2017 and 2022. During the worst of the COVID-19 outbreak in 2020, remittances contracted slightly by 1 per cent but rebounded the following year by more than 10 per cent, proving once more the remarkable commitment of migrants to support their relatives back home during times of crisis.

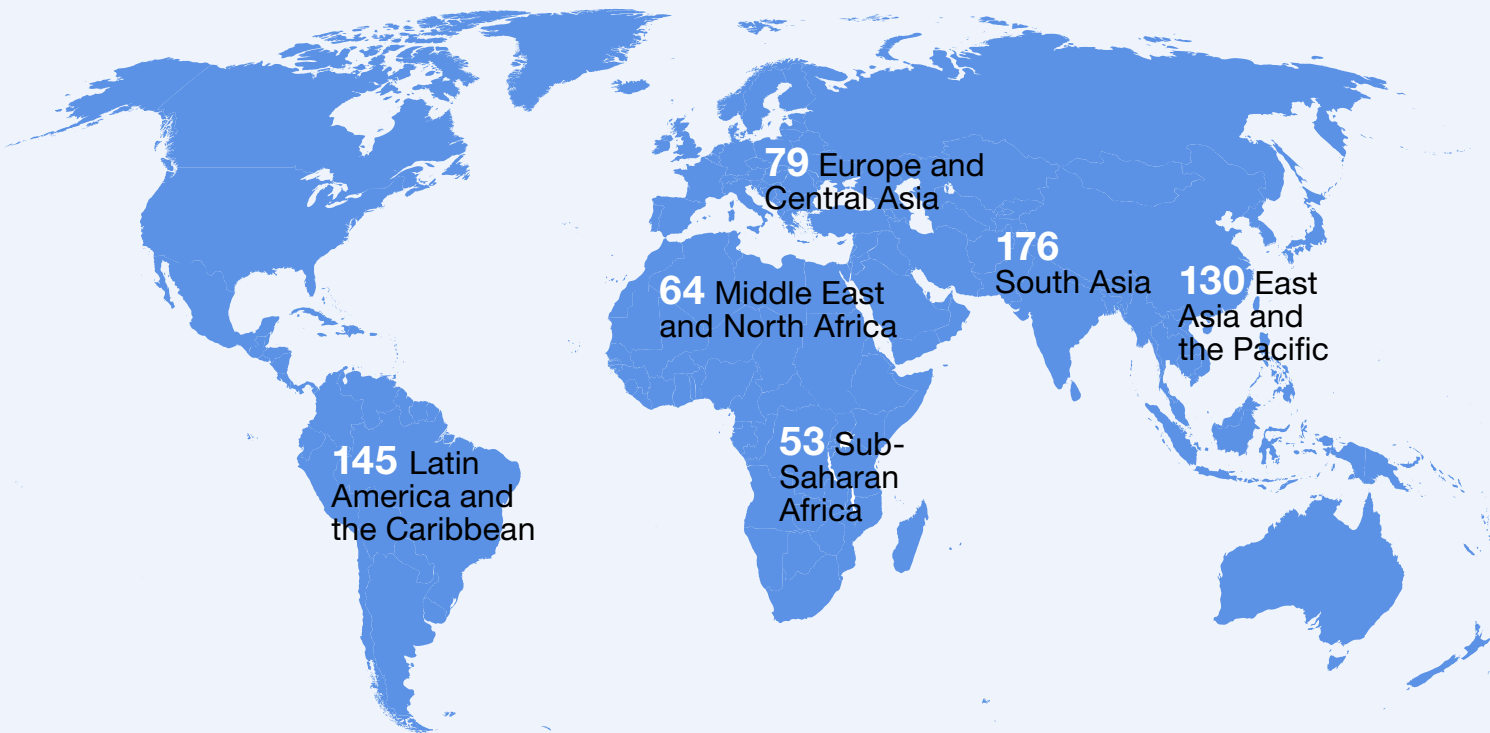
In 2022, there was a significant 8 per cent year-to-year increase in remittance flows to low- and middle-income countries (LMICs), reaching a staggering US\$647 billion (World Bank, 2023). Projections suggest that remittances to LMICs will reach an estimated US\$5.4 trillion by 2030.

Remittances to and within Africa were estimated at over US\$100 billion. This estimate is a substantial undercount of actual flows. Even so, this money benefitted at least 200 million family members of African migrants in a continent where 55 per cent of the population still lives in rural areas.

Remittances are a lifeline for individuals and families. On average, 75 per cent of remittances are used to cover many Sustainable Development Goals (SDGs) at the level of individual families: Zero Hunger (SDG 2), Good Health and Well-being (SDG 3). About 50 per cent of people from remittance-reliant countries live in rural areas, where 75 per cent of the world's poor and food-insecure live.

Remittance inflows to low and middle-income countries by region (US\$ billion)

+200 million migrant workers sent US\$647 billion remittances in 2022 to +800 million family members and relatives



Source: World Bank, Knomad, 2023.

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delineation of the frontiers or boundaries, or the authorities thereof.

The remaining 25 per cent represents over US\$160 billion annually, which can either be saved or invested in assets and human capital or in activities that bring resilience to people confronting income loss and weather-related shocks. Which means remittances also address other SDGs, such as: Quality Education (SDG 4), Gender Equality (SDG 5) Clean Water and Sanitation (SDG 6), Decent Work and Economic Growth (SDG 8), Reduced Inequalities (SDG 10) and Climate Action (SDG 13).

In turn, through investments, diaspora members finance individual or collective initiatives including entrepreneurship, direct investment in enterprises or collective infrastructure and indirect financial investment in structured financial products and vehicles. Diaspora resources are estimated at US\$500 billion in accumulated savings, mostly stored in host countries, and remain largely untapped.

Diaspora investors set up enterprises, build assets and create international trade relationships. Migrant workers

participate in transnational economic activities with their countries of origin that set the basis for deep ties and impact in their home communities. The networks they build create a dynamic space for intervention in economic development, particularly where government policies or the donor community support and integrate their engagement. Diasporas also have economic and legal knowledge, which break down the information asymmetries that other investors face. This can reduce transaction costs for investing in their countries of origin.

Maximizing the development impact of migrant remittances and diaspora investments can create economic opportunities for sustainable development that can curb the need to migrate. This means bringing resilience to families through access to cheaper, faster and safer means to transfer and invest their funds; and leveraging these flows to bolster financial inclusion, entrepreneurship and climate adaptation.

Key topics addressed

The summit was organized around the two main tracks of remittances and diaspora investments, through which worldwide experts actively engaged in discussions and debates about their experiences, perspectives, and most recent innovations leading to unleashing the power of remittances and diaspora investment in the post-pandemic world.

The three-day summit offered a 360-degree review of challenges and opportunities faced by millions of migrants and their families around the world, while sending and receiving remittances, especially in Africa. Millions of individuals receiving remittances continue to face the consequences of an inefficient remittance market framework. The costs associated with remittance transactions remain unacceptably high, **with a global average of 6.25 per cent in the first quarter of 2023, surpassing the SDG target of 3 per cent.** Sub-Saharan Africa has the highest average remittance transfer cost, at 8.35 per cent (World Bank, 2023). Although digital transfers offer a more affordable, rapid and secure alternative, they constitute only a small portion of the overall market. Furthermore, despite the financial capacity and financial aspirations gained through regular remittances, families receiving remittances often find themselves marginalized by both financial service providers and left out of government programmes, further exacerbating their financial disenfranchisement.

Likewise, migrants who are eager to invest directly back home also confront notable obstacles in their endeavour to contribute and invest their savings. The limited availability of secure and reliable investment mechanisms aligned to impactful investment opportunities remains one of the most significant missed opportunities for private investors, governments and development organizations alike.

Summit discussions helped identify market opportunities and development priorities towards the 2030 objectives, which for the next few years can benefit both remittance senders and recipients, as well as service providers. Debates and presentations focused on market trends and strategies, technologies and innovative business models in the remittance market, as well as regulatory frameworks that enable most effective business models.

In particular, the digitalization of remittances represents a tremendous opportunity to spearhead financial inclusion through both improved access and wider usage of adapted financial products. In addition, granular and accurate data, and a sustained dialogue between private and public stakeholders is key, particularly with regulatory bodies, to eliminate the perceived threat of family remittances to integrity of financial markets.

In terms of diaspora investments, the GFRID Summit 2023 presented a wide range of state-of-the-art investment vehicles and programmes set forth to allow diasporas to invest their resources back home. In this regard, the topics discussed included diaspora capabilities and preferences to invest in their countries of origin, existing and emerging government- and private-sector-led investment vehicles, as well as challenges to reach out and cater to diverse diaspora profiles.

A highlight of the summit were the discussions on the role of remittances and diaspora investments to cater to the SDGs on food security and climate adaptation.

Focus

The summit focused on the current reality faced by one billion people sending or receiving remittances around the world and by diaspora members already investing and willing to invest back home. The summit aimed at shedding new light on the critical role played by remittances and diaspora investment contributions in accelerating progress towards the SDGs, with a focus on the African landscape. Migrant contributions can be maximized through enabling national and global policies, as well as through market innovations by service providers in both remittance and investment ecosystems.

Key statements



“ Remittances help families and communities in a variety of ways. They are directly relevant to many of the SDGs. Half of the US\$647 billion remittance flows registered in 2022 went to rural areas, where poverty and hunger are concentrated, and where remittances make the most difference to people’s lives.”

Alvaro Lario

President of the International Fund of Agricultural Development

“ Africa has not fully delivered on its ambitions, and remittances can be the game changer. Strong country systems are needed to mobilize remittances as a source of development investments to create enough innovative ecosystems needed to promote income distribution.”



Cristina Duarte

United Nations Under-Secretary-General and Special Adviser on Africa



“ We need to cultivate international partnerships and bring remittances at the core of the development debate while underlining their link to the climate change challenge.”

Jutta Urpilainen

European Union Commissioner for International Partnerships

“ We should create a favourable environment that empowers the diaspora, channels remittances towards sustainable community development projects and paves the way for a prosperous future for the one billion remittance senders and recipients around the world.”



Ugochi Daniels

Deputy Director General for Operations, International Organization for Migration

Main findings and actionable outcomes

The economic contribution of migrants, through the remittances they send and the investments they make to their families and communities back home, is now more important than ever and is recognized as a development priority.

Remittances and diaspora investments are different in scope and needs. Even if they sometimes appear interlinked, they require unique and adapted approaches to fully maximize their development potential.

International remittances are private cross-border, person-to-person payments of relatively low value, sent regularly by migrant workers to their relatives in home countries with the purpose of supporting livelihoods and contributing to their well-being.

In turn, diaspora investments respond to personal goals set by migrants who wish to finance business opportunities in their countries of origin. These investments can be either individual or collective and vary in terms of size, scope, duration and frequency.





Both remittances and diaspora investments can be “flows of change” for their countries of origin, promoting economic opportunities and sustainable development, if properly leveraged.




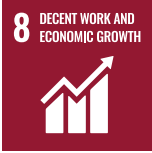



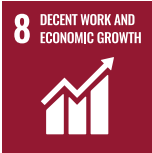


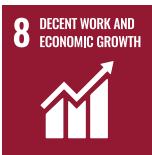


The main findings and actionable outcomes of GFRID’s high-level panels and discussions are structured in two streams:

- (i) **Remittances**
- (ii) **Diaspora investments**

These outcomes directly respond to the 2030 Agenda for SDG target 10.c: “by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%”, and objectives 19 and 20 of the Global Compact for Safe, Orderly and Regular Migration (GCM).



Actionable outcomes	Global Compact for Migration	Sustainable Development Goals	Stakeholders
Intervention area: Remittances			
Expand and strengthen remittance data collection	<p>OBJECTIVE 1: Collect and utilize accurate and disaggregated data as a basis for evidence-based policies</p> <p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	 	Governments, central banks, remittance service providers
Regularly review legal and regulatory frameworks	<p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	 	Regulators, policymakers

Actionable outcomes	Global Compact for Migration	Sustainable Development Goals	Stakeholders
Intervention area: Remittances			
Promote interoperable instant payment systems	<p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	 	Financial regulators, payment system operators
Enhance digital access and bundled financial products for remittance senders and recipients	<p>OBJECTIVE 2: Minimize the adverse drivers and structural factors that compel people to leave their country of origin</p> <p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	  	Financial institutions, financial technology (fintech) companies
Expand financial education and digital literacy among remittance senders and recipients	<p>OBJECTIVE 2: Minimize the adverse drivers and structural factors that compel people to leave their country of origin</p> <p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	   	Governments, NGOs, financial institutions
Recognize remittance contribution to climate adaptation	<p>OBJECTIVE 2: Minimize the adverse drivers and structural factors that compel people to leave their country of origin</p> <p>OBJECTIVE 20: Promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants</p>	  	Governments, climate finance institutions
Strengthen partnerships	<p>OBJECTIVE 23: Strengthen international cooperation on migration</p>		Public sector, private sector, civil society

Actionable outcomes	Global Compact for Migration	Sustainable Development Goals	Stakeholders
Intervention area: Diaspora investment			
Know your diaspora investor	<p>OBJECTIVE 16: Empower migrants and societies to realize full inclusion and social cohesion</p> <p>OBJECTIVE 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries</p>	 	Governments, international financial institutions, investment funds, diaspora organizations
Establish enabling environments and harmonized regulatory frameworks	<p>OBJECTIVE 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries</p>		Regulatory authorities, development agencies
Customize investment models based on diaspora profiles	<p>OBJECTIVE 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries</p>	 	Governments, international financial institutions, investment funds, diaspora organizations
Leverage diaspora investment for climate adaptation	<p>OBJECTIVE 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries</p>	   	Governments, development agencies, diaspora organizations, financial institutions
Move from pilot to scale-up	<p>OBJECTIVE 19: Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries</p>	    	Governments, development agencies

Remittances

Remittances are a lifeline for the families of migrants and vital for the livelihoods of their communities in their countries of origin. They are a critical component of national economies in most LMICs. Currently, one billion people, or one out of eight people in the world, are directly involved in either sending or receiving remittances and more than half of these flows reach rural areas where they count the most.

1 Expand and strengthen remittance data collection

Collection, analysis and dissemination of disaggregated data on remittance flows, access and use effectively impact public policies, private sector investment and informed decision making at the customer end

Actionable data, market intelligence and information, leading to transparency and consumer protection, are fundamental components in the remittance ecosystem. Accurate data on costs, instruments, channels used and related financial services is a cross-cutting enabler to foster competition and to measure progress towards the achievement of related development goals. Granular data can also help in estimating informal flows and to identify the policies and interventions necessary to formalize them.

Reporting data from central banks or other public entities is critical to monitor both inflows and outflows. Further, publishing this data disaggregated by corridors enhances business decision-making by remittance service providers (RSPs). However, not many countries publish remittance-related data on a regular basis. Only six countries in Africa have done so in 2023.

Consequently, there is a strong need for a data repository that combines information across markets on a single platform offering easy access and evidencing the development impact of remittances for all stakeholders. This also calls for uniformity in reporting standards and collaboration across remittance sending and receiving countries.

Actionable outcomes:

- Incentivize stakeholders to collect and publicly disseminate relevant remittance data, while ensuring careful attention to data protection. Member States may pursue the replication of data collection approaches and methodologies in place in Italy, as well as in Kenya, Morocco and Uganda.
- Collect and publish data at a more granular level through demand-side surveys to identify the needs of migrants and their families in terms of access to and use of remittances, customer preferences by gender, and by rural versus urban areas, and informal remittances.
- Collect disaggregated data per corridors on flows and costs by instrument, channels and access points.
- Harmonize reporting standards and encourage collaboration across countries. Creating a centralized data repository that provides standardized market data and intelligence for RSPs and policymakers at a country or regional level can facilitate data collection and dissemination among all stakeholders.
- Take full advantage of data collection and analysis tools on remittances created by international organizations such as IFAD and the World Bank. Among others, this is provided by [RemitSCOPE](#), developed by IFAD and conceived as a collaborative platform, in addition to the [Remittance Prices Worldwide \(RPW\)](#) website and the regular reports of [Knomad](#), provided by the World Bank. All stakeholders are encouraged to contribute with relevant data and information to these data repositories.

2 Promote harmonized regulatory frameworks proportionate to the effective risks of remittances

Harmonized legal and regulatory frameworks on remittances in accordance to international standards can lead to greater market integrations and lower risk

In many jurisdictions, anti-money laundering and combating the financing of terrorism (AML/CFT) rules are disproportionately applied to the remittance market, characterized by low-value transactions.

The Financial Action Task Force (FATF) characterizes “de-risking” as the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than

manage risk in line with the FATF's risk-based approach. The Bank of International Settlements (BIS) reports that from 2019–2022, correspondent banking relationships (CBRs) decreased by 30 per cent. The decline of CBRs has been largely associated with de-risking tendencies on cross-border markets, including remittances. As a result of the de-risking approach, money transfer operators (MTOs) working in countries considered as high-risk environments are often perceived as high-risk clients by banks, which unilaterally decide to terminate the business relationship. As a direct consequence, many remittance families are left without access to formal remittances. The term de-risking has been widely used even in situations where indiscriminate restrictions are broadly applied without proper consideration to the underlying risks. It is a controversial term that generates confusion in the debate on remittances.

Actionable outcomes:

- Enhance capacity-building for regulators on how to effectively apply risk-based supervision and foster financial inclusion in line with FATF guidelines. This should include evidence-based risk assessments to enable a proportionate policy response to risks and the introduction of simplified due diligence frameworks that will facilitate the adoption of accounts for low-value remittances.
- Encourage technology-driven solutions to improve regulatory compliance, wherever appropriate. This may require enhanced capacity-building and technical assistance to both public and private sector stakeholders.
- Promote the use of the term de-banking instead of de-risking, as more suitable to define the outcomes of a rules-based KYC and CDD processes prevalent in most markets.

3 Open instant payment systems to a wide variety of providers and accelerate interoperability

Lowering barriers to entry for a wide variety of RSPs and promoting interoperable instant payment systems in the broader market can expand reach and foster competition

Most regulations have abolished exclusive relationships among operators, opening the market to more players. Yet, the remittance value chain remains highly fragmented, driving up costs.

The licensing environment is still challenging for most operators, as it is characterized by lengthy processing time, lack of harmonized regulations and lack of guidance for operators. At present, operators face market entry challenges, as they must be licensed on the sending side and either obtain licenses or work with licensed entities on the receiving end of the corridors they serve.

While transaction-settling times have improved, this remains an issue in some markets.

Actionable outcomes:

- Harmonize regulation across jurisdictions to enhance efficiency and facilitate the creation of pan-national and pan-regional payment systems.
- Streamline licensing requirements for market operators.
- Enable access to national and regional payment systems for RSPs, as appropriate.

4 Enhance access to digital remittances and bundled financial services

Financial inclusion leveraged through remittances enhances resilience of migrant families

The COVID-19 pandemic has changed the remittance landscape, with an exponential increase in digitalization that offers lower transfer costs, creating a pathway to the achievement of SDG 10c. Hybrid in-cash and digital remittance methods are becoming the new normal operational models.

In turn, greater financial inclusion enhances the resilience of remittance recipients and facilitates asset-building.

Actionable outcomes:

- Promote digitalization to bundle financial services linked to remittances and increase usage of, and expand access to, savings, credit and insurance products for the most vulnerable people at the last mile.
- Accelerate digitalizing remittance families as formal financial sector customers to increase financial confidence and remove them from the high-risk and informal customer segment.

5 Promote financial education and digital literacy

Financial education and digital literacy are major enablers to greater financial inclusion and customer protection linked to remittances and for the uptake of digital methods

Lack of financial education continues to impede the uptake of financial products. Greater combination of financial literacy methods with digitalization will enable many people to make better informed decisions about remittance products or bundled ones. Customer protection particularly in terms of cost transparency and redress procedures is a prerequisite to build trust among customers in the digital ecosystem.

Financial literacy is often a case for private–public–people partnerships. However, the role of the private sector in terms of financial education can be further improved to ensure scale and sustainability. Efforts to ensure financial education that can be provided digitally should be considered.

Actionable outcomes:

- Scale up efforts to expand financial and digital education, even in remote rural places.
- Design financial and digital literacy programmes that are sensitive to the needs of underserved groups including rural people, youth and women.
- Combine basic financial product awareness with financial education to improve the ability of people to manage their own budgets and to select products that adapt to their needs.
- Encourage regulators and the private sector to introduce and adopt global standards for displaying the total cost of transactions, including transfer fees, potential cash-out fees and foreign exchange rates applied. Consumer protection and transparency requires greater attention from all stakeholders.
- Provide capacity-building among regulators to understand the risks and benefits of innovations in virtual assets including central bank digital currencies (CBDCs). The private sector can also benefit from technical assistance to develop low risk, compliant solutions.
- Promote a test-and-learn approach to confirm the potential role of digital currencies in advancing financial inclusion through remittance flows.

6 Recognize the contribution of remittances to climate adaptation

Development practitioners lack reliable data demonstrating the contribution of remittances to climate adaptation and their potential as an adaptation tool

Poor rural communities are often exposed to climate shocks, with many being only one step away from plunging into poverty.

Remittances are already financing climate adaptation needs, and the demand for climate adaptation and mitigation finance is on the rise as climate changes and its impact worsen. Providing new options and incentives that could enable remittance families to more effectively build resilience to climate-related shocks and economic and social fragility is therefore more important than ever. The entire agriculture sector (from the smallholder to the largest commercial entity) should operate within the context of a changing climate that among other vulnerabilities is challenging livelihoods, food and water security, agricultural productivity, the viability of communities and settlements, property and supply chains.

Actionable outcomes:

- Recognize remittances as catalysts of resilience in communities exposed to climate risks and commit more funds to this.
- Provide smallholders and other farmers with the know-how and access to solutions that can empower them to better anticipate, measure and ultimately adapt to a range of climate risks. These involve the offer of financial services (including remittances) and non-financial services that rural producers need to navigate the local risks of global climate change. The international community can stimulate new strategies and initiatives to enhance the impact of remittances in support of families and rural communities affected by climate-caused disasters and develop specific products that can be used by remitters and their families.

7 Strengthen partnerships

Public–private–civil society partnerships are essential to improve the global remittance market

Remittances function within a financial framework in which different stakeholders meet, dialogue and compete. In receiving countries, national digital and/or financial inclusion strategies entail multi-stakeholder platforms that can lead to coordinated policy actions in which remittances could be further integrated. Similarly, in sending countries, key ministries can set up different inter-stakeholder tables on remittances and on financial inclusion where the public and private sectors, academia and civil society meet to discuss challenges and opportunities. This enables a common understanding and a systemic approach, leading to effective solutions for a more competitive playing field.

Actionable outcomes:

- Further recognize the role that remittances play in financing the attainment of sustainable development goals at the individual and community levels and contribute to increase their impact.
- Convene public and private sectors, the academia and civil society, from local to national and international levels, to help coordinate and implement strategies, policies and actions, and evaluate implementation efforts on a regular basis.

Diaspora investments

Diaspora investments contribute to the economic and social development of countries of origin, and provide a response to mitigate the impact of climate change. In response to the different investor profiles and risk appetites, several investment modalities have emerged, including various types of bonds and related financial products, crowdfunding platforms and private impact investment mechanisms.

These models pool individuals' resources into secure vehicles and provide transparent and updated information about investment opportunities and risks associated with expected impact and returns. However, they remain scattered

and isolated, without clear long-term strategies on how to take full advantage of the resilience that diaspora investment brings to the Financing for Development agenda.

If channelled with the appropriate support, within the right policy and regulatory environment, diaspora investments can be a powerful instrument to finance development goals, as well as to mobilize domestic resources.

1 Know your diaspora investor

Gathering specific information about needs of potential and current diaspora investors is essential to design enabling policies and create financial vehicles adapted to the risk and impact appetite of migrant investors

Diasporas are not a homogenous group. Each one has different origins, stories, levels of financial education, financial resources, investment means and purpose. At the same time, diaspora investors share a common goal to make a positive impact on the economic and social development of the communities and countries where their investment is to be made.

While data on remittance flows and costs have significantly improved over the last two decades, despite the limited granular data available, diaspora investment data is lagging. The actual figure of US\$500 million in migrants' savings is probably underestimated, and no global surveys exist to calculate the aggregated investments made by migrants on an annual basis, and their medium and long-term impacts.

Actionable outcomes:

- Develop better quality and regularly available data on diaspora investments disaggregated by country and thematic area to better understand this growing global phenomenon. This can subsequently create the optimal conditions to fully maximize their potential for development. This can be achieved more effectively through mapping and engaging effectively with migrants and diasporas in countries of destination.

- Consider using tools to better measure the economic impact of diaspora contributions, such as [IOM's guidance](#) or similar instruments developed by international organizations.
- Promote reliable surveys and thorough analyses of the targeted diaspora as a compulsory initial step for the creation of any secure, reliable, sound and efficient investment vehicle to adequately respond to the different needs of the various diaspora segments.

2 Establish enabling environments and regulatory frameworks

Conducive environments are necessary to bolster the emergence of reliable investment models that respond to the needs of diaspora investors

Interest in diaspora investments is growing exponentially. At the same time, new innovative investment models and vehicles are being tested to respond to the different needs of diaspora investors. These models require clear regulatory environments in order to be scaled up, and a continued dialogue with regulators to balance benefits and risks.

Moreover, these products often straddle two regulatory frameworks – one in the country of origin and another in the country of destination. This creates complexity, cost and other limiting factors that greatly affect the efficiency of new investment models and products.

Actionable outcomes:

- Create a multi-stakeholder dialogue to address issues such as CDD, KYC, AML, financial intelligence gathering, access to bank accounts, cross-border investments and other forms of pooling investments from individuals. This dialogue must include regulatory authorities alongside development agencies, inward investment agencies and diaspora organizations. Interventions that follow can allow diaspora investment to continue to grow in terms of volume, size and impact.
- Create diaspora investment-friendly jurisdictions in host countries through adequate legal frameworks and tax incentives. Consideration must be given to constraints on registering investment products on sending country markets.

- Foster the dialogue between diaspora investment vehicle promoters in host and home countries to proportionate compliance risks and ensure consumer protection in order to spur investment innovations.
- Strengthen the legal frameworks of investment-based crowdfunding platforms to leverage capital from diaspora abroad.
- Help investors navigate the financial, legal and political complexities of investing back home through various means, such as the creation of diaspora investor liaison teams that sit within inward investment agencies or finance ministries.

3 Customize investment models based on diaspora profiles

Diaspora investment solutions corresponding to different diaspora investor profiles and motives are emerging, but more differentiated support is needed to improve reliability and impact

Public and private financing mechanisms have emerged over the past years, addressing the needs and requirements of different investor profiles. These include bonds and related financial products, investment-based crowdfunding platforms, peer-to-peer mechanisms and other impact investment funds, which have very different characteristics and profiles, and attract different segments of diaspora investors.

Some migrants also intend to invest in their own business and become entrepreneurs or can facilitate indirect investments by providing knowledge and expertise to other investors.

Actionable outcomes:

- Dedicate a diversity of approaches and customized instruments to pool individuals' resources into secure vehicles, and more transparent and updated information about investment opportunities and associated risks. These can help build trust among the diaspora to make full use of their developmental potential.
- Provide adequate financial education and dedicated business development support to potential entrepreneurs and investors from the diaspora.
- Provide adequate financial training to diasporas on how to become investors and support them over the medium and longer terms to achieve sustainable investments.

4 Leverage diaspora investment for climate adaptation

The potential of diaspora investment for climate adaptation is enormous but is still under-exploited. Much more needs to be done to make it impactful

Diaspora investments offer a promising avenue for rural communities to build climate resilience and break the cycle of climate-induced forced migration. Migrants' investments can be – and in some cases are already – used by rural entrepreneurs to promote climate adaptation solutions, thereby improving food and economic security, fostering the adoption of sustainable agriculture, greater water efficiency, drought resilient crops and land restoration practices, among other adaptive actions.

However, very little research on diaspora investment in climate adaptation in rural areas has been undertaken so far. Attention is focused on migration as a response to environmental and climate change, while it only marginally analyses the relevance of diaspora investments and remittances for the creation of climate adaptation solutions.

At the same time, while diaspora investors are often aware of changing conditions facing agriculture and related activities and of the necessity to adapt to these changes, they may not be adequately informed about the opportunities to invest in climate adaptation and resilience activities.

Actionable outcomes:

- Promote further analysis of the contribution of diaspora investments to the global fight against climate change to provide a stronger basis for assessing the potential impact of this phenomenon.
- Increase awareness on the importance to invest in climate-adaptation strategies, matched with the creation of climate-oriented investment mechanisms and adequate climate finance education for diaspora investors and rural entrepreneurs. This can greatly expand diaspora investments in impactful climate-resilience activities and subsequently enable rural entrepreneurs to adapt to climate change.
- Identify the role and mechanisms that diasporas can play in green finance in countries of origin via investments and tie it to priority sectors included in national development plans.

5 Move from pilot to scale-up interventions

Scaled-up interventions can fully exploit the impact of diaspora investment to sustainable development

The demand by the diaspora for adequate investment mechanisms has grown exponentially over recent years, in line with a new focus on impact and sustainability expectations. In response, a range of pilot models and investment initiatives have emerged with various degrees of success, generating valuable lessons learned. Public and development finance instruments can also be employed to help crowd in diaspora investors and to scale interventions.

Actionable outcomes:

- Move from pilot to scale, involving all stakeholders (the public and private sectors, civil society and diaspora organizations) to build on the lessons learned so far. Successful solutions need to be replicated, expanded and adapted to different contexts.
- Remove barriers preventing diaspora investments in small and medium-sized enterprises (SMEs) or national bonds and promote actions to facilitate the set-up of compliant vehicles to pool diaspora resources in host countries.
- Provide incentives to orient diaspora towards viable investment options while enhancing their financial literacy and enable mechanisms to reduce investment risks.
- Identify and promote instruments of public and development finance that can encourage diaspora investments, including blended finance, first loss mechanisms, guarantee funds and fiscal incentives.

The International Day of Family Remittances



**DIGITAL REMITTANCES
TOWARDS FINANCIAL INCLUSION
AND COST REDUCTION**
IDFR 2023-2024
Campaign



International Day
of Family Remittances
16 JUNE



www.familyremittances.org

#FamilyRemittances

The International Day of Family Remittances (IDFR), adopted by the United Nations General Assembly, is observed every year on 16 June. The IDFR recognizes the contribution of over 200 million migrants to improve the lives of their 800 million family members back home. Half of these flows go to rural areas, where poverty and hunger are concentrated, and where remittances count the most.

Through the IDFR observance, the United Nations aims at bringing greater awareness of the impact that migrant contributions have on millions of households, but also on communities, countries and entire regions. The IDFR also calls upon governments, private sector entities, as well as civil society, to find ways to maximize the impact of remittances through individual, and/or collective actions.

This year's campaign "Digital remittances towards financial inclusion and cost reduction" and the IDFR observance were well received by our partners, donors and members of the remittance ecosystem.

At the occasion of the GFRID Summit 2023, the **G20 Global Partnership on Financial Inclusion (GPII)**, under the Indian G20 Presidency, and the **United Nations Network on Migration**, representing all United Nations agencies working on migration, released two statements in support of the campaign. [Written endorsements](#)

Furthermore, **12 video pledges** and 11 statements by Principals and Senior Management of the United Nations and international organizations, CEOs of private sector companies and associations, and presidents of diaspora associations were submitted and widely disseminated.

[Video endorsements](#)



António Vitorino
Director General, IOM



Achim Steiner
Administrator, UNDP



Alvaro Lario
President of IFAD



Alan Marquard
Executive VP, Transfer Solutions
at Mastercard



The IDFR 2023 recognitions

During the GFRID Summit 2023, two African central banks, the Central Bank of Kenya and the Central Bank of The Gambia, received an **IDFR recognition for their strong commitment and leadership in the promotion of remittances in their countries**, and in doing so, being an example for the entire continent.

FROM LEFT TO RIGHT

Donal Brown | Associate Vice-President, PMD, IFAD

Cristina Duarte | United Nations Under-Secretary-General and Special Adviser on Africa

Abdou H. Ceesay | Director, Currency Management Department, Central Bank of The Gambia

Dr Patrick Ngugi Njoroge | Governor, Central Bank of Kenya

H.E. Marie Charlotte G. Tang | Philippine Ambassador to Kenya

Stephen Odua | State Department for Investments Promotion, Government of Kenya

The campaign garnered notable media visibility with more than **100 media mentions**, **100,000 impressions** on IDFR socials and more than **5,000 web views**.

United Nations @UN · Jun 16

1 billion people worldwide are involved with remittances, either as senders or receivers.

Friday's **#FamilyRemittances** Day highlights the financial contribution of migrant workers to their families & communities back home.

More from @IFAD: [ifad.org/en/web/latest/...](https://ifad.org/en/web/latest/)



19 92 259 74.6K

State Department for Diaspora Affairs | ... @Diaspora... · Jun 16

As we mark the **International Day of Family Remittances**, we would like to honor all Kenyans in the Diaspora who uplift their families, communities through their financial contribution back home. Your sacrifice remains invaluable to 🇰🇪. #familyremittances @roselinenjogu



Roseline K. Njogu
0:27s, State Department for Diaspora Affairs

4 20 52 11K

UN Women @UN Women · Jun 16

It's International Day of **#FamilyRemittances**!

According to data, migrant women earn less than migrant men on average, but remit a greater proportion of their earnings and at more regular intervals.

Find out more.



7 29 73 12.2K

EU International Partnerships @EU_Partnerships

Migrants' financial contributions to their home communities help fuel **#SDGs**.

#FamilyRemittances are used both to pay for daily expenses like food and to create jobs & income.

The **EU** is committed to advancing affordable, swift & secure remittances for all.

#RemittancesDay



12:30 PM · Jun 16, 2023 · 1,479 Views

Asako Okai @asakookai · Jun 17

For over 287 million people, the decision to provide for their families, includes migrating to another country to earn enough to cover needs such as food, education, health and electricity.

On **#FamilyRemittances** Day, @UNDP honours their contribution: tinyurl.com/5yydhj8



1 1 3 238

Migration4Development @Mig4Dev · Jun 16

International remittances contribute significantly to reach 12 out of the 17 SDGs.

This year, the **International Day for Family Remittances** focuses on digital remittances and their support of financial inclusion and cost reduction.



1 1 91

Remittance Marketplace

During the three days of the Forum, 35 exhibitors at the [Remittance Marketplace](#) showcased diverse and innovative approaches, and promoted partnerships and models related to remittances and/or diaspora investment mechanisms. The registered private sector companies, public sector entities, international organizations and think tanks displayed innovative

products, business models, tools and technologies to a high-level audience of government officials, industry representatives, development workers and civil society leaders.

Located in the area outside the GFRID conference rooms, the Marketplace provided an excellent opportunity for all summit delegates to network.

Participating entities and organizations



The GFRID Summit 2023 Marketplace

Private sector RemTECH Awards 2023: Innovation and Market Development

The Special Awards Session was a highlight of the GFRID Summit 2023. It recognized the innovative and development impact contributions made by individual remittances leaders and private sector organizations.

The RemTECH Awards were established by CrossTech to highlight the role of technology in achieving the SDGs. Since 2017, CrossTech has been showcasing ground-breaking solutions that contribute to the development, transparency, speed, cost and reliability of the remittance industry.

Awards were given for five categories: i) Remittance Evolution Award; ii) Innovation Remittance Solution; iii) Best in Class: Compliance Solution; iv) Partner of the Year; and v) Top Service Provider.

The entries were selected by an independent judging panel of six renowned experts.

The winners of the 2023 RemTECH Awards are:

- **Moneytrans:** Remittance Evolution Award
- **RemitONE:** Innovation Remittance Solution Award
- **ThetaRay:** Best in Class: Compliance Solution Award
- **MFS Africa:** Partner of the Year Award
- **MFS Africa:** Top Service Provider Award
- **YIDA Financial Services:** Top Service Provider Special Mention



The GFRID Summit 2023 winners of the RemTECH Awards

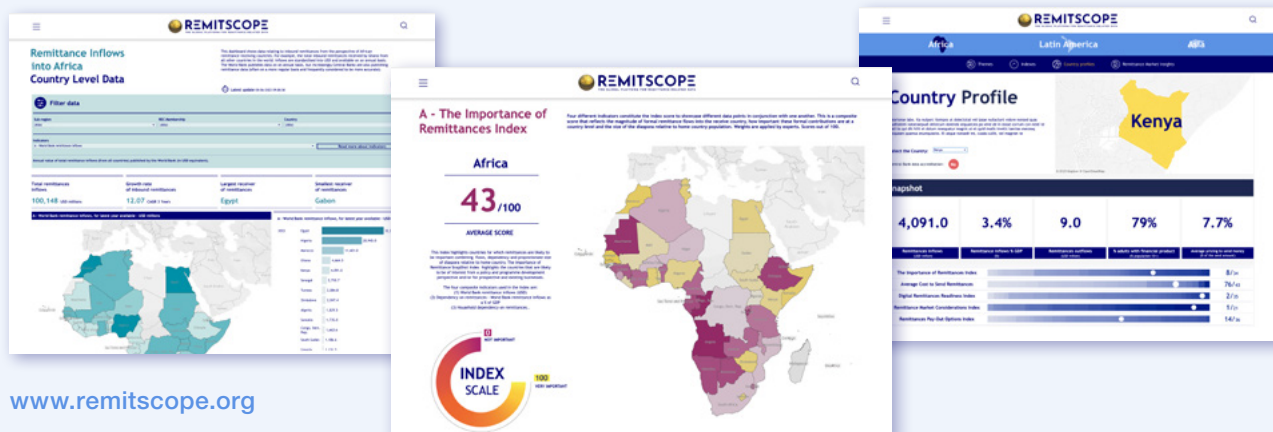


RemitSCOPE



The [RemitSCOPE platform](#), developed by the IFAD's FFR, is a centralized global repository of remittance and remittance-related data and market intelligence. It informs business and policy decision making through interactive dashboards and remittance country profiles.

With a special focus on Africa, [RemitSCOPE Africa](#) compiles the most-up-to-date and trusted remittance and remittance-related data across 54 countries in Africa. It presents data to better understand remittance flows across the continent, gather insights into diaspora, pricing, operating environments, digitization and access, among other functionalities.



www.remitscope.org



Alvaro Lario, IFAD President at the opening of the GFRID Summit 2023



Session on *Harnessing the power of migrants: Misconceptions and opportunities*



Roseline K. Njoku, Principal Secretary, State Department of Diaspora Affairs, Government of Kenya speaking at the GFRID Summit 2023 opening



Session on *Migrants' contribution to climate adaptation and resilience: Towards a new paradigm?*



Halimatou Nimaga, Vice-President, Union des Ambassadeurs (UDA) speaking during the session on *Investing in the future of Africa: What diaspora wants*



Session on *Bridging diaspora investment with climate finance: practical cases*



Session on *Linking financial services to remittances – Ghana and Uganda*



Session on *Tackling informal markets – The Gambia and South Africa*



Session on Migrants' and diaspora contributions: Rescuing champions towards the achievement of the of the SDGs by 2030



GFRID Summit 2023 take-aways and closing



Donal Brown, Associate Vice-President, PMD, IFAD



Cristina Duarte, Under-Secretary-General and Special Adviser on Africa, UN OSA



Private Sector RemTECH Awards 2023: Innovation and market development



Session on Global Compact objective 20: Promote faster and cheaper transfer of remittances and foster financial inclusion of migrants



Reception at the Nairobi National Museum



Participants networking during the GFRID Summit 2023

Organizers and partners

Organizers



Investing in rural people



International Fund for Agricultural Development

The International Fund for Agricultural Development is a specialized agency of the United Nations and as an international financial institution. IFAD's mandate is to invest in rural people to eradicate poverty in developing countries.

Working with poor rural people, governments, donors, non-governmental organizations and many other partners, IFAD focuses on country-specific solutions, which can involve increasing poor rural people's access to financial services, markets, technology, land and other natural resources.

IFAD's US\$65 million multi-donor **Financing Facility for Remittances (FFR)** aims at maximizing the impact of remittances on development and promote diaspora engagement in migrants' countries of origin. Through advocacy, innovative projects and partnerships, initiatives promoted by the FFR have contributed to a raised awareness on the link between remittances diaspora investment and development, and its transformative impact in rural areas.

www.ifad.org/ffr



United Nations' Office of the Special Adviser on Africa – OSAA

The Office of the Special Adviser on Africa (OSAA) was officially established in March 2003 and became operational shortly after, with the mandate to enhance international support for Africa's development and security through its advocacy and analytical work; assist the Secretary-General in improving coherence and coordination of the UN System support to Africa; facilitate inter-governmental deliberations on Africa at the global level, in particular relating to the New Partnership for Africa's Development (NEPAD); and establish a monitoring mechanism to review commitments made towards Africa's development. This mandate is implemented through OSAA's four key functional roles that inform its programmes and work, namely: i) advisory; ii) advocacy; iii) coordination; and iv) monitoring.

www.un.org/osaa



World Bank Group – Finance, Competitiveness and Innovation Global Practice

With 189 member countries, staff from more than 170 countries, and offices in over 130 locations, the World Bank Group is a unique global partnership working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.

The **Finance, Competitiveness and Innovation (FCI) Global Practice** of the World Bank Group works toward creating an enabling environment in which financial stability, efficiency and firm-level solutions are provided in an integrated way to crowd in the private sector, support the creation of markets and accelerate equitable growth.

www.worldbank.org

Sponsors



European Commission
www.ec.europa.eu



Investing in rural people

International Fund for
Agricultural Development
www.ifad.org



german
cooperation
DEUTSCHE ZUSAMMENARBEIT

German cooperation
www.giz.de/en



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

Directorate for Development Cooperation
and Humanitarian Affairs

Ministry of Foreign Affairs
of Luxembourg
[www.maee.gouvernement.lu/
en.html](http://www.maee.gouvernement.lu/en.html)



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



Swedish Agency
for Cooperation
www.sida.se

Technical partners



African Diaspora Network (ADN)
www.africandiasporanetwork.org



Cenfri
www.cenfri.org



CrossTech
www.crosstechpayments.com



FinDev Gateway – Financial
Inclusion for Development
www.findevgateway.org



GSMA
www.gsma.com



International Association of
Money Transfer Networks (IAMTN)
www.iamtn.org



WSBI

World Savings and Retail
Banking Institute
www.wsbi-esbg.org

The GFRID series is brought to you by:



International Fund for Agricultural Development

Financing Facility for Remittances

Via Paolo di Dono, 44 – 00142 Rome, Italy

Tel: +39 06 54592012

Email: remittances@ifad.org

www.ifad.org/remittances

www.gfrid.org

www.familyremittances.org

[facebook.com/ifad](https://www.facebook.com/ifad)

[instagram.com/ifad_org](https://www.instagram.com/ifad_org)

[linkedin.com/company/ifad](https://www.linkedin.com/company/ifad)

twitter.com/ifad

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

September 2023

All photographs of the Summit ©IFAD/FFR

ISBN 978-92-9266-335-3

