

Remittances, Development & MDGs: UNDP's Evolving Perspective

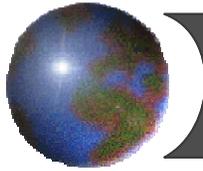
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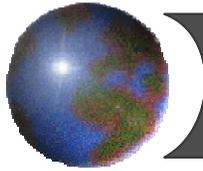
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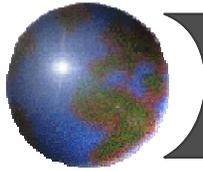
Starting Point

- Millennium Development Goals
 - Halve the proportion of people living in extreme poverty by 2015
 - Meeting the financial gap is a challenge
- International migration is a fundamental feature of globalization
 - Creation of transnational communities and opportunities for co-development



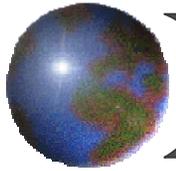
What we are learning

- Dramatic and innovative changes are required in global aid, trade and investments to fulfill promises
 - Need to learn more about the contribution of migrants and Diasporas towards achieving MDGs in their homelands
- Remittances represent a way out of poverty for a significant population
 - Need to examine the economic, social, political and cultural consequences



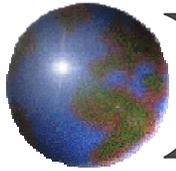
Remittances facts

- ❑ Remittances are primarily private resources
 - ❑ Do not substitute the developed world's ODA responsibility
 - ❑ Not a surrogate for government's development and social protection responsibilities
- ❑ Remittances constitute the second largest capital flow to developing countries
 - ❑ Informal flows could add at least 50 percent to the official estimate
 - ❑ South-South flows are considerable



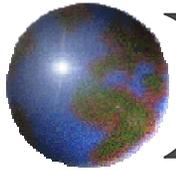
Strategy rationale

- Remittances can create “public goods” while increasing private welfare
- Although remittances are mainly used for household consumption
 - Remittances spent locally have multiplier effects
- The discourse requires new actors, new partnerships and “out of the box” strategies



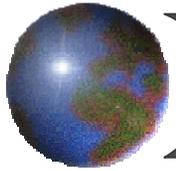
UNDP's evolving strategy

- Roundtable: The Potential Role of Remittances in Achieving the MDGs
 - A holistic strategy that addresses both supply and demand issues;
 - Rights based approach with particular focus on the poorest particularly women and children;
 - Emphasis on policy, institutional strengthening, human capital and capacity development;
 - Demand based 'menu' based on national development strategies (NDS) - LDCs and crises countries



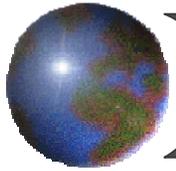
Linking Local Actions to National Strategies

- Develop public policy, partnerships and capacity to consider remittances as a part of MDG based NDS
- Empowering Diaspora, Home Town Associations, local community leaderships;
- Building confidence, trust and capacity while implementing practical and accountable projects locally;



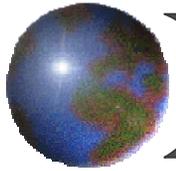
Widening Policy Options

- Build an inclusive financial system
 - Linking remittances, micro finance and provision of safety net mechanisms;
 - Provision of appropriate products and investment services supported by meso level organizations;
 - Strengthening macro policies to leverage remittances for enhancing national credit ratings and profile



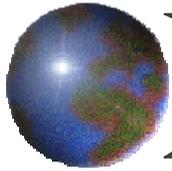
Capacity Development - 1

- Build upon the recommendations of the Paris Declaration on development and use of national capacities
 - Integrate migration & remittances into NDS
- Minimize erosion of capacity
 - Develop strategies to retain national capacity including through learning from experiences of relevant countries



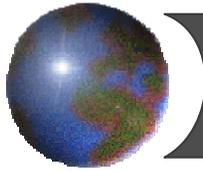
Capacity Development - 2

- Ensure policy and capacity coherence to maximize opportunities of co-development
 - Strengthening business skills and training and business development services for domestic private sector development;
- Leverage international data standards and capacity
 - Strengthen domestic capacity to gather data from the informal sector including gender disaggregated data



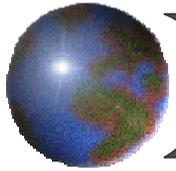
Knowledge Management

- Strengthen knowledge networking;
 - Harness and disseminate lessons learnt and good practices;
- Develop diagnostics instruments and tool kits for remittances and development;
 - Convene a forum to learn best practices, state of the art assessment frameworks and methodologies



South-South Cooperation

- A number of UNDP country offices are assessing innovative solutions for remittances based development
 - Tajikistan, Somalia, Albania, El Salvador, etc.
- Important need to exchange lessons and good practices from countries that have successfully retained human capital



High Level Dialogue

Provide input to the high level dialogue on migration and development: 14-15 Sept. 2006 in NY

- Regional consultation for LAC on 27-28 July 2006 in Santo Domingo
 - Representatives from home-town associations, community leaders, private sector and policy makers
 - In cooperation with SUSSC, and Government of the Dominican Republic
- Exploring possibility for a global workshop to engage the private sector (Sept. 2006)