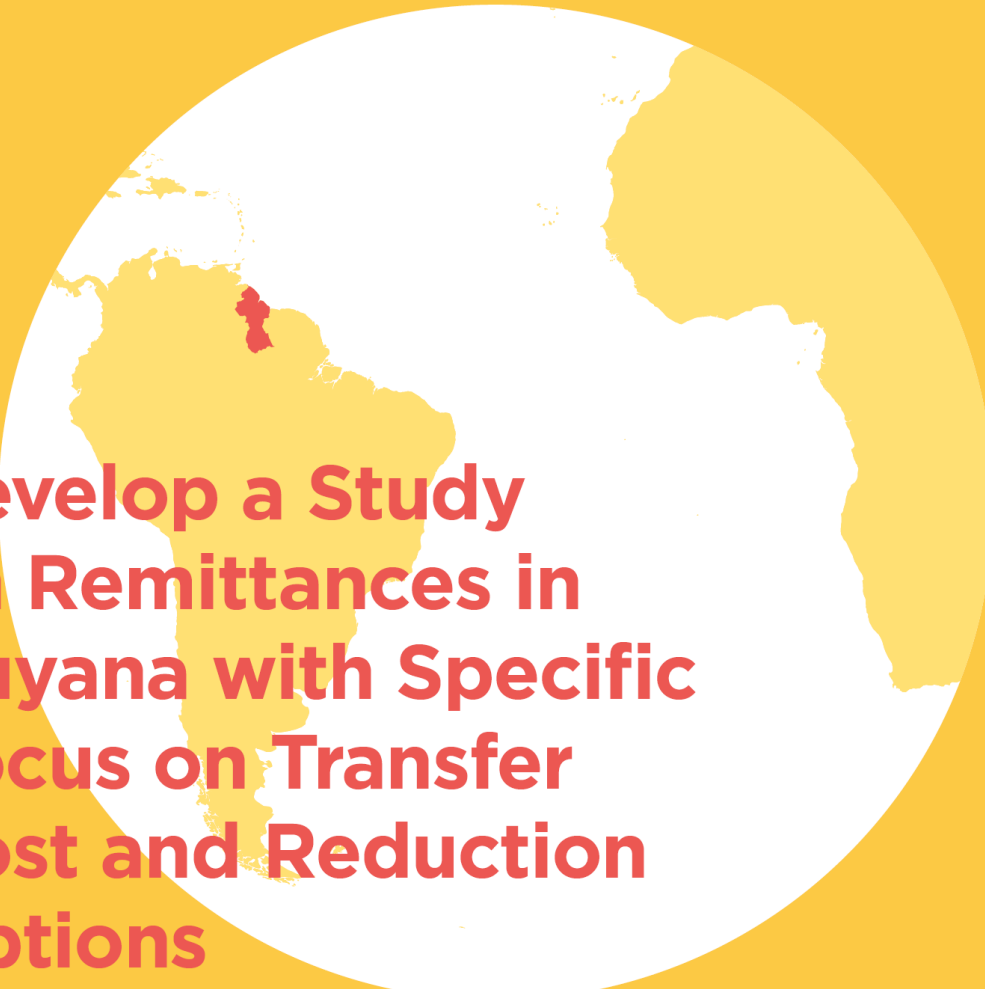


Remittances

GUYANA

Caribbean



Develop a Study on Remittances in Guyana with Specific Focus on Transfer Cost and Reduction Options

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Requesting entity
**Diaspora Unit, Ministry of Foreign Affairs,
Co-operative Republic of Guyana**



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Background

The Caribbean region is one of the most expensive in the world to send remittances to, a deterrent that strongly affects the Guyanese Diaspora: the average cost of sending USD 200 to Guyana is about USD 15 (or about 8.26%). With a large overseas Diaspora which sends remittances home regularly, the country sees a prominence of infor-

mal channels to send remittances. The transfer costs has been identified as an element that negatively affect the amount and frequency of remittances sent and thus, the inflow of financial resources into the country. Much benefit could come to Guyana if that high transfer fee could be transformed into an economic value for the nation. Reducing the cost of

sending remittances home, would encourage the Diaspora to use the formal channels to ensure that their remittances reach its final destination in the fastest, safest, most secure manner and at the same time increased remittances could fuel economic activities, generate economic growth and employment in the form of citizens' savings and investments.

Objective

This Technical Assistance Intervention aims at providing the Guyanese Ministry of Foreign Affairs with a comprehensive analysis on the general status of the national money transfer sector with emphasis on how the cost of remittances can be reduced.

Activities

Production of a comprehensive study on how Guyana could reduce the transfer cost of remittances;

Overview of good practices models on remittances in other countries, at regional and international level for the Ministry of Foreign Affairs;

Development of recommendations on reducing the cost of sending remittances to Guyana and facilitation of discussion amongst Government stakeholders.

Expected results

A study with recommendations to enable the Guyanese Diaspora to benefit from a much needed transfer cost reduction, to potentially be channeled into savings or other economic activities;

Findings on remittances and diaspora that will feed the Diaspora Engagement Strategy, currently being formulated by the Government of Guyana;

Support to the Government of Guyana in their policy development with regards to the money transfer sector.