

Call to Action «Remittances in Crisis: How to Keep them Flowing»

Frequently Asked Questions

1. What is the purpose of the Call to Action?

The Call to Action aims to raise awareness about the importance of remittances for low- and middle-income countries. It also aims to identify key measures that could mitigate the significant impact of the COVID-19 crisis on remittances, highlight them for the attention of policymakers, regulators and remittance service providers, and generate momentum for action.

The Call to Action encourages policymakers, regulators and remittance service providers to improve access for migrants and wider diaspora communities to physical or digital remittance services. Facilitating the sending and receiving of remittances without obstacles will enable hundreds of millions of people globally who rely on these flows, particularly those in vulnerable situations due to the current crisis, to cover basic necessities such as food, education and healthcare. This will prevent millions of people from falling into poverty, which would negatively impact the achievement of the SDGs. Maintaining the flow of remittances is vital for the resilience and recovery of local economies and communities in many low- and middle-income countries heavily affected by the health and economic crisis caused by the spread of COVID-19.

2. How is COVID-19 impacting remittances?

The current global crisis related to COVID-19 affects all regions of the world, all generations and all segments of society. Besides health vulnerabilities, migrant workers and their families are also hit hard by the economic effects of the crisis. Many migrants have lost their jobs and are compelled to return home, others are stranded without pay in their countries of destination, leaving them without income to support themselves or their families back home.

One crucial aspect of how the COVID-19 crisis is affecting migrants, members of diaspora communities, as well as the families, communities and economies that rely on receiving remittances, is the severe disruption to those remittance flows. The secondary impacts of COVID-19 include migrants having less or no income, closure or reduced operating hours of remittance service providers, challenges for migrants in accessing remittance transfer services due to lockdown restrictions, and difficulties for their families who cannot receive the remittances.

This is particularly urgent as remittances provide a vital lifeline for hundreds of millions of people round the world, and yet the World Bank has projected that as a consequence of the crisis, flows to low- and middle-income countries will decline by about 20% – roughly US\$110bn – in 2020. This significant reduction will not only cause hardship for families and

communities directly dependent on remittances and may drive further migration, it also carries the risk of adverse macroeconomic impact in many developing and emerging countries. In various low- and middle-income countries, total remittances correspond to more than 10% of their GDP, and remittances to low- and middle-income countries as a whole exceed both foreign direct investment and ODA. Given that in past crises remittances have typically acted as a countercyclical and stabilising factor, the impact of a drastic slump in remittances will be significant.

3. Who are the initiating countries and organisations behind the Call to Action?

The Call to Action “Remittances in Crisis: How to Keep them Flowing” is an initiative jointly launched by the Governments of Switzerland and the United Kingdom on 22 May 2020, in partnership with the World Bank, UNCDF, IOM, UNDP, the International Association of Money Transfer Networks (IAMTN) and the International Chamber of Commerce (ICC).

4. Will the Call to Action be undertaking specific interventions or programmes to support the flow of remittances?

The Call to Action aims to raise awareness about the importance of remittances for low- and middle-income countries. It also aims to identify key measures that could mitigate the significant impact of the COVID-19 crisis on remittances, highlight them for the attention of policymakers, regulators and remittance service providers, and generate momentum for action. Because of the nature of the Call to Action, it is not set up with either the intention or the funding to implement specific programmes (for example to provide technical assistance, or capacity-building).

5. Is there a deadline for joining the Call to Action?

An invitation to join the Call to Action was issued to all countries and a range of other stakeholders on 22 May 2020. Interested countries and stakeholders are encouraged to join the Call to Action ahead of the United Nations [International Day of Family Remittances](#) on 16 June, but this is not a hard deadline – we would welcome others joining at any time to indicate their support for this critical issue.

6. What is expected of countries and stakeholders that join the Call to Action? What is the benefit of joining?

The Call to Action is designed to highlight the vital role that remittances play in supporting hundreds of millions of people round the world, and to generate momentum around a number of important measures that can keep remittance flows moving in the crisis. Countries and stakeholders joining the Call to Action are expected to contribute to the promotion and implementation of the Call to Action.

The Call to Action identifies a number recommendations for policymakers, regulators and remittance service providers that should be considered for the benefit of migrants, diaspora communities, and the economies, communities and families that rely on receiving remittances.

It is not the expectation that all recommendations will be equally applicable in all countries. Some will be more relevant in some places than others, in particular depending on whether a country mostly sends or receives remittances. In addition, the expectation is not that by joining the Call to Action a national government necessarily undertakes to fully implement all those

measures in its territory – not least because there may well be other stakeholders involved (including in many countries state or provincial governments).

By joining, stakeholders endorse the Call to Action, but they can also expect to benefit from actions generated. For example, countries who mostly receive remittances will benefit from those flows being maintained. Remittance service providers will benefit from efforts by policymakers and regulators to keep businesses operating and keep remittance channels open. The more stakeholders join, the greater the impact and the more effective the call to action will be.

In addition, access to existing global platforms on remittances can be facilitated for all who join the Call to Action, to support the promotion and implementation of its recommendations. Countries and other stakeholders who join are invited to share contact details for their focal point.

7. What are the next steps of the Call to Action?

The Call to Action is designed to highlight and promote measures that will generate action from key stakeholders – in particular policymakers, regulators and remittance service providers – to mitigate the impact of COVID-19 on remittances. Any direct activities that the Call to Action may initiate will depend both on demand, and offers of resources/capacity, from those who join. It is well understood that there are other initiatives that also work in this area, and it will be important to join forces to ensure that any activities complement other work being undertaken.

Subject to the points above, activities of the Call to Action could include:

- a) collating and sharing examples of initiatives taken to address the impact of the crisis on remittance flows;
- b) webinars to facilitate discussions on key topics and the sharing of best practice / lessons learned;
- c) information gathering (surveys / questionnaires); and
- d) action-oriented working groups to discuss how to address specific issues.