

BANQUE CENTRALE DES ETATS DE L'AFRIQUE DE L'OUEST

**Présentation du sous-thème : «Principes
fondamentaux, stratégies et initiatives
d'amélioration des services de rapatriements de
fonds»**

Par Monsieur PASCAL IRENEE **KOUPAKI**
CONSEILLER SPECIAL DU GOUVERNEUR DE LA BCEAO

CONFERENCE MINISTERIELLE DES PAYS LES MOINS AVANCES SUR
LE RENFORCEMENT DE L'IMPACT DES RAPATRIEMENTS DE FONDS SUR LE
DEVELOPPEMENT
(COTONOU, 9-10 FEVRIER 2006)

Monsieur le Président,

**Madame le Directeur Général Adjoint de
l'Organisation Internationale pour les
Migrations,**

Mesdames et Messieurs,

Le thème qu'il a été demandé à la BCEAO de traiter, est actuel car, dans le cadre des engagements pris à Monterrey en mars 2002, il est nécessaire de construire un partenariat efficace, en vue de mobiliser et de canaliser les ressources disponibles vers le développement des Pays les Moins Avancés (PMA). Les réflexions spécifiques sur le sous-thème prennent une importance particulière, eu égard aux enjeux liés à l'importance des ressources rapatriées par les émigrés et à leur affectation optimale.

Pour introduire le sujet, je donnerai un bref aperçu de l'état des lieux des activités de transfert de fonds dans les pays de l'Union

Economique et Monétaire Ouest Africaine (UEMOA). Je mettrai ensuite en relief les principes fondamentaux et les orientations pouvant fonder une amélioration des services de transferts de fonds. Enfin, je vais tenter d'esquisser quelques initiatives et actions à mener, en vue d'accroître significativement les flux de transferts et de renforcer leur impact économique.

Mesdames et Messieurs,

Dans l'UEMOA, les statistiques fournies par les sociétés de transferts rapides révèlent qu'en 2004, les transferts reçus correspondaient à environ 3,2% du PIB de l'Union contre 2,0% pour l'ensemble des pays en développement. Pour certains pays tels que la Guinée-Bissau, le Sénégal et le Togo, ces transferts se situaient entre 7,4% et 8,1% du PIB. Dans un pays comme le Sénégal, les rapatriements en provenance des Etats

membres de l'Union Européenne représentent 61% du total des transferts reçus. Ce rapport est de 44,5% pour l'ensemble de l'UEMOA. Le phénomène ne caractérise pas uniquement les relations Nord-Sud, car près de 43,0% des rapatriements de fonds au Burkina proviennent des autres Etats de l'UEMOA, de la Côte d'Ivoire en particulier.

Cet état des lieux sommaire laisse apparaître la nécessité de lever les contraintes identifiées ce matin et d'améliorer les services de rapatriements de fonds, en s'appuyant sur quelques principes et orientations essentiels.

Au nombre des principes,

- **Le premier principe est celui de la sécurisation des transferts de fonds qui assure la prévention des transactions d'origine illicite et le renforcement de l'intégrité du système financier.**

- **Le second principe est celui de la célérité,** qui requiert l'exécution des ordres de transferts dans des délais compatibles avec les progrès actuels en matière de nouvelles technologies de l'information.
- **Le troisième principe porte sur une plus grande accessibilité aux services de transferts.** L'accès aux services de transferts devrait être possible à tout agent économique, quelle que soit sa position géographique.

Ces principes, me semblent-ils, devront être inscrits dans une perspective générale d'amélioration des services financiers dont les migrants pourraient tirer avantage. Il s'agit en particulier, des quatre orientations globales ci-après :

1. **une plus grande concurrence entre les offreurs de**

services de transferts. Celle-ci est de nature à améliorer significativement les retombées économiques des envois de fonds, en réduisant les coûts de l'envoi, de la réception des transferts ainsi que de leur affectation, et en améliorant la qualité des prestations.

2. **Le développement des infrastructures de télécommunications et de fournitures d'énergie** dans les pays en développement pour y faciliter notamment le déploiement géographique des services de transferts.
3. **La création des conditions permettant de canaliser une part accrue des fonds transférés vers l'investissement,** afin de renforcer l'incidence de ces ressources sur le développement des pays récipiendaires.

4. L'amélioration de la collecte des statistiques.

L'amélioration des services de rapatriements de fonds des migrants s'inscrit dans la perspective de la recherche des voies et moyens permettant de diversifier les sources de financement des investissements et des projets de développement dans les Pays les Moins Avancés. Les ressources rapatriées par les émigrés servent, en règle générale, à satisfaire des besoins de subsistance des bénéficiaires, à financer des actions de solidarité, les aides scolaires ou l'acquisition de biens immobiliers. De façon accessoire, ces ressources sont destinées à la construction d'infrastructures locales de santé et d'éducation.

Dans ce contexte, les initiatives d'amélioration des services de rapatriements de fonds devraient s'inscrire dans un processus global visant le renforcement des actions de

lutte contre la pauvreté et la canalisation d'un flux accru de ressources vers le financement d'investissements productifs. Dans cette optique, les actions à entreprendre requièrent une conjugaison des efforts des Etats, du secteur privé, en particulier le système financier, et de la Banque Centrale. Les actions prioritaires visent à maintenir un cadre macroéconomique stable, à définir une politique économique intégrant la diaspora comme un opérateur économique majeur, à promouvoir les infrastructures économiques de base, renforcer la mise en oeuvre des stratégies de lutte contre la pauvreté, assurer la réduction des coûts des transferts, développer une gamme de produits financiers novateurs adaptés aux besoins de la clientèle émigrée, consolider l'intégrité du système financier.

Pour conclure, Monsieur le Président, nous avons vu l'importance des transferts des migrants qui atteignent 20% des recettes

fiscales des pays de l'UEMOA. Il me semble qu'on ne peut pas durablement améliorer l'impact économique des transferts des migrants sans une administration publique de développement et une diplomatie de développement.

*Improving Remittance Services: Approaches adopted by Bangladesh in Lowering Costs,
Expanding Access and Providing Information*

Remittances from migrant workers constitute a major element supporting the balance of payments positions of lower income developing economies. For Bangladesh, the remittance receipts of USD 3.848 billion (6.4 percent of GDP) in FY05 (July 04 – June 05) were more than four times the Official Development Assistance (ODA) receipts. Nearly doubling from FY2000 level of USD 1.949 billion, the remittance receipts in FY05 approached 45 percent of exports in absolute size and have substantially cushioned the economy from the severity of the oil price shock. Consumption and investment would have been curtailed much more drastically because of the high import cost of oil, but for the continued healthy growth in remittances.

Given this importance for the economy, Bangladesh authorities have accorded high priority to improving remittance services for migrant workers, with initiatives towards:

- expanding access, bringing the services closer to their work places in host countries and closer to the recipients in rural Bangladesh;
- lowering costs for the remittance services;
- ensuring competitive exchange rate and providing convenient saving and investment options both in foreign and domestic currencies;
- providing information about the remittance services and the savings and investment options with sufficient details to enable migrant workers to choose the best suited, least cost options.

02. Expanding access to remittance services

To enable migrant workers to remit funds through intermediaries as close to their workplaces as possible, Bangladesh authorities have supported and encouraged establishment and continual expansion of drawing arrangements between banks in Bangladesh and remittance intermediaries in source countries including banks and duly licensed and supervised money transferors/exchange houses. Banks in the source country usually have only limited interest in handling small remittances of migrant workers without other more remunerative banking relationships; money transferors/exchange houses have therefore assumed a more prominent role in handling workers remittances.

Besides the numerous drawing arrangements (exceeding 400), banks in Bangladesh have also set up subsidiaries/branches in the major host countries of Bangladeshi migrant workers (UK, USA, UAE, Kuwait, Qatar, Singapore, Italy etc.) for mobilizing remittances. Two banks from Bangladesh have posted personnel in Saudi Arabia specifically to facilitate remittances, this being the single largest source country with 39.2 percent of total remittance receipts in FY05. The government's post office department also has some role in handling remittances in the form of international money orders from their counterparts in the host countries of Bangladeshi migrant workers.

At the receiving end in Bangladesh, more than 6300 bank branches spread all over the country are active in delivering remittances to recipients. The authorities have set 48 hour and 72 hour

delivery time standards respectively for urban and rural areas; but the 72 hour delivery time standard for rural areas is oftener breached than complied with.

To improve matters, banks are cooperating towards faster deliveries, using the services of each other's branch networks. Further, some banks have usefully engaged the extensive branch networks of microfinance NGOs in delivery of remittances to recipients in the remoter rural locations.

03. Lowering costs of remittance services

Only about five percent of migrant workers from Bangladesh are well paid professionals, the large majority are low wage unskilled and semiskilled workers who send small amounts out of their earning at regular intervals for subsistence of their families in Bangladesh. The flat fees charged by banks and money transferors for these small sized remittances tend to be high relative to the amounts remitted (in remitting from the UK, the flat fee of £25 charged for transfers up to £500 comes to 10 percent for a typically median sized remittance of £250). The paying bank at the delivery leg in Bangladesh has also its delivery costs to recoup, with little or no interest float to be earned for the brief intervening period in prompt deliveries. The high costs involved in transfers through the formal system result in significant volumes of remittances of migrant workers being siphoned off by illegal informal channels ('hundi' or 'hawala' operators). Lowering the costs of remittance services is therefore seen as important for benefiting the migrant workers and their families in Bangladesh, and for drawing the illegal informal transfers into the legal formal channels.

The main approach in efforts for lowering of remittance costs facing the migrant workers has been to increase competition amongst intermediaries in collecting the remittances in the host countries. The number of drawing arrangements of banks in Bangladesh with banks and licensed money transferors/exchange houses in host countries of migrant workers are continually being expanded, and information on all the available remittance options are being disseminated amongst the migrant workers and the remittance recipients in Bangladesh.

At the Bangladesh end, banks are being encouraged and prompted to adopt upgraded IT systems and more efficient procedural arrangements towards reducing the costs of remittance delivery; they are also being motivated to extend to the rural remittance recipients a broader menu of deposit, payment and lending services instead of mere remittance delivery, with manifold increase in earning prospects from these additional services. A 'challenge fund' in the recently undertaken 'Remittance and Payments Partnership (RPP)' between the Government of Bangladesh and the British DFID will provide grant support to banks and other remittance intermediaries for financing part of their implementation costs of innovative initiatives for improving delivery of remittances and other financial services to the unserved/underserved population segments in rural areas. Automation of cheque clearing and modernization of the payment settlement arrangements to be implemented under the RPP project will also contribute substantially towards higher efficiency and lower costs in remittance delivery.

04. Competitive exchange rate and convenient savings and investment options for migrant workers

Bangladeshi migrant workers abroad are free to maintain non resident accounts with banks in Bangladesh in US Dollar, Pound Sterling, Euro or Yen; balances in these accounts can earn interest and are freely transferable abroad. Savings options at attractive interest rates are

available for them in 3 year US Dollar bonds, in 5 year Taka wage earner development bonds and in 5 and 10 year Taka treasury bonds issued by the government, with free repatriability of principal; interest earned is also freely repatriable abroad on all these bonds except the wage earner development bond. Migrant workers abroad may also make portfolio investments through stock exchanges in Bangladesh, using non resident investor's Taka accounts maintained with banks. Quotas are reserved for migrant workers abroad in allotments of primary issues of equity in the stock exchanges, and in allotment of plots in residential estates developed by public authorities. These savings and investment avenues in Bangladesh have been attracting the surplus earnings of the better off segments of migrant workers, underpinning sustained growth of remittance inflows. The transition from May 2003 to market based floating exchange rate for Taka has further facilitated remittance growth, protecting the remittance inflows from the adversity of inappropriate overvaluation of domestic currency.

05. Providing information to the migrant worker diasporas about the available remittance, savings and investment options

Effective dissemination and continual updating of information about the available remittance, savings and investment options for the migrant workers in the host countries is important in enabling them to make informed choices about the best suited, least cost options. The information and communication channels employed include:

- pre-departure briefings for migrant workers by the government's Bureau of Manpower, Employment and Training (BMET);
- migrant worker diaspora briefings in social events and meetings in host countries, supported by the labour wings of embassies of Bangladesh;
- bulletins/press releases/advertisements in print and electronic media channels popular with the migrant worker diasporas in host countries, and also in Bangladesh for information of families/beneficiaries of migrant workers;
- information booklets/brochures/pamphlets in hard copy made available through banks in Bangladesh and their drawing arrangement counterparts abroad;
- websites of the government, central bank, commercial banks and embassies abroad.

Satisfactory institutional arrangements are yet to be in place for regular updating of the information materials with accurate, dependable information on changes in practices, regulatory arrangements and costs relating to remittances in the host countries of migrant workers. The RPP project undertaken by the government with support from British DFID will, inter alia, attend to capacity building on this aspect. This appears to be a possible area for useful support and attention also from the UN agencies concerned with labour migration issues.

Credit Union:

**Efficient Financial Institution Model for Diaspora
Remittances**

Presented at

The Ministerial Conference of the Least Developed Countries

on

Improving Remittances Services

February 9-10, 2006

Cotonou, Benin

**Presented by
Fred O. Oladeinde
President**

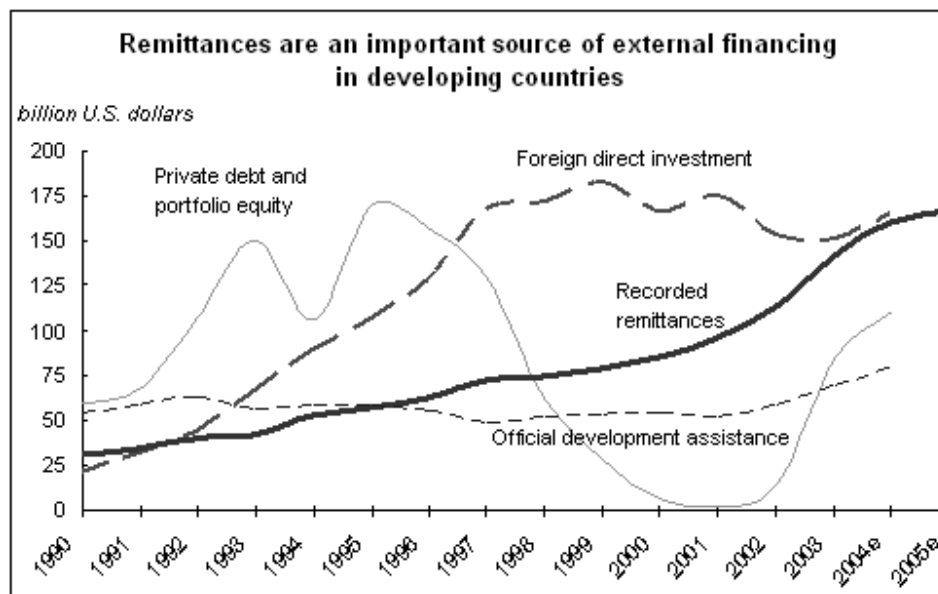
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According to the Global Economic Prospects 2006 report of the World Bank, overall expatriate nationals' financial support for their home countries is more than double the amount of Overseas Development Assistance (ODA) from the OECD countries and others.

In 2005 the total amount of remittances sent home by migrant workers through formal channels amounts to over US\$167 billion to developing countries around the world – almost a sixfold increase from global remittances to developing countries in 1990.



Source: World Bank

Numbers for the same period show a fivefold increase for low-income countries, a thirteenfold increase for countries in East Asia and the Pacific, an eightfold increase for countries in Latin America and the Caribbean and a fourfold increase in remittances to countries in sub-Saharan Africa.

Why is the growth in remittances to East Asia and the Pacific, Latin America and the Caribbean higher than sub-Saharan Africa?

According to the “Developmental Role of Remittances in US Latino Communities and in Latin American Countries”, a paper for the Inter-American Dialogue and the Tomas Rivera Policy Institute – the answer is “assisting in the development of formal immigrant associations (so-called

hometown associations) and encouraging their commitment to their home countries can stimulate remittances.”

For example, the Mexican government has developed formal outreach initiatives to migrants in the US that help boost remittances.

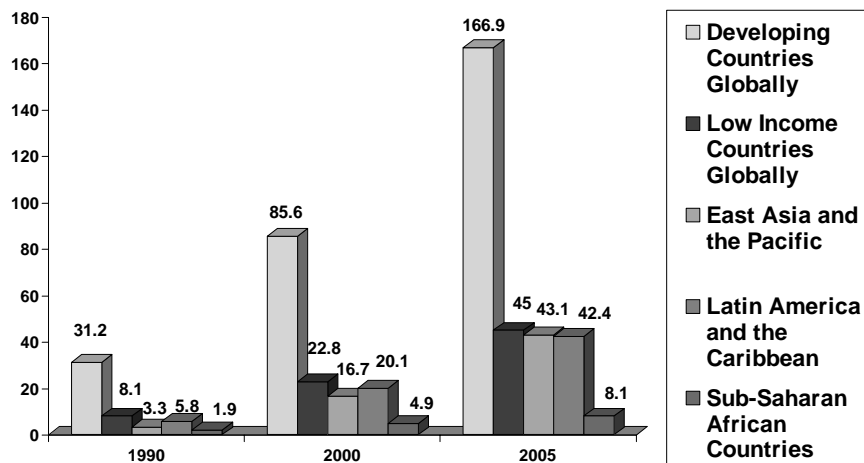
Increased competition in remittance transfer markets drives down transactional costs and fees, encouraging the use of formal channels over informal ones that are often costly and risky and go unreported.

Favourable immigration policies that allow citizens of some countries easier access to legal stay.

Informal channels: Experts on migrant remittances agree that more money is sent home through informal channels by migrants at sometimes higher cost and risk. For example, a recent study indicated that about 46 per cent of the true amount of remittances to Mexico is hand-carried and often prone to fraud and abuse.

Page and Plaza (2005) use a similar methodology and find that the share of unrecorded remittances relative to the total remittances averages 48 per cent worldwide (and 73% in sub-Saharan Africa).

Global Remittances from migrants through formal channels totalled USD\$167 billion in 2005

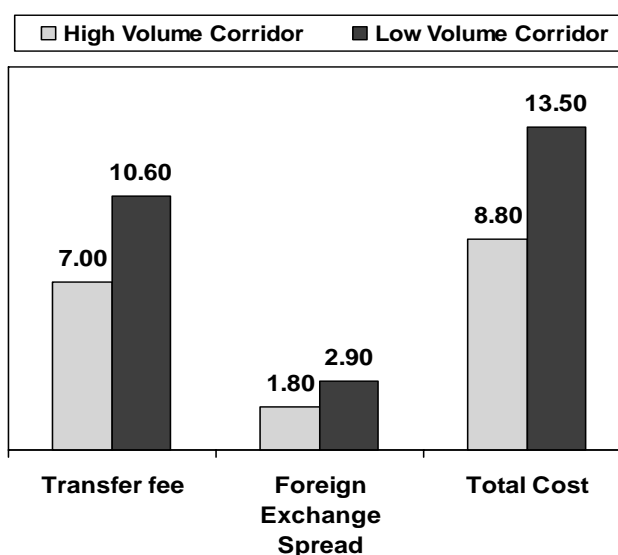


Source Data: World Bank Global Economic Prospects 2006

Remittances transaction cost: However, the present costs associated with international remittances, particularly to sub-Saharan African countries are high, and negatively impact the effectiveness of remittances. It is therefore necessary to look at each element within the cost structure to see how we can optimize the level of efficiency for cost savings that will benefit the migrants and their families.

For example, the average amount of money transferred from the United States to foreign countries is US\$320 with fees ranging from 6 to 15 per cent; additional costs can run the total to 20 per cent of the amount remitted, particularly to countries in sub-Saharan Africa.

Fees and foreign exchange spreads for \$200 in Western Union transfers from New York City (percent)



SOURCE: World Bank's "Global Economic Prospects 2006", p. 144.

Competition in the remittances market place: Wire-transfer companies such as Western Union and Money Gram, control 70 per cent of the international remittance market in the US. It is estimated that US\$6 billion in annual transactions fees was made in 2004.

Recent class action suits in the United States against Western Union and Money Gram in 1999 for charging exorbitant hidden fees for transactions to Mexico resulted in settlement by both companies and compensation. This example illustrates the need for clear regulation and more credible financial oversight by governmental authorities to mitigate exploitation and abuse of consumer rights.

Increasing competition: Increasing the numbers of non-bank financial institutions (NBFI), such as credit unions in the remittance transfer markets, will create competition, and likely reduce transaction cost on one hand while also attracting remittances away from informal channels currently used. This will increase the amount of money available for migrants and their families, reduce incidences of fraud and abuse presently encountered by migrants who send money back home, and will bring remittances into a formal central bank balance of payment.

Why a Credit Union? : As the foreign-born population in the US continues to rise, so does the need for access to safe and affordable financial services that handle international remittances.

Over the past few years there has been a tremendous growth in money transfers, especially to Latin America and the Caribbean (LAC). According to the Inter-American Development Bank, remittances totalling US\$45.8 billion were sent to LAC in 2004 of which US\$16.6 billion went to Mexico alone.

For many countries, remittances have become a highly dependable source of household income and are a significant percentage of the country's Gross National Product. For the family and friends back home, these funds are vital to help cover the costs of food, housing, education, new businesses and to save for the future.

What is a credit union: Credit unions, or savings and credit cooperatives, are user-owned financial institutions that offer savings, credit, insurance and money transfer services to their members. Membership in a credit union is based on a common bond, a linkage shared by savers and borrowers that can be based on a community, organizational, religious or employee affiliation. In countries where they have legal authority to do so, credit unions serve non-members with deposit and remittance services. Credit unions accept deposits of members, pay interest (dividends) on them out of earnings, and primarily provide consumer instalment credit to members.

It is a not for profit tax-exempt organization, democratic in structure with each member having only one vote irrespective of volume of deposit. Funds deposited in credit unions are insured up to US\$ 100, 000 by the National Credit Union Administration.

Membership in a credit union focusing on migrant groups will provide access to financial services often not available to migrants, assist migrants to build financial strength and, at the same time through the World Council of Credit Unions (WOCCU) IRnet, transmit international transfers from credit union to credit union globally at one of the lowest available rates in the market place.

What is IRNet?: International Remittances Network, *IRnet* differs from other remittance networks in that it is a credit union-based network, which enables people to send money from a credit union in the US to a credit union abroad. It is not limited to credit union-to-credit union transfers, however; money may be sent and distributed via WOCCU's partners' agents and payers as well. Thus, people have the option of making a transfer (i) from a credit union agent to a credit union payer, (ii) from a credit union agent to a non-credit union payer or (iii) from a non-credit union agent to a credit union payer. The current network provides services to countries in Latin America, Asia, Africa, Europe and Australia.

By offering access to remittance services, credit unions around the world are able to serve unbanked and underserved populations, giving them an opportunity to have access to additional financial products and services, which may ultimately help them to improve their lives.

Advantages of IRnet

- **Credit unions as agents/payers:** Unlike other remittance providers operating out of convenience stores or check cashing outlets, credit unions are able to offer core financial services in addition to remittances, such as savings and checking accounts, loans, educational seminars, etc. In addition, credit unions in the US are guaranteed to be regulated and insured financial institutions.
- **Lower fees and disclosure of exchange rate:** For as little as US\$10, credit union members and potential members are able to send up to US\$1,000 to Mexico. In addition, the senders are guaranteed the rate of exchange and informed of the amount to be picked up by the beneficiary at the time they make the transfer.
- **No fee to the beneficiary:** The beneficiary abroad will not be charged any fee for receiving transfers.

WHADN providing financial services to the underserved African migrant's population in the U.S.: The Western Hemisphere African Diaspora Network (WHADN), an initiative of the African Union established in 2002, is an umbrella organization for African Diaspora/ migrant groups in the Western Hemisphere. WHADN's mission is to use the collective talents and disciplines of Africans in the Diaspora in the development of Africa, through programmes and initiatives that advance development of Africans at home and abroad. WHADN's core constituency send the large part of the numbers of international remittances going into sub-Saharan Africa.

The WHADN Credit Union, with membership outreach to all Africans and people of African descent in the U.S, has a large population of members that would be well served through the creation of a credit union or group membership in an existing credit union.

The WHADN Credit Union - working through the World Council of Credit Unions and others - will provide user-friendly services at modest costs to its migrant members, therefore reducing costs, but keeping the efficiency of transfers for its members and their families in sub-Saharan Africa.

All profits from the WHADN Credit Union's operations will support the expansion of its members' personal development and WHADN mission to:

- encourage and facilitate the enduring cultural, social and economic ties to Africa within the Western Hemisphere Diaspora communities;
- develop and identify funding for capacity building projects by Diaspora civil society organizations in the Western Hemisphere Diaspora and the African Union;
- work with the African Union to create mechanisms to represent the views, concerns and interests of the African Diaspora within the African regional organization.

By bringing large population of African expatriates with strong family ties at home together through the WHADN credit union, the volume of international remittances to sub-Saharan Africa will increase and transform Western Hemisphere - sub-Saharan Africa to a high-remittance corridor.

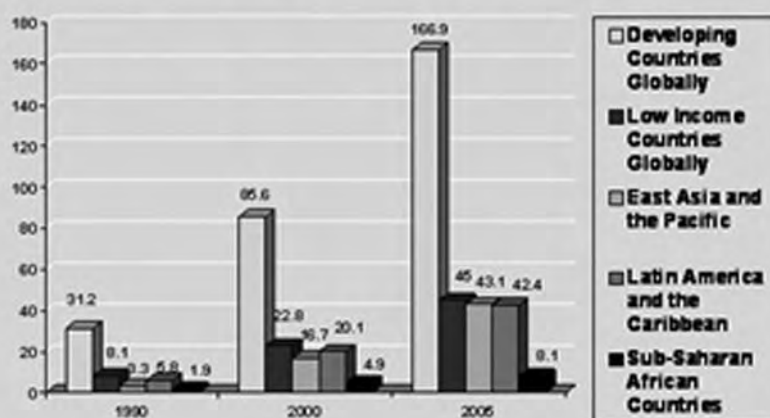


Credit Union: Efficient Financial Institution Model for Diaspora Remittances

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Global Remittance Numbers are on the Rise

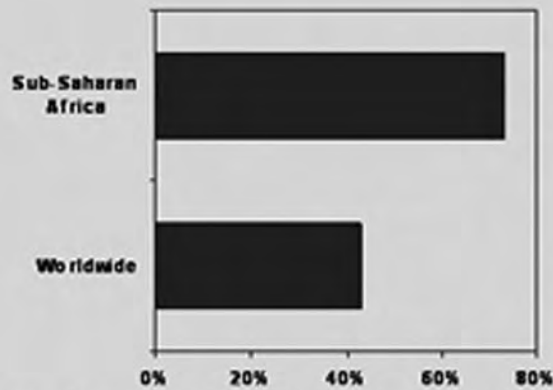
- Global Remittances from migrants through formal channels totaled USD\$167 billion in 2005



SOURCE DATA: World Bank, "Global Economic Prospects 2006"

Informal Remittances

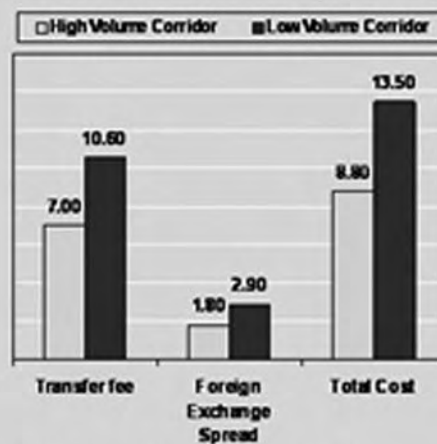
"% of Unrecorded Remittances Relative to the Total Remittances"



SOURCE: Page, John, and Sonia Plaza. 2005. "Migration, Remittances, and Development: A Review of Global Evidence."

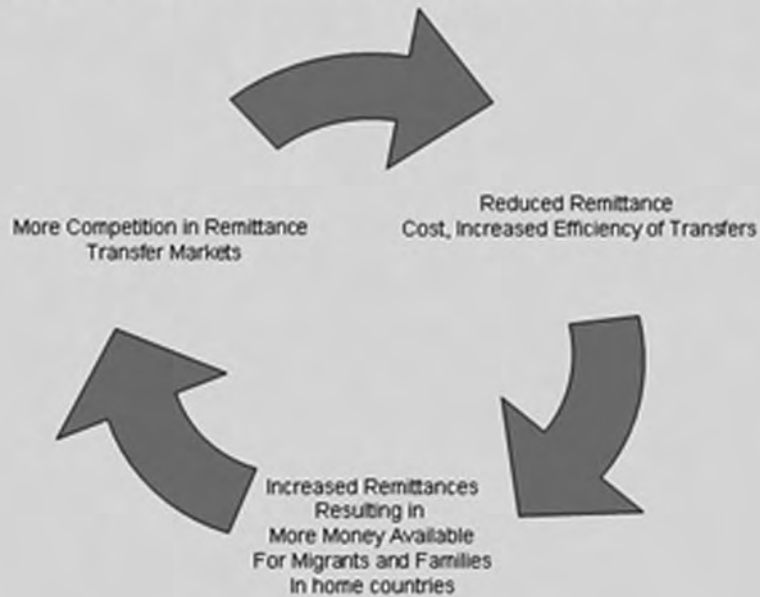
Remittances Transaction Cost

Fees and foreign exchange spreads for \$200 in Western Union transfers from New York City (percent)



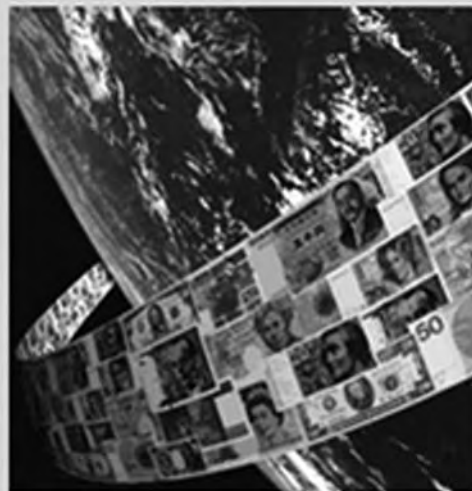
SOURCE: World Bank. "Global Development Finance 2007", p. 144.

Remittance Competition

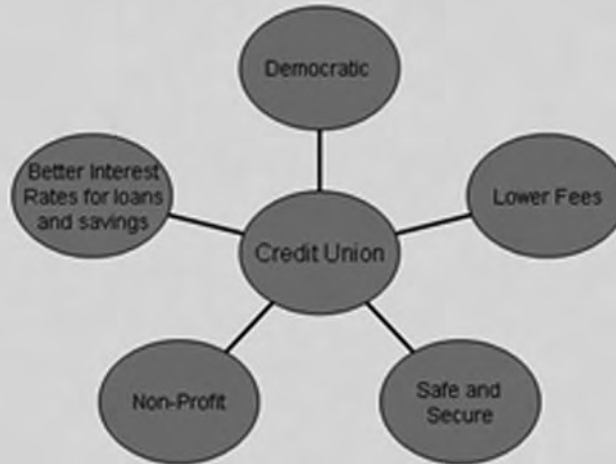


What is a Credit Union?

- A credit union is a financial cooperative organization of individuals with a common affiliation (such as, migrant groups). Credit unions accept deposits of members, pay interest (dividends) on them out of earnings, and primarily provide consumer installment credit to members.



Why A Credit Union?



What is IRnet?:

- The World Council of Credit Unions, Inc.'s (WOCCU) International Remittance Network (IRnet) is a platform to provide credit unions with a tool to reach and serve members and potential members around the world, providing them with access to safe and affordable international and domestic money transfers (remittances). The network was created to respond to an increased demand for money transfer services and the exorbitant fees being charged to utilize such services.



Through IRnet

People have the option of making a transfer from:

- a credit union agent to a credit union payer,
- a credit union agent to a non-credit union payer
- a non-credit union agent to a credit union payer. The current network provides service to countries in Latin America, Asia, Africa, Europe and Australia.



Advantages of IRnet

- **Credit unions as agents/payers:** Credit unions are able to offer core financial services, such as savings and checking accounts, loans, educational seminars.
- **Lower fees and disclosure of exchange rate:** For as little as \$10, credit union members and potential members are able to send up to \$1,000 to Mexico. In addition, the senders are guaranteed the rate of exchange and informed of the amount to be picked up by the beneficiary at the time they make the transfer
- **No fee to the beneficiary:** The beneficiary abroad will not be charged any fee for receiving transfers.

What is Whadn?

- The Western Hemisphere African Diaspora Network (WHADN) is an African Union (AU) initiative to encourage and facilitate the utilization of the collective talents and resources of the African Diaspora in the Americas, the Caribbean and Latin America to support economic development and sustainable growth on the continent.



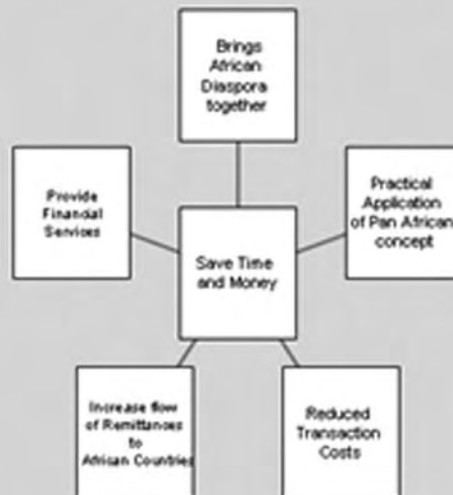
- To this end, WHADN was established to function as the coordinating network, linking the Diaspora and the AU for the purpose of achieving the common goals of social and economic growth throughout Africa.

The WHADN Credit Union

- With membership outreach to all Africans and people of African descent in the U.S, WHADN has a large population of members that would be well served through the creation of a credit union or a credit union group membership.
- Working through the World Council of Credit Unions, it will provide user-friendly services at modest costs to its migrant members.



Advantages of a WHADN Credit Union



THE CREDIT UNION SUPPORTS WHADN'S MISSION

- To encourage and facilitate the enduring cultural, social and economic ties to Africa within the Western Hemisphere Diaspora communities;
- To develop and identify funding for capacity building projects by Diaspora civil society organizations in the Western Hemisphere Diaspora and the African Union; and
- To work with the African Union to create mechanisms to represent the views, concerns and interests of the African Diaspora within the African regional organization.



Connecting Back - Moving Forward

www.whadn.org



A worldwide coalition of Diaspora organisations for economic development and business action in Africa.

www.globaldiaspora.com

The Ministerial Conference of the Least Developed Countries on Enhancing the Development Impact of Remittances

February 9-10, 2006, Cotonou, Benin

Speech delivered

by

Dr. Emmanuel Argo

President of the Global African Diaspora Coalition (GLAD)

Coalition Mondiale de la Diaspora Africaine

and Member of the

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Public - Private Partnerships -The way to go

Ladies and Gentlemen, distinguished guests, participants and my fellow discussants,

It is a pleasure to be able to attend this conference and I would like to express my appreciation to the organizers for inviting Global African Diaspora Coalition and for the recognition.

It is indeed my pleasure to address you today on the public-private partnerships and their impact on remittances to Africa. I shall start with a brief introduction on the Global African Diaspora Coalition-GLAD. The Global African Diaspora Coalition was created and inspired by the recognition of the need for Africans in the diaspora worldwide to speak with one voice and to effectively implement and coordinate their activities.

Our main objectives are:

- To mobilize the Global African Diaspora into Action for Africa by strengthening and reinforcing links between the diaspora worldwide, the international community and the African continent.
- To provide a platform for the effective harnessing and coordination of targeted initiatives being undertaken by diverse diaspora organizations and groups geared towards the economic and social development of Africa.
- To promote enterprise and the development of small and medium sized enterprises (SME) and micro-enterprises in Africa.
- To promote NEPAD as a viable blueprint for economic development in Africa.
- To facilitate business links between the African diaspora business community worldwide and Africa.

You will need to recognize that, most simply, the diaspora is made up of those descended from Africa at some point in their or their family's history.

I now wish to draw your attention to the importance of private-public partnerships and the role they play in enhancing the socio-economic development of our continent, Africa. It is also important to applaud the decision taken by African Union (AU) in recognizing the African Diaspora worldwide as the Sixth Region of Africa. This new region is considered to be a key and strong economic platform with over 150 million people, and is expected to effectively facilitate, *inter alia*, the South-South trade relationships.

The concept of developing and strengthening of public-private partnerships aims to encourage institutions not only to share, but also to find ways to do more in order to meet the global challenges. Through the Global African Diaspora Coalition (GLAD), African Diaspora has taken a lead in creating a conducive environment that has seen the start of

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numerous public-private partnerships that will lead to achieving real results towards Africa's development goals.

Well before the prominence afforded Africa this year in international circles, strides had been made to address sustainable development related to international trade, significantly the renowned LOME IV Convention (1989) between Africa, the Caribbean, the Pacific and Europe, and the COTONOU Agreement signed in 2000. NEPAD's policies should assist SME's on the continent to benefit effectively from the COTONOU Agreement and other agreements which have been signed relating to international trade, using them as a platform to establish sustainable partnerships with existing northern hemisphere economic relationships and using them to leverage newer links across the southern hemisphere.

The New Partnership for Africa's Development (NEPAD) has set the stage for action to revitalize the social and economic development of Africa by its leaders and peoples. There is already significant change underway. More African countries have democratically elected governments than at any time before, and there is a common determination among Africa's leadership to resolve long-standing conflicts and new emergencies. This determination is replicated at the grass roots, where an interest and appetite for more information sharing and participation has been registered.

There is an escalating demand from our people, which we must harness, take advantage of and respond to. In summary, a collective commitment to improve the status quo has emerged and can only be enhanced through the promotion of public-private partnerships. The role of public-private partnerships involves consultations geared towards the development and sustainability of equitable partnerships between government, civil society, international organizations and business for development. If well managed, such partnerships help also in coordinating aid packages and priorities between donors according to national development plans agreed by all stakeholders, so as to avoid fads and conflicting donor programmes. This will further provide stable and consistent support to the regional economic communities for the provision of cross-border infrastructure and to increase market size for goods and services.

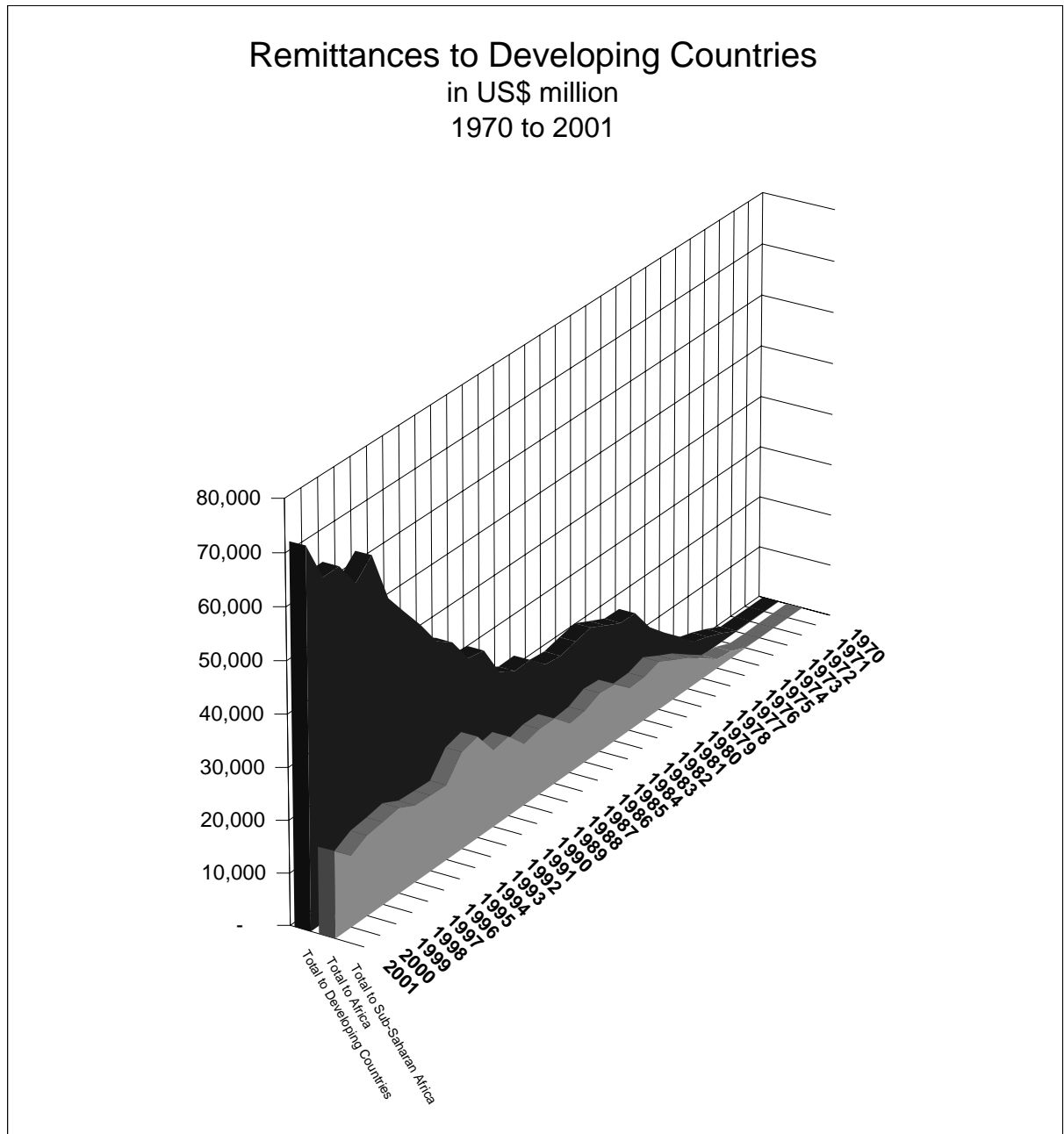
Public-private participation offers opportunities to engage in dialogue and partnership, leading to action aimed at overcoming poverty and enabling all peoples to enjoy the benefits of economic, environmental and social progress. Since the 1992 Rio Earth Summit, governments, business and other stakeholders have made significant advances towards sustainable development on many fronts. But more needs to be done. Agreed frameworks, commitments, rules and principles have not been fully implemented and the benefits have not yet been shared by all, particularly in developing countries. It is important to mention here that businesses are committed to being part of the solution to these problems.

The opening and deregulation of markets, a global, rules-based system for trade and investment, and the modernization and international extension of rules are intrinsic to this progress. The social and environmental costs of *not* increasing global economic growth and development, and of *not* pursuing cooperative environmental management, are much greater than any of the challenges that accompany such growth. A substantial and growing number of companies have a proven record of improving social and environmental conditions where they invest and do business.

The objectives and benefits of public-private partnership need to be encouraged in order for stakeholders and governments to work together to:

1. Promote a better understanding of the role of economic growth in sustainable development. Economic growth is key to solving environmental and social challenges. Poverty reduction is a very important component of sustainable development and can best be pursued through foreign direct investment, improved market access, international environmental cooperation, multilateral technical and financial assistance, meaningful debt reduction, improved governance, institution and capacity-building, and targeted aid.
2. Strengthen awareness of the role and importance of development aid. Declining official development aid (ODA) underscores the importance of foreign direct investment (FDI), but FDI is not a replacement for ODA. ODA should be used to build capacity in the least developed countries, so as to pave the way for both local entrepreneurship and FDI.
3. Work for good corporate and national governance. Introducing greater transparency and accountability and promoting the eradication of corrupt practices at all levels of government are essential for getting optimal value from ODA and for attracting increased FDI. Coordination among policymakers and institutions in the economic, environmental and social fields will help establish enabling conditions for improved implementation of sustainable development.
4. Promote the integration of developing countries in the multilateral trading system. Such integration will enable them to participate in and benefit from economic and information markets, and help them to improve their environmental and social conditions through capacity building. Liberalized trade and access to markets are of paramount importance for sustainable development. Developing countries should strive to provide better conditions for business, in which foreign investors can improve and modernize infrastructure and environmental stewardship. Developed countries should open their markets to imports and assist developing countries to improve their environmental management practices. Regional groupings of developing countries could work to widen the potential markets for their products and services and spur awareness of sustainable development among local enterprises.
5. Foster technological innovation and access to information, to contribute to better environmental management and improved quality of life.
6. Encourage multilateral cooperation on market, science and risk-based approaches that do not restrict trade.
7. Encourage participation by business in shaping sustainable development policies within the framework of rules-based globalization, in partnership with the UN system and with non-governmental entities, recognizing that the private sector plays a crucial role in enhancing the quality of life.

Turning to the issue of remittances, a lot has been said about these. I wish to look at what impact remittances have on the economies and how partnerships can enhance the impact of the remittance flows to least developed countries. It is estimated that remittances to Africa in 2003 reached US\$ 200 billion. Increasing the flow of remittances from the developed to developing countries can contribute significantly to international development. Although there is an increasing desire by the African diaspora worldwide to



increase their investment or start to investment in Africa, what is fundamentally crucial is mobilizing the Global Diaspora's interest, challenging perception, attracting diverse partnerships and creating the required infrastructure to enable the investment flows.

Several aspects of the policy and regulatory environment in remittance-receiving and remittance-sending countries in Africa affect migrant remittance flows, either attracting, limiting, or deterring them. Those aspects include:

- Know-your-customer rules
- Financial market liberalization vs. control
- Licensing and regulation of money transfer services
- Government-led incentives for sending and investing remittances

African regulations and legal interpretations tend to be conservative compared to those in some parts of Latin America, which allow a variety of points of sale for money transfer services, including pharmacies and other retail services. Innovation in the use of new technologies, such as transfers by mobile phone, will tend to receive a conservative assessment by regulators and are likely to be limited to financial service providers, whereas much broader outreach could be achieved if non-financial points of sale were allowed to join the service network.

It should be pointed out that for many countries remittances are greater than both Official Development Aid (ODA) and Foreign Direct Investments (FDI). Using even the most conservative estimates, the remittance flow from the UK to Africa is in the region of hundreds of million pounds annually. This means that Africans are by far the biggest donors and financial contributors to African development. These African donors include skilled workers trained in Africa and recruited by large employers (such as the UK National Health Service) without recompense to the African countries; low-income manual and service workers who clean and maintain government and city offices, and settled Africans working in the professional sector.

Secondly, we need to recognize that throughout Africa, financial and monetary policies and regulations have created barriers to the flow of remittances and their effective investment. A few governments, recognizing the valuable contributions of remittances, have facilitated foreign exchange transactions or provided investment incentives such as matching grants. More could be done, however, especially in the context of the regulation of the financial industry. Restrictive licensing of money transfer services, for example, limits access to remittances and restricts the potential impact of remittances in many areas. Other regulations and policies create unattractive environments for investment and block improvements in financial services. Removing those obstacles - and broadening and adapting relevant financial products and services, such as savings and investment options - would boost remittance flows and raise their impact on development. Increasingly aware of the benefits of remittances, African governments should begin to create more facilitating environments, as opposed to the early models of control. Those efforts could be complemented by improvements in financial systems and services, such as easier transfers, more service points, and opportunities to save or invest remittances.

For any impact to be felt, both domestic and foreign private sector investment should complement official development assistance. If a country establishes the right conditions to encourage home-grown investment, that will attract foreign direct investment too, private-public partnerships should play a key role in linking foreign direct investment to official development assistance in the financing of specific projects, particularly infrastructure projects. Often public-private partnerships will be the way to go in building

the roads, the power and water supplies, the schools and the clinics that not only improve living standards but also provide the basic infrastructure for profitable business that creates wealth, jobs and justified hope for a better future.

The diaspora represents a significant market opportunity for African entrepreneurs. Many possess purchasing power, many have access to credit cards and other network-friendly payment systems, and many are willing to use the internet for purchases. Opportunities exist in the business-to-business, business-to-consumer, and consumer-to-business domains. The challenge is to raise awareness amongst both the diaspora and entrepreneurs in Africa to the important opportunities. We also need to make an effort to overcome any psychological barriers that may exist.

Where is the private money, the lion's share of finance for development, coming from? Is it not from remittances? The onus is on recipient countries to provide an environment in which investors can be confident of good governance, the rule of law, non-discrimination and political stability. Companies are used to taking risks, but these should be commercial and calculable. Before taking the plunge, diaspora investors need to know where they stand. Achieving better coordination between business leaders, official lenders and governments will be a key consideration.

Sustainable development in Africa has been thrown into sharp relief and has gained even more urgency in the current climate of globalization as demonstrated not least by the G8 conference in July last year at Gleneagles. Globalization is a reality we all face and in economic terms is a set of processes in which production, marketing and investment are increasingly integrated across borders and between firms leading to the emergence of a single market for goods, capital, technology, services, information and, to a limited extent, for labour. It is in recognition of the importance of partnerships that such processes and systems can be successful.

Globalization has shown Africa must move beyond the legacy of dependence, and beyond the challenge of independence to face the new challenge of interdependence. Despite the many shortcomings in relations between some EU members and their former colonies in Africa, there is a growing awareness that in this new global context, Europe is keen not to lose its influence on a continent with huge resources and, in turn, African countries need the support of Europe and the Global African Diaspora as a community and SME's, including micro-enterprises, as an economic force as both play a key facilitating role in this dynamic.

Ladies and Gentleman, harmonization of strategies and programmes for sustainable development can only be achieved if the public and private sector meet in addition with the worldwide African Diaspora and have a mutually agreed international forum for sharing views and addressing concerns. NEPAD is one such platform that exists. In this respect, we can play an important role in facilitating partnerships across continents in international trade within the small business sector. For millions of Africans, remittances fill the gap left by low or non-existent social and welfare transfers. They thus make a developmental contribution that is very different from and indirectly complements public interventions. To protect and amplify that contribution, remittances should be facilitated through incentives and a more accommodating policy environment. It is important that governments avoid the temptation of diverting remittances for other purposes, or attempting to exert undue control over them.

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I finally, I will end my speech by quoting Dr Alpha Konare, Chairman of the African Union Commission and former President of Mali. At an international conference in Johannesburg, he said, and I quote: "The private sector, which is an engine of growth, has been the 'missing link' in our developmental efforts. The private sector must now take the driving seat in the economic train of development moving across the continent. It must implement and translate into reality the promises made by the public sector. Development partners must play a role in sourcing funds needed for implementation. They must also provide technical and managerial expertise to both the private and public sectors." He went on to say, "For this tripartite partnership to be effective, all the stakeholders must work in concert and play their roles efficiently. We must now walk the talk in terms of concrete, practical and realisable projects."

Thank you.

Policy Options for Enhancing the Development Impact of Remittances

Presentation by Ms. Loretta Foran, Investment Economist, African Development Bank.

Overview of the Presentation

The presentation was organized into three main areas: the *Importance of Remittances*; *Policy Objectives to Enhance Remittance Flows*, both to increase flows and to influence the use of remittances, and the *Way Forward*. A summary of each area is detailed below.

Importance of Remittances

Remittances are a critical financial source for millions of households in many developing countries, making up 40 per cent or more of many receiving household incomes. Transfers typically range from US\$ 100 and US\$ 1,000, with US\$ 200 being the average transfer. One in ten persons around the world is directly involved in remittances, either sending or receiving them. It is estimated that 125 million workers send money to support 500 million family members back home. Foreign workers sent at least US\$ 175 billion to countries of origin in 2004 (IADB estimate). Given the scale of remittances, increasing attention has been paid to the potential of migrants' remittances to contribute to the development of their countries of origin.

Little is known about remittances in Africa; almost two-thirds of sub-Saharan countries lack data, and when data are gathered only funds channelled through official financial institutions are captured. This being said, remittances constitute a large source of financial flows, often exceeding Foreign Direct Investments and Official Development Assistance. Remittance flows in Africa are estimated to be US\$ 18 billion (IADB), and the funds go directly to families in places that are often difficult to reach with development assistance. Unrecorded remittances are estimated to be approximately 50 per cent of recorded remittances in Africa.

An integrated remittances system operates with the involvement of key actors, each with their own motivations and related strategies. In trying to design policies related to remittance flows, it is critical to understand each player's role in the system and the constraints they face. Migrant workers, whether they be skilled or unskilled, legal or illegal, face constraints such as the high fees charged, exchange rate applied/rate overvaluation, restrictive foreign exchange practices, lack of confidence in the intermediary institution, and financial products that do not match needs. Remittance recipients, whether they are using money for consumption purposes or investments, find that the financial products available do not meet their needs, and they often have limited knowledge of products or technology. Governments in the country of origin often have inefficient financial systems, inappropriate policies/regulatory environment, and face money laundering risks. Formal financial institutions in the county of origin often have weak/non-existent financial links to countries where migrants live; limited capacity and physical infrastructure; lack of product diversity, and challenges in implementing "know your customer" (KYC) rules/processes. Informal agents/entrepreneurs typically operate discreetly and there is no legal recourse due to their legal status and limited documentation.

Policy Objectives to Enhance Remittance Flows and Channel Funds to Product Use

Governments in the country of origin look to achieve a number of objectives when they set policies relating to remittances, these include redirecting funds into official channels, facilitating investment to productive uses, reducing transaction costs, mobilizing savings, increasing the volume of foreign exchange and increasing tax revenue. However, the lack of remittances data makes it difficult for governments to make informed policy decisions to enhance the development impact of these funds. The presentation focused on the two main objectives related to remittances – increase the flow in the formal sector and channel the funds to productive use. In parallel, the government should also look to create policies to promote data gathering.

In relation to *increasing remittances flows* there are two types of policy options: mandatory policies, and incentive policies. Some governments have tried to implement mandatory remittance requirements, but for the most part these schemes have been unsuccessful. Other governments have viewed remittances as a source of income and have implemented policies to capture a share of remittances, such as taxation of emigrants; duties/taxes on remittance transfers, and import tariffs on goods accompanying returning migrants. However, these policies typically increase the tendency of emigrants to underreport their incomes, channel funds to the informal sector, and increase the illegal transit of emigrant workers and illegal imports. Some people also want to enforce strict migration policies (i.e. on people's movements, etc.), but migration will always continue. As remittances are private transfers, policy measures that are in the form of incentives generally work better.

To increase funds channelled through the formal sector, governments need to promote the rural banking network, facilitate the reduction of transfer costs, expand the product service offering and increase the dissemination of information. However, migrant-specific incentive schemes can have only limited impact in directing remittances into the formal sector if economic factors are distorted. Policymakers also need to focus on macroeconomic factors such as economic stability, interest rate differentials between the host and home country, currency and inflation risks, and the level of financial development in the economy. Economic policies that promote economic stability provide a more attractive environment for migrants to make discretionary transfers.

To promote savings, governments can introduce repatriable foreign exchange accounts, with policies relating to premium interest rates and premium foreign exchange rates. This enables the diaspora to remit earnings in foreign currency accounts in domestic banks, alleviating foreign exchange shortages and mobilizing savings in financial institutions that can then be lent on. The government can also offer foreign currency denominated bonds, with premium interest and exchange rates to encourage saving.

In looking to *channel remittances to productive use* policy options can relate to offering concessional rates of duty on imported capital goods (i.e. machinery and equipment), promoting entrepreneurial activities, and increasing information on investment opportunities. While it is difficult to convert migrant workers/savers with no prior business experience into dynamic entrepreneurs, it may be more realistic to introduce

financial intermediaries that capture migrant remittances as deposits and channel them to existing small and micro-businesses. Policies can be designed to transfer funds to entrepreneurs through MFIs through vehicles such as savings and credit schemes, and investment instruments specifically designed to suit the migrant worker's risk profile. Remittances can also be linked to SME development, through leveraging remittances to be lent on to the SME sector, possibly through a matching fund scheme, public-private ventures, tax/import exemptions. The same mechanisms could be used to promote investments through hometown associations to target productive activities at community level (infrastructure, clinics, etc.). Host country governments can also implement policies that increase the flow of remittances to the formal sector, such as contributing to efficient and cost-effective transfer mechanisms, increasing transparency in transfers, making banking more accessible for migrant workers, and offering favourable exchange rate and immigration policies. Countries of origin can increase remittance flows by working with host countries to set up remittance windows to improve the diaspora access to formal channels and drive down cost through enhanced competition. Arrangements/ activities could also be carried out on a regional level to leverage the impact of remittance schemes.

The Way Forward

More work needs to be done to assess the policy options that will increase remittance volumes, facilitate the shift from informal to formal channels, and leverage remittances for sustainable poverty reduction. Activities should include enhanced data collection mechanisms, promotion of a competitive remittances industry, and the use of rural institutions (i.e. MFIs, rural banks, cooperatives, post offices, etc.). Partnerships between the government, development partners and financial intermediaries are needed to develop an integrated remittances approach that enables more efficient last-mile distribution of remittance funds. Further, economic growth will encourage all forms of capital and help to direct remittance savings towards more productive investments.

Some Core Principles¹, developed by the Inter-American Development Bank for the Latin America and Caribbean remittances market can help guide the way in Africa. Core principles were set out for three groups:

<u>Remittances Institutions:</u>	Improve transparency; promote fair competition and pricing; apply appropriate technology; seek partnerships and alliances; expand financial services.
<u>Public Authorities:</u>	Do no harm; improve data; encourage financial intermediation; promote financial literacy.
<u>Civil Society:</u>	Leverage development impact and support social and financial inclusion.

The African Development Bank (AfDB) has assigned high priority to the promotion of remittance flows as a development tool – a remittances initiative has been designed to mobilize funds and enhance their impact on recipients and their communities. The AfDB

¹ “Beyond Small Change – Making Migrants Remittances Count”, IADB, 2005.

objectives are to: 1) better mobilize remittances as a flow of resources; 2) increase the flow of resources to the end beneficiaries; 3) empower local communities and households, and 4) contribute to the reduction of money-laundering risks. The AfDB's approach is to partner with other development organizations, including the World Bank and the IOM, to enhance data gathering in the area of remittances. Through working with its partners, the AfDB will undertake a remittances study in Africa to enhance the knowledge of remittance flows on the continent. The study will aim to determine best practices and lessons learned through a global inventory and develop country level data through country assessments. In parallel to conducting a study, the Bank will look to design a pilot project to increase the flow of remittances in the formal sector, reduce the transaction fees and channel funds towards productive use.

Remittances and Labour Migration



Policy Options for Enhancing the Development Impact of Remittances

Presentation by: Ms. Loretta Foran
Investment Economist
Private Sector Development
African Development Bank

February 9, 2006

AFRICAN DEVELOPMENT BANK GROUP

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- Working with Host Countries

■ The Way Forward



Remittances are a critical financial source for millions of households in many developing countries

- In 10 people around the world are directly involved in remittances (sending or receiving)
- 125 million workers send money to support 500 million family members back home
- Foreign workers sent at least US \$175 billion to countries of origin in 2004 (IADB est.)
- Remittances are a critical source of income for poor households – making up 40% or more of a receiving households income
- Transfers average US \$200 – (between US \$100 and US \$1,000 is common)



Increasing attention has been paid to the potential of migrants' remittances to contribute to the development of countries of origin

1



While little is known about remittances in Africa, official remittances often exceeds Foreign Direct Investments and Official Development Assistance



- Lack of sufficient remittances data in Africa:
 - Only funds channelled through official FIs captured
 - Almost two-thirds of Sub-Saharan countries lack data
- Remittances constitutes a large source of financial flows, sometimes exceeding FDI and ODA
- Remittance flows in Africa are estimated to be US \$18 billion (IADB)
- Migrant remittances go directly to families in places that are often difficult to reach with development assistance

Unrecorded remittances are estimated to be approximately 50% of recorded remittances in Africa

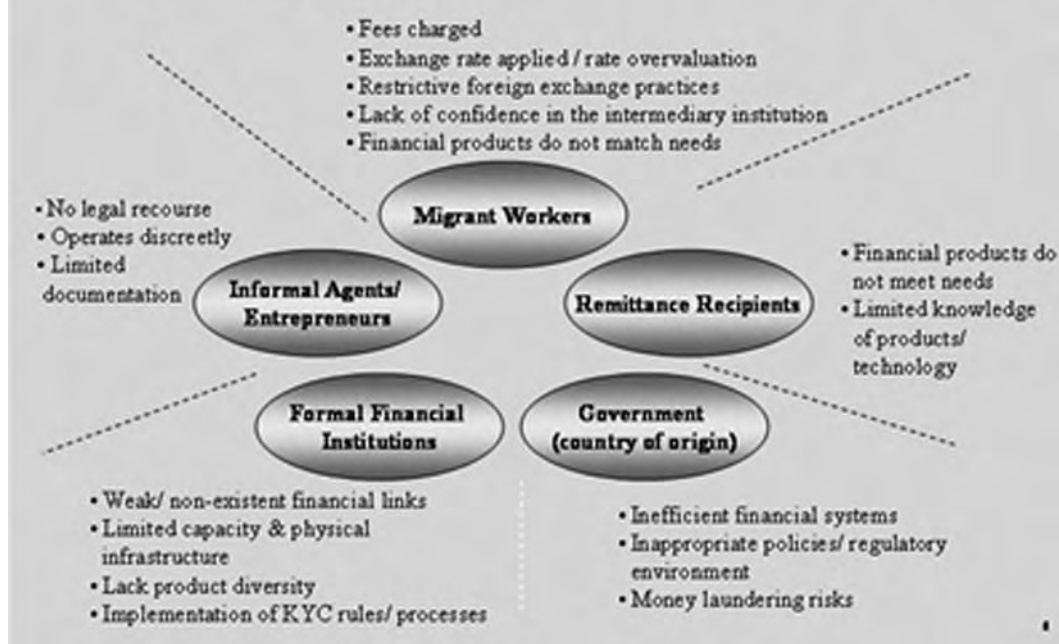


An integrated remittances system operates with the involvement of key actors, each with their own motivations and related strategies

The Remittance System



Each of the players in the remittance flow process has unique needs and encounters specific constraints





Migrant workers turn to informal channels primarily because of their efficient service and their access to more remote areas – cumbersome regulations also act as a deterrent from using the formal system

Reasons to Use Informal Sector

Broad Reach



- Banks & credit unions have low market penetration in migrant communities, plus scarcity of bank branches in receiving areas
- Through informal sector money is normally hand delivered to remote areas within a few days

Flexible Terms



- Banks have limited product offerings
- Some informal channels enable payment in advance (on future earnings)
- Can provide items in-kinds (equipment, etc.)

Inability/ desire not to Provide Information



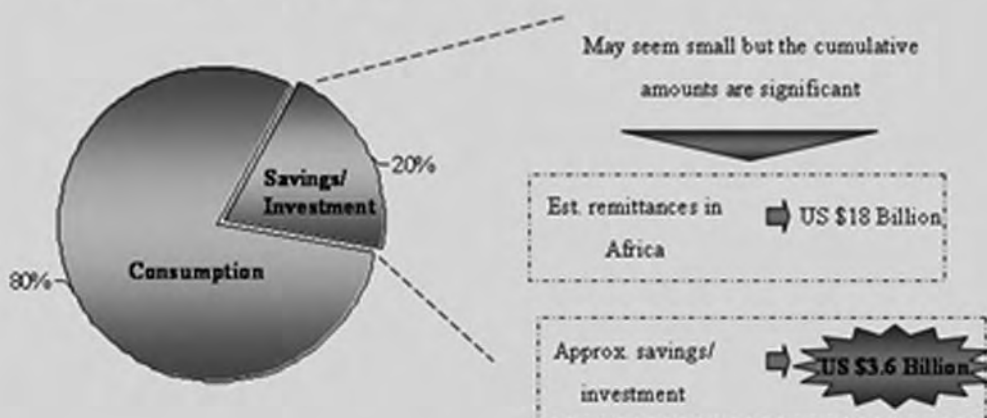
- Stringent identification requirements for both senders and recipients in the formal sector
- Informal money transfer agencies and money changers are often not subject to anti-money laundering laws

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The bulk of remittances, approximately 80 - 85%, are used to cover basic necessities, such as food, housing and utilities

Approximately Percentage Breakdown of the Use of Remittances *



* Remittances are also given in-kind

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Migrant workers will send money to families for consumption purposes but typically do not send extra money to invest in the domestic market, nor keep their own savings in the country of origin



Reasons Migrant Workers do not Invest in Domestic Market (directly or via recipients)

- Low relative rates of return on domestic financial assets
- Lack of adequate and efficient banking facilities
- (Often) Lack of organized capital markets
- Restrictive foreign exchange practices (in many countries)
- Negative interest rates on domestic savings
- Economic uncertainty associated with domestic political instability
- Lack knowledge of investment opportunities



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Governments in the country of origin look to achieve a number of objectives when they set policies relating to remittances

Remittance Related Policy Objectives

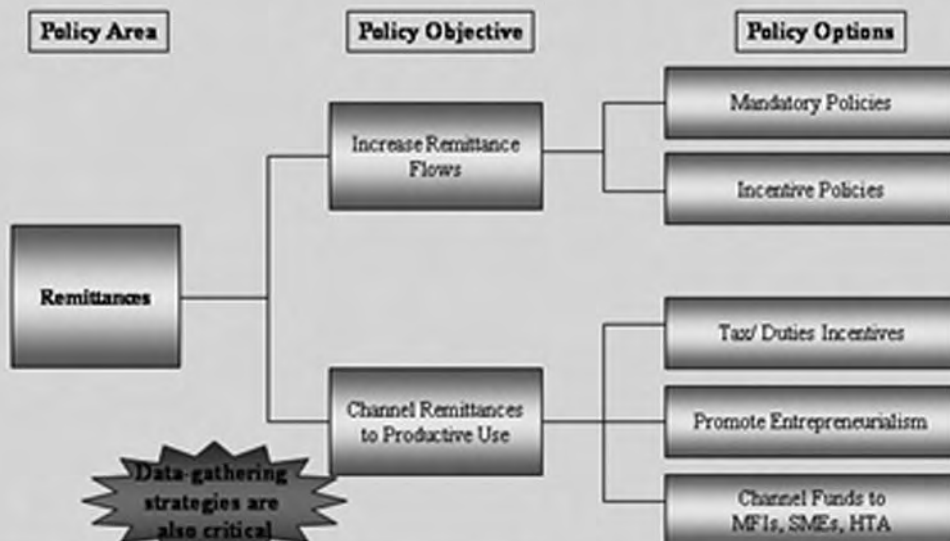


However, the lack of remittances data makes it difficult for governments to make informed policy decisions to enhance the development impact of these funds

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Various policy options exist to achieve the two main objectives related to remittances – increase the flow in the formal sector and channel the funds to productive use



Data-gathering strategies are also critical

* Incentives need to target both senders and recipients

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Some governments have tried to implement mandatory remittance requirements...

Examples of Mandatory Remittance Policies

Country			
Policy	<ul style="list-style-type: none">• Exit permit conditions• Minimum 80% of migrant worker's earnings remitted via Korean banking system	<ul style="list-style-type: none">• Minimum 50% to 80% of earnings remitted (varies by profession)• Passport renewals based on compliance	<ul style="list-style-type: none">• Migrants to transfer 10% of their income in foreign exchange
Result	Successful policy due to Korean's labour exporting process	Unsuccessful – policy stopped	Policy stopped

...but for the most part, these schemes have been unsuccessful – attempts at state control of remittances tends to result in increased informal transfers



Other governments have viewed remittances as a source of tax income – however, this has been ineffective as emigrants will underreport their incomes and channel funds through the informal sector

Policy Options to Capture Share of Remittances

- Taxation of emigrants
- Duties/ taxes on remittance transfers
- Import tariffs on goods accompanying returning migrants
- Voluntary contribution for charitable purposes (check-off on transfer forms)

Results

Increases tendency of emigrants to underreport their incomes and increase the illegal transit of emigrant workers and illegal imports



Some people also want to enforce strict migration policies (i.e. on people's movements, etc.), but migration will always continue



As remittances are private transfers, policy measures that are in the form of incentives generally works better

Ways to Increase Formal Remittances

- Repatriable foreign exchange accounts
 - Premium interest rate policy (tax free)
 - Premium foreign exchange rate policy
 - Auction of foreign exchange
- Premium interest rate accounts
- Foreign currency denominated bonds (with premium interest and FX rates)
- Promoting financial literacy/ explain options; banking the unbanked

Benefits

- Enables migrants to remit earnings in foreign currency accounts in domestic banks
- Alleviates FX shortages
- Mobilized savings in FI can be on-lent
- Higher rate of earnings
- Encourages acquisition of assets in CO¹
- Provides anonymity for those who want it
- Can improve savings rate

¹ CO= Country of Origin

Remittance flows may not necessarily increase overall, but a multiplier effect is expected when funds are brought into the formal sector



To increase funds channeled through the formal sector, governments need to promote the rural banking network, facilitate the reduction of transfer costs and increase information (1/2)

Ways to Increase Flow of Funds in the Formal Sector

Area	Issue	Solution	Policy
Reduce Remittance Transfer Costs	<ul style="list-style-type: none"> ■ High transfer costs ■ Many migrant workers are financially illiterate and do not understand available options 	<ul style="list-style-type: none"> ■ Increased competition <ul style="list-style-type: none"> → establish branches of national/ regional FI in HC¹ → alliance between banks in HC & CO², banks & money transfer co. ■ New technologies to reduce costs (ATM, debit cards, point of sale, etc) ■ Educate consumers about options 	<ul style="list-style-type: none"> ■ Improve legal and regulatory framework to facilitate the transfer of funds (CO)
Banking the Unbanked	<ul style="list-style-type: none"> ■ People outside financial system pay much higher costs (money & time) to conduct transactions 	<ul style="list-style-type: none"> ■ Bank people – will lower transaction costs, increase access to credit & use of other financial products (savings) ■ Develop initiatives to increase financial literacy and build confidence 	<ul style="list-style-type: none"> ■ Accept ID cards from consulates (HC) ■ Eliminate/ reduce minimal balances (HC/CO)

1. HC= Host Country, 2. CO = Country of Origin

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To increase funds channeled through the formal sector, governments need to promote the rural banking network, facilitate the reduction of transfer costs and increase information (2/2)

Ways to increase Flow of Funds in the Formal Sector

Area	Issue	Solution	Policy
Service Offering	<ul style="list-style-type: none"> ■ Product offerings do not match the needs of migrant workers or their families 	<ul style="list-style-type: none"> ■ Offer more flexible, efficient services (similar to services offered in informal sector) 	<ul style="list-style-type: none"> ■ Eliminate/ reduce minimal balances (HC/CO)
Expand banking networks to remote areas	<ul style="list-style-type: none"> ■ Much of remittance flows are destined for remote areas that have little-to-no financial network ■ Costly investment required to connect rural banks 	<ul style="list-style-type: none"> ■ Offer 'last mile' services <ul style="list-style-type: none"> → reduce remittances cost through more direct links with countryside → provide beneficiaries with access to financial products/ services normally available only in urban areas → use post office branches 	<ul style="list-style-type: none"> ■ Introduce new tools (point of sale, G-cash, ATM, etc.) ■ Enable post offices to channel funds ■ Banks partner with money courier co.

However, migrant specific incentive schemes can have only limited impact in diverting remittances into the formal sector if economic factors are distorted

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Policy makers must keep in mind that they also have control over variables, such as macroeconomic factors, that influence migrants decisions to make discretionary remittances

- Migrants perception of macroeconomic policy and related conditions (economic stability)
- Interest rate differential between the host and home country
- Currency and inflation risks (currency risk can be mitigated by allowing migrants to transfer foreign currency and hold it in FX accounts in the home country)
- Institutional deficiencies need to be addressed:
 - Severity of exchange and trade restrictions in the economy
 - Black market premium (a measure of the degree of exchange rate overvaluation)
 - Level of financial development in economy (ability to compete with informal sector)
 - Infrastructure (rural presence, technology capabilities, etc)

Economic Policies that promote economic stability provide a more attractive environment for migrants to make discretionary transfers

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While the policies previously addressed can increase remittances flows, a different set of policies are required to influence the use of remittances

Examples of Policies to Influence Use of Remittances

- Concessional rates of duty on imported capital goods (i.e. machinery and equipment)
- Business counseling and training programs
- Entrepreneurial training programs
- Increase information on investment opportunities

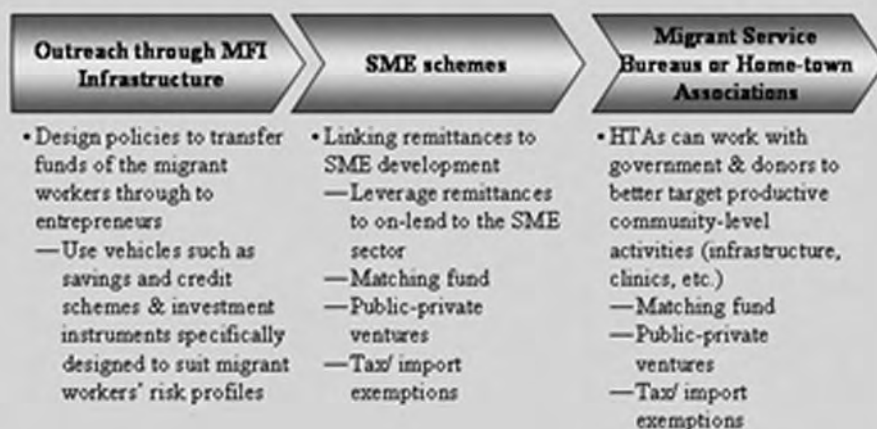
Some policies focus on entrepreneurial activities, however, it is difficult to convert migrant workers/savers with no prior business experience into dynamic entrepreneurs

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Rather than look to transfer migrants into entrepreneurs, it may be more realistic to introduce financial intermediaries that capture migrant remittances as deposits and channel them to existing micro-and-small-businesses

Means to Channel Funds to Productive Use



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Further, many new technologies to facilitate remittance transfers are coming to the market – use of mobile phone, dual ATM cards, point of sale, etc. – the impact of these technologies and their policy implications needs to be assessed

Example Technologies	Use	Benefits
■ Dual ATM cards	■ Depositor receives ATM card and Remittances ATM card for their beneficiary	■ Fast (fund available next day); can withdraw funds in CO at any ATM
■ Cell phones /G-cash/ point of sale	■ Cell phone turned into an 'electronic wallet'	■ Fast; Outreach to rural areas ■ Recipient can make direct purchases at affiliated stores
■ Electronic postal money orders	■ Recipient obtains funds at the post office	■ Fast; Outreach to rural areas

HC banks can liaise with counterpart institutions in the CO to facilitate wire transfers and allow recipients to access funds through their ATM networks

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Many people assume that policy initiatives must come from the governments of the country of origin, however, host country governments can also play a big part in increasing the flow of remittances to the formal sector

Policies Undertaken by Host Country Governments

- Contributing to efficient and cost effective transfer mechanisms
 - Wire Transfer Fairness & Disclosure Act (US House of Representatives presented 2003)
 - Cap on amount transfer company can charge (in discussion in the US)
- Make Banking more accessible for migrant workers
 - Laws to accept identity cards issued by foreign consulate to open a bank account
 - Targeted products for migrants (reduce/eliminate min. balance requirement on accounts)
 - Use HTAs/ NGOs to bundle money to obtain minimum balances & lower costs
 - Financial literacy training
- Exchange rate policies
- Immigration policies

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Further, countries of origin can look to maximize remittance flows by making arrangements with the host countries

- Set up remittance windows or facilities in host countries
 - Improve access of migrant populations to formal channels
 - Drive down cost through enhanced competition
 - More funds are flowing to country of origin through the formal system

Examples of Financial Intermediaries or Bank Branches Set up in France (Host Country)



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These arrangements/ activities could also be carried out on a regional level to leverage the impact of remittance schemes

Initiatives could focus on:

- Improved data collection/ information sharing
- Regulatory policies at the regional level to enhance the sustainability of remittance flows
- Facilitation of regional involvement of African financial institutions
- Dialogue with host country governments (to accept ID cards from consulates, etc.)
- Capacity building – educate policy makers, migrant associations, financial institutions, etc. about best practices

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More work needs to be done to assess the policy options that will increase remittance volumes, facilitate the shift from informal to formal channels, and leverage remittances for sustainable poverty reduction

- Enhance data collection mechanisms
- Promote a competitive remittances industry
- Promote the use of rural institutions (i.e. MFIs, rural banks, cooperatives, post offices, etc.) in the provision of remittances and other financial services to remittance recipients
 - Government and development partners to work with the banking and non-banking associations to improve domestic interconnectivity to enable more efficient last mile distribution of remittance funds
- Develop an integrated approach to ensure remittance policies are in line and compliant with other economic policies within the country of origin

Economic growth will encourage all forms of capital and help to direct remittance savings to more productive investments

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The ADB has assigned a high priority to the promotion of remittance flows as a development tool – a remittances initiative has been designed to mobilize funds and enhance the developmental impact of these funds

ADB Objectives:

- 1) Better mobilize remittances as a flow of resources
- 2) Increase the flow of resources to the end beneficiaries
- 3) Empower local communities & households
- 4) Contribute to reduction of money-laundering risks



ADB Approach:



Envois de fonds des travailleurs émigrés et migration de la main-d'oeuvre



Options de politique visant le renforcement de l'impact des envois de fonds sur le développement

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dans le développement du secteur privé
Banque africaine de développement

9 février, 2006

GRUPE DE LA BANQUE AFRICAINE DE DÉVELOPPEMENT

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Les envois de fonds constituent une importante sources de revenu pour des millions de ménages dans beaucoup de pays en développement

- 1 personne sur 10 dans le monde sont directement impliqués dans les envois de fonds (expéditeur ou bénéficiaire)
- 125 millions de travailleurs rapatrient de l'argent dans leur pays pour venir en aide à 500 millions de personnes membres de leur famille
- Les travailleurs étrangers ont envoyé au moins 175 milliards de dollars EU dans leur pays d'origine en 2004 (selon les estimations de la BIAD.)
- Les envois de fonds représentent une importante source de revenu pour les ménages pauvres – soit 40% ou plus des revenus des ménages bénéficiaires
- Les transferts atteignent en moyenne 200 dollars EU – (les envois de fonds de 100 à 1.000 dollars EU sont fréquents)

On accorde de plus en plus d'attention au potentiel des envois de fonds des travailleurs résidents à l'étranger de contribuer au développement de leurs pays d'origine

1



Certes, l'on ne sait pas grand-chose sur les envois de fonds en Afrique, mais les envois de fonds officielles dépassent souvent les investissements directs étrangers et l'aide publique au développement



- Manque de données adéquates sur les envois de fonds en Afrique :
 - Seulement les fonds acheminés par les IF officielles sont enregistrés
 - Presque deux-tiers des pays au Sud du Sahara ne disposent pas de données
- Les envois de fonds constituent une importante source des flux financiers, parfois excédant IDE et l'APD
- On estime que les flux d'envois de fonds en Afrique atteignent 18 milliards de dollars EU (BIAD)
- Les fonds envoyés par les travailleurs émigrés sont directement remis aux familles dans des zones qui sont souvent difficilement accessible par l'aide au développement

On estime que les envois de fonds non officiels représentent environ 50% des envois de fonds officiels en Afrique

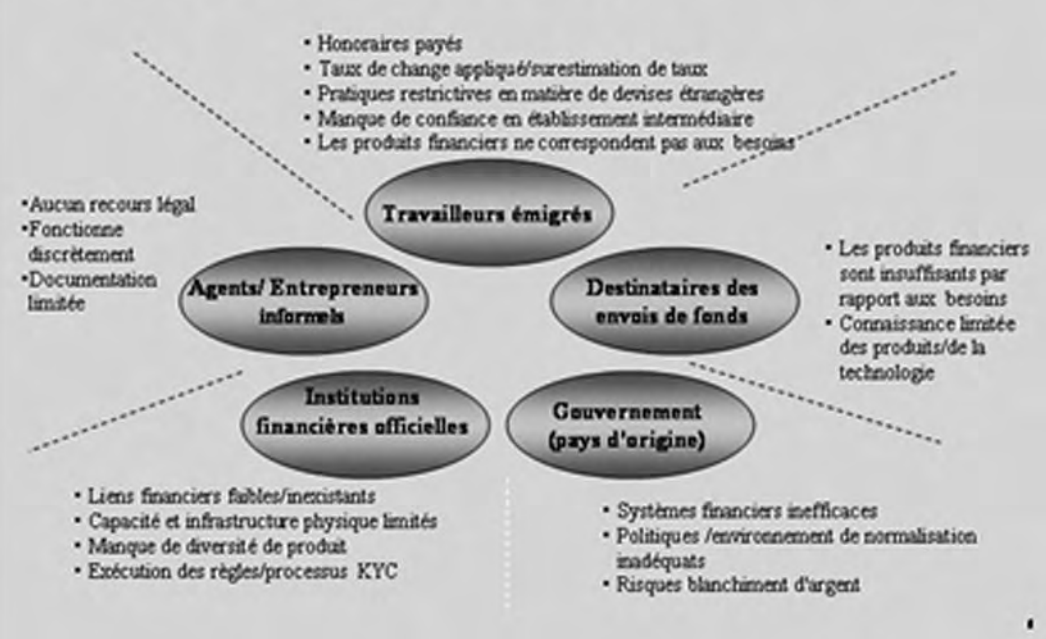


Un système intégré d'envois de fonds fonctionne avec la participation des principaux acteurs, chacun d'eux ayant ses propres motivations et stratégies relatives

Le système d'envois



Chacun des acteurs impliqués dans le flux d'envois de fonds a des besoins particuliers et connaît des difficultés spécifiques





Les travailleurs émigrés se tournent vers les systèmes informels principalement en raison de leur prestations efficaces et leur accès aux zones plus reculées – Les règlements fastidieux ont également un effet dissuasif pour le recours au système formel

Les raisons d'utiliser le secteur informel

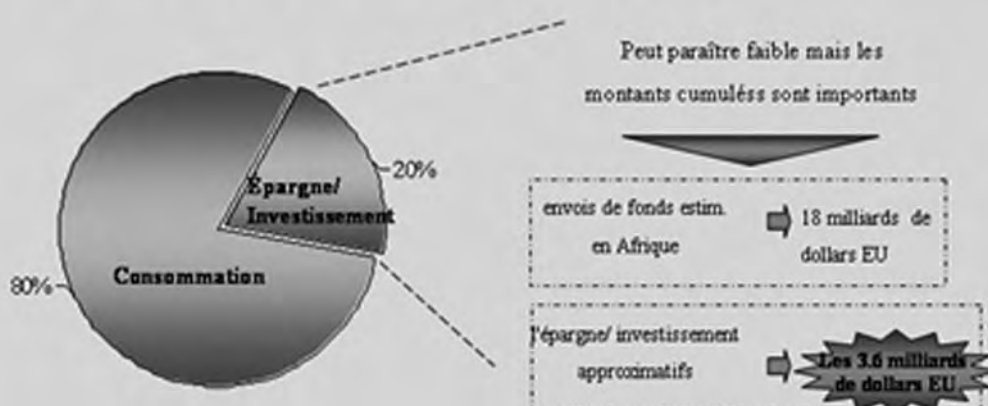
- | | | |
|--|---|---|
| Large rayon d'action | ▶ | <ul style="list-style-type: none">• Les banques et les associations coopératives d'épargne et de crédit ont une faible capacité de pénétration du marché dans les communautés d'émigrés ; en plus, de la rareté des succursales dans les zones où se trouvent les destinataires▶ Par le secteur informel l'argent est normalement remis main à main dans les régions éloignées en l'espace de quelques jours |
| Conditions souples | ▶ | <ul style="list-style-type: none">• La Banque propose peu de produits▶ Certains systèmes informels permettent le paiement à l'avance (en prévision de futurs revenus)▶ Les paiements en nature sont possibles (équipement, etc...) |
| Incapacité/souhait de ne pas fournir des informations | ▶ | <ul style="list-style-type: none">• Conditions rigoureuses d'identification pour des expéditeurs et des destinataires dans le secteur formel▶ Les agences de transfert d'argent et les agents de change informels ne sont souvent pas soumis aux lois interdisant le blanchiment d'argent |

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La majeure partie de envois de fonds, approximativement 80 - 85%, sont employés pour couvrir les besoins essentiels, nourriture, logement et les biens publics

Répartition approximative de l'utilisation des envois de fonds en pourcentage*



* Les envois de fonds sont également remis en nature



Les travailleurs émigrés envoient l'argent aux familles pour des besoins de consommation, mais en principe ils ne font pas d'autres envois d'argent sur le marché intérieur, et ne laissent pas leur propre épargne dans le pays d'origine



Les raisons pour lesquelles les travailleurs émigrés n'investissent pas sur le marché intérieur (directement ou par l'intermédiaire des destinataires)

- Faibles taux de rendement sur les actifs financiers nationaux
- Manque d'équipements d'opérations bancaires adéquats et efficaces
- (souvent) absence de marchés financiers organisés
- Pratiques restrictives en matière de change (dans beaucoup de pays)
- Taux d'intérêt négatif sur l'épargne nationale
- Incertitude économique liée à l'instabilité politique nationale
- Le manque de connaissance des opportunités

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Les gouvernements des pays d'origine cherchent à réaliser un certain nombre d'objectifs lorsqu'ils définissent les politiques en matière d'envois de fonds

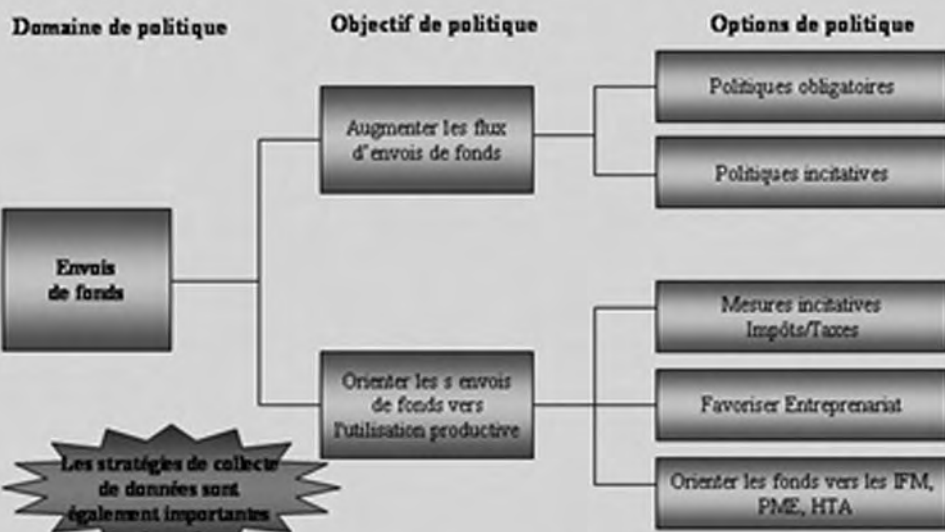
Objectifs de politique relatifs à l'envoi de fonds



Cependant, le manque de données sur les envois de fonds ne permet pas aux gouvernements de prendre des mesures politiques visant le renforcement de l'impact de ces fonds sur le développement.



Diverses options de politique existent pour atteindre les deux objectifs principaux relatifs aux envois de fonds – augmenter le flux dans le secteur officiel et acheminer les fonds vers l'utilisation productive



* Les mesures incitatives doivent cibler à la fois les expéditeurs et les destinataires



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Certains gouvernements ont essayé d'appliquer des conditions obligatoires en matière d'envois de fonds...

Exemples des politiques obligatoires de remise

Pays	Corée	Philippines	Egypte
Politique	<ul style="list-style-type: none">• Conditions autorisation de sortie➢ au minimum 80% des revenus du travailleur émigré remis par l'intermédiaire du système bancaire coréen	<ul style="list-style-type: none">• Minimum 50% à 80% des revenus sont envoyés (varie selon la profession)• Renouvellements de passeport en fonction de la conformité	<ul style="list-style-type: none">• Les travailleurs émigrés doivent transférer 10% de leur revenu en devises
Résultat	Politique révisée à cause de la procédure d'exportation de la main-d'œuvre coréenne	Echec – Politique abolie	Politique arrêtée

... mais pour la plupart, ces politiques ont échoué – les tentatives faites par l'Etat pour gérer les envois de fonds tendent à avoir comme conséquence l'augmentation des transferts informels

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D'autres gouvernements ont considéré les envois de fonds comme une source de revenu d'impôts – cependant, cette tentative a échoué car les travailleurs émigrés ne veulent pas déclarer entièrement leurs revenus et acheminent les fonds par le secteur informel

Options de politique pour enregistrer une partie des envois de fonds

- > Impôt sur le revenu des émigrés
- > Taxes/impôts sur les transferts de fonds
- > Taxes à l'importation sur des marchandises rapatriées par les émigrés de retour
- > Contribution volontaire à des œuvres caritatives (prélèvement sur les formulaires de transfert)

Résultats

Accroît la tendance des émigrés à ne pas déclarer leurs revenus et augmente le passage illégal des travailleurs ainsi que et les importations illégales

Certains veulent également imposer des politiques migratoires strictes (c.-à-d. sur la circulation des personnes etc.), mais le flux migratoire continuera toujours



Puisque les envois de fonds sont des transferts privés, les décisions politiques qui sous forme de mesures incitatives sont généralement plus efficaces

Méthodes permettant d'augmenter des envois de fonds formelles

- Comptes en devises rapatriables
- Politique de la meilleure qualité de taux d'intérêt (hors-taxe)
- Politique de taux change sous forme de prime
- Ventes aux enchères de devises
- Comptes de la meilleure qualité de taux d'intérêt d'intérêt
- Titres libellés en devises (avec l'intérêt de la meilleure qualité et taux de devises)
- En faisant la promotion de l'information financière/expliquer les options ; les sensibiliser pour l'ouverture d'un compte

Avantages

- Permet à des émigrés de déposer des revenus dans des comptes en devises dans les banques nationales
- Atténue les pénuries de devises
- L'épargne mobilisée dans les IF peut être prêtée de nouveau
- Un taux plus élevé de revenus
- Encourage l'acquisition des capitaux en CO¹
- Permet l'anonymat pour ceux qui le veulent
- Peut améliorer le taux d'épargne

1. Co = pays d'origine

Il se peut que les flux d'envois de fonds n'augmentent pas, mais un effet multiplicateur est prévu si les fonds sont introduits dans le secteur formel



Pour augmenter des fonds transférés par le secteur formel, gouvernements doit favoriser la mise en place du réseau bancaire rural, promouvoir la réduction des coûts de transfert et améliorer l'information (1/2)

Méthodes permettant d'accroître le flux d'envois de fonds dans le secteur formel

Secteur	Problème	Solution	Politique
Réduire les Coûts de transfert des envois de fonds	<ul style="list-style-type: none"> Coûts élevés de transfert Beaucoup de travailleurs émigrés n'ont pas de notion de finances et ne comprennent pas les options disponibles 	<ul style="list-style-type: none"> Concurrence accrue <ul style="list-style-type: none"> → Ouvrir des succursales nationales/régionales d'TF dans le pays d'accueil → accords entre les banques du pays d'accueil et celles du pays d'origine ; banques et compagnies de transfert d'argent. Nouvelles technologies pour réduire les coûts (Guichets automatiques, cartes de débit à double usage, point de vente, etc.) Fermer les consommateurs sur les options 	<ul style="list-style-type: none"> Améliorer cadre juridique et de réglementation pour faciliter le transfert des fonds (pays d'origine)
Ouverture de compte	<ul style="list-style-type: none"> Les personnes qui ne connaissent pas le système financier ont des coûts de transaction beaucoup plus élevés temps et argent dépensés 	<ul style="list-style-type: none"> Les banquiers – réduisent les coûts de transaction, faciliteront l'accès au crédit et l'utilisation d'autres produits financiers (épargne) Développer des initiatives pour améliorer les connaissances en finances et pour créer un climat de confiance 	<ul style="list-style-type: none"> Accepter les cartes d'identité des consulats (Pays d'accueil) Éliminer/réduire les équilibres minimaux (Pays d'accueil/pays d'origine)

1. HC = Pays D'Accueil ; 2. Co = pays d'origine

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Pour augmenter des fonds transférés par le secteur formel, gouvernements doit favoriser la mise en place du réseau bancaire rural, promouvoir la réduction des coûts de transfert et améliorer l'information (2/2)

Manières d'augmenter le flux des envois de fonds dans le secteur formel

Secteur	Problème	Solution	Politique
Service L'Offre	<ul style="list-style-type: none"> Les offres de produit ne correspondent pas aux besoins des travailleurs émigrés ou de leurs familles 	<ul style="list-style-type: none"> Offrir des services plus flexibles et plus efficaces (semblables aux services offerts dans le secteur informel) 	<ul style="list-style-type: none"> Éliminer/réduire le solde minimal (HC/CO)
Augmenter les réseaux bancaires dans les régions éloignées	<ul style="list-style-type: none"> La plupart des flux d'envois de fonds sont destinés aux régions éloignées très peu ou pas couvertes par le réseau financier Investissements coûteux requis pour relier les banques rurales 	<ul style="list-style-type: none"> Offrir des ' primes ' <ul style="list-style-type: none"> □ réduire le coût de envois de fonds par des liens plus directs avec la campagne □ Proposer aux bénéficiaires l'accès aux produits financiers/aux services normalement disponibles seulement dans les zones urbaines □ Utiliser/employer les bureaux de poste 	<ul style="list-style-type: none"> Présenter les nouveaux outils (point de vente, G-argent comptant, guichets automatiques, etc...) Permettre aux postes de transférer des fonds Banque associé e et compagnies de transfert d'argent.

Cependant, des mesures incitatives en faveur des travailleurs émigrés n'auront pas suffisamment d'impact pour orienter les envois vers le secteur formel s'il ya une distorsion des facteurs économiques

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Les décideurs doivent garder à l'esprit qu'ils peuvent également contrôler des variables, comme les facteurs macro-économiques, qui influencent la prise de décisions des travailleurs émigrés lorsqu'ils doivent faire des envois de fonds discrectionnaires

- Perception de la politique macro-économique et des conditions y relatives (stabilité économique) par les travailleurs émigrés
- Différentiel de taux d'intérêt entre le pays d'accueil et le pays d'origine
- Risques de change et d'inflation (le risque de change peut être atténué en permettant à des émigrés de transférer les devises et de les garder dans un compte en devises dans le pays d'origine)
- Il convient de corriger les insuffisances institutionnelles:
 - La sévérité des restrictions de change et d'échanges dans l'économie
 - Prime de marché noir (une mesure du degré de surestimation de taux de change)
 - Niveau du développement financier dans l'économie (capacité de concurrencer le secteur informel)
 - Infrastructure (présence en milieu rural, possibilités de technologie, etc. ruraux)

Politiques économiques qui favorisent la stabilité économique fournissent un plus environnement attrayant permettant aux travailleurs émigrés de émigrés faire des transferts discrectionnaires

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Tandis que les politiques précédemment décrites peuvent augmenter les flux d'envois de fonds, il convient de prendre une autre série de mesures visant à orienter l'utilisation des envois de fonds

Exemples de politiques en vue d'orienter l'utilisation des envois de fonds

- Taux de droit de douane avantageux sur les biens d'équipement importés (c.-à-d. machines et équipement)
- Conseils pour la création d'entreprises et programmes de formation
- Programmes de formation pour la création d'entreprises
- Améliorer l'information sur les opportunités d'investissement

Certaines politiques se concentrent sur des activités ayant trait à la création d'entreprises, cependant, il est difficile de convertir les travailleurs émigrés/épargnants en hommes d'affaires dynamiques sans qu'ils aient eu auparavant une expérience en la matière

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Plutôt que d'envisager la conversion des travailleurs émigrés chefs d'entreprises, il est peut être plus réaliste d'introduire des intermédiaires financiers qui reçoivent les transferts d'argent des émigrés sous forme de dépôts pour les orienter vers des micro et petites entreprises existantes

Moyens d'orienter les fonds vers l'utilisation productive

Mobilisation par des infrastructures de IFM

- Concevoir des politiques pour virer les fonds des travailleurs émigrés vers des entreprises
- Utiliser des moyens comme l'épargne et des mécanismes de crédit et des instruments d'investissement
- spécifiquement conçus pour convenir aux profils de risque des travailleurs émigrés

Programmes de PME

- Lier les envois de fonds au développement des PME
- Orienter les envois de fonds pour une récession au secteur des PME
- Adaptation des fonds
- entreprises Public-privées
- Exonérations d'impôts/importation

Bureaux de prestations aux travailleurs émigrés ou associations provinciales

- Ces associations peuvent travailler avec le gouvernement et les donateurs pour mieux cibler les activités productives au niveau de la communauté (infrastructure, dispensaires, etc...)
- Adaptation des fonds
- entreprises Public-privées
- Exonérations d'impôts/importation

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De plus, bon nombre de nouvelles technologies permettant de faciliter les transferts de fonds arrivent sur le marché - téléphone cellulaires, cartes de débit guichet automatique, du point de vente, etc... - l'impact de ces technologies et de leurs incidences politiques doivent être évalués

Exemples de technologies	Utilisation	Avantages
■ Cartes de débit guichet automatique à double usage	■ Celui qui envoie l'argent reçoit la carte de guichet automatique et une autre carte pour le destinataire	■ Rapide (fonds disponibles le jour suivant) ; peut retirer des fonds dans le pays d'origine à n'importe quelle guichet automatique
■ Téléphone/G-argent comptant/point de vente	■ Le téléphone cellulaire devenu un porte-monnaie électronique	■ Rapide ; accès aux zones rurales ■ Le destinataire peut faire les achats directement dans des magasins associés
■ Mandat postal électroniques	■ Le destinataire retire l'argent à la poste	■ Rapide ; Accès dans les zones rurales

Les banques du pays d'accueil peuvent communiquer avec des institutions partenaires dans le pays d'origine pour faciliter les transferts et permettre à des destinataires d'accéder à des fonds envoyés à travers leurs réseaux de guichets automatiques

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Beaucoup de gens estiment que les initiatives de politique doivent venir des gouvernements du pays d'origine, cependant, des gouvernements de pays d'accueil peuvent également jouer un grand rôle en augmentant le flux des envois de fonds au secteur formel

Politiques entreprises par les gouvernements des pays d'accueil

- Contribution à la mise en place de mécanismes de transfert efficaces et rentables
 - ◆ Fiabilité du virement télégraphique et Loi sur la divulgation (Chambre des représentants des Etats-Unis présentée en 2003)
 - ◆ La compagnie de transfert d'argent peut imposer des frais (en examen aux USA)
- Rendre les banques plus accessible aux travailleurs émigrés
 - ◆ Promulguer des lois pour valider les cartes d'identité délivrées par les consulats à l'étranger aux fins d'ouverture de comptes bancaires
 - ◆ Produits visés pour les émigrés (Réduction ou suppression condition du solde minimale sur les comptes)
 - ◆ Utiliser les associations provinciales /ONG pour compter l'argent afin d'avoir un solde minimal et réduire les coûts
 - ◆ Formation en finances
- Politiques de change/ Politiques d'immigration

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De plus, les pays d'origine peuvent envisager de maximiser des flux d'envois de fonds signant des accords avec les pays d'accueil

- Installer des guichets ou des équipements d'envois de fonds dans les pays d'accueil
 - ◆ Améliorer l'accès des populations émigrées aux systèmes officiels
 - ◆ Procéder à une réduction du coût par une compétition accrue
 - ◆ Plus de fonds transférés dans le pays d'origine à travers le système formel

Exemples des intermédiation financière ou de succursales de banque installés en France (pays d'accueil)



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Ces arrangements/activités pourraient être également effectués au niveau régional augmenter l'impact des programmes d'envois de fonds

Ces initiatives pourraient mettre l'accent sur les aspects suivants :

- Amélioration de la collecte de données /du partage d'informations
- Politiques de normalisation au niveau régional pour renforcer la durabilité des flux d'envois de fonds
- Facilitation de la participation régionale des institutions financières africaines
- Dialogue avec des gouvernements des pays d'accueil (afin qu'ils autorisent l'utilisation des cartes consulaires, etc...)
- Renforcement des capacités – sensibiliser les décideurs, les associations de travailleurs émigrés, les institutions financières, etc. sur les meilleures pratiques

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Beaucoup reste à faire pour évaluer les options de politique qui Permettent d'augmenter les volumes d'envois de fonds, faciliter le passage des systèmes informels vers les systèmes formels, et augmenter les envois de fonds de afin qu'ils contribuent à une réduction durable de la pauvreté

- Renforcer les mécanismes de collecte de données
- Favoriser une industrie concurrentielle de envois de fonds
- Favoriser l'utilisation des établissements ruraux (c.-à-d. IFM, banques rurales, coopératives, postes, etc...) pour les prestations d'envois de fonds et autres services financiers aux destinataires de ces envois
- Le gouvernement et les partenaires au développement doivent travailler avec les associations bancaires et non-bancaires pour une meilleure interconnexion au niveau national pour que les envois de fonds atteignent les zones les plus reculées
- Développer une approche intégrée pour que les politiques d'envoi de fonds soient alignées et conforme aux autres politiques économiques du pays d'origine

La croissance économique encouragera l'utilisation de toutes les formes de capitaux et aidera à orienter l'épargne réalisée à partir des envois de fonds vers des investissements plus rentables

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La BAD a accordé une haute priorité à la promotion des flux d'envois de fonds comme outil de développement – une initiative des envois de fonds a été conçue pour mobiliser des fonds et augmenter l'impact de ces derniers sur le développement

Objectifs de la BAD :

- 1) Mobilisation accrue des envois de fonds comme flux de ressources
- 2) Augmenter le flux de ressources vers les bénéficiaires finaux
- 3) autonomiser les communautés et les ménages locaux
- 4) contribuer à la réduction des risques de blanchiment d'argent-

Approche de la BAD:

