



AFRICAN INSTITUTE FOR REMITTANCES (AIR)

LOWERING COSTS OF REMITTANCE TRANSFERS WITHIN AFRICA

25th March 2017

Dakar, Senegal

Background:

Remittances sent by over 30 million African migrants have consistently increasing and reached an officially reported more than \$66 billion in 2015. Remittances are lifeline for at least 120 million family members living back home. The data on African remittance flows, however, are substantially understated due to the large scale of use of informal/unregulated channels, as a result of a combination of several factors, including the high cost of sending money to and within Africa. Indeed, despite significant achievement in lowering transfer costs, remittances to and within the continent remain the most expensive in the world by a substantial margin.

The need for the promotion of cheaper, safer, faster and legally-compliant transfers of remittances has become a global common interest. In this regard, African and European leaders committed in Valletta, Malta in November 2015 to ***'By 2030, reduce to less than 3% the transaction costs of remittances and eliminate remittance corridors with costs higher than 5%. In addition, identify corridors for remittances transfers where the partners commit to substantially reduce the costs by 2020, from Europe to Africa and within Africa, in compliance with existing national legislations'***. Moreover, the UN General Assembly, in September 2015, endorsed a target (SDG, 10c) for the reduction of remittances transfer costs to 3% level by 2030.

In order to achieve these goals, the African Institute for Remittances (AIR), a Specialized Technical Office of the African Union Commission, has been working towards improving remittances data measurement, compiling and reporting capabilities of Member States, promoting reform of policies and regulatory frameworks on remittances to ensure market competition and efficiency resulting in reduction of remittance transfer costs¹ as well as facilitating ways of leveraging the potential impact of remittances on social and economic development in the continent.

¹ The average cost of sending money to and within Africa in the fourth quarter of 2016 was 9% and all of the most expensive corridors were all intra-African.

Objectives of the Side Event:

Ministers, High level Officials, Experts from Ministries of Finance, Economic planning and Integration, Experts from central banks, development partners, representatives from private sector will be discussing the main avenue of contributing to the objectives of the AIR, identify areas of competency and role of each of the relevant stakeholders including government agencies – Ministries and central banks – to achieve the goal “Lowering costs of remittance transfers within Africa”. The following are specific objectives of the side event:

- Creation of awareness on the overall Technical Assistance (TA) Program of AIR;
- Presentation on the major findings of the baseline assessment conducted in selected AU Member States;
- Identified actions/strategies in improving remittance markets transparency;
- Highlight latest developments in Remittances and share the analysis report from Send Money Africa (SMA) based on the data collected in 2016;
- Wider buy-in from Member States’ Officials.

Date and Venue:

The side event will be held on 25th March 2017 at the margin of the 10th joint meetings of the AU STC on Finance, Monetary Affairs, Economic Planning and integration and the ECA Ministers of Finance, Economic Planning and development to be held on 23-28 March 2017 in Dakar, Senegal.

Format:

The side event will include presentations, discussions and recommendations.

Participants:

Participants shall include: Senior officials from the African Union Commission, Ministers of Finance, Monetary Affairs, Economic Planning and Integration, Central Bank Governors of MS participating in AIR’s TA Program; Experts from Ministries and central banks, Representatives of development partners and the private sector: continental banks, MTOs, and others.

Documents:

The following relevant documents will be disseminated to participants:

- Summary report of the “Baseline Assessment on Remittances Market” conducted by AIR in selected Member States;
- Send Money Africa: Analysis Report for 2016.

Draft Program:

10:00 – 10:30 am:	Registration;
10:30 – 10:45 am:	Welcoming Remarks;
10:45 – 11:15 am:	Highlight on the current state of the AIR, African remittances flows and Send Money Africa (SMA) database;
11:15 – 11:45 am:	Presentation on the AIR Technical Assistance (TA) Program and Summary Report of the Baseline Assessment on Remittances Market conducted in selected AU MSs;
11:45 – 12:15 am:	Reduction of costs of remittance transfers within Africa: The role of various stakeholders;
12:15 – 12:45 am:	Wrap-up and way forward;
01:00 – 03:00 pm:	Lunch.

Further Information:

Further information is available from:

- African Institute for Remittances (AIR): AIR@au-air.org; Secretariat@au-air.org
- Hailu Kinfé: kinfeh@africa-union.org; Ousmane Diop: ousmane.diop@au-air.org