

# Pan African Remittances conference

*Enhancing the investment and development capacity of remittances to Africa*

## Background to remittances

Migrant remittances are an increasingly important source of development finance and now constitute the second largest inflow to developing countries, exceeding even international aid. The World Bank estimates that US\$225 billion was remitted to the developing world in 2005. To Africa, latest estimates are that remittances are now in the realm of \$30-40 billion per year and are increasing as the earning power of the Diaspora continues to grow. Often, they contribute as much as half of the recipient household's annual income and help raise financial inclusion and alleviate poverty. Furthermore, they have a valuable positive impact on the economy of the receiving country.

## Pan African remittances conference

Throughout the continent, financial and monetary policies and regulations create barriers to the flow of remittances and their effective investment. The challenge facing many African countries is how to remove these barriers in order to enhance the investment and development capacity of remittances for the benefit of recipients, senders and society as a whole.

PBI and Africa Recruit will host a one-day conference in London in October 2006 on enhancing the investment and development capacity of remittances to Africa. This conference is intended to develop products and strategies and be a platform for the exchange of ideas between financial service providers, central banks, micro finance institutions, policy makers and sector specific companies on the methods of transferring money to, and within Africa.

In order to maximise the benefits from having a large pool of citizens living abroad, a number of developing countries offer incentives to attract remittances into local savings and investment funds. Brazil, Mexico, India and the Philippines have set up migrant pension plans, offer preferential loans or grants for business ventures using remittances and provide access to capital for recent returnees. African countries have also begun to develop strategies and policies that enhance the flows of remittances. Burkina Faso has set up structures to enable the Diaspora to open up bank accounts at home enabling more of the remittance flows to move from the informal to the formal sector. Zambia has adopted an innovative policy of encouraging migrant workers in Botswana to invest in property by putting aside plots of land in Livingstone specifically for them. This, in turn, energises the local economy and encourages continual investment flows. Increasing consumption of local goods and services in the region will result in a multiplier effect on the micro economy.

A further original initiative that is gaining popularity across Africa, is that of migrant workers sending remittances home in the form of education and health vouchers to their families; this ensures that there is a guaranteed tangible outcome for their remitted funds. There is however a long way to go. But by providing a platform to exchange best practice and ideas, this conference will provide a pan African stage for all stakeholders in this vital source of revenue for Africa.



The objectives of the conference are to:

- Consider the role of government - what policies can government adopt to encourage the efficient use of income, ensure proper regulation facilitate access to financial services and ease regulations for the flow of remittances
- Make remittances easier and cheaper - incentivise senders and recipients – encourage MTOs and Banks
- Establish the different methods used to remit money - provide country-specific examples
- Promote financial services inclusion – create universal access to financial services
- Examine the emerging technologies associated with remittances such as cellular and card technologies
- Establish what remittances are used for in the receiving country and what policy and product changes can be made to assist or improve how they are used. i.e. living expenses, land programmes, healthcare programmes, SME development, investment on stock exchanges
- Consider micro finance institutions' role in remittances and how best to use established country networks
- Establish an action plan to promote the alternative uses of remittances to the Diaspora

## Attendees

Attendees will include:

- Central banks
- Pan African financial institutions
- Aid agencies
- European governmental development agencies
- Development banks
- High Commissioners/Ambassadors
- African banks, UK banks and MTOs
- Government ministries and departments (UK and African)
- Micro finance institutions
- Departments of trade and industry (and other SME development agencies)
- Sector specific companies e.g. healthcare, insurance, property, investment, education organisations
- UK and European based African community leaders and Diaspora organisations and European

## Speakers

Speakers will include:

- African Central Bank Governors
- Pan African financial institutions
- Micro Finance Institutions
- African finance ministers
- Development banks
- Companies who provide payment technologies
- Sector specific companies i.e. healthcare, insurance, mortgage, investment, education organisations
- Aid Agencies

For further details about the conference, please contact:

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