

IFAD intervention during RT 3 of the GCM Regional Review for the Arab region

Thursday 25 Feb 2021

Round Table 3: Review of GCM objectives 14, 15, 16, 19, 20 and 22

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On behalf of IFAD, I would like to provide updates particularly in regards to remittances, as main focus of **objective 20** of the **Global Compact for Safe, Orderly and Regular Migration**.

As you all know, remittances are a crucial aspect of migrants' financial contribution to their countries of origin and a vital source of income for millions of individuals and families across the world.

In particular for the Arab region, remittances flows are extremely relevant. In 2019 migrants sent over \$ 60 billion to their families in North of Africa and the Middle East.

In the words of the UN Secretary General, **these flows represents a lifeline in the developing world**. These allow migrants' families to fight poverty and improve their access to nutrition, health, education, housing, water and sanitation. In short, to achieve their own SDGs.

Steady flows of remittances also promote the financial inclusion of households, as the productive use of these funds positively impact local communities through savings, investments and job creation.

While the flow of remittances has constantly and considerably grew of the years, the covid-19 pandemic has once again tested the determination of the people behind these flows, putting at risk the commitments of GCM objective 20.

In this regard, we are pleased to see that the large-scale reduction on remittances flows initially projected did not occur. While many countries and respective corridors have indeed witness a momentarily reduction, in fact, **for a vast number of countries, the remittance flows have actually increased**.

As more countries report back, this trend is being confirmed. There are many reasons for this.

- First and foremost, the resilience of migrants in support of their loved ones. This potent force have yet again demonstrated that it can surpass crisis, be it economic, security or due to natural and climate factors.
- The second aspect is the fact that, for the first time since remittances market have come into scrutiny, more and more migrants have turned towards digitalization to send their hard earned funds to their family back home. The increase has been unprecedented and it is likely to remain as a new norm.

IFAD, through its [Global Forum on Remittances, Investment and Development \(GFRID\)](#), which is included in the GCM objective 20/b¹, responded to the UN SG's call to for action in response to the covid-19 impact, and launched the [Remittance Community Task Force \(RCTF\)](#), a coordinated and comprehensive effort aimed at addressing the economic and social challenges confronting migrant workers and their families as a result of this crisis.

This effort has benefited greatly from the active participation of 40 key task force members across all sectors (including experts from the UN system, governments, the remittance industry, and the civil society)², who contributed to the drafting of a [report "BLUE PRINT ON REMITTANCE- RESPONSE RECOVERY AND RESILIENSE"](#).

The report includes a set of short and medium-term practical measures directed to governments, regulators, and remittance service providers to address the challenges and opportunities that remittances represent during this time of crisis.

As of today, this set of short and medium-term measures and recommendation:

- has served as basis for the remittances-focused component of the [Menu of policy options for the consideration of Heads of State and Government within the Financing for development Process in the Era of COVID-19 and Beyond](#)³.
- Has also been shared with the members of the **G20 Global Partnership for Financial Inclusion (GPII)** and will now be integrated into their workplan on this issue under the upcoming Italian presidency in 2021.
- Has contributed to the recent discussions within the **Global Forum on Migration and Development (GFMD)** under the UAE chairmanship.

Last but not least, I would like to share **IFAD's response** in this matter and particularly, In conclusion, At IFAD we are pleased to report that much is underway:

- we are addressing the lack of data, particularly in Africa, through in depth analysis and research culminating in the [RemitSCOPE webportal](#), to provide crucial market intelligence to both the private sector and the governments, to spur market opportunities.
- we are also stimulating innovation and exchange through the creation of National Remittances Stakeholder Networks in in 7 African countries and about to finance the most promising innovative and scalable ideas to support the market. I.e., in Morocco we will soon launch a national call for proposals for innovative projects on remittances, bridging innovation as long-term solution.

¹ The GFRID is promoted and supported in GCM Objective 20/b as an important platform to build and strengthen partnerships for innovative solutions on cheaper, faster and safer transfers of remittances with all relevant stakeholders

² The complete list of members can be found on the dedicated website

³ On 28 May 2020, Canada, Jamaica and the UN Secretary-General convened a High-Level Event to join forces with Heads of State and Government, international organizations, and other key partners to enable discussions of concrete financing solutions to the COVID-19 health and development emergency for everyone. In follow up to the High-Level Event on May 28th, six Discussions Groups were convened to address questions of external finance and remittances, jobs and inclusive growth; recovering better for sustainability; global liquidity and financial stability; debt vulnerability; private sector creditors engagement; and illicit financial flows.

- Through the [Global Forum on Remittances, Investment and Development \(GFRID\)](#) as stated in the [GCM objective 20](#), IFAD is preparing this year's Summit to coincide with the International Day of Family Remittances on June 16. In this endeavour, IFAD is partnering with the UN system, G20, governments on the receiving end, as well as the remittance industry, to ensure that the global response involves both the sending and receiving side of the remittance equation.

Thank you