
Baseline Assessment Report

Improving quality and
quantity of formal remittance
flows in Ethiopia

TA/020/2015

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List of acronyms

AEMFI	Association of Ethiopian Microfinance Institutions
BA	Baseline Assessment
CBE	Commercial Bank of Ethiopia
CSA	Ethiopian Central Statistical Agency
ERCA	Ethiopian Customs and Revenue Authority
GDP	Gross Domestic Product
GOE	Government of Ethiopia
GTP	Growth and Transformation Plan (Phases I and II)
HCE	Household Consumption Expenditure Survey
IMF	International Monetary Fund
IOM	International Organization for Migration
KII	Key Informant Interview
KSA	Kingdom of Saudi Arabia
MFI	Microfinance Institutions
MMS	Mixed Migration Secretariat
MOFA	Ethiopian Ministry of Foreign Affairs
MOLSA	Ethiopian Ministry of Labor and Social Affairs
MTO	Money Transfer Organization
NBE	National Bank of Ethiopia
NGO	Non-governmental Organization
NSA	Non-State Actors
OECD	Organization for Economic Cooperation and Development
RSP	Remittance Service Provider
SSA	Sub-Saharan Africa
TA	Technical Assistance
TAF	Technical Assistance Fiche
UNDP	United Nations Development Program
UNPD	United Nations Population Division
USD	United States Dollars
WDI	World Development Indicators

Executive summary

Introduction

The number of Ethiopians living abroad is estimated to be between 590,000¹ and 3 million². Their contributions, according to the National Bank of Ethiopia (NBE), in terms of remittance flows have increased from USD 1.9 billion in 2010 to USD 3 billion in 2014³, representing 5.3 percent of the country's GDP between 2010 and 2014. Positive measures have been taken by the Government of Ethiopia (GOE) in order to improve the operations and flow of formal remittances, reduce the costs of transfers and increase access to international remittance services. Despite these measures, the cost of sending money to Ethiopia remains high and the volume of transfers through informal channels continues to be large. Given the large size of the Ethiopian diaspora and the underutilized formal channels for remittances, there are indications of a need to further explore opportunities of how to improve the flow of remittances into the country. Such an undertaking would be for the benefit of the migrants, their families and could have a developmental impact on the country as a whole.

To this end, technical assistance (TA) focusing on exploring bottlenecks or barriers that preclude the maximum utilization of formal remittance transfers and identifying recommendations for how to address the challenges and improve the quality of formal remittance flows has been requested by the Ministry of Foreign Affairs (MOFA) of Ethiopia. This report is the Baseline Assessment (BA), carried out for the International Organization for Migration (IOM) in the framework of the ACP-EU Migration Action, for that TA. It is meant to lay the groundwork for the TA intervention that will provide thorough analysis and recommendations on ways to improve quality and quantity of formal remittance flows to Ethiopia. It is based on a desk review and a range of stakeholder meetings that took place during three days in Addis Ababa, Ethiopia in early March 2016. The objectives of the BA were to i) provide an overview of the state of affairs on remittance transfers in Ethiopia, ii) offer inputs and guidance useful to fine-tune the TA intervention, including baseline indicators and iii) identify the major stakeholders and Non State Actors (NSAs) working in the area of remittance transfers to Ethiopia. It was also supposed to include a review of the funds transfer policy and mechanisms and a short assessment of the sustainability of the TA.

State of Affairs

Remittance Flows

Ethiopia's remittance inflows have grown dramatically since the beginning of the century. The National Bank of Ethiopia (NBE), whose available records start in 2003, records an impressive increase from USD 141 million to USD 2.7 billion in 2015 (figure ES1). The International Monetary Fund figures are closely aligned with these, showing a level of USD 3 billion in 2014. World Bank data also shows a dramatic increase after 2000, but their level is much lower than the other two sources, reaching USD 624 million in 2014⁴. Remittances are an important source of foreign exchange in the country, making up one-quarter of Ethiopia's foreign exchange earnings. They are also an important source of income for many households, especially the urban poor.

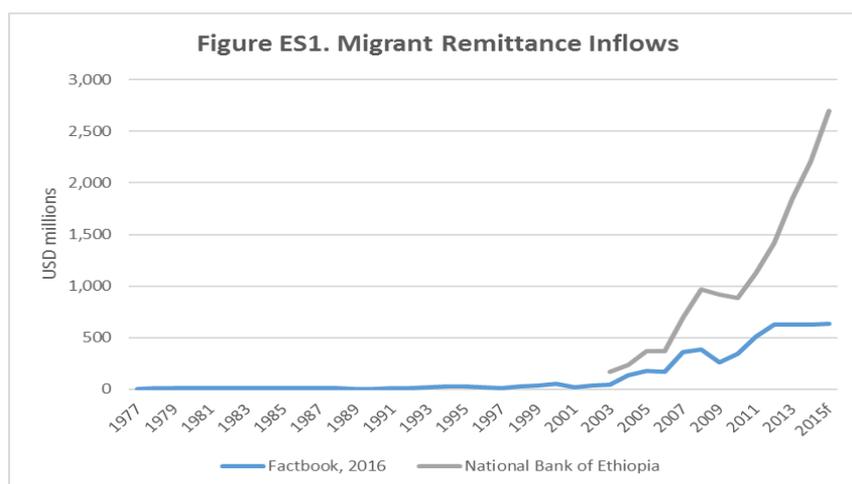
Anecdotal and survey information suggest that there exists a large volume of remittances that are transferred through informal means and that illiteracy, a lack of access to banks and a high cost of transfer are the primary reasons why migrants might choose not to use formal transfer channels. The volume of these informal transfers is unknown, but potentially as large as formal ones.

¹ Figure for 2013. Pew Research Center. (2014).

² Ministry of Foreign Affairs, see the Technical Assessment Fiche.

³ Including cash, in kind and underground transfers.

⁴ The World Bank defines remittances to include "all current transfers in cash or in kind between resident and nonresident individuals, independent of the source of income of the sender and relationship between the households". It draws its data primarily from primarily the IMF Balance of Payments Statistics database, but also from central banks, national statistical agencies and World Bank country offices. The cause for the discrepancy between the World Bank's figures on one hand and the NBE and IMF's on the other is still outstanding.



Source: World Bank's World Migration Factbook. (2016); NBE annual reports, private cash and in kind transfers between 2002/03 and 2013/14, and NBE staff

Payment Systems

Remittances in Ethiopia are handled through state-owned and private banks as well as Money Transfer Operators (MTOs). The NBE is the agency responsible for regulating the affairs of the remittance payment system. In 2006 it passed the Remittance Service Providers (RSPs) directive, which aimed to improve the operations of the formal remittance system in Ethiopia by reducing the cost of and increasing the access to remittances. In 2009, the directive was amended mandating RSPs to sign non-exclusive agreements, charge zero or minimum tariffs on remittance transfer service and reveal the terms and tariffs to their clients. These directives have had a substantial and positive impact.

Cost

Ethiopia fares well compared to other countries when it comes to the cost of sending money. In 2011, the first year for which the Remittance Prices Worldwide database is available, Ethiopia's average cost to send USD 200 was 10.1 percent, substantially lower than other countries. By 2015 this had been reduced to 7.7 percent (table ES1).

Table ES1. Price of Remittances (%)

	2011	2012	2013	2014	2015
USD 200					
Ethiopia	10.07	8.19	7.92	7.71	7.69
Kenya	14.00	12.15	12.40	10.53	9.22
SSA	12.49	12.38	12.19	11.47	9.77
Low Income	10.69	10.55	10.58	10.03	8.33
USD 500					
Ethiopia	7.30	6.18	5.86	5.74	6.13
Kenya	8.63	7.49	7.22	6.42	6.01
SSA	7.59	7.27	7.40	6.80	6.25
Low Income	6.41	6.35	6.38	6.03	5.34

Author's calculations based on Remittance Prices Worldwide database, available at <http://remittanceprices.worldbank.org>

The full costs of remittance collection are not captured in these figures. It takes time and money to travel to a branch office. Until recently, Ethiopia lagged behind its neighbors in the reach of its banking system. In 2008 there were only 1.2 bank branches per every 100,000 adults. Within five

years, an additional 1,666 branches have been opened, representing a 170 percent increase, substantially reducing the effort to receive remittances.

Size of Ethiopia's Diaspora

The reported size of the Ethiopian Diaspora community varies. The Migration Factbook (2016) puts the figure at 749,000 in 2013. Using United Nations Population Division (UNPD) data, the Pew Research Center estimated 590,000 in the same year⁵. Both of these numbers are far below those of MOFA, whose own estimate is between 2.5 and 3 million. Part of this large difference is definitional. The MOFA includes "Ethiopia-born and Ethiopian-origin" in its calculations. They also assume a certain rate of its emigrants obtain citizenship in the countries they emigrate to and include those numbers in their total as well⁶. The World Bank and UN data count only those that are born in Ethiopia. The MOFA also attempt to include some degree of the informal migration.

The larger numbers are played out in the migration estimates. The North Africa Mixed Migration Task Force cites a UNHCR study estimating that 18,000-36,000 migrants a year cross to Sudan at Metemma. The ILO cites statistics from the Ethiopian MOFA that between 75,000 and 100,000 people migrate irregularly to Libya annually⁷. In its 2015 annual report, the Regional Mixed Migration Secretariat estimates over 80,000 Ethiopian migrants landed along the Arabian and Red Sea coasts of Yemen, which is a common yearly figure⁸, and an IOM report⁹ puts the number of irregular migrant males from Ethiopia, Somalia and Kenya at 17,000-20,000. The top destinations for migrants are the United States, Saudi Arabia, Israel, Sudan and Italy¹⁰.

Key Baseline Indicators

The following are proposed Baseline Indicators for the TA intervention:

Indicator # 1 Volume of Diaspora Remittances

The fundamental indicators that the Technical Assessment Fiche seeks to impact are the "value and amount" of formal remittances to Ethiopia. Given these considerations, the most appropriate indicator would be total volume of remittances as measured by the value of the cash and in kind transfers reported by the NBE.

Indicator # 2 Volume of Underground Transfers

In addition to impacting the formal transfers to Ethiopia, GOE stakeholders also seek to minimize the amount of underground transfers, which are those pay for goods imported to Ethiopia, but which do not pass through Ethiopia. The actual value of this indicator is difficult to calculate. The estimated amount has varied throughout the years, but the trend from 2011/12 has been increasing.

Indicator # 3 Cost of Remittances

Here a primary source of data could be the World Bank's Remittance Prices Worldwide database, which provides quarterly transfer costs to Ethiopia from four corridors (United States, Great Britain, Italy, and Saudi Arabia) for twenty MTOs.

Indicator # 4 Number of bank branches per 100,000 adults

One of the factors influencing the cost of transfers is the degree of financial inclusion. Ethiopia has made impressive strides over recent years in expanding the reach of its banking industry, but there is still a large portion of the population that remains without convenient access to a bank branch. There were 3.9 branches per 100,000 people in 2014, a substantial increase over the number in 2008, when the figure was 1.2.

⁵ Pew Research Center. (2014).

⁶ Demeke Atnafu, Director Diaspora Engagement Directorate, MOFA.

⁷ ILO. (2011).

⁸ RMMS. (2016).

⁹ IOM. (2009).

¹⁰ Factbook, (2016).

Indicator # 5 Number of New or Innovative Policies or Directives Adopted to Increase Remittance Flow

To move beyond the current level of transfers, Ethiopia should consider adopting new and innovative policies or directives. One option would be using MFIs as distributors of remittances. Another would be accepting remittances through transfer via mobile phones, as India and Kenya now do.

Stakeholders mapping and analysis

There are a variety of Government and public stakeholders, including the: Ministry of Foreign Affairs, Diaspora Engagement Affairs Directorate, Diaspora Coordinating Offices in the regions, Ethiopian embassies, National Bank of Ethiopia, Commercial Bank of Ethiopia, Ministry of Labor and Social Affairs, Ethiopian Investment Commission and the Central Statistical Agency.

The private sector is also involved, including: private banks and Money Transfer Organizations (especially Western Union, MoneyGram, Dahabshiil, Bole Atlantic and Express Money).

Multilateral and bilateral donors play a role, including the: International Monetary Fund, United Nations Conference on Trade and Development, African Union, International Labor Organization, International Fund for Agricultural Development, World Bank, DFID and the IOM.

Diaspora organizations also play a key role in organizing remittances, and several NGOs work with the families of those who have emigrated.

Feedback regarding the Technical Assistance Fiche

The proposed TA is highly relevant given the current state of affairs. The Government of Ethiopia is doing well in its quest to increase remittance flow. There are many positive developments that have led or will lead to impressive increases in the volume of remittances Ethiopia receives. Nevertheless, there remains still more that can be done. Thus there is ample scope for the proposed TA to provide valuable and timely recommendations. No particular risks are envisaged, although data quality will be of primary importance to the TA.

1. Introduction and background¹¹

The number of Ethiopians living abroad is estimated to be between 590,000¹² and 3 million¹³. Their contributions, according to the National Bank of Ethiopia (NBE), in terms of remittance flows have increased from USD 1.9 billion in 2010 to USD 3 billion in 2014¹⁴, representing 5.3 percent of the country's GDP between 2010 and 2014. Ethiopia was ranked as one of the top ten remittance receiving countries in sub-Saharan Africa in 2015¹⁵.

Positive measures have been taken by the Government of Ethiopia (GOE) in order to improve the operations and flow of formal remittances, reduce the costs of transfers and increase access to international remittance services. To effectively mobilize and engage diaspora in socio-economic development of the country, the Ministry of Foreign Affairs (MOFA) issued the Diaspora Policy in 2013, providing for a variety of incentives aimed at garnering diaspora support for the country's development. The NBE has issued directives in 2004 and 2006 outlining the establishment and operation of foreign currency accounts for non-resident Ethiopians and provisions for international remittances, respectively. The latter was amended in 2009 directing non-exclusive agreements between remittance service providers, zero or minimum tariff on remittance transfer service and transparency of fees.

Despite these measures, the cost of sending money to Ethiopia remains high and the volume of transfers through informal channels continues to be large. Limited access to reliable and efficient remittance services and the absence of legal status for many Ethiopian migrants, mainly in the Middle East and South Africa, are contributing to a suboptimal level of formal remittance flows. Given the large size of the Ethiopian diaspora and the underutilized formal channels for remittances, there are indications of a need to further explore opportunities on how to improve the flow of remittances into the country. Such an undertaking would be for the benefit of the migrants, their families and could have a developmental impact on the country as a whole.

To this end, technical assistance (TA) focusing on exploring bottlenecks or barriers that preclude the maximum utilization of formal remittance transfers and identifying recommendations for how to address the challenges and improve the quality of formal remittance flows has been requested by the MOFA. This report is the Baseline Assessment (BA) of that TA.

The **specific objectives** of the BA are to:

- Provide an overview of the state of affairs on remittance transfers in Ethiopia prior to the actual implementation of the TA intervention to be used as a reference against which to compare the results achieved through the TA intervention and with the objective of evaluating its impact and contribution to the improvement of the current situation. Specifically, this should also include a review of the funds transfer policy and mechanisms and a short assessment of the sustainability of the possible TA;
- Offer inputs and guidance useful to fine-tune the TA intervention, such as Baseline Indicators;
- Identify the major stakeholders and Non State Actors (NSAs) working in the thematic area of remittance transfer to Ethiopia; moreover, the study will identify opportune areas to

¹¹ The introduction is based on the Technical Assessment Fiche and Concept Note for the proposed TA, prepared by the Ministry of Foreign Affairs of Ethiopia, unless otherwise noted.

¹² Figure for 2013. Pew Research Center. (2014).

¹³ Ministry of Foreign Affairs, see the Technical Assessment Fiche.

¹⁴ Including cash, in kind and underground transfers.

¹⁵ Factbook. (2016).

promote remittance products which will increase the quality and quantity of formal remittance flow in the Ethiopian context.

This report next presents an overview of the methods used for this BA followed by the assessment results. These are broken down into four sections – the current state of affairs, key baseline indicators, stakeholder mapping and analysis and feedback regarding the Technical Assistance Fiche (TAF). The annexes provide the specific interviews conducted, sources consulted and other relevant information.

2. Baseline assessment methodology

The methods used for this BA were a literature review and semi-structured key informant interviews (KIIs). Information and data from academic papers, national-level policy documents and directives, newspaper articles, donor project descriptions and status reports, country-level profiles, diaspora association websites and datasets from the NBE, the World Bank and others, were all identified and compiled. (Please see annex 1 for a list of the references used.) During three days in Addis Ababa in March 2016, four in-person KIIs were held with GOE and development partner representatives, and other information was gathered from important stakeholders through emails and phone calls. (Please see annex 2 for a list of the persons contacted.)

There were some limitations encountered with these methods. First, the information available on Ethiopia and remittances is vast. Although great effort was taken, given the short timeframe of the assignment, it is possible that not all the relevant information was compiled when preparing this BA. Second, there are limitations with regard to the availability and accuracy of data. There is a wide discrepancy between some sources of data. To address this, relevant statistics are calculated using multiple data sources and explanations are provided for the rationale behind the preference for one source of data over another. Third, the short duration of the assignment limited the amount of time that could be spent interviewing key informants in Addis Ababa. Although the KIIs were with primary stakeholders in the remittance arena in Ethiopia, more time would have allowed for a greater variety of sources to be interviewed. In addition, some key stakeholders did not respond to requests for information within the timeframe of the assignment

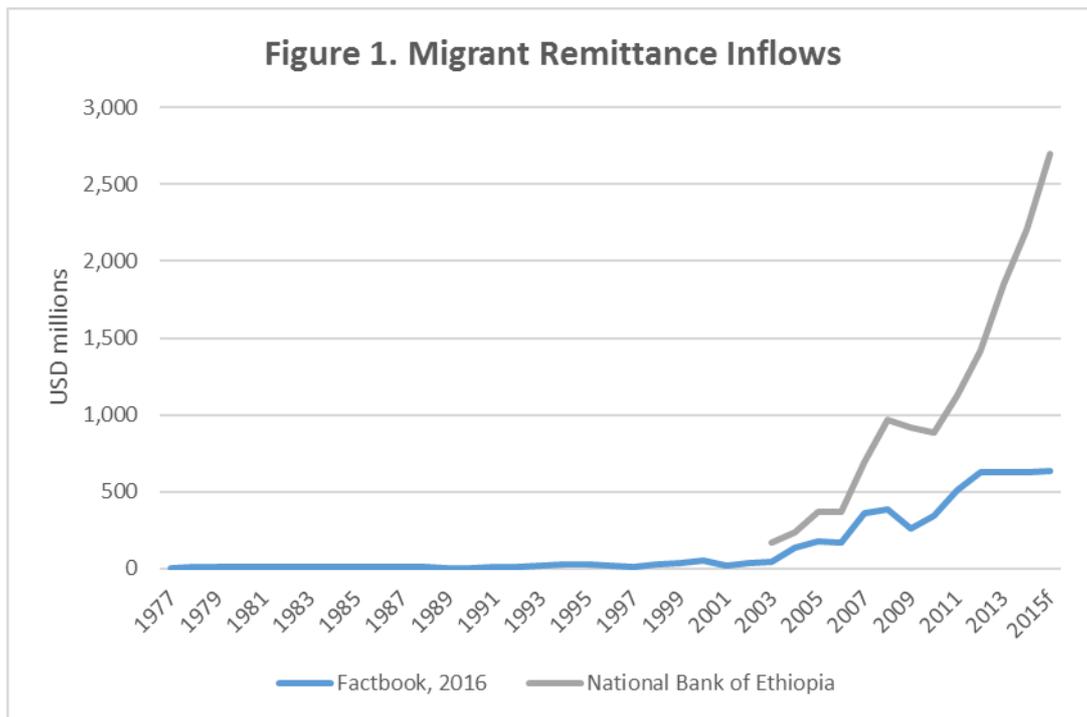
3. Assessment results

3.1 State of affairs

Remittance Flows

Ethiopia's remittance inflows have grown dramatically since the beginning of the century. The National Bank of Ethiopia (NBE), whose available records start in 2003, records an impressive increase from USD 141 million to USD 2.7 billion in 2015. The International Monetary Fund figures are closely aligned with these, showing a level of USD 3 billion in 2014. World Bank data also shows a dramatic increase after 2000, but their level is much lower than the other two sources, reaching USD 624 million in 2014¹⁶ (figure 1). Remittances are an important source of foreign exchange in the country, making up one-quarter of Ethiopia's foreign exchange earnings. They are also an important source of income for many households, especially the urban poor. While remittance inflows have surged, their level might be plateauing. World Bank data indicate that since 2011 remittance levels have barely moved. NBE and IMF data, however, continue to show strong growth.

¹⁶ The World Bank defines remittances to include "all current transfers in cash or in kind between resident and nonresident individuals, independent of the source of income of the sender and relationship between the households". It draws its data primarily from primarily the IMF Balance of Payments Statistics database, but also from central banks, national statistical agencies and World Bank country offices. The cause for the discrepancy between the World Bank's figures on one hand and the NBE and IMF's on the other is still outstanding.



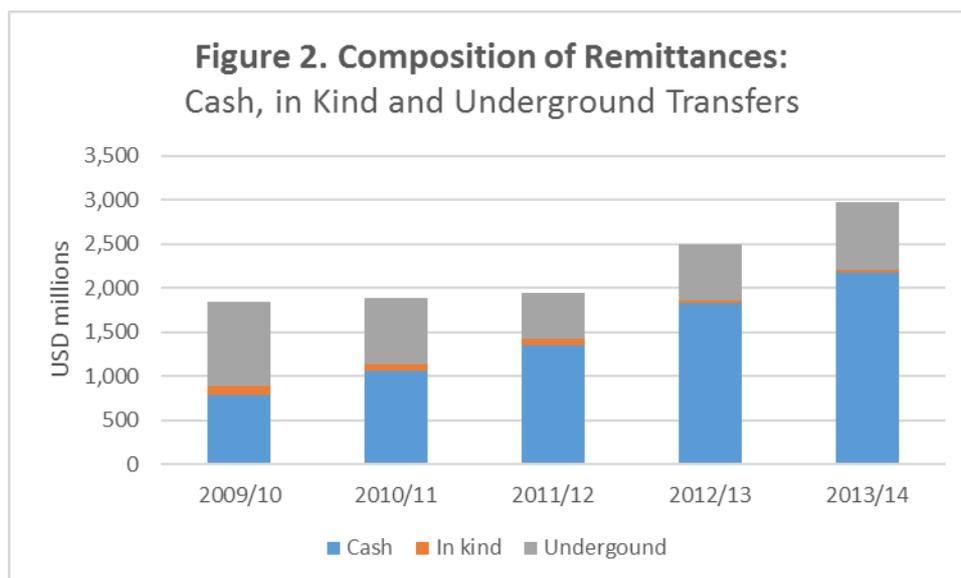
Source: World Migration Factbook. (2016).; NBE annual reports, private cash and in kind transfers between 2002/03 and 2013/14, and NBE staff

These figures are impressive and match the expectations laid out in the Growth and Transformation Plan (GTP), Ethiopia’s medium-term strategic agenda to achieve rapid and broad-based economic growth between 2010/11 and 2014/15. Moving forward, under the new GTPII, remittance targets will be mainstreamed. There will now be an explicit USD target that the NBE will be expected to meet. The target for the five years of the GTPII (2015/16-2019/20) is USD 20 billion¹⁷.

The NBE disaggregates its private transfers (remittances) into three categories – cash, in kind, and underground. Cash and in kind transfers are what is normally referred to when discussing remittances. Underground transfers measure senders’ payments for goods imported to Ethiopia, but which do not pass through Ethiopia. The items are then under invoiced, lowering their import duty. This type of practice is discouraged, and the Ethiopia Customs and Revenue Authority (ERCA) has put into place a system to measure the actual value of imports. The underground transfer amount is reported by ERCA and is the sum of this under invoicing. As figure 2 shows, the value of underground transfers is substantial, reaching almost USD 1 billion in 2009/10. It had declined to USD 763 million in 2013/14.

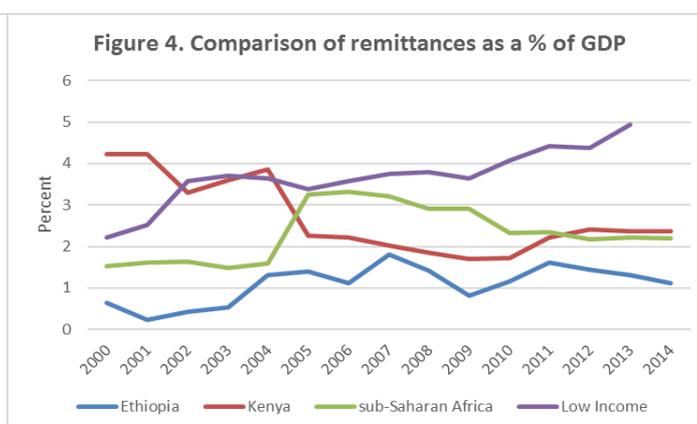
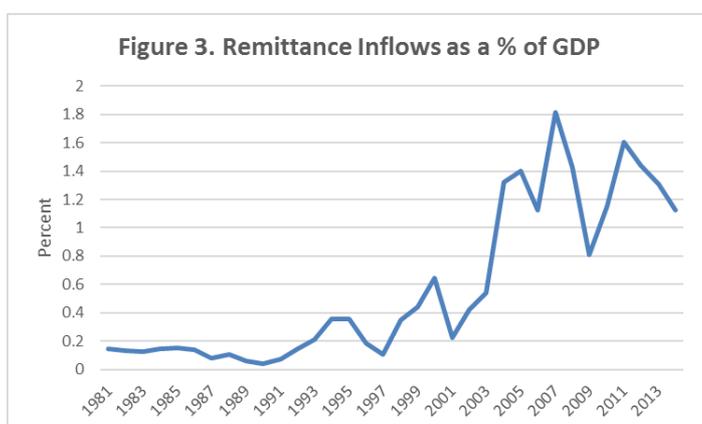
World Bank data shows that, as a share of GDP, Ethiopia’s remittance are small, about 1 percent in 2014 (figure 3). Compared to other countries, this percentage fares poorly. Even among similar countries, Ethiopia’s share of GDP coming from remittances has consistently been near the bottom. In 2014, remittance made up 2.4 percent in Kenya, over twice the level of Ethiopia (figure 4).

¹⁷ Elias Loha, National Bank of Ethiopia.



Source: NBE annual reports

The IMF, which relies directly on NBE data, paints a different picture. It places the share of remittances almost seven times higher than the World Bank in 2014/15 and expects continued strong performance. As it states in its Article IV consultation Report from 2015, “Remittances have played a key role in supporting the balance of payments and in 2014/15 are estimated at 7.4 percent of GDP. Economic stability in Ethiopia and solid growth in developed countries is expected to keep remittances rising in dollar terms”.



Source: World Development Indicators

Payment Systems

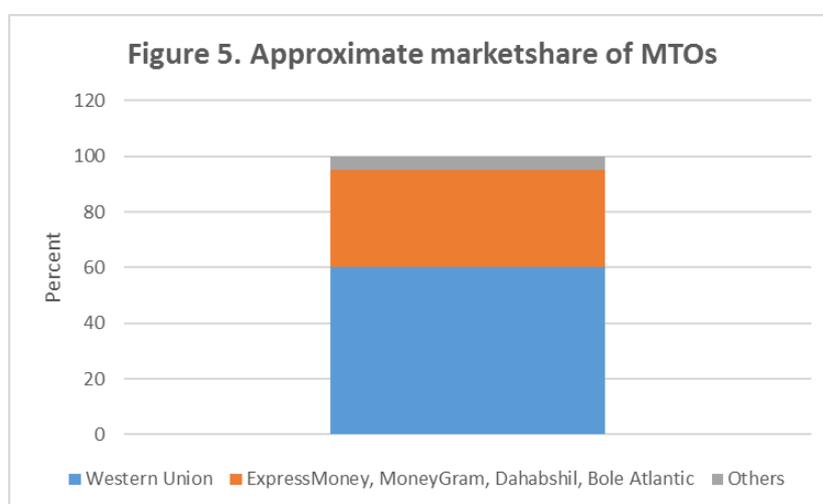
Remittances in Ethiopia are handled through state-owned and private banks as well as Money Transfer Operators (MTOs). The NBE is the agency responsible for regulating the affairs of the remittance payment system. In 2006 it passed the Remittance Service Providers (RSPs) directive, which aimed to improve the operations of the formal remittance system in Ethiopia by reducing the cost of and increasing the access to remittances. Specifically, it stipulated the range of institutions and organizations eligible to provide remittance services in Ethiopia. It also strove to enhance competition among RSPs by, for example, requiring disclosure of fees charged¹⁸. In 2009, the directive was amended. Per the amended directive, RSPs were in addition directed to sign non-

¹⁸ NBE posted rates of different service providers (<http://www.nbe.gov.et/remittanceservice/chargeremittance.html>), but this does not appear to have been updated since 2008.

exclusive agreements and charge zero or minimum tariffs on remittance transfer services. These directives have had a substantial and positive impact.

More than any other action, disallowing exclusive agreements between MTOs and banks seems to have increased remittance levels¹⁹. MTOs’ agreements with banks had stipulated that once a bank had agreed to work with a specific MTO, it could not work with another. This tied the hands of local banks and limited competition among MTOs. The Commercial Bank of Ethiopia (CBE), for example, had an agreement to deal exclusively with Western Union. Following the amendment, the level of remittances has grown substantially, from less than USD 1 billion to almost USD 3 billion. There are now about 40 MTOs working in Ethiopia²⁰ with two state-owned and 15 private banks.

Despite the large increase in the number of MTOs, the majority of remittance transactions are handled by five – Western Union, Express Money, Money Gram, Dahabshiil and Bole Atlantic. Figure 5 shows the approximate breakdown of remittance volumes by MTO²¹. Western Union has the lion’s share followed by the other four companies.



Source: Approximation based on information from the CBE

Cost of Remittances

Ethiopia fares well compared to other countries when it comes to the cost of sending money. The global average cost of sending money stands at around 8 percent²². Sub-Saharan Africa, however, remains the most expensive place, where remittance prices average about 12 percent. In 2011, the first year for which the Remittance Prices database is available, Ethiopia’s average cost to receive USD 200 was 10.1 percent, substantially below other comparator countries. By 2015 this had been reduced to 7.7 percent (table 1). Ethiopia is less competitive when USD 500 is transferred. While these numbers are impressive, they are still well above the 3 percent target set in the Sustainable Development Goals.

¹⁹ Demeke Atnafu, Director Diaspora Engagement Directorate, MOFA. Also, President of the Bank of Abyssinia, quoted in Fortune Magazine, 2011. Available: http://addisfortune.com/vol_12_No_594_Archive/Getting%20Formal%20with%20the%20Informal%20Sector.htm.

²⁰ There are two state-owned banks – Development Bank of Ethiopia and Commercial Bank of Ethiopia – and 15 private banks. In late 2015, the third state-owned bank, the Construction Bank of Ethiopia, was merged with the Commercial Bank.

²¹ Hanna Seifu, Director Foreign Transfer and NR/NT Accounts, Commercial Bank of Ethiopia.

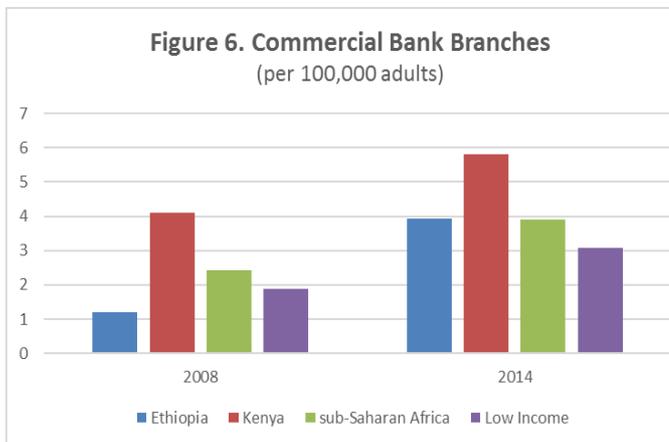
²² Remittance Prices Worldwide dataset.

Table 1. Cost of Remittances (%)

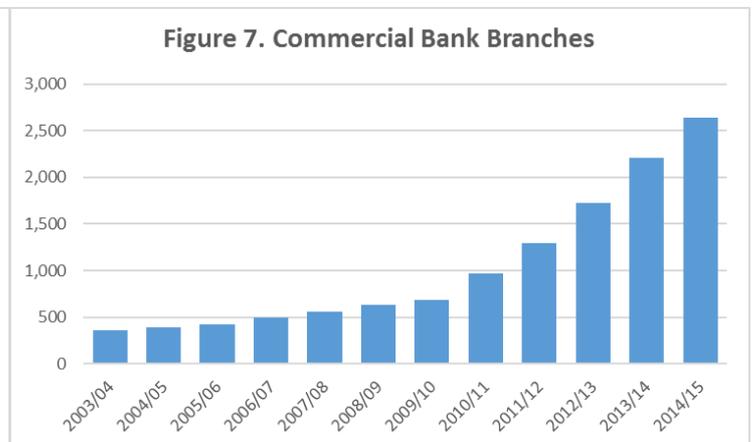
	2011	2012	2013	2014	2015
USD 200					
Ethiopia	10.07	8.19	7.92	7.71	7.69
Kenya	14.00	12.15	12.40	10.53	9.22
SSA	12.49	12.38	12.19	11.47	9.77
Low Income	10.69	10.55	10.58	10.03	8.33
USD 500					
Ethiopia	7.30	6.18	5.86	5.74	6.13
Kenya	8.63	7.49	7.22	6.42	6.01
SSA	7.59	7.27	7.40	6.80	6.25
Low Income	6.41	6.35	6.38	6.03	5.34

Author's calculations based on Remittance Prices Worldwide database, available at <http://remittanceprices.worldbank.org>

The full costs of remittance collection are not captured in these figures and can add substantially to them. As recipients must collect their transfers from a bank branch, the time and expense it takes for them to travel to a branch can add substantially to the cost. Until recently, Ethiopia lagged behind its neighbors in the reach of its banking system. In 2008 there were only 1.2 bank branches per every 100,000 adults²³. In 2011, the National Bank of Ethiopia (NBE) signed the Maya Declaration²⁴ and committed itself to improve the level of financial access in the country by the 2015. Within five years, an additional 1,666 branches had opened, representing a 170 percent increase. This brought Ethiopia to 3.9 branches per 100,000 adults, slightly above the sub-Saharan average (figures 6 and 7).



Source: World Development Indicators with Ethiopia's 2014 number based on the author's calculations using NBE and WDI data.



Source: NBE annual reports

The exchange rate is another factor influencing the cost of remittances. When a country's exchange rate is overvalued, there is an increased incentive for migrants to transfer funds using informal channels, as the real value of the remittance would be diminished. Migrants may also find it better in these circumstances to send goods in kind. The latest IMF Article IV consultations show concerns

²³ World Development Indicators.

²⁴ <http://www.afi-global.org/maya-declaration>.

about Ethiopia's overvalued exchange rate and urge actions to allow more flexibility, indicating there is potential loss of remittance inflows due to this overvaluation²⁵.

Currently microfinance institutions (MFIs) are not allowed to distribute remittances. Despite banks' recent penetration into previously unbanked areas, MFIs have a much wider network; while banks are often located in most small towns, MFIs are present at the village-level²⁶. A strong network of MFIs exists in the form of the Association of Ethiopian Microfinance Institutions (AEMFI), an NGO that includes all 30 MFIs currently licensed by the NBE²⁷. Post offices, which are another method of distribution, have been given permission to distribute remittances, but do not do so in practice. The time it takes to deliver cash to their remote branches prevents quick delivery of payments to beneficiaries.

Size of Ethiopia's Diaspora

The size of the reported Ethiopian Diaspora community varies. The Migration Factbook puts the figure at 749,000 in 2013. Using United Nations Population Division (UNPD) data, the Pew Research Center estimated 590,000 in the same year²⁸. Both of these numbers are far below those of MOFA, whose own estimate is between 2.5 and 3 million²⁹. The stock of emigrants as a percent of the population is 0.8 percent using World Bank or UN data, and 2 percent with MOFA's.

Part of the difference is definitional. The MOFA includes "Ethiopia-born and Ethiopian-origin" in its calculations. They also assume a certain rate of its emigrants obtain citizenship in the countries they emigrate to and include those numbers in their total as well³⁰. The World Bank and UN data count only those that are born in Ethiopia. The MOFA also attempt to include some degree of the informal migration.

Despite the differences in definition, it is likely that the stock of Ethiopian migrants abroad is much closer to MOFA's figures, and maybe even higher. For example, according to the UNPD, there were 30,000 Ethiopian immigrants in Saudi Arabia in 2013. At the same time, MOFA put the number at about 50,000. During that year, the Saudi Arabian Government decided to repatriate undocumented migrant workers. When the process had been finalized, the total number of Ethiopians that had been repatriated was 167,000. The estimates had therefore come in over 300 percent below their actual figure.

These larger numbers are also played out in the migration estimates. The North Africa Mixed Migration Task Force³¹ cites a UNHCR study estimating that 18,000-36,000 migrants a year cross west to Sudan at Metemma. The ILO cites statistics from the Ethiopian MOFA of between 75,000 and 100,000 who migrate irregularly to Libya annually³². In its 2015 annual report, the Regional Mixed Migration Secretariat estimates over 80,000 Ethiopian migrants headed north and landed along the Arabian and Red Sea coasts of Yemen³³. This is a common yearly figure. The latest estimate for irregular migration through the southern route to South Africa³⁴, puts the number of

²⁵ IMF. (2015).

²⁶ Demeke Atnafu, Director Diaspora Engagement Directorate, MOFA.

²⁷ <http://www.aemfi-ethiopia.org/membership>.

²⁸ <http://www.pewglobal.org/2014/09/02/global-migrant-stocks/>.

²⁹ Technical Assistance Fiche.

³⁰ Demeke Atnafu, Director Diaspora Engagement Directorate, MOFA.

³¹ Consisting of the Danish Refugee Council, the International Organization for Migration, the Office of the High Commissioner for Human Rights, the Regional Mixed Migration Secretariat, UNHCR, and the United Nations Office on Drugs and Crime.

³² ILO. (2011).

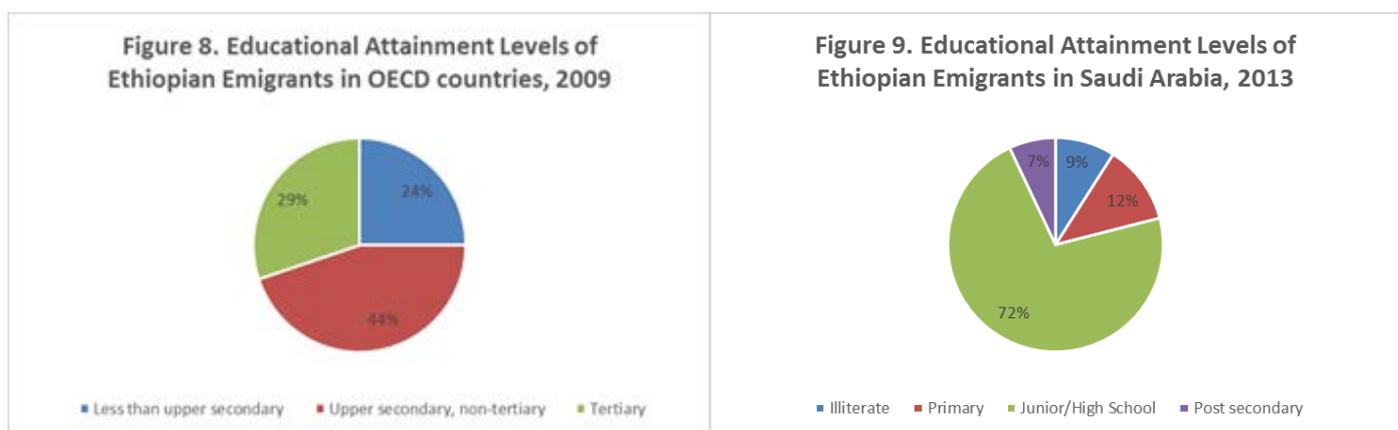
³³ Regional Mixed Migration Secretariat. (2016).

³⁴ IOM. (2009).

annual irregular migrant men from Ethiopia, Somalia and Kenya to South Africa at 17,000-20,000. According to the Migration Factbook, the top destinations for migrants are the United States, Saudi Arabia, Israel, Sudan and Italy, but when informal migration is taken into consideration, these results might change.

Characteristics of Ethiopia's Diaspora

There is little available data on the characteristics of Ethiopia's diaspora, especially given the scale of informal migration. The rate of tertiary educated individuals who emigrate is one indicator that is tracked. The Factbook estimates about 23 percent of emigrants in OECD countries as having a tertiary education and about a quarter with less than upper secondary (figure 8). For those who travel to Saudi Arabia, the figures are not too dissimilar. The majority (72 percent) had had junior high or some high school education. Twelve percent had only a primary school level, and perhaps surprisingly, only seven percent indicated they were illiterate (figure 9).



Source: UNDP. (2009).

Source: IOM. (2014).

Data on Uses of Remittances

There are several sources of migration and remittance data in household surveys conducted by the Central Statistical Agency (CSA), but their scope is narrow. The Household Consumption and Expenditure (HCE) provides the most direct impact of remittances on people's lives. The Welfare Monitoring Survey, Living Standards Measurement Survey, Demographic and Health Survey and the population and housing census do not address the issue. According to a recent IOM National Labor Migration Management Assessment for Ethiopia, the lack of reliable data "is an impediment to understanding the emigration patterns of Ethiopians. The data sources used are generally weak, and the data so-generated are often non-comparable and/or incompatible with data from other (in particular international) sources".³⁵

The HCE survey is conducted every five years and includes remittances as one of the sources of expenditure. The last survey, conducted in 2010/11, showed a high importance of remittances to the urban poor for their daily expenditure (table 3). Remittances comprised 27 percent of the urban poor's expenditure, compared to just 9 percent of rural poor. Their percentage has increased since 2004/05, while that of the rural population had decreased.

³⁵ IOM. (2015).

Table 3. Proportion of Expenditure Coming from Remittances (%)

	Urban		Rural		Total
	<i>Lowest quintile</i>	<i>Total</i>	<i>Lowest quintile</i>	<i>Total</i>	
2004/05	19.1	8.7	14.2	6.7	7.1
2010/11	27	10.3	9	4.9	6.5

Source: Household Consumption and Expenditure surveys from 2004/05 and 2010/11

A World Bank survey in 2010³⁶ found that 14 percent of Ethiopian adults received remittances regularly. They typically came five times a year, and each time were worth an average of USD 120. Using these figures, the estimated potential for annual remittances was over USD 3 billion in 2010, well below what was realized. The most common uses were daily expenses (57 percent), university education (29 percent) and small business expenses (9 percent).

In an IOM survey of returnees from the Kingdom of Saudi Arabia³⁷, fifty-six percent of families confirmed they had received regular remittances while the remaining forty-four percent received them sporadically. Lack of access to formal banks and the high cost of transfers led many to send money home through friends or through agents, referring to smugglers/traffickers and legal employment agents. Illiteracy also plays a role in migrants' inability to use formal mechanisms³⁸. The CBE and Ministry of Labor and Social Affairs are planning to partner in providing training to departing migrants to the Middle East to address knowledge on formal transfer mechanisms.

Informal Transfers

The TAF highlights informal mechanisms of transfer as one of the primary hindrances to increasing remittance volume. There is obviously limited data on this fact, but there are some indications. In the World Bank study on remittances, the majority of recipients said they received their transfer through remittance companies or banks. Just 14 percent mentioned using travelers (figure 10). The IOM study on returnees from Saudi Arabia asked how migrants had transferred money home. Here, 77 percent still used banks (figure 11), while the remaining 23 percent were either given to travelers or passed through agents. It is surprising to see how high the percentage of formal transfers is between these two surveys. There is, however, most likely some underreporting of informal transfers due, perhaps, to interviewees feeling disinclined to disclose use of informal mechanisms.

Still, indications are that there exist a large volume of remittances not transferred through formal channels. Anecdotal evidence points to illiteracy and a lack of access to banks being the primary reasons for irregular migrants avoiding sending remittances through formal channels. The IOM study found that undocumented migrants were forced to rely on smugglers/traffickers and legal employment agents to transfer their funds. These agents often take a percentage of the money carried, sometimes they take it all³⁹. As the locations with the highest number of undocumented migrants, these issues will be more prevalent for the many Ethiopian migrants that reside in Saudi Arabia and South Africa.

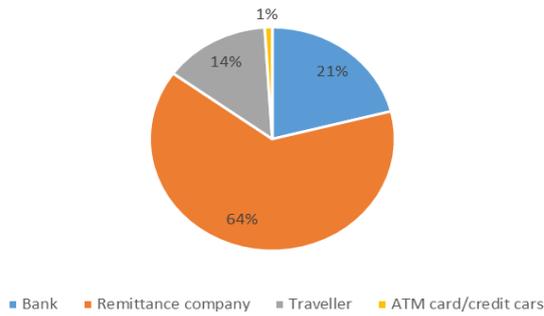
³⁶ World Bank. Remittances to Ethiopia, 2010.

³⁷ IOM. (2014).

³⁸ Demeke Atnafu, Director Diaspora Engagement Directorate, MOFA and IOM. (2014).

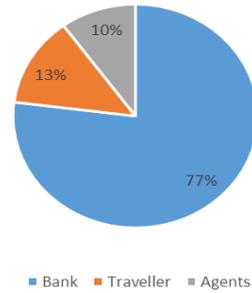
³⁹ Mengistu Tadesse, Program Assistant, IOM Ethiopia.

Figure 10. How Remittances were received, 2010



Source: World Bank. (2010)

Figure 11. How Remittances were sent from KSA



Source: IOM. (2014)

Incentives and Methods to Reach Diaspora

The Diaspora Policy of 2013 provides for a variety of incentives aimed at garnering diaspora support for the country's development. Supported by legislation, the policy allows diaspora who are Ethiopian nationals or foreign nationals of Ethiopian origin to be treated as domestic investors, with access to investment areas reserved for domestic investors. They can also participate in low-cost housing schemes. The involvement of diaspora is facilitated by an extensive and growing institutional framework led by the Diaspora Engagement Affairs Directorate in MOFA and including Diaspora Coordinating Offices in the nine regional states and two administrative cities and diaspora focal points at core Federal Ministries and organizations, including the Ethiopian Investment Commission, as well as Ethiopian embassies world-wide. A Joint Consultative Forum meets semi-annually and is tasked with bringing together all the relevant stakeholders in relation to diaspora engagement issues both at the federal and regional level.

In addition to focusing on lowering the cost of remittances, Ethiopia has started to incentivize its diaspora to send remittances. Envisioned as part of the Diaspora Policy, the MOFA allows for a convenient establishment of local bank accounts for residents abroad. MOFA has also hosted the Diaspora Day since 2013 as a way to reengage with its residents abroad, and the CBE has started honoring some of its remittance customers through various awards.

In an effort to address migrants' access, especially those in South Africa and the Middle East, to secure transfers and to increase formal flow of remittances, the CBE is planning to work with the Ministry of Labor and Social Affairs to train migrants prior to the departure to Middle Eastern countries. The training would involve how to transfer money through banks and encourages migrants to set up and deposit their money into savings accounts. There is also consideration being given to opening up branches of Ethiopian banks in Middle Eastern countries⁴⁰.

The CBE and the Ethiopia Electric and Power Corporation have encouraged the diaspora to invest in major electricity generation projects through the issuance of diaspora bonds. Payment of interest is every six months and the interest rate is based on time till maturity. Bonds were offered in 2007 and 2011, with the second being more successful. The purpose of the bonds has been to fund dam construction, specifically the Grand Ethiopian Renaissance Dam.

The MOFA plans to roll out an online registration system through its website (<http://www.ethdiaspora.org.et/>) in spring 2016. This system will provide MOFA with a database of individuals residing in foreign countries and an easy way to inform them about developments

⁴⁰ Hanna Seifu, Director Foreign Transfer and NR/NT Accounts, Commercial Bank of Ethiopia.

relevant to diaspora. This initiative had already been taking place at Ethiopia embassies through manual registration.

Sustainability

Given the current state of affairs, the sustainability of any TA intervention appears to be high. The GOE has an interest in building a strong relationship between its diaspora and their country of origin, and over the last ten years they have instituted a variety of policies and directives to this end. A paucity of foreign exchange in the country combined with expansive plans of industrial development mean the GOE will expend great efforts to increase its flow of foreign currency. This view is strengthened by the fact that remittance inflows have now been mainstreamed in the current Growth and Transformation Plan II (2015/16-2020/21), whose targets various GOE ministries and agencies are dedicated to attaining.

3.2 Key baseline indicators

This section provides recommendations for potential baseline indicators for the Technical Assistance intervention to best judge its effectiveness.

Indicator # 1 Volume of Diaspora Remittances

The fundamental indicators that the TAF seeks to impact are the “value and amount” of formal remittances to Ethiopia. As such, the value of personal transfers should be the primary point of reference for the intervention. Here some thought should be given to which data source should be used. The World Bank’s data differs significantly from that of the IMF and NBE. Given the consistency of the figures between the latter two players, this baseline assessment would recommend taking the NBE as the official figures determining the baseline.

Table 4 lists the volume of remittances in USD since 2010. The values for 2014/15 are indicative and should be confirmed with the NBE. Thought needs to be given as whether to include the underground transfers in the indicator as well. These are transfers that the ECRA has measures in place to prevent, and the NBE would like to see underground transfers decrease and instead come through the formal channels. Given that the GOE seeks to decrease this type of transfer, the most appropriate indicator would be **volume of remittances as measured by the value of the cash and in kind transfers reported by the NBE.**

Table 4. Total Volumes of Diaspora Remittances (USD mill.)

	2010/11	2011/12	2012/13	2013/14	2014/15
Total	1886	1946	2492	2971	3800*
Cash	1066	1347	1822	2183	2700*
In kind	64	71	31	25	NA
Underground	756	528	639	763	NA

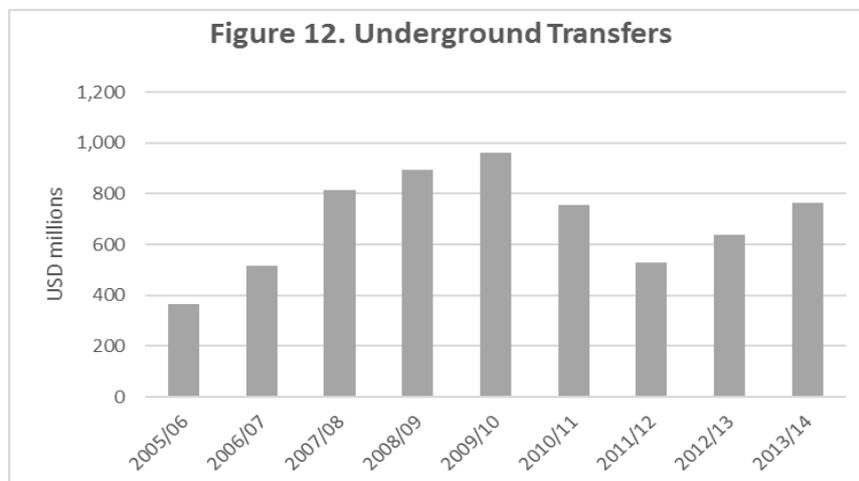
Source: NBE annual reports; * indicates estimate of NBE staff; NA indicates not available

Of course, this indicator will be affected by many factors outside of the control of the technical intervention, and indeed outside of the activities of the GOE itself. As such, it should be considered an outcome or impact indicator, which is to say, an indicator whose level the intervention seeks to impact, but which is also influenced by factors beyond the intervention.

Indicator # 2 Volume of Underground Transfers

In addition to impacting the formal transfers to Ethiopia, GOE stakeholders also seek to minimize the amount of underground transfers, which are those pay for goods imported to Ethiopia, but which do

not pass through Ethiopia. These items are under then invoiced, lowering their import duty. The actual value of this indicator is difficult to calculate. ERCA has put into place a system to measure the actual value of imports so as to estimate the underground amount. Figure 12 presents the estimates of this value from 2005/06, the first year for which data is available. The amount has varied throughout the years, but the trend from 2011/12 has been increasing.



Source: NBE annual reports

Indicator # 3 Cost of Remittances

Given that one of the primary drivers behind the choice to use informal channels or not is cost, the TA should consider the cost of remittances as a second baseline indicator. Here a primary source of data could be the World Bank's Remittance Prices Worldwide database (<https://remittanceprices.worldbank.org/en>). This database provides quarterly transfer costs to Ethiopia from four corridors (United States, Great Britain, Italy, Saudi Arabia) for twenty MTOs. The costs are further broken down by transfer type (cash to cash, account to cash and online service) and speed (less than an hour, next day and 3-5 days). The total cost is calculated by adding the fee charged for sending a certain amount and a margin taken on the exchange rate when remittances are paid and received in different countries. Each of these costs is included in the database for each MTO.

This database has its strengths and weaknesses. One weakness is that it does not take into account the volume of remittances that use a certain corridor. Therefore, if a corridor that is not used to transfer many remittances has a high price, this corridor will increase the stated average cost of the transfer despite few people using it. On the other hand, it is quite useful to examine specific MTOs or corridors. For example, when sending USD 200 in quarter 4 of 2015, it can tell us that the cost for sending remittances to Ethiopia from Saudi Arabia had a minimum cost of USD 30 and a maximum of USD 35, which was much higher than that from the United States (USD 9.99 to USD 15).

Table 5. Cost to send USD 200 to Ethiopia from Saudi Arabia and USA
(Quarter 4, 2015)

	Min USD	Max USD
Saudi Arabia	30	35
United States	9.99	15

Source: World Bank, Remittance Prices Worldwide, available at

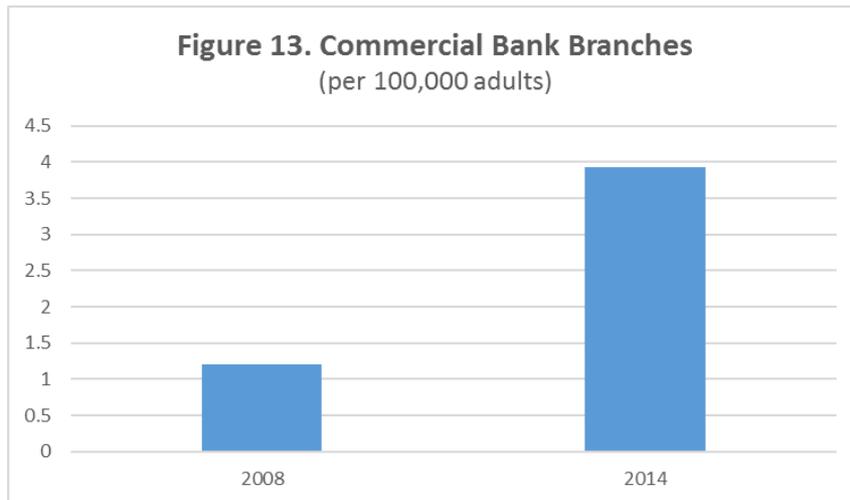
<http://remittanceprices.worldbank.org>

Note: These are just for the fee charged by the MTO and do not include margins on exchanging currencies

Using this data, both the average cost as well as the cost by corridor or by MTO could be monitored. The latter would be most useful if the TA were to work with the Government on the costs of specific corridors or MTOs.

Indicator # 4 Number of bank branches per 100,000 adults

One of the factors influencing the cost of transfers is the degree of financial inclusion. Ethiopia has made impressive strides over recent years in expanding the reach of its banking industry, but there is still a large portion of the population that remains without convenient access to a bank branch. Figure 13 shows there were 3.9 branches per 100,000 people in 2014, a substantial increase over the number in 2008.



Source: World Development Indicators

Indicator # 5 Number of New or Innovative Policies or Directives Adopted to Increase Remittance Flow

Ethiopia is already undertaking many of the right things in order to increase remittance flow, including a zero percent commission by banks, transparency by MTOs and providing incentives to diaspora and recipients. To move beyond the current level therefore and in keeping in line with the objectives of the BA to identify new remittance products, Ethiopia should consider adopting new and innovative policies or products. One option would be to use MFIs as distributors of remittances. Working with the Association of Ethiopian Microfinance Institutions, for example, would dramatically increase the reach of remittances into rural areas and decrease the time and cost it takes to collect them. Another option, recently adopted in India and Kenya, would be to accept remittances through transfer via mobile phones. Perhaps this could be done through MBirr, as the mobile banking platform has now been established and is gaining ground. This might be especially pertinent in urban areas, where remittances comprise a large portion of poor families' expenditure and mobile data connections are common. It is beyond the scope of this baseline assessment to layout the full scope of innovative options available, but the options to expand the methods of remittance transfers are growing, and some might be a good fit for Ethiopia.

3.3 Stakeholders mapping and analysis

This section presents the main actors involved in the remittance sector in Ethiopia. Given the limited time of the assignment, it was not possible to establish contact with each actor. Please see Annex 2 for a list of those contacted directly.

Government and public stakeholders

The **Ministry of Foreign Affairs**, which houses the **Diaspora Engagement Affairs Directorate**, is the main stakeholder in diaspora affairs. **Diaspora Coordinating Offices**, which have been established in each of the nine regions and two city administrations, bring this coordination to regional level. There are diaspora focal points in key federal ministries and agencies, such as the **Ethiopian Investment Commission**, and the **Ethiopian embassies**. The **Joint Consultative Forum** brings together the relevant stakeholder in diaspora engagement on a semi-annual basis.

The **National Bank of Ethiopia** sets policy and promulgates directives with regard to remittances. The **Central Statistical Agency** conducts surveys and maintains statistics, some of which relate to the flow of remittances. The **Ministry of Labor and Social Affairs** will work with the **Commercial Bank of Ethiopia** to train emigrants headed to the Middle East on establishing a savings account and transferring remittances through formal channels. The CBE is also working with the **Ethiopian Electric Power Corporation** on issuing diaspora bonds. The **Development Bank of Ethiopia** is the other state-owned bank and is involved in distributing remittance payments.

Private sector

There are about 15 **private banks** in Ethiopia⁴¹. Each has their own agreements with the variety of **Money Transfer Organizations** that the NBE has authorized to work in the country. The most common MTOs are **Western Union, MoneyGram, Dahabshiil, Bole Atlantic** and **Express Money**.

Non-governmental organizations

There are several NGOs working in the field. Primary among these is the **Association of Ethiopian Microfinance Institutions**, which includes each of the 30 MFIs certified to operate in Ethiopia. **Oxfam Novib** implemented a project between 2009 and 2011 that promoted partnerships among MFIs and financial institutions in the United States and tried to reduce the costs of remittance transfers. There are many **Ethiopian diaspora organizations**. The Directorate for Diaspora Engagement in the MOFA keeps a list of 40-50 such organizations, although it is not currently updated. Several of the more prominent ones are - **Ethiopian Diaspora Business Forum, People to People**, the **Ethio-American Doctors Group, Oromia Diaspora Association** and the **Young Ethiopian Professionals** (see Annex 4). There is also the **Society of Ethiopian American Engineers and Scientists**.

Multilateral and bilateral donors

The **International Monetary Fund** collects remittance figures and uses them in their Debt Sustainability Analysis calculations. The African Union's **African Institute for Remittances**, based in Nairobi, Kenya, aims to build the capacity of member states of the African Union in leveraging remittances for development. It also plans to work with partner states to reform their laws and regulations so as to lower the cost of remittances⁴². **United Nations Conference on Trade and Development** has recently opened an office in Addis Ababa, and held a high-level policy dialogue on December 23, 2015 with MOFA that aimed to improve the leveraging of diaspora resources for economic growth⁴³. The **International Labour Organization** runs two projects - a EUR5 million project, funded by the European Union, to reintegrate refugees following their return from Saudi Arabia and a EUR2 million project, also funded by the EU, entitled "Development of a Tripartite Framework for the Support and Protection of Ethiopian and Somali Women Domestic Migrant Workers to the GCC States, Lebanon and Sudan". The **International Fund for Agricultural**

⁴¹ Abay Bank S.C, Addis International Bank, Awash International Bank, Bank of Abyssinia, Berhan International Bank, Bunna International Bank, Dashen Bank, Debub Global Bank, Enat Bank, Lion International Bank, Nib International Bank, Oromia International Bank, United Bank, Wegagen Bank, Zemen Bank.

⁴² <http://kenya.news24.com/Business/News/au-to-assist-african-states-to-lower-remittances-cost-20151223>.

⁴³ <http://www.mfa.gov.et/-/unctad-high-level-policy-dialogue-on-leveraging-ethiopia-s-diaspora-resources>.

Development operates the Financing Facility for Remittances worldwide (since 2006) and implements the Rural Financial Intermediation Programme in Ethiopia (2011-2018), which has enabled three million rural households to access financial services.

The **World Bank** is the implementer for the Harnessing Innovations for Financial Inclusion (HiFi), a **DFID**-sponsored project that will undertake a review of the national payment systems and assess the international remittance market. In addition, the World Bank is looking at initiating a financial sector development program that will make a significant contribution to financial stability and reduce systematic risk, including an assessment of remittances.

The **IOM** works on migration issues, including assisting refugees, but also provides emergency and livelihood assistance, engages with diaspora, works on reintegration assistance for returnees, refugee resettlement and repatriation assistance.

Research organizations

Researchers at **Addis Ababa University** publish widely on the flow and impact of remittances to Ethiopia. The **Ethiopian Economics Association** has published several papers on remittances and collaborated with other partners, such as the **Center for International Forestry Research**⁴⁴.

3.4 Feedback regarding the Technical Assistance Fiche

The proposed TA is highly relevant given the current state of affairs. The GOE is doing well in its quest to increase remittance flow. The NBE directive of 2006 and its amendment of 2009 institutionalized non-exclusive agreements with MTOs, the transparency in MTOs fees and zero commission in local banks. The signing of the Maya declaration and the subsequent expansion of banking services brought many rural communities within easy access of remittances. The plan of the CBE and MOLSA to train emigrants on banking procedures will enhance migrants' knowledge of formal transfers. These are all positive developments and have led or will lead to impressive increases in the volume of remittances Ethiopia receives.

Nevertheless, there remains still more that can be done. According to World Bank data, the share of GDP coming from remittances remain among the lowest in sub-Saharan Africa. There is evidence, both survey and anecdotal, that the size of the informal market is large, perhaps as large as the formal one. The cost of sending money can still be high, as seen by the quarter 4 2015 rates from Saudi Arabia. The IOM study of returnees from Saudi Arabia showed that many migrants do not use formal mechanisms of transfer, relying on agents to carry money. Illiteracy among emigrants and irregular migration are common, as is a lack of access to banking institutions for migrants, especially those in the Middle East and South Africa. Limited presence of financial institutions mean a large portion of the rural population still remains out of reach of remittances. Also, the lack of reliable data is impediment that makes understanding of emigration and remittances difficult. Thus there is ample scope for the proposed TA to provide valuable and timely recommendations.

No particular risks are envisaged. Data quality will be of primary importance to the TA. The discrepancy in fundamental numbers, such remittance volume and emigrant stock, prevents basic analysis from being conducted. The one recommendation this BA would bring to the scope of the TA would be to address the issue of data on remittances, both for migrants abroad and the use of remittances at home. Despite having a wide variety of survey data collected by the CSA, little of it is dedicated to remittances.

This assessment proposes no major adjustments to the TAF. Based on the current assessment, it accurately reflects the situation in the country. As the TAF mentions, when examining the best practices in other countries, it will be important to consider those practices within the particular

⁴⁴ Ethiopian Economics Association. http://www.thinktankinitiative.org/sites/default/files/Opp_FUNd_EEA-EEPRI_April_2015_EN.pdf.

context of Ethiopia. Ethiopia might benefit more from the “best fit” approach as opposed replicating best practices.

Annexes

Annex 1 – List of literature reviewed

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Annex 2 – List of key informants

Name	Position	Organization	Contact details	Date of the meeting/ call held	Comments on contacts made
Elias Loha	Senior Advisor, Monetary Stability Cluster	National Bank of Ethiopia	+251115175118 +251911227809 eliasloha@nbe.gov.et	4/3/2016	
Yohannes Alemayehu	Data Officer	National Bank of Ethiopia	yonnitall@gmail.com	4/3/2016	
Hanna Seifu	Director Foreign Transfer and NR/NT Accounts	Commercial Bank of Ethiopia		7/3/2016	
Demeke Atnafu	Director	Diaspora Engagement Affairs Directorate, MOFA	+251115513884 diaspora@mfa.gov.et	7/3/2016	
Mengistu Tadesse	Program Assistant	IOM	tmengistu@iom.int	8/3/2016	
Birgitte Hagelund		EU	Birgitte.HAGELUND@eeas.europa.eu		Reached out 26/2/2016 and 8/3/2016
Lars Nielsen		EU	Lars.Nielsen@eeas.europa.eu		Reached out 8/3/2016
Dagim Kassahun	Country Programme Assistant	IFAD	+251911505206 d.kassahun@ifad.org	4/3/2016	Provided general information on IFAD programming
Robson Mutandi	Country Director and Representative East and Southern Africa Region	IFAD	+251911523950 r.mutandi@ifad.org		Reached out through his assistant 4/3/2016, but no response as of 13/3/2016
Fumiko Nagano	Head, Migration Management Unit	IOM	+251930098527 fnagano@iom.int		Had a scheduling conflict at our proposed meeting time,

					8/3/2016
Guebray Berhanu	Senior Communications Officer	ILO	guebray@ilo.org	3/3/2016	Through email; Provided contacts within the ILO
Alemayehu Geda	Professor	Addis Ababa University	+2510911249926 ag112526@gmail.com alemayehu.geda@aau.edu.et		Reached out 5/3/2016, no response as of 13/3/2016
Aida Awel	Chief Technical Advisor; runs the ILO project reintegrating returnees from Saudi Arabia	ILO	aida@ilo.org		Reached out 9/3/2016, no response as of 13/3/2016
Tesfachew Tafere	Director, Division for Africa, Least Developed Countries	UNCTAD	tesfachew.taffere@unctad.org		Reached out 9/3/2016, no response as of 13/3/2016
Jan Mikkelsen	Resident Representative	IMF	+251116627800 fasgedom@imf.org		Reached out 9/3/2016, no response as of 13/3/2016

Annex 3 – Data on key Non-State Actors

Full name of the organization and acronym (if available)	Global Alliance for the Rights of Ethiopians (GARE)
Organization address and general contact details	Washington, DC +18777464384 www.defendethiopians.org
Contact person details	
Background	Established in 2013
Resources	
Core mandate of the organization	Established in response to the crisis emanating from the decision by the Government of Saudi Arabia to expel Ethiopian migrant workers.
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Fundraising for returnees from Saudi Arabia
Past activities relevant to the subject	
Field presence in the country	None

Full name of the organization and acronym (if available)	US Association for International Migration (USAIM)
Organization address and general contact details	1752 N Street, N.W., Suite 700, Washington D.C. USA +12028621826 ext. 230
Contact person details	usaim@iom.int
Background	
Resources	
Core mandate of the organization	Core activities include mobilizing private sector resources, broadening public awareness, and promoting best practices - all with the goal of encouraging domestic and international programs benefiting migrants, displaced persons and their families.
Legal status in the country	non-profit organization
Ongoing activities	Mobilizes resources from individuals and the private sector to support IOM projects worldwide
Past activities relevant to the subject	

Field presence in the country	
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Full name of the organization and acronym (if available)	People to People (P2P)
Organization address and general contact details	P.O. Box 1209 Morehead, KY 40351 http://www.p2pbridge.org/
Contact person details	Enawgaw Mehari, MD, Director
Background	Founded in 1999, P2P is an international network of organizations, with headquarters in the US and an office in Ethiopia that serves as a focal point for all global chapters of the organization, including Canada, Finland, Sweden, Switzerland, the UK, and more. There are currently more than 5,000 P2P members worldwide, including doctors and other professionals who strive to make a difference in the lives of others. P2P also holds consultative status with the United Nations Economic and Social Council.
Core mandate of the organization	P2P is dedicated to improving health care and reducing the spread of diseases, particularly in Ethiopia and in diaspora communities.
Ongoing activities	Non-governmental, non-profit organization
Past activities relevant to the subject	Weekly radio program to engage the Diaspora Promotion of reproductive health Orphan vocational training
Field presence in the country	Mr. Yishak +251911929082

Full name of the organization and acronym (if available)	Ethiopian Diaspora Fellowship (EDF)
Organization address and general contact details	109 S. Normandie, #302 Los Angeles, CA 90004 http://ethiopiandiasporafellowship.org/
Contact person details	Rediate Tekeste rediate@ethiopiandiasporafellowship.org
Background	Commenced activities in 2015. First cohort of Fellows placed that year.
Core mandate of the organization	EDF will offer diaspora applicants the opportunity to work with different organizations in Ethiopia and participate in educational programs and trainings
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Fellowship program

Field presence in the country	Places Fellows with local organizations
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Full name of the organization and acronym (if available)	Association of Ethiopian Microfinance Institutions (AEMFI)
Organization address and general contact details	African avenue, Bole Kirkos subcity P.O. Box 338, Code 1110 Addis Ababa, Ethiopia +251115572190 http://www.aemfi-ethiopia.org
Contact person details	Dr. Wolday Amha, Executive Director
Background	Founded in 1999.
Core mandate of the organization	The original goals were for it to serve as a platform for knowledge and information sharing, and lobby for political support for the development of an enabling environment for the business of microfinance.
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Since its formation, AEMFI's goals and activities have broadened to include training, research, performance monitoring and benchmarking and provision of technical assistance. Regionally, AEMFI is the strongest of the Country Level Networks in Africa.
Past activities relevant to the subject	National, Regional and International Networking, establishing a Resource Centre, Training and Experience Sharing Visits

Full name of the organization and acronym (if available)	Ethiopian Diaspora Business Forum
Organization address and general contact details	Springfield, VA, USA http://www.theethiopianamerican.com/index.php
Contact person details	Yohannes Assefa, Managing Director, yohannes@theethiopianamerican.com abadefar1@gmail.com +12029997369
Background	Establish in 2004
Core mandate of the organization	businesses and investment matters
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Publishes The Ethiopian American, non-political business magazine that serves the Ethiopian diaspora business community in the United States. Also arranges community lectures and forums. Gives out the

	Diaspora Business Champion Awards.
Past activities relevant to the subject	The group assisted both the Ethiopian Intellectual Property Office and Oxfam in mobilizing 100,000 petitions against Starbucks.
Field presence in the country	Omer Redi Ahmed Media and Communications Consultant +251911687864 omexa2004@gmail.com

Full name of the organization and acronym (if available)	Ethio-American Doctors Group (EADG)
Organization address and general contact details	1350 Connecticut Ave NW Washington, DC http://ethioamericandoctors.com/
Contact person details	info@ethioamericandoctors.com
Background	Active since 2004
Core mandate of the organization	To provide first-rate healthcare, to transfer medical knowledge and skills to healthcare workers through education and relevant medical research, and to meaningfully improve the delivery of healthcare in Ethiopia, the region and Africa
Legal status in the country	Non-governmental organization, for profit
Ongoing activities	EADG largely consists of a consortium of 200+ physicians whose objective is to establish a patient--centered, internationally accredited tertiary hospital in Addis Ababa, Ethiopia.
Past activities relevant to the subject	
Field presence in the country	

Full name of the organization and acronym (if available)	Oromia Diaspora Association
Organization address and general contact details	Oromia Tower, 4 th floor Addis Ababa, Ethiopia http://www.oromiyadiaspora.net/
Contact person details	info@oromiyadiaspora.net
Background	Established on January 16, 2015 and legally registered by the Justice Bureau of Oromia National Regional State on March 6, 2015.
Resources	
Core mandate of the	The ODA is aimed at taping the opportunities provided by the federal

organization	government and Oromia regional state government and getting protection of their members' rights abroad and to solve domestic bottlenecks confronting their members.
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Export promotion; Technology transfer
Past activities relevant to the subject	
Field presence in the country	

Full name of the organization and acronym (if available)	Ethiopia Diaspora Association
Organization address and general contact details	
Contact person details	Dr. Ababu Minda +2511911215297 +2511911394880 ababum@yahoo.com
Background	Could not find more information on this organization.
Resources	
Core mandate of the organization	To mobilize and direct Diaspora resources, knowledge and experience, and join forces and unite with the Ethiopian people and Government to advance their development
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	
Past activities relevant to the subject	
Field presence in the country	

Full name of the organization and acronym (if available)	Young Ethiopian Professionals
Organization address and general contact details	Washington, D.C., USA http://yepnetworks.org/
Contact person details	Mesfin Getaneh

Background	Established on November 2010
Resources	
Core mandate of the organization	To promote networking among Ethiopian professionals and support the Diaspora community to reach its highest potential
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Holds annual galas. Provides academic support and guidance to students in high school and college. Assists newcomers to the United States in their educational and career path by providing opportunities and resources to build connections with members. Promotes collaborative opportunities to engage local Ethiopian community organizations, professional associations, and the business community to give back and support.
Past activities relevant to the subject	
Field presence in the country	

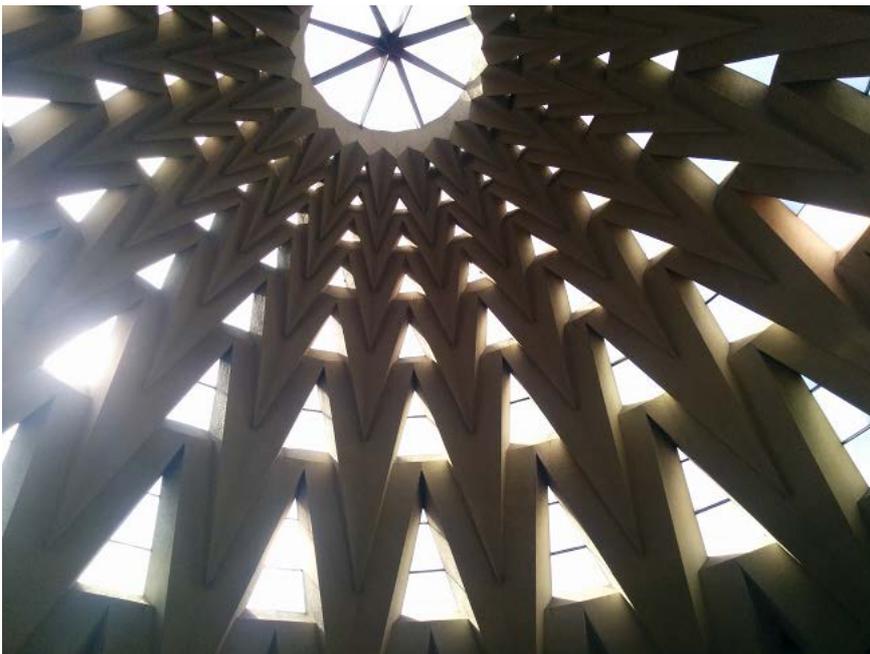
Full name of the organization and acronym (if available)	Ethiopian Diaspora Association in Switzerland (EADS)
Organization address and general contact details	BP 1086 Geneva 1 Switzerland http://www.ethiopiandiaspora.ch/edas/
Contact person details	edas@ethiopiandiaspora.ch
Background	Established in June 2015
Resources	
Core mandate of the organization	Assists its members to engage in social and economic development of their country of origin.
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	
Past activities relevant to the subject	
Field presence in the country	

Full name of the organization and acronym (if available)	Ethiopian Economics Association (EEA)
Organization address and general contact details	Yeka Sub - City, Kebele 19 On the Road from Megenagna to CMC CMC Area, ALTAD, Adjacent to St. Michael Church Addis Ababa, Ethiopia +251116453200 www.eeaecon.org
Contact person details	eea@ethionet.et
Background	Established in 2009
Resources	
Core mandate of the organization	To contribute to the economic policy formulation capability and broadly to the economic advancement of Ethiopia.
Legal status in the country	Non-governmental, non-profit organization
Ongoing activities	Migration, Remittances and Forest Dependence in Ethiopia (2015-2017) in collaboration with the Center for International Forestry Research
Past activities relevant to the subject	
Field presence in the country	

Annex 4 – Photos of Ethiopia



Street scene from the top of Churchill Road, Addis Ababa



Interior of the Commercial Bank of Ethiopia, Addis Ababa



View of the Rift Valley, one-hour northwest of Addis Ababa



Street scene showing construction site, Addis Ababa