

CHAPTER 4

PROCEEDINGS OF THE SECOND CONFERENCE DAY

Opening Session

The second conference day was dedicated to consultations on the Ministerial Declaration and modalities for its implementation and follow-up. The day opened with speeches by Ms. Ndioro Ndiaye, Deputy Director General of the International Organization for Migration (IOM), and Mr. Anwarul K. Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing States and Small Island Developing States of the United Nations (UN-OHRLLS).

In her opening remarks, the Deputy Director General of the IOM highlighted the urgent need to explore new and innovative ways to enhance the development of the poorest countries in the world. She stated that LDCs needed support and assistance from the international community to benefit from globalization and mitigate negative effects. On the other hand, the onus to introduce measures to create a conducive political and economic environment and apply the principles of good governance is also on LDCs themselves.

Mr. Chowdhury, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing States and Small Island Developing States of the United Nations, was the next speaker, highlighting the importance of the event within the context of the mid-term comprehensive global review of the Brussels Programme of Action. In his statement he also drew special attention to the need to reduce high remittance transfer costs, and stated that access to banking systems and competition amongst service providers would have to be increased to increase formal remittance flows.

Both speakers further underscored that there was no single and universal approach to remittances, and that the conference provided an ideal forum to share good practices and lessons learned amongst LDCs and other stakeholders involved.

These interventions were followed by a cultural programme, and an intervention by Zul Kifl Salami, Minister of State, in charge of Plan, Prospective and Development in Benin. In his presentation, the Minister referred to the problem of brain drain and the importance of poverty reduction, particularly in the African context. He also recommended the establishment of a “migrant remittance observatory for LDCs” which, among other things, would collect data on remittances in the context of migration and development, an initiative which was incorporated into the Ministerial Declaration.¹

The next speaker was Conference Chairman, Ambassador Samuel Amehou, who summarized the outcomes of the previous day. His presentation was followed by two interactive dialogues on

policies to reinforce remittance services and enhance the development impact of remittances. The day concluded with a plenary session which allowed the discussion and adoption of the Ministerial Declaration as well as its modalities for implementation and follow-up. Mr. Rogatien Biaou, Minister of Foreign Affairs and African Integration in Benin delivered the closing remarks.

Highlights from the Discussions and Adoption of the Ministerial Declaration

The draft Ministerial Declaration went through a lengthy consultative process and was adopted in the plenary session, following discussion during the two interactive dialogues. The declaration is built upon the main findings of the presentations and speeches delivered, best practices and experiences shared amongst experts and government officials. Special prominence was also given to initiatives and promising examples presented by civil society and diaspora organizations, aimed at expanding financial services to poor populations and the pooling of remittances for investment. Another diaspora initiative suggested a tax relief on remittances, which found broad recognition and was included in the text of the declaration.

Delegates called for a comprehensive policy on migration that incorporate aspects such as mitigating brain drain, labour migration, diaspora and remittance flows and applied an integrated approach geared towards enhancing the development impact of remittances. Such an approach also needed to take into account the non-economic and social costs of remittances. Several delegations had emphasized the important role of the private sector as well as the active participation of diaspora organizations in the national development process, especially in creating competitive and diversified remittance services. More effective inclusion of diaspora organizations, migrants and local communities was noted as being particularly crucial as they are the transmitters and end users of remittances. Emphasis was also put on capacity building measures to improve data collection and create a solid knowledge base regarding remittances.

The final text of the Ministerial Declaration, adopted on 10 February 2006 in Cotonou, Benin, operates within the framework of the Programme of Action of the LDCs for the decade 2001-2010 as well as the Millennium Development Goals. The Declaration targets governments in countries of both origin and destination, regional and international financial institutions, international organizations as well as civil society and diaspora organizations, and encourages them to enter into a dialogue to reinforce the institutional framework for remittances and the sustainable enhancement of their development impact.

**MINISTERIAL CONFERENCE OF THE LEAST DEVELOPED COUNTRIES
ON MIGRANTS' REMITTANCES
COTONOU, 9-10 FEBRUARY 2006**

MINISTERIAL DECLARATION

We, Ministers and Heads of Delegations of the Least Developed Countries (LDCs), having met on 9 and 10 February 2006 in Cotonou, at the Ministerial Conference of the Least Developed Countries on Migrants' Remittances;

Recalling the Millennium Declaration and, more particularly, the Millennium Development Goals (MDGs), aiming at achieving extreme poverty reduction;

Recalling the recommendations of the Third United Nations Conference on LDCs held in Brussels in May 2001 and which resulted in the adoption of the Programme of Action of the LDCs for the Decade 2001-2010;

Recalling the Monterrey Consensus;

Recalling the outcome of the Ministerial Conference organized in August 2002 in Cotonou on the theme: "Implementation of the Programme of Action of the LDCs and the Fight Against Poverty";

Recalling the outcome of the High Level Segment of the Economic and Social Council of June 2004 in New York, and the round table on the theme: "Enhancing the development impact of remittances of the LDCs";

Underscoring the importance and the economic and social value of funds remitted by migrants and the Diaspora;

Reaffirming the necessity to identify the areas of priority action for Governments and other actors in order to facilitate the flow of remittances, and enhance their development impact in LDCs, while respecting the private nature of these flows;

In light of the thematic presentations made during the Ministerial conference and given the rich debates generated;

Aware of the need to work jointly and in synergy to contribute effectively and efficiently in the global fight against poverty;

Clarifying the fact that enhancing the development impact of remittances is by no way an encouragement or signal for skilled labour to leave LDCs and migrate to developed countries;

Recognizing the importance of sharing and transfer of knowledge, capacities and good practices in the area of remittances between LDCs and other developing countries within South-South cooperation;

1. **Note** the importance of the migratory phenomenon in a globalized world that takes into account the flow of migrants of the LDCs;

2. **Recognize** the importance of migrant remittances as well as their impact on the development of migrant countries of origin, while emphasizing that remittances are not a substitute for official development assistance;
3. **Appeal** to Governments of the LDCs to put in place a migration policy and an enabling environment that include migrants' education and training and aim at encouraging investment from migrants;
4. **Urge** the Governments of countries of origin and receiving countries of migrants, national, regional and international financial and banking institutions, United Nations System Organizations and other appropriate institutions, organizations and bodies working in the area of the building of an inclusive financial system in the LDCs, as well as the Diaspora and NGOs to:
 - Work together in reinforcing the institutional framework for remittances;
 - Promote interstate and inter-institutional cooperation between countries of origin and receiving countries;
 - Seek and establish safe ways and means for migrants to transfer their remittances to countries of origin;
 - Seek lasting solutions for the enhancement of the impact of remittances on development;
5. **Foster** initiatives aiming at better organizing movements of migrant workers' so that receiving countries and countries of origin could derive mutual benefits;
6. **Urge** Governments and financial institutions to develop financial products to attract migrant savings and investments;
7. **Urge** Governments of host countries to consider introducing tax relief for remittances similar to tax incentives provided for investment funds and charitable donations;
8. **Request** the International Organization for Migration and other relevant organizations to further support the LDCs in the effective implementation of "Migration for Development" programmes;
9. **Underscore** the importance for Governments of creating an enabling environment for enhancing the development impact of remittances by:
 - Developing capacity, instruments and institutions to maximize the potential of remittances in the development of the LDCs;
 - Building an inclusive financial sector that links remittances to other forms of financial intermediation including micro-finance and safety-net mechanisms as well as creation of small and medium enterprises (SMEs);
 - Engaging Diasporas and Hometown Associations (HTAs) in the national development process of LDCs;
 - Improving data collection and knowledge base of remittances in the LDCs;
 - Strengthening Public-Private Partnerships (PPPs) with a view to reducing transaction costs of remittances and improving access to banking and financial products and services;

10. **Encourage** the formation of migrants' associations and promote the sensitization among migrants regarding development programmes in their countries of origin;
11. **Recognize** the importance of South-South migration and invite the countries and regional organizations involved to facilitate the movement of persons and promote efficiency of remittance mechanisms;
12. **Invite** host countries, in particular the developed countries, to adopt migration policies that take into account the MDGs, and to improve the efficiency of migrants' remittance mechanisms;
13. **Recommend** the establishment of a "Migrant Remittances Observatory for LDCs";
14. **Favourably** welcome the offer of the Government of the Republic of Benin to host the head office of the "International Migrant Remittances Observatory for LDCs";
15. **Request** the International Organization for Migration and other relevant organizations to support the establishment and operationalization of this Observatory as soon as possible;
16. **Request** the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLLS) to include the recommendations of the conference in its awareness-raising and advocacy on the special needs of the LDCs;
17. **Request** that this Declaration be brought to the attention of the High Level Meeting on the comprehensive review of the implementation of the programme of Action of the LDCs for the decade 2001-2010 at the sixty-first session of the General Assembly in New York on 19 and 20 September 2006;
18. **Invite** all countries, organizations and institutions involved or interested in the issue of migrant remittances to work actively and jointly towards the effective and quick implementation of recommendations and decisions of this Cotonou Conference;
19. **Decide** to put in place a Ministerial Committee and a Technical Committee responsible for monitoring the implementation of the recommendations and decisions of this Conference;
20. **Request** Benin, the Chair of the LDCs group, to circulate the Ministerial Declaration as the official document of the United Nations, and submit it as an input to the High-Level Dialogue on International Migration and Development to be held in New York on 14 and 15 September 2006.

Prospects and Follow-up Activities on the Implementation of the Declaration

The Declaration provides an important input to the High-Level Dialogue on International Migration and Development to be held in New York on 14 and 15 September 2006, and will be circulated by Benin as the Chair of LDCs. As requested by the Ministers and Heads of Delegations, it will further be brought to the attention of the high-level meeting of the mid-term comprehensive global review of the Programme of Action of the LDCs in New York on 18 and 19 September 2006.

The Declaration also puts in place a Ministerial Committee which comprises 13 Ministers and Vice-Ministers from Afghanistan, Bangladesh, Benin, Burundi, Cambodia, Central African Republic, Guinea, Nepal, Sierra Leone, Solomon Islands, Tanzania, Yemen and Zambia, and further a Technical Committee. These two committees will be responsible for the monitoring of the implementation of the recommendations and decisions of the conference.

As a follow-up activity to the Conference, the Ministerial Declaration recommended the establishment of a “Migrant Remittances Observatory for LDCs” to be hosted in Benin. The observatory will constitute a documentation centre with the objective of collecting and disseminating better information and data on remittance flows, usages patterns, transfer mechanisms and good practices. It will further assist LDCs in the identification, design and development of remittance-related policies and activities, and thereby promote the implementation of the Declaration. IOM and UN-OHRLLS agreed to seek financial support for the establishment and operationalization of such an observatory.

The declaration provides an excellent framework for the development of policies, programmes and pilot projects on enhancing the development impact of remittances in LDCs. As requested in the Declaration, IOM will further support LDCs in the effective implementation of Migration for Development in Africa (MIDA) programmes and work with UN agencies and others in mobilizing the resources needed to implement the recommendations.

¹ The original speeches from each speaker are included in the Annex to this publication.