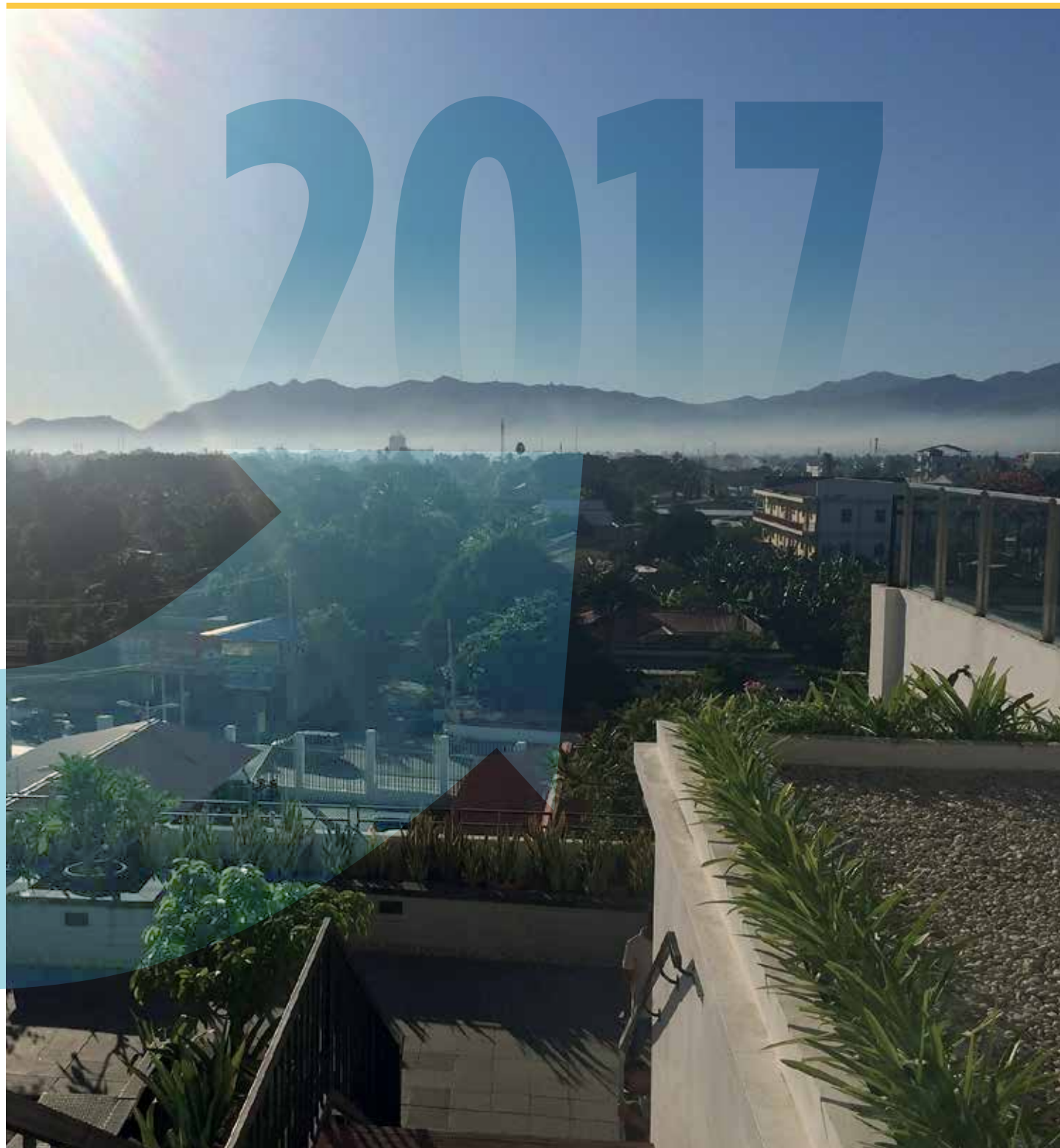


JANUARY 2017

# NEWSLETTER 3



# DEAR READER

As a new year begins, the ACP-EU Migration Action team wants to first extend to you our best wishes for a productive 2017. This third issue of the ACP-EU Migration Action Newsletter will explore our recent achievements in the field of remittances. The topic is a very important one for the programme. One third of all requests for Technical Assistance submitted to the Action's demand-driven facility are in the topic of remittances.

As a programme supporting a very important political dialogue, we acknowledge the relevance of migration as an important component of the world of today. Through the support to the ACP-EU Dialogue on Migration and Development, the Action has made possible important advancements in the fields of remittances, visas, readmission, trafficking in human beings and smuggling of migrants throughout the ACP regions.

In 2016 we worked towards raising awareness of the importance of remittances in the lives of migrants and their families benefitting from improved migration governance and ACP-EU cooperation. In October 2016, for instance, the Action brought together in Nairobi 70 stakeholders of both ACP and EU countries for the first ACP-EU Action Peer-to-Peer Exchange Meeting on Remittances.

By bringing in experts, ACP and EU Government officials and international stakeholders to the same table, the exchange of knowledge and practices

of the Peer-to-Peer has made possible the drafting of a Thematic Report on Remittances which will be available to you soon. This report, we hope, will promote the sharing of insightful practices.

We hope to continue working together in achieving even more concrete results in the coming months and year, supporting even more relevant activities in all the fields of the Dialogue.

With our best compliments,  
The Action Team



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# WHAT ARE REMITTANCES?

Remittances are understood by the International Organisation for Migration (IOM) “to be multidirectional, voluntary and private international monetary transfers made by migrants, individually or collectively, to people with whom they maintain close links.”

Our third newsletter intends to bring you, the reader, an in-depth overlook of how the ACP-EU Action is contributing to the concrete achievement of the recommendations of the ACP-EU Dialogue on Migration and Development in the field of remittances.

As the implementing agency of the ACP-EU Action, IOM believes that remittances are one of a multitude of migration-related parameters that is directly linked to development. The ACP-EU

Dialogue on Migration and Development has a similar understanding and established concrete recommendations on the field. The money migrants earn can be consumed, invested or saved in both destination and origin countries, which directly impacts both regions.

A large share of the GDP of many developing countries in the ACP region, for instance, consists of migrant remittances. The sum of financial remittances sent by international migrants back to their families in origin countries amounted to US\$581.6 billion in 2015, according to the World Bank estimates; almost 75 per cent were sent to developing countries (US\$431.6 billion). When addressing the impacts of this money on development, it is useful to differentiate between the impact of remittances at the individual

level (migrants and their families), at the community or meso level, and at the whole-of-economy/country or macro level. The ACP-EU Action provides Technical Assistance at the three levels.

Whilst there is a lot of discussion about the importance of remittances, as well as some of the challenges involved with them, there are questions about what practical solutions are able to be adopted to lower prices and to create improvements. In this edition, we hope to showcase to you some of the important work the Action has been doing in the field – such as the recent Peer-to-Peer Exchange Meeting on Remittances held in Nairobi, Kenya.

**For more information on the programme and its achievements, we invite you to visit our webpage at: [www.acpeumigrationaction.iom.int](http://www.acpeumigrationaction.iom.int)**

## 9 KEY RECOMMENDATIONS ON REMITTANCES – ACTION AREAS

**Create an enabling regulatory framework for cross border payments**

**Improve domestic payments infrastructure and access, particularly in relation to new technologies**

**Improve data collection on remittances and payments system**

**Improve transparency**

**Assess the informal sector**

**Encourage informal into formal**

**Consider introducing incentives for lowering costs of remittances**

**Facilitate diaspora investment**

**Improve coordination among stakeholders**

# THE PEER-TO-PEER EXCHANGE MEETING ON REMITTANCES

Over the past decade, the potential role of remittances in development as well as alleviation of poverty in developing countries has garnered strong interest.

The recommendations on remittances included in the Cotonou Agreement of the ACP-EU Dialogue on Migration and Development stated, among other things, the need to “pursue the efforts to significantly decrease the costs of transferring remittances, both from the EU to ACP countries and between ACP countries” and to “reinforce the capacity of the relevant authorities in the area of collection of reliable data, processing and analysis of the data both at EU and ACP level, including through peer to peer cooperation and exchange of best practices.”

It was within this framework that the Action decided to partner up with the African Institute for Remittances (AIR) to jointly co-organize this first ACP-EU Peer-to-Peer Exchange Meeting on Remittances. During three days, stakeholders of both the ACP and EU regions gathered in Nairobi, Kenya, to discuss positive initiatives on remittances, to exchange on challenges, lessons learnt and good practices identified through the implementation of activities of the Action, as well as to follow-up and discuss the joint recommendations.

A success overall, the Peer-to-Peer exchange brought together around 70 delegates from all regions, as well as experts in the field and representatives of international institutions such as the World Bank Group and IFAD. Delegates came together in pursuance of a more in-depth dialogue on remittances and to debate the challenges to address to reduce the remittances transfer costs. A report of the meeting can be found on our webpage.



**If you would like to receive more information on the Action, please visit our website [www.acpeumigrationaction.iom.int](http://www.acpeumigrationaction.iom.int), contact the Action at [ACPEUmigrationaction@iom.int](mailto:ACPEUmigrationaction@iom.int) or get in touch with one of our five Regional Coordinators at [RCACPEUAction@iom.int](mailto:RCACPEUAction@iom.int)**

# MOBILE MONEY OVERCOMING BORDERS

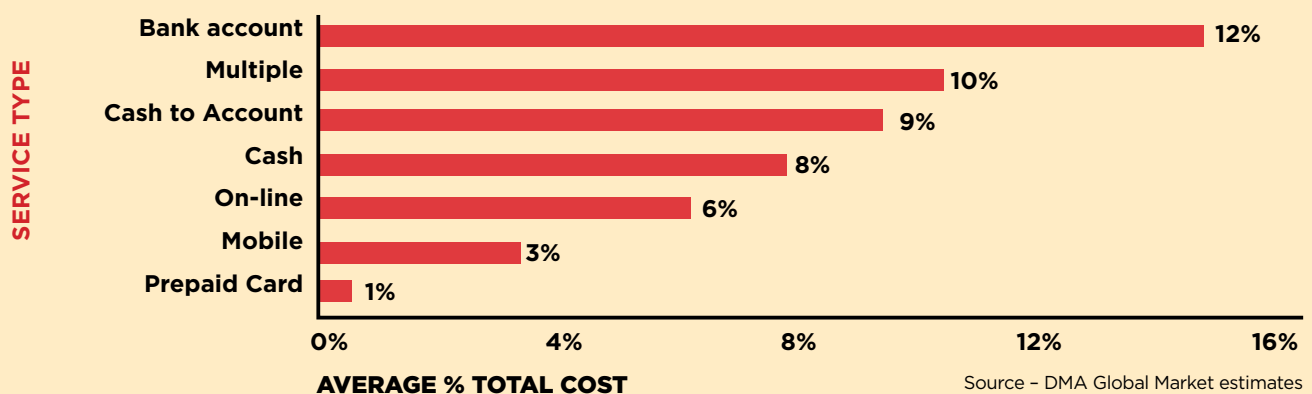
Some of the key recommendations that came out of the first ACP-EU Peer-to-Peer Exchange Meeting on Remittances were directly tackling an exciting new area – mobile money.

In recent years, new technologies have been brought to the remittances market and those that appear to be making the most difference to prices, efficiency and financial inclusion are online services and mobile services. A number of businesses are now offering online services at the

sending end. It was not a coincidence we chose to host our Meeting in Kenya, one of Africa's most developed mobile money markets. New technologies provide migrants with the option to make their transaction at their own convenience on a web portal of a money transfer

company without the need to visit a location. This initiative removes the sending agent (which can account for around 25% of the cost of a remittance) and thus plays a major role in reducing prices.

## AVERAGE % TOTAL COST BY SERVICE TYPE



## SDGs AND REMITTANCES

The 2030 Agenda for Sustainable Development is a follow-up to the Millennium Development Goals. It established 17 Sustainable Development Goals (SDGs) to be pursued by all countries and people – some of which directly tackling migration issues. In the specific case of remittances, our topic for this newsletter, Goal 10.7c set the target that by 2030 remittance

prices would average 3 percent and would not exceed 5 percent in even the less competitive corridors.

Remittances to developing countries have increased to \$431.6 billion in 2015. Global remittances (including those to developed countries) were estimated at \$582 billion.

The ACP-EU Peer-to-Peer Exchange Meeting on Remittances brought together 70 delegates from both the ACP and EU regions to discuss, among other topics, cost reduction – with Governments present pushing for a goal below the 3% estimates by the SDG. We hope this becomes a reality soon.

# The relevance of remittances to Tonga

*By Matthew Gibbs,  
Action Expert on Remittances*

In October this year, I was engaged by the ACP-EU Migration Action to conduct a Baseline Assessment on diaspora engagement and strengthening remittances in the Kingdom of Tonga.

For those who have not had to opportunity to visit Tonga, it is a wonderfully colourful and vibrant country surrounded by the clear blue waters of the Pacific Ocean. Although I have been to Tonga many times, I am always pleasantly overwhelmed by the warm musical reception on arrival at Fua'amotu International Airport and the sweet fragrance of the tropical air.

During my country visit, I met with Ministry officials, staff from civil society groups, and members of Tonga's private

sector all of whom spoke with great passion about the importance of Tonga's diaspora to the country's continued social, cultural and economic development.

It was great to see so many interesting projects underway, especially those that are providing support to some of Tonga's remotest rural communities. Mainstreaming of Rural Development and Innovation is one NGO that is doing great work in this area helping rurally remote communities live sustainable lives through development projects and

skills training. Projects like this are also helping Tongans living overseas engage in the development of Tonga's remotest communities especially those in the outer islands of 'Eua, Ha'apai, the Niuas and outlying islands of Vava'u.

Finally, a big 'thank you' to my hosts at the Ministry of Foreign Affairs & Trade who provided first class support and guidance during my week in the Kingdom of Tonga, and to ACP-EC Migration Action team in Vanuatu and Brussels for their advice and support.



# Mobilizing Remittances in Zimbabwe

by *Kenneth Coates*,  
*Action Expert on Remittances*

Media reports from Zimbabwe were not reassuring. Strikes, demonstrations and repression were apparently the order of the day. I was wondering what I had let myself in for when the wheels hit the tarmac at Harare airport.

I needn't have worried: waiting for me outside customs was ACP-EU Migration Action's Regional Programme Officer for Southern Africa, Mlungisi Kunene.

For the next week Mlungisi and I toured the garden city of Harare visiting government departments, other international organizations, local money transfer operators and banks, non-state actors and representatives of Diaspora organizations, trying to get a feel for the local remittances market.

The Zimbabwean economy was in a fix. The cure for hyperinflation had required the local currency to be abolished back in 2009 and in practice replaced by the US dollar. Things had gone well for a while, but the combined effects of a drought, falling commodity prices and a strengthening dollar was pushing the economy back into recession.

To make matters worse, the dollars were running out. The authorities had asked for help in designing a remittance mobilization strategy that would offset the shortfall and provide the economy with the liquidity it required. As we gathered data from different sources we learned first hand of the hardships the population was enduring. We also learned that the people of Zimbabwe were courteous, resourceful and well educated.

I spent the second week on my own, but by this time I had found my sea legs. I had also found that working for ACP-EU Migration Action was a different experience to other organizations. Its rapid response to clients, based on an extremely young and efficient central office team, transmitted a sensation of engagement that reminded me of my earlier years in the development aid community.

Two weeks anywhere may not seem long enough to draw valid conclusions, yet I left Harare with the feeling that I understood the basic issues that were affecting the country. More than that, I left with the impression that, no matter what the future held in store for them, at the end of the day Zimbabweans would come through with flying colours.



*Photo by Kenneth Coates*

# Successfully Engaging the Guyanese Diaspora

*Daniela Villacres*  
*Action Expert on Remittances*

In an effort to leverage the importance of remittances to family lives of the Guyanese people and the macro-development of the country, the Ministry approached the ACP-EU Migration Action in September 2015 with a proposal to conduct a study on remittances in Guyana.

This study includes recommendations on how the cost of sending remittances could be reduced and how to effectively channel remittances in the social and economic development.

The Ministry is elated at the fact that the aims and objectives of the study, which were articulated by the Government of Guyana were achieved and the results and recommendations reflect best practices which are practical in Guyana's situation. During the technical assistance intervention, major stakeholders were mobilized from critical government agencies, the financial sector (commercial banks and MTOs<sup>1</sup>), civil society and Guyanese migrants in key US diasporic communities to gather information and inform a more recent and comprehensive study on remittances with a nexus to the diaspora.

A major outcome was the presentation of the *'Study on Remittances in Guyana with Specific Focus on Reduction of Transfer Costs and Investment Options'* by Migration Expert Daniela Villacres during a validation workshop with primary stakeholders for feedback and the event was widely published in the local media for greater awareness of the importance of remittances to Guyana. Additionally, the ACP-EU Action provided Guyana with an



active involvement in the global conversation on remittances with invitations to participate at the Peer-to-Peer Meeting on Remittances in Kenya.

The Ministry was very appreciative of the support provided by the program and believes the technical assistance for Guyana addresses the ACP-EU Dialogue recommendations on North-South remittances; broadening of the formal channels of sending and receiving

remittances especially on use of new technologies and ICT platforms; reducing transfer cost; and financial literacy for migrants and recipients to maximize remittance use in entrepreneurship and investment opportunities.

1 Money Transfer Operator



## Reducing the cost of remittances in Mali: a permanent quest of the authorities

By *Salia Traore*,  
Technical Counsellor of Ministry  
of Malians Abroad

Since the year of 2011 we, at the Malian Government, strive to put in place mechanisms to reduce the cost of remittances. Authorities banned the exclusivity clauses on remittances following a circular issued by the Central Bank of the West African States (BCEAO) in that year.

In 2012, a year later, our Ministry of the Malian Living Abroad (MME in French) initiated a consultation process with the financial institutions (commercial banks) to develop additional products for the diaspora in addition to the remittances portfolio. The implementations of those initiatives, although still slow, resulted in more than 15 money transfers societies currently operating in Mali including Mobile Money companies.

Four years later, conscious of the need to support our Diaspora even more, our Government requested

technical assistance of the ACP-EU Migration Action in reviewing all those mechanisms so as to come up with key recommendations. In order to facilitate the access to banking services and loans, the MME has ordered a feasibility study for the establishment of a stand-alone bank dedicated to the Malians living abroad.

Initial results were very useful and showed, for instance, that one of our challenges is a lack of human resources coupled with limited data sharing practices between the different departments involved in the collect and

analysis of migrants' data. Now, national authorities are finalizing a migratory database that will be a depository tool on migration. Non-governmental organizations, funded by the European Commission, are now conducting activities on financial literacy and information on cost and conditions applied by the intermediate financial institutions. Moreover, the MME is about to publish a directory for the Malians Living abroad. In December 2016 we will be able to report back on the results of the feasibility study on the Bank of the Malian Living Abroad.



# Making it possible for the Ethiopian Diaspora to use formal remittances channels

By Demeke Atnafu,  
Director for Diaspora Information  
and Research (MFA)

Remittances are highly important for the development of our country. Over recent years, inflows to Ethiopia have increased considerably from USD 1.9 billion in 2010 to USD 3 billion in 2014.

A number of measures to increase the use of formal remittance channels have been put in place by us, including directives that: prohibit exclusivity agreements between banks and remittance service providers (RSPs); require RSPs to charge zero or minimum tariffs on transfer services; and require RSPs to reveal terms and tariffs to clients. In addition to this, directives have been issued to allow for the establishment and operation of foreign currency account for non-resident Ethiopians and Ethiopian origin foreign nationals, which is aimed at encouraging diaspora/migrant savings.

Although these measures have led to positive results, we believe that more can be done. As a result, we approached the ACP-EU Migration Action for technical assistance – specifically for expertise in conducting a research study that identifies barriers preventing the Ethiopian diaspora from using formal transfer channels. We have been able to see some of the benefits of it with increased dialogue on the subject. The Action's expert has had meetings with a host of stakeholders including Ethiopians abroad, diaspora associations, the National Bank of Ethiopia, RSPs serving the Ethiopian market, academics, as well as International and Regional Organizations. Receiving inputs from a wide cross-section of stakeholders will contribute to our understanding and assist us to address the issues.

To be specific, the research will put forward recommendations that we can take to encourage the use of formal channels and boost the development of our country. Moreover, the support given aligns well with the recommendations

of the ACP-EU Dialogue on Migration and Development because it will assess gaps and constraints in the current transfer systems so that safe, reliable and affordable channels for sending money to Ethiopia are ultimately promoted.



To the point of publishing of this newsletter, fifty six (56) requests for technical assistance have been submitted by ACP Member States and Regional Organizations and processed by the Action Team. Below here their overview:

## REMITTANCES

- Somalia
- OECS
- Mali
- Guyana
- Kenya
- Sierra Leone
- Zimbabwe
- Ethiopia
- Cabo Verde
- Ghana
- Tonga
- IGAD
- ECOWAS

## VISAS

- COMESA
- Namibia
- Sudan
- Benin
- Guyana
- Vanuatu
- MSG
- Timor leste
- Barbados
- Tuvalu
- Tonga

## READMISSION

- Burkina Faso
- Jamaica
- Cabo Verde
- Togo

## THB AND SMUGGLING

- Vanuatu
- Solomon Islands
- Senegal
- Dominican Republic
- Fed. States of Micronesia
- Benin
- Swaziland
- Samoa
- Haiti
- St. Vincent & Grenadines
- Guinea Conakry
- Nigeria & other ACP countries
- St. Lucia
- Angola
- Senegal
- DRC



# ONE THIRD

of all requests to the Action are in the field of Remittances

# 32

ACP Countries (counting members of Regional Organisations) are benefitting from the Action's technical assistance in the field of remittances

# MAIN TOPICS OF INTEREST ARE:

- a) Diaspora Engagement;
- b) Adequate and affordable financial services to migrants & their families;
- c) Policy Recommendations;
- d) New technologies – Mobile Money Overcoming Borders;
- e) Financial Inclusion and Literacy

## MEET THE TEAM:

# ODETTE BOLLY

**Regional coordinator for the West and Central Africa region**



**Ms. Odette Bolly** is the Regional Coordinator for the Action for the West and Central Africa region and is based in the IOM Regional Office in Dakar, Senegal. Odette's role is to raise awareness of the Governments of the ACP countries and their Regional Organizations about the support available through the Action, as well as assisting them in their requests for technical assistance, and facilitating the Non-State actors' initiatives in the West and Central Africa region. Prior to joining the Action, Odette had worked for eight years as Programme Associate and Gender Expert at the United Nations Regional Office for the Coordination of Humanitarian Affairs (UN OCHA). She also worked on several positions (Regional Funding Officer and Regional Programme Assistant) at Oxfam GB's Regional Office for West and Central Africa.

Odette holds a Master's degree in English Literature, a professional Master degree in Communication and a Certificate in Project Management in Development. You can contact Odette at [obolly@iom.int](mailto:obolly@iom.int) or at [RCACPEUAction@iom.int](mailto:RCACPEUAction@iom.int)

## Work with us

### Be our expert

If you are working for an ACP or EU country or Regional Organization dealing with migration and if you have experience and expertise on a subject related to visa, human trafficking, smuggling of migrants, readmission or remittances, we invite you to contact the ACP-EU Migration Action Central Unit ([ACPEUmigrationaction@iom.int](mailto:ACPEUmigrationaction@iom.int)) and/or the Regional Coordinator in your region ([RCACPEUAction@iom.int](mailto:RCACPEUAction@iom.int)) and to visit our webpage ([www.acpeumigrationaction.iom.int/work-with-us](http://www.acpeumigrationaction.iom.int/work-with-us)) to see how to become one of our experts for short term technical assistance.

