

Leveraging Migration, Remittances and Diaspora for Financing Sustainable Development

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- **International migrants: 250 million**
- **South-South migration: 37% > S-N migration**
- **Domestic migrants: 750 million**



Remittances

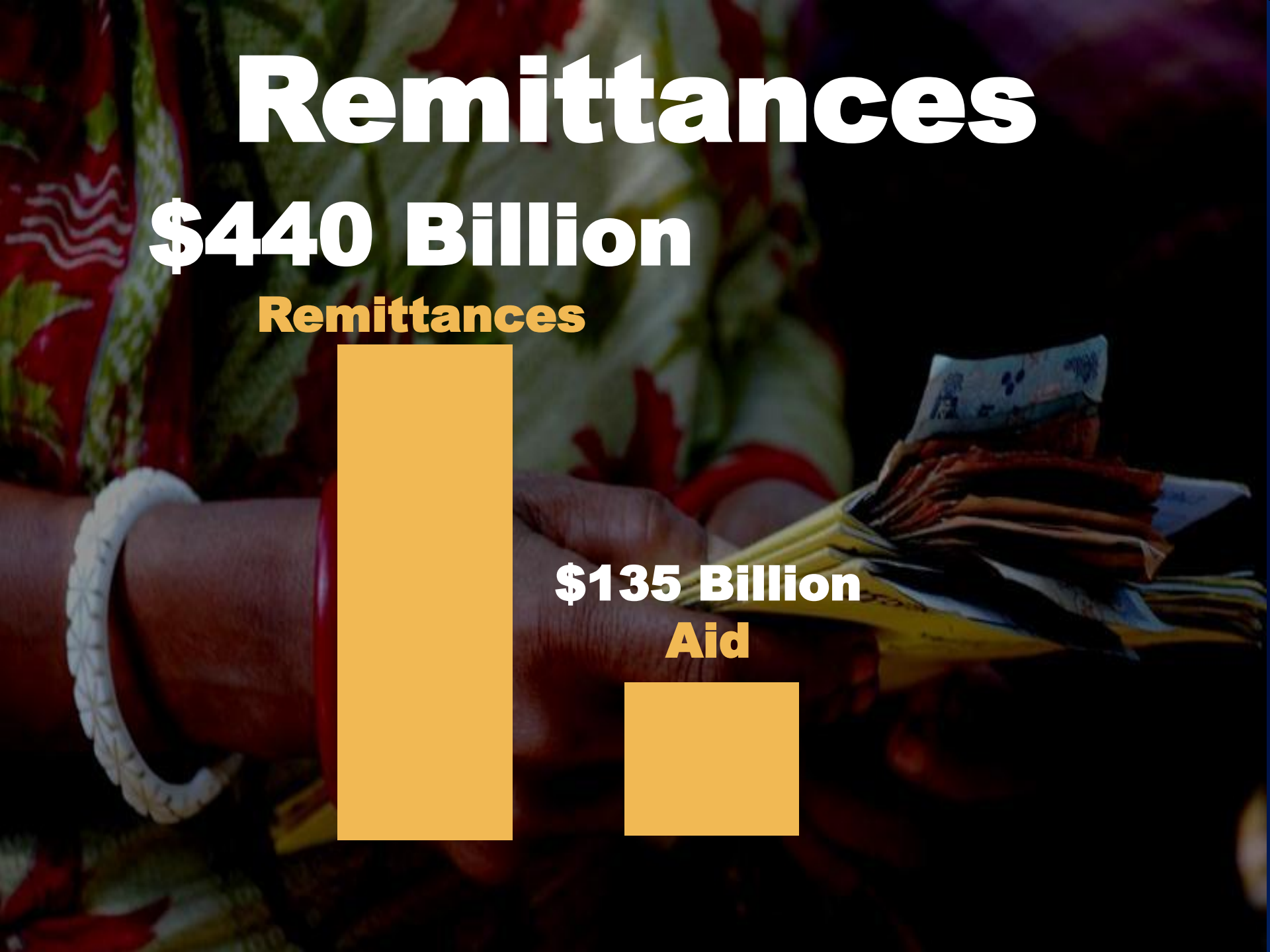
\$440 Billion

Remittances



\$135 Billion

Aid



Exorbitant remittances costs



8%

Global average



12%

Africa



20%

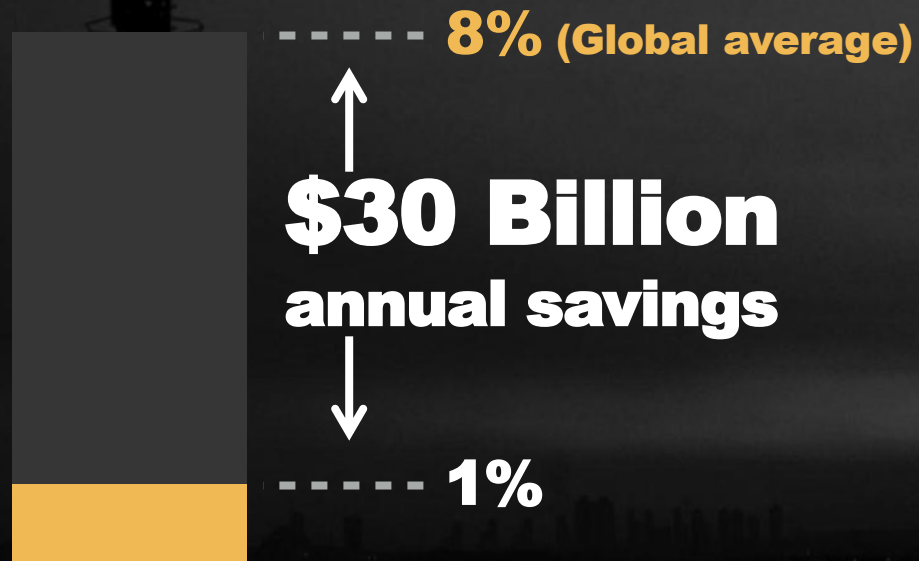
Within Africa



95%

Venezuela

Reduce remittance cost



Global Remittances Agenda

1. Monitoring, analysis, projection

- **Size, corridors, channels**
- **Counter-cyclicality**
- **Effects on poverty, education, health, investment**
- **Policy (costs, competition, exchange controls)**

2. Retail payment system

- **Payment platforms/instruments**
- **Clearing/settlement, capital adequacy, disclosure, cross-border arbitration**
- **Anti-money laundering (AML/CFT)**

3. Financial access for households, SMEs

- **Deposit and saving products**
- **Mortgage, consumer loans, microfinance**
- **Credit history for MFI clients**
- **Insurance products**

4. Capital market access for countries, companies

- **Sovereign credit rating**
- **Bonds backed by future remittances as collateral**
- **Diaspora bonds**

Over \$50 billion per year could be mobilized via diaspora bonds

	Diaspora size (millions)	Estimated savings (\$ billions)
<u>Developing countries</u>	<u>181</u>	<u>511</u>
East Asia & Pacific	29	116
Europe & Central Asia	42	93
Lat. America & Carib.	34	146
Middle East & N. Africa	19	47
Sub-Saharan Africa	22	37
South Asia	35	72



Recruitment fees
\$4,000

Income per year
\$2,000

Reduce recruitment costs



\$100 billion idea

- **Reducing remittance costs (\$30 bn)**
- **Diaspora savings via diaspora bonds (\$50 bn)**
- **Reducing recruitment fees paid by low-skilled migrant workers (\$20 bn)**
- **Diaspora philanthropy (\$10 bn)**
- **Using future-flows as collateral (\$4-\$25 bn for Africa alone)**

Thank you.

www.worldbank.org/migration

www.knomad.org