

# **Migration in the Financing for Development and in the Post 2015 Development Agenda**

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Forum**

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- **International migrants: 250 million**
- **South-South migration: 37% > S-N migration**
- **Domestic migrants: 750 million**



# Remittances

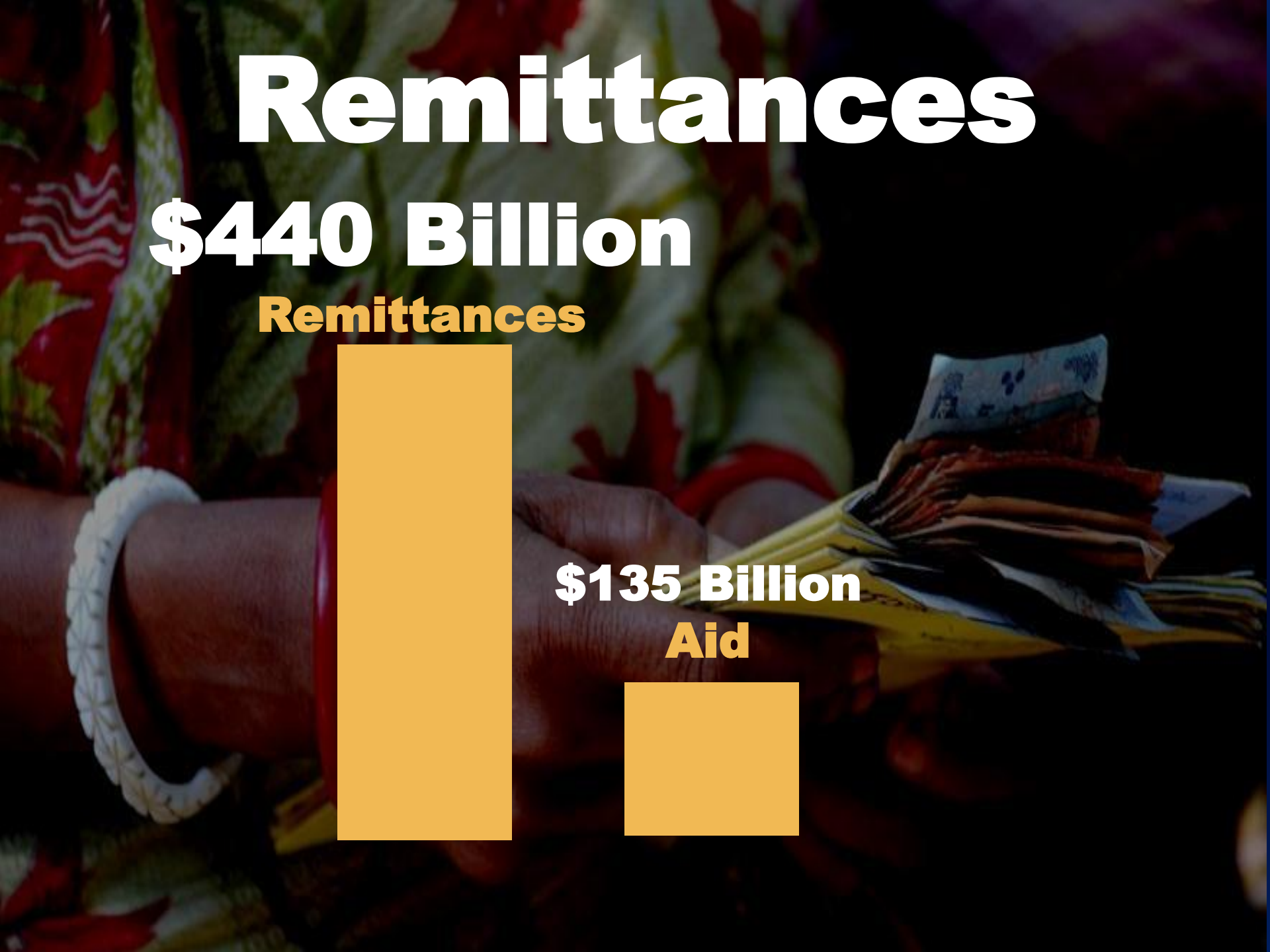
**\$440 Billion**

**Remittances**



**\$135 Billion**

**Aid**



# Exorbitant remittances costs



**8%**

Global average



**12%**

Africa



**20%**

Within Africa



**95%**

Venezuela

# Reduce remittance cost



# Global Remittances Agenda

## 1. Monitoring, analysis, projection

- **Size, corridors, channels**
- **Counter-cyclicality**
- **Effects on poverty, education, health, investment**
- **Policy (costs, competition, exchange controls)**

## 2. Retail payment system

- **Payment platforms/instruments**
- **Clearing/settlement, capital adequacy, disclosure, cross-border arbitration**
- **Anti-money laundering (AML/CFT)**

## 3. Financial access for households, SMEs

- **Deposit and saving products**
- **Mortgage, consumer loans, microfinance**
- **Credit history for MFI clients**
- **Insurance products**

## 4. Capital market access for countries, companies

- **Sovereign credit rating**
- **Bonds backed by future remittances as collateral**
- **Diaspora bonds**

# Over \$50 billion per year could be mobilized via diaspora bonds

	Diaspora size (millions)	Estimated savings (\$ billions)
<b><u>Developing countries</u></b>	<b><u>181</u></b>	<b><u>511</u></b>
<b>East Asia &amp; Pacific</b>	<b>29</b>	<b>116</b>
<b>Europe &amp; Central Asia</b>	<b>42</b>	<b>93</b>
<b>Lat. America &amp; Carib.</b>	<b>34</b>	<b>146</b>
<b>Middle East &amp; N. Africa</b>	<b>19</b>	<b>47</b>
<b>Sub-Saharan Africa</b>	<b>22</b>	<b>37</b>
<b>South Asia</b>	<b>35</b>	<b>72</b>

Source: Ratha and Mohapatra 2011.



**Recruitment fees**  
**\$4,000**

**Income per year**  
**\$2,000**



# Reduce recruitment costs



# **\$100 billion idea**

- **Diaspora savings via diaspora bonds (\$50 bn)**
- **Reducing remittance costs (\$20 bn)**
- **Reducing recruitment fees paid by low-skilled migrant workers (\$20 bn)**
- **Diaspora philanthropy (\$10 bn)**
- **Using future-flows as collateral (\$4-\$25 bn for Africa alone)**

# Migration in the FfD AAAAA

- We recognize that international migration is a multidimensional reality of major relevance for the development of origin, transit and destination countries that must be addressed in a coherent, comprehensive and balanced manner. **We will cooperate internationally to ensure safe, orderly and regular migration, with full respect for human rights. We endeavour to increase cooperation on access to and portability of earned benefits, enhance the recognition of foreign qualifications, education and skills, lower the costs of recruitment for migrants, and combat unscrupulous recruiters, in accordance with national circumstances and legislation. We further endeavour to implement effective social communication strategies on the contribution of migrants to sustainable development in all its dimensions, in particular in countries of destination, in order to combat xenophobia, facilitate social integration, and protect migrants' human rights through national frameworks. We reaffirm the need to promote and protect effectively the human rights and fundamental freedoms of all migrants, especially those of women and children, regardless of their migration status.**

# Remittances in the FfD AAAA

- We recognize the positive contribution of migrants for inclusive growth and sustainable development in countries of origin, and transit and destination countries. Remittances from migrant workers, half of whom are women, are typically wages transferred to families, primarily to meet part of the needs of the recipient households. **They cannot be equated to other international financial flows, such as foreign direct investment, ODA or other public sources of financing for development. We will work to ensure that adequate and affordable financial services are available to migrants and their families in both home and host countries. We will work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred. We are particularly concerned with the cost of remittances in certain low volume and high cost corridors. We will work to ensure that no remittance corridor requires charges higher than 5 per cent by 2030, mindful of the need to maintain adequate service coverage, especially for those most in need. We will support national authorities to address the most significant obstacles to the continued flow of remittances, such as the trend of banks withdrawing services, to work towards access to remittance transfer services across borders. We will increase coordination among national regulatory authorities to remove obstacles to non-bank remittance service providers accessing payment system infrastructure, and promote conditions for cheaper, faster and safer transfer of remittances in both source and recipient countries, including by promoting competitive and transparent market conditions. We will exploit new technologies, promote financial literacy and inclusion, and improve data collection.**

# **Additional commitments:**

- increase and use data disaggregated by sex, age, geography, income, race, ethnicity, migratory status
- Deliver quality education to migrant and refugee children
- End human trafficking and exploitation of persons, in particular women and children

# 2030 Sustainable Development Agenda

- Draft declaration includes migrants, refugees and displaced persons
- Positive contribution of migrants to inclusive growth and sustainable development
- International migration is a multi-dimensional reality of major relevance for the development of countries of origin, transit and destination.

# Targets in the 2030 Sustainable Development Agenda

- 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment; □
- 10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies;
- 10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent; and
- 17.18 By 2020, enhance capacity-building support to developing countries [...] to increase significantly the availability of high-quality, timely and reliable data disaggregated by [inter alia...] migratory status

# Additional Targets

- End to human trafficking under the goals on gender equality (SDG 5)
- economic growth, employment and decent work (SDG 8);
- peaceful societies, access to justice and accountable institutions (SDG 16).
- expand scholarships for enrolment abroad



# GMG Proposed indicators

- Recruitment cost born by employee as a percentage of yearly income earned in country of destination (10.7 - *priority 2*)
- International Migration Policy Index (10.7 – *priority 1*)
- Remittance costs as a percentage of the amount remitted (10.c)
- Percentage of refugees and IDPs who have found a durable solution (16.1)
- Number of victims of human trafficking per 100,000 persons (5.2, 8.7 and 16.2)
- Frequency rates of fatal and non-fatal occupational injuries and time lost due to occupational injuries, by sex (indicator 8.8.2), *disaggregated reporting by migratory status (citizenship status or nativity status)*

# Missing from SDGs – need to include

- Reduction of recruitment costs
- Role of diaspora contributions

# GFMD Istanbul Summit

- Discussion at the Common Platform
- Presentation at the PfP on the 2030 SDG indicators and what it will entail for the governments

**Thank you**

**GMG**

**[www.globalmigrationgroup.org](http://www.globalmigrationgroup.org)**

**[www.worldbank.org/migration](http://www.worldbank.org/migration)**