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## **Consultative and Experience Sharing Forum on Remittances Leverage for Development**

### **CONCEPT NOTE**

**7 - 8 July 2011**  
**The African Union Commission,**  
**Addis Ababa, Ethiopia**



## EXECUTIVE SUMMARY

### ***Objectives:***

The main objective of this Consultative and Experience Sharing Forum on Remittances Leverage for Development is to:

- Convene senior level representatives to discuss policy issues on remittances, provide recommendations, leading to a concrete action plan for the establishment of the African Institute for Remittances (AIR), and;
- Share experiences and develop knowledge on policies and regulatory framework of the remittance sector

### ***Outputs:***

Specific outputs would include:

- Reporting on activities toward the creation of the AIR
- Knowledge sharing of good practices and lessons from African States and views from the private sector and practitioners, and
- Capacity building through technical discussions on public policies and regulation.

### ***Outcomes:***

The expected outcomes of the event will be specific recommendations that would form the basis of an action plan for the establishment of the Institute - overall organisational structure, the location, functions and roles and funding of the institute and capacity building of the competent authorities of the AU Member States.

## **A. BACKGROUND**

1. The preparatory phase project towards the establishment of the African Institute for Remittances (AIR) was launched on 8 June 2010. The Project is funded by a grant from the European Commission (EC) for Euro €1.676.271 million (US \$2.4 million equivalent) to the World Bank which is responsible for implementation. The Bank Executed Trust Fund (BETF) Grant Agreement was signed in December 2009. The AIR Steering Committee is led by the AUC and comprised of the EC, IOM and the AfDB. The preparatory phase of the project, which is both consultative and technical, focuses on consultations, research, capacity building and networking. The importance of the consultations to be carried out in order to prepare for the African Union decision of establishing an African Institute for Remittances is strongly emphasised in the project document. These consultations are to be conducted together with technical and capacity building inputs to be provided by the World Bank.
2. The core objectives of the Project are to:
  - Facilitate the process leading to the creation of the AIR within the African Union Commission (AUC);
  - Facilitate a structured and deepened reflection on all aspects of the prospective establishment of the AIR; and
  - Build the capacity of the Member States of the African Union, remittance senders and recipients and other stakeholders to leverage remittances.
3. The Project's Activities include:
  - Providing technical assistance to government institutions (Central Banks, Ministries, Financial and Non-Financial Institutions) on putting in place the required regulatory frameworks;
  - Conducting training and capacity building programmes for relevant institutions and organisations (e.g. national statistical service departments);
  - Studying remittance flows within Africa, including North Africa;
  - Conducting policy research, dialogue and information sharing on how remittances can contribute to the development of African countries;
  - Developing content and technology platforms for country-based payment and settlement systems for remittances;
  - Developing partnerships between African central banks and remittance service providers and non-bank correspondent agencies to improve financial access;
  - Disseminating data and research findings; and
  - Preparing annual reports, conferences and meetings of policy makers.
4. The Project will have direct results on:
  - facilitation of the AIR creation;
  - a selected number of AU Member States in remittance receiving countries sharpening the development impact of remittances through the application of appropriate policies;
  - improving the dissemination of data on remittance fees in major corridors and reducing remittance transaction costs in a selected number of countries;

5. The Project will make indirect contributions to:
  - (a) improved financial access and banking products/services for remittance senders and recipients;
  - (b) regulatory regimes that strike a balance between preventing financial abuse and facilitating remittance flow through formal channels established;
  - (c) voluntary code of conduct for delivering fair value transfers implemented; new regulations and instruments for the Diaspora developed (e.g., new laws on banking regulation to provide instruments to the Diaspora abroad, access to credit, etc.);
  - (d) Diaspora bonds issued, and remittances securitized for credit / loans access from the global financial markets (as in the case of Brazil); and
  - (e) Remittance-based Investment Fund established and accessed by stakeholders; among others.

## **B. OBJECTIVES**

6. The main objective of *the* Consultative and Experience Sharing Forum on Remittances Leverage for Development is to convene high level representatives to discuss policy issues on remittances and provide recommendations leading to a concrete action plan for the establishment of the AIR, to share experience and develop knowledge on policies and regulatory frameworks for the remittance sector.

## **C. EXPECTED OUTCOMES**

7. The expected outcomes of the event would be specific recommendations leading to an action plan for the establishment of the Institute – the overall organisational structure of the institute, a location for the institute, the functions and roles of the institute and funding the institute and capacity building of the competent authorities of the AU Member States.

## **D. AGENDA**

8. Draft Provisional Agenda is herewith attached.

## **E. PARTICIPATION**

9. African States, EU Member States, UN Agencies, and African Diaspora Organisations are invited to this consultative forum. Each African State will be requested to nominate two (2) participants both of which being senior officials within the relevant authorities (e.g. Ministry of Finance, the Central Bank and/or Departments/Agencies in charge of Diaspora and Migration) as well as participants from UN Agencies and International partners (e.g. IOM, AfDB, IFAD, UK Department for International Development and others), Regional Economic Communities (RECs), the Pan African Employers Confederation, the Organisation of African Trade Union Unity, the International Trade Union Confederation Africa, the Pan African Productivity Association, and the Private Sector (e.g. Africa Finance Corporation, African Trade Insurance Agency, and others), as well as Diaspora Organisations.

## **F. FORMAT OF THE CONFERENCE**

10. There will be two formats in the conference: Plenary sessions and breakout sessions. During the Plenary Sessions, invited panellists will share and discuss views on selected topics regarding remittances and policy issues. During breakout sessions, participants will discuss selected topics with respect to the establishment of the Institute and present for discussion, concrete recommendations. Forthwith, these recommendations will be into an action plan as the result of this meeting.

## **G. ORGANISING TEAM**

11. AUC, and the World Bank's African Diaspora Group and the Payment Systems Development Group

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