



IMRF virtual side-events

Enhancing the contribution of migrants in the post COVID-19 era

Date and time: 17 May 2022, 1:15-2:30 PM, Zoom

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Summary (500 words max)

Introduction

- Aim of the side event is to provide the IMRF audience with an overview of GCM objectives 19 and 20 and their implementation. The panelists highlighted the crucial role of remittances, from the perspective of families, markets and development, and ways to maximize the impact of these flows beyond GCM.
- Migrants and the diaspora contribute significantly to the economic growth of both their origin and destination countries, whilst achieving “their own” SDGs. Before and after COVID-19, migrant families and the diaspora have remained above average in terms of resilience, constancy and productivity. In 2020, remittance flows sent to LMICs declined by only 1.6%, while increasing by over 8% in 2021 (US\$605 billion). However, the overall cost of transferring remittances remains more than twice as high as the SDG target 10.c of 3 per cent.
- To leverage the potential of their contribution, global policies are needed, to ensure a coherent, multilateral response to the development challenges around migration and remittances, including health care response and recovery from COVID-19.
- The global community needs to overcome several challenges to further strengthen the impact of these flows, including:
 - Spur effective remittance investments, as an outcome of strengthened, strategic partnerships with banks and private sector
 - Need to promote faster, cheaper and safer remittance transfers
 - Prevent the tendency of FSPs to de-risk remittances: if they pull out of certain markets to minimize their exposure to the risk of participating in illegal transfers of funds, then more rigorous regulations around AML/CFT might result in the disappearance of services for those in need.
 - Promote private-public-people (PPP) partnerships, market competition and interoperability among private sector stakeholders, to reduce transfer costs and provide tailored financial services for migrants and their families
 - Improve data collection to frame policy actions and include the poorest of the poor in accessing remittance flows and financial opportunities
 - Create more options to channel remittances towards climate adaptation and mitigation measures
 - Further develop diaspora investment funds and bonds to allow diaspora to access their savings productively and actively contribute to the development of their countries of origin.
- The private sector is key to ensure that GCM objectives 19 and 20, and SDG 10.c are met. Remittances are a gateway to financial inclusion, especially in rural areas



that are not well-served by traditional banks. To this end, **digitalization** – sped up by the pandemic – is crucial to allow for cheaper, faster and safer transfers. However, infrastructure and regulations to foster this transition need to be developed in a way which avoids inequalities and digital (and gender) gaps.

- Many projects are in place to engage the diaspora beyond remittances, through support ranging from business start-ups, financial literacy courses, short-term voluntary programme for diaspora members to funding for professionals before returning to their country of origin.
- The IMRF, along with other platforms such as the Global Forum on Remittances, Investment and Development (GFRID) and Knomad allow to exchange best practices, create synergies and share means to implement GCM objectives. The International Day of Family Remittances, observed each 16 June, and its annual campaign, are steps to raise further awareness.