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**SIXTH COORDINATION MEETING ON
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Population Division

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**REGIONAL CONSULTATION ON MIGRATION, REMITTANCES
AND DEVELOPMENT IN AFRICA**

Held on 4-5 September 2007 in Accra, Ghana

(UN-OHRLLS)

Regional Consultation on Migration, Remittances and Development in Africa
held on 4-5 September 2007 in Accra, Ghana

The regional consultation on Migration, Remittances and Development in Africa is the second in the series of such consultations organized jointly by the United Nations Development Programme (UNDP), the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) and the Government of Ghana.

The regional consultation was preceded by national consultations in a selected number of the Sub-Saharan African countries, including 6 least developed countries (LDCs).

1. Objectives

The objectives of the Consultation were the following:

1. Create an intra-Africa dialogue including with the Diaspora to explore strategic options to maximize the developmental impact of remittances;
2. Provide recommendations for actions (including through public private partnerships) by the various stakeholders within the framework of the outcome of the Secretary General's High Level Dialogue on International Migration and Development; and
3. Assist UNDP in sharpening its focus on the work in this area at the country level, including through South-South cooperation, with due attention to the special needs of the LDCs and crises countries.

2. Structure and format

The two-day Regional Consultation brought together government representatives, private sector, diasporas and community leaders from 10 African countries (Benin, Botswana, Burkina Faso, Gambia, Ghana, Kenya, Nigeria, Somalia, Tanzania and Uganda), selected on the criteria of the size of their remittances inflows and ongoing innovative work on remittances.

The regional consultation was organized in the form of plenary sessions on: (i) Setting the Stage or General Discussion on Migration and Remittances in Africa; (ii) Strengthening Capacities, Institutions and Policies on Migration and Remittances; (iii) Country Experiences; and (iv) Role of UN Agencies, International Agencies and Bilateral Agencies, followed by a session on the Way Forward. There were also two simultaneous panel discussions on the Private Sector and Public Private Partnerships and the Role of the Diaspora.

3. Findings

During the consultation, the participants made the following findings:

- Scarcity of data and hands on research is a significant drawback to analyzing the actual flow of remittances into Sub-Saharan Africa (SSA) where about two-thirds of the countries do not report on remittance transfers;
- Most SSA countries are both receiving and sending countries, which further complicates a proper analysis of the migration-development paradigm, i.e., how the economies benefit from each other;

- It is estimated that about 50% of remittance flows in southern Africa is through informal channels;ⁱ Reliance on transfers through non-formal sources is still viewed by the senders and the receivers as more reliable and cost-effective;
- Most remittances to African countries follow informal channels because of inadequate financial infrastructure in many of the countries that in turn lead to higher transaction costs as well as unreliable access to resources.;
- There is little understanding among the policy makers as well as the private sector about how to channel remittances for investment and development;
- No special consideration is provided to acknowledge migrants' rights; there is a lack of policies that encourage migrants and Diaspora to participate in national development strategies and activities;
- The regulatory environment is restrictive and fails to promote user-friendly services and attractive financial incentives and instruments to both remittance senders and receivers;
- Lack of financial education is a major constraint in the use of formal banking channels;
- Although almost half of the migrant populations in SSA are women,ⁱⁱ gender-specific data on the impact on women-headed households or on their investment choices is lacking;

Despite the growth of mobile technology in Africa, the potential for mobile banking has not being properly explored in terms of providing better access to both the senders and remittance receivers to formal banking channels.

4. Outcomes/Recommendations:

Following two days of discussion and debates, a number of suggestions the participants made the following recommendations on how to transform remittances into investment capital of home economies:

- Provide targeted assistance to improve the financial sector so that: a) remittances become an important point of entry for expanding access to other financial services, both in the originating and receiving countries.
- Explore fiscal and other incentives to potentially direct migrant worker remittances towards investment in employment generation including by use of microfinance.
- Improve knowledge base to determine the role of remittances in countries' development by focusing on:
 - data constraints including tracking migration flows, examining remittance flows, cyclicity, corridors, and channels;
 - monitoring effects on origin households including poverty, education, health, gender equity, as well as human trafficking;
 - identifying costs of migration by targeting sectors that are impacted by out-migration of skilled labor; and
 - examining remittance systems, i.e., costs, security, competition, and exchange rate policies.

- Invest in capacity building and training initiatives to promote financial education of migrant communities, their families and financial services sector professionals in recipient countries.
- Provide support to reforming the banking sector by addressing cost, convenience, competition, and confidence and trust issues.
- Engage Diaspora communities in local development initiatives through multi-stakeholder meetings and engagement in national development issues.
- Develop legislative frameworks to promote linkage of money transfer products with new technologies such as *m-payments* and increase competition among service providers.
- Promote the development of products such as deposit and savings schemes, mortgages, consumer loans, Diaspora bonds and insurance products.
- Develop an information database on potential investment opportunities in Africa. Promote partnerships among governments, banks, microfinance institutions, and donor agencies to harness development potential of collective remittances.
- Document and disseminate “good practices” from countries like India, Mexico, Philippines, Indonesia, etc. to assess and identify options for the SSA.

5. Follow-up

The participants requested the UNDP and the UN-OHRLLS to disseminate the outcomes of the consultations among all relevant stakeholders. To this end, the UNDP and the UN-OHRLLS will prepare the PDF/CD Rom publication comprising all the materials of regional consultation. It will be put on the website and distributed among the UN delegations, international and regional organizations and NGOs. UNDP should also bring them to the attention of the UN Country Offices with a request to assist the countries of the region in the implementation of the recommendations.

ⁱ SAMP

ⁱⁱ IFAD, Paper on Remittances Regional Profile: Sub-Saharan Africa