



Press Notice – for immediate release

‘Actions Needed to Reduce Remittance Costs in Africa’

African diaspora and governments from Europe and Africa meet in Nairobi to discuss practical actions to reduce remittance costs in Africa to below 3% by 2020

The **Africa Europe Diaspora Development Platform (ADEPT)**, in partnership with the **Kenyan Ministry of Foreign Affairs (MFA)** and the **African Union’s African Institute for Remittances (AIR)** is organising the **Fifth Diaspora Development Dialogue (DDD5)** on the topic of ‘Actions Needed to Reduce Remittance Costs in Africa’. Holding at the Safari Park Hotel, Nairobi, Kenya on Thurs 28 July from 9am to 5:30pm, the event brings together Government representatives, diaspora experts, and the private sector to discuss how to improve the development impact of diaspora financial contributions to Africa, from remittances to investments.

Remittances from the African diaspora worldwide are a lifeline for many in Africa; in 2015 approximately **\$50bn USD was remitted to Africa** through formal channels alone, far outstripping bilateral aid flows [source: World Bank]. According to IOM, roughly 50 cents out of every \$1 remitted is spent on development needs such as health and education. **Gibril Faal, Interim Director of ADEPT & Director of GK Partners** noted: *"The World Bank confirms that remittance costs are higher for African corridors, with the worst cases being for intra-Africa remittances. All stakeholders in Africa – governments, banks, Money Transfer Organisations (MTOs) – seem to be committed to ending this development infamy. Given that some of the effective cost reduction tools are available for immediate adoption and implementation, the urgency for action cannot be over-emphasised. African countries must act now and gain now, otherwise the unnecessary and costly infamy will be amplified."*

The Overseas Development Institute (ODI) calculates that a reduction in remittance costs by 1% **would increase remittances to Africa by \$1bn** [ODI 2015]. **Amadou Cisse from the African Union’s Institute for Remittances (AIR)** says: *"Although, it has been reduced, the price of sending money to and within Africa remain the highest in the world – fully two percentage points above the global average, at 9.58%. We believe though, that African countries have the right tools at their disposal to really drive remittance costs down rapidly. We would like to work towards an environment where there are at least 10 corridors to Africa where the total cost to send money is no more than 3% by 2020 – fully ten years ahead of Sustainable Development Goal that calls for the same target to be hit across the world"*.

Bringing together policymakers, practitioners and development stakeholders, and the private sector, DDD5 will concentrate on **which immediate and medium term actions to implement, and how to ensure that implementation is effective and efficient**. **Washington Oloo, Director of Diaspora Affairs, Kenya Ministry of Foreign Affairs** stated: *"The government of Kenya is committed to seeing a low cost remittance future in Africa. It seeks to continually improve the national regulatory and operating environment and support similar efforts across the continent. This is why Kenya proudly hosts the AU's African Institute for Remittances (AIR). We urge African governments to work together with AIR and diaspora professionals and other experts to achieve remittance costs of below 3% in 10 African corridors by 2020"*.

Speakers include Central Banks and Governments of Kenya, Tanzania, Somalia and Cote d'Ivoire; MTO's: Dahabshil, M-Pesa/Safaricom, Western Union, WorldRemit; Remittance Experts: Dilip Ratha from World Bank, Amadou Cisse from African Institute for Remittances, African Union; and Gibril Faal, Interim Director of ADEPT and founder of RemitAid™.

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Notes to Editors

DDD5 Organising Partners

ADEPT

The **Africa Europe Diaspora Development Platform (ADEPT)** is a network of African diaspora development organisations (ADDOs) based in Europe that are active in African development. It serves as a point of contact or reference for all those interested in African development issues – from policy-makers and NGOs to the general public.

ADEPT aims to **‘improve and enhance the capacity and impact of the African diaspora organisations that are involved in development activities in Africa’**.

ADEPT is financed by the European Commission and the Swiss Agency for Development Cooperation. It is managed by the African Foundation for Development (AFFORD) with support from the International Centre for Migration Policy Development (ICMPD).

Ministry of Foreign Affairs, Government of Kenya

The Government of Kenya recognises the important contribution of the Kenyan diaspora to the country’s social economic development. Conservative figures indicate that diaspora remittances alone accounted for over 3% of Kenya’s GDP in 2015. Kenya’s global diaspora population is estimated to be about 3 million. With the right of dual citizenship entrenched in the new constitution, it is expected that diaspora engagement will be enhanced. Under the Presidential Circular No. 1 of 2008 and the Executive order No. 2 of May 2013 on Organization of Government, the Diaspora Office is identified as a major portfolio under the Ministry of Foreign Affairs and International Trade (MFA). Consequently, a fully-fledged Directorate solely dedicated to handling diaspora issues was established in the Ministry. The Directorate is divided into three sections, namely: Diaspora; Consular Affairs; and Honorary Consuls. It also serves as the liaison office for the African Institute for Remittances (AIR) on behalf of the Government of Kenya.

African Institute for Remittances (AIR)

The African Institute for Remittances (AIR) was established as a Specialized Technical Office of the African Union (AU), becoming operational in October 2015. It is hosted by the Government of the Kenya and its headquarters are at the Kenya School of Monetary Studies, Nairobi. AIR was conceived within the framework of the AU-EU Partnership on Migration, Mobility and Employment (MME) in the Joint Africa-EU Strategy (JAES) adopted in Lisbon in 2007 with the aim of fostering the links between migration and development. The ‘Declaration of the Global African Diaspora Summit’, 25 May 2012, called for the establishment of legacy projects to give practical meaning to the diaspora programme. AIR is one of these legacy projects. The main objectives of AIR are to:

- Promote appropriate changes to the legal and regulatory frameworks aimed at reducing remittance transfer cost to and within Africa;
- Improve the statistical measurement, compilation and reporting capabilities of Member States on remittances data; and
- Leverage the potential impact of remittances on social and economic development of AU Member States.