



Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Confederation



Webinar

Remittances in Crisis: How to Keep them Flowing

**Convened by Switzerland and the United Kingdom on the occasion of the
International Day of Family Remittances**

Tuesday, 16 June 2020

8:00 - 9:00 (ET) / 14:00 - 15:00 (CET)

SUMMARY REPORT

The webinar organized by Switzerland and the United Kingdom in partnership with World Bank/KNOMAD, UNCDF, IOM, UNDP, IAMTN and ICC on the occasion of the International Day of Family Remittances brought together a wide range of experts from countries, industry and international organisations to discuss the impact of the COVID-19 crisis on remittance flows, recipient households and their communities. A summary of challenges, mitigating actions and key conclusions that were discussed is set out below. A full record of the webinar is set out [here](#).

Key challenges facing the remittances sector

Remittances are not only a critical lifeline for millions of people around the world in securing necessities, such as food, housing, education and health. They are also the biggest source of external financing for low- and middle-income countries. However, the World Bank has projected a decline in remittances to low- and middle-income countries of at least 20% – roughly US\$110bn – in 2020, resulting in a significant blowback in the achievement of the SDGs, if not effectively mitigated.

A number of speakers flagged the challenges faced by migrants across a range of areas. They are likely to lose their jobs and/or have reduced incomes, which will impact both their ability to send money home, and also to support themselves and their families. Furthermore, migrants and their families may struggle in sending and receiving remittances, as remittance service providers are compelled to close or have reduced operating hours due to lockdown measures.

Another theme that was raised by several participants was the impact of Know Your Customer (KYC) requirements, broader Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) regulations, and the ongoing de-risking trend. This makes it harder both for banking relationships to be maintained, and for financial services providers to take on new customers.



Potential mitigating actions

The speakers discussed a number of measures that could help mitigate these challenges. These included the following:

- Ensuring that remittance services are classified as essential to allow providers to continue to operate during lockdowns.
- Supporting stranded migrants by extending economic support measures, cash transfers and healthcare programmes. For example, through their consular services, countries of origin provide food support or offer humanitarian repatriation flights. However, such measures only provide temporary relief, as unemployment in countries of destination may last and repatriated migrants struggle to reintegrate due to the economic instabilities caused by COVID-19 in their countries of origin.
- Supporting the remittances industry with appropriate instruments to manage credit and liquidity.
- Faster adoption of digital financial services – remittance service providers can promote and expand the availability of digital channels, governments can support financial literacy programmes and information campaigns on the availability of digital options.
- Ensuring that AML/CFT regulations strike an appropriate balance between facilitating financial inclusion and managing risk of financial crime.
- Reviewing KYC rules with a view to ensure that a proportionate, risk-based approach is taken, and that as much clarity as possible is given to industry. This could include relaxing KYC rules, if possible to do so without compromising integrity.
- Increasing the attractiveness of formal channels compared to informal channels, including by offering better exchange rates and facilitating access to unbanked migrants, particularly those with an irregular status.
- Expanding the availability of remittance-linked financial products, such as insurances, saving schemes or diaspora bonds a.o. to allow money to be used for productive purposes, e.g. housing, funding businesses.
- Establishing effective frameworks and plans, including low-cost remittance platforms.
- More collection and dissemination of remittances data, to help inform our understanding of and response to the challenges.
- Increase transparency and accountability on remittances.
- Effective partnerships between public and private actors will enable innovations for the benefit of financial inclusion.



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Key conclusions

One point on which every speaker agreed was the critical importance of engagement and co-ordination between all relevant stakeholders across both the public and the private sectors.

There was also widespread consensus on the need to pursue a faster adoption of digital financial services. Digitalisation has a critical role to play in ensuring greater access to secure, convenient, affordable financial services, including remittances. However, it was also recognized that digitization, if to be successful, needs to be accompanied by trust-building, digital literacy, resolving sending-receiving challenges, overcoming regulatory obstacles, interoperability of payment systems and the establishment of conducive ecosystems in emerging markets.

It is absolutely possible to keep remittances flowing in the crisis, and to meet the SDG target of bringing costs down to 3% (and in fact costs are already at or below this level in some corridors). This will require stakeholders to work together and – crucially – to learn from others' experiences.

For more information please visit: <https://www.knomad.org/covid-19-remittances-call-to-action/>



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AGENDA AND PANELISTS

Welcome and introductory remarks: Mr. Pietro Mona, Ambassador for Development, Forced Displacement and Migration, Switzerland

Setting the stage: Mr. Dilip Ratha, Lead Economist and Head of KNOMAD, World Bank

Panel discussion: How are remittance flows in different regions affected by COVID-19 and what mitigation measures are most effective? Chaired by Mr. Mahmoud Mohieldin, Special Envoy on Financing the 2030 Agenda for Sustainable Development

How are different countries affected? What measures are policymakers and regulators taking to keep remittances flowing?

Egypt: Ambassador Amr El Sherbini, Deputy Assistant Minister for Refugees, Migration and Combating Human Trafficking, Ministry of Foreign Affairs

Mexico: Dr. Cristopher Ballinas Valdés, Director General for Human Rights and Democracy, Ministry of Foreign Affairs

Nigeria: Hon. Abike Dabiri-Erewa, Chairwoman / CEO, Nigerians in Diaspora Commission

Pakistan: Mr. Naveed Kamran Baloch, Finance Secretary

Jordan: Mr. Adnan Allahaseh, Executive Manager of the Money Exchange Supervision Department, Central Bank of Jordan

How is the remittances industry affected? How are remittance service providers ensuring the flow of remittances?

Mr. Mohit Davar, Chairman, International Association of Money Transfer Networks

Mr. Andrew Wilson, Permanent Observer for the International Chamber of Commerce to the United Nations

What support do international organisations offer to keep remittances flowing?

Ms. Asako Okai, UN Assistant Secretary General and Director of the Crisis Bureau, UNDP

Ms. Wen Li, Director, Department of International Cooperation and Partnerships, IOM

Closing remarks: Mr. James Duddridge, Minister for Africa, United Kingdom