

International Migration Review Forum

Round Table 3

18 May 2022, New York

FAO, IFAD and WFP joint statement on GCM objectives 19 and 20

Esteemed Co-chairs of the Round Table 3, distinguished participants, IFAD is honoured to make this statement on behalf of the three Rome-based agencies, FAO, IFAD and WFP.

Every year, over 230 million women and men send over half a trillion dollars in remittances to more than 800 million relatives in low- and middle-income countries. In sum, more than one billion people are directly involved either as senders or recipients of remittances.

Despite the tremendous challenges migrant workers faced during the global COVID-19 pandemic, they have demonstrated once more incredible resilience, resourcefulness and commitment to their families back home.

Migrants have continued to support their loved ones through remittances, securing livelihoods and strengthening the resilience of their families and communities in times of crisis.

They also kept investing in their countries of origin, stimulating new businesses and creating new employment opportunities. They promoted awareness raising campaigns and knowledge transfer, playing a critical role in accelerating the progress towards meeting the Sustainable Development Goals.

Alongside challenges, the pandemic has also presented an unprecedented opportunity for the global remittance market. Migrants and their families have increasingly made use of regulated digital channels in many corridors, which in many cases has brought down costs.

Over the past decade, the focus on remittances has primarily been on aggregate volumes and high transaction costs at the sending side. In the aftermath of the COVID-19 crisis, it has become clear that the focus of global efforts has shifted to **maximizing and leveraging the impact of remittances for sustainable development**.

Remittances are critically important to rural and more vulnerable communities, particularly in times of crisis. Rural transformation is closely connected with the migration phenomenon, as rural areas are often the starting point of the migration journey. **Half of remittances go to rural areas**, where financial inclusion rates are lower, payment infrastructure is weaker, and where remittances play an essential role in preventing rural people from falling into poverty traps.

Remittances can expand and leverage financial inclusion. For many rural households and vulnerable communities, remittances are often the first point of access to the formal financial system. Remittances promote resilience and help build financial independence. They contribute to buying agricultural assets and support investments in farm and non-farm businesses. Remittances also enhance food security, by enhancing access to food.

Remittances and diaspora investments are also safeguards against the accelerating impacts of climate change. Migrants and the diaspora contribute to climate change adaptation, by enabling smallholder farmers in rural areas of origin to invest in climate adaptive practices

that strengthen their resilience and by promoting green agribusinesses that support ecosystem restoration.

Beyond financial support, diaspora also contribute to rural livelihoods through their human, cultural and social capital, by transferring knowledge, skills, and know-how, mentoring their peers, as well as facilitating trade and investment between countries.

The International Fund for Agricultural Development (IFAD), the Food and Agriculture Organization (FAO), and the World Food Programme (WFP), take this opportunity to jointly call on all Member States and stakeholders to:

- step up their efforts to strengthen partnerships and develop synergies to achieve cheaper, faster and more secure remittance transfers, especially for marginalized and under-served communities;
- recognize the role of remittances in addressing both immediate needs, such as food and nutrition, and long-term goals, contributing to sustainable agri-food systems and rural development;
- improve collection, analysis and application of corridor-specific data to foster innovation of both remittance market and diaspora investment stakeholders;
- increase access to digital remittances, especially in rural areas and among women;
- promote financial literacy for remittance-receiving households in rural areas, combined with access to information and gender and youth-inclusive services;
- create an enabling environment that maximizes the diaspora's financial and non-financial contributions to climate resilience, sustainable development and food security in rural areas;
- empower diaspora entrepreneurs and networks as agents of development; and
- alongside engagement of vulnerable communities who benefit from remittances, strengthen diaspora engagement mechanisms and promote diaspora-inclusive policy dialogues by bringing the voices of diaspora into decision-making processes.

Furthermore, as suggested in Objective 20 of the Global Compact for Migration, we also call all Member States and stakeholders to celebrate the International Day of Family Remittances on June 16th, continue advocating for the development impact of remittances, and join the 2021-2022 **#familyremittances** campaign *“Family remittances: recovery and resilience through digital and financial inclusion”*.