

## Distinguished Ladies and Gentlemen

It is a great honour to make an opening remark on behalf of IOM at this very important Consultative and Experience Sharing Forum on Remittances Leverage for Development in Africa.

For the last 60 years, IOM has been working with its member states and partners to help ensure the orderly and humane management of migration, to promote international cooperation on migration issues, to assist in the search for practical solutions to migration problems and to provide humanitarian assistance to migrants in need, including refugees and internally displaced persons.

The IOM Constitution recognizes the link between migration and economic, social and cultural development, as well as to the right of freedom of movement.

IOM works in the four broad areas of migration management:

- \* Migration and development
- \* Facilitating migration
- \* Regulating migration
- \* Forced migration.

During the last decade migration issues in general, and the positive links between migration and development in particular have received increased attention on the international agenda. Notable among them are the establishment of the Global Commission on International Migration and Development by the UN-Secretary General in 2003, and the UN General Assembly High Level Dialogue on International Migration and Development in 2006 where for the first time multidimensional aspects of human mobility and the need to maximize its positive potentials was considered. The launching of Migrant Remittances Observatory in the same year by the LDCs at meeting in Cotonou – Benin, was a further acknowledgement of the contribution of remittances to development and the need to enhance their transfer based on data and research, as well as the role of Diaspora in promoting development.

This change reflects the interest of the international community to find innovative ways of realizing the positive aspects of migration.

Potential benefits of money transfers on development are manifold. At microeconomic level, remittances support family incomes to cover expenses in on food, health and education needs, and at times family businesses. In effect these transfers contributes to poverty alleviation in as much they do to the realization of human right to a decent standard of living among the recipients. Migrant's remittances can also act as catalysts to stimulate economic growth through creation of jobs, offering access to micro-credits. This is more evident at macro-level where human and financial capital of the diaspora members are directed to trade and investments in the country of origin.

While remittances make an important and growing contribution to alleviating poverty, the high cost of transfer thus push most migrants to use informal means which is both risky and unregulated. Studies show that for very USD100 sent from USA to Africa, only \$80 reaches the recipient.

The establishment of the AIR will go along way in addressing the challenges that migrants abroad and the recipients in the countries of origin face.

In this regard IOM has been positively engaged in working with AU and its partners in the realization of the AIR project objectives, namely, to facilitate the process leading to the creation of the Institute within the AUC as well as capacity building of member States of the AU, and other stakeholders, to develop and implement concrete strategies and operational instruments in order to use remittances as development tools for poverty reduction in Africa. The project also aims at strengthening partnerships between AU, WB, AfDB, ECA and the African Diaspora in both sending and recipient countries.



In its global intervention in the area of remittances , IOM works with governments and partners to enhance institutional capacities for service delivery through research, establishment of diaspora data bases, networking with diaspora associations towards mobilization of diaspora resources for development in their countries of origin and policy formulation to guide diaspora contribution towards national

development as well as providing guidelines and frameworks for cost-effective remittance flow towards constructive investment.

It is in the interest of IOM and all partners alike to see that the project succeeds with particular focus in the following areas;

- Encouraging the transfer of remittances by adopting sound macro-economic policies conducive to investment and growth and appropriate financial sector policy that encourage financial institutions and their outreach: post office networks, supporting credit unions, and financial service providers.
- Strengthening collaboration with relevant stakeholders in civil society, donor community and financial sector to create incentive strategies and investment opportunities for remitters in commercial, entrepreneurial, savings and other productive activities.
- Improving the quality of data on remittance and migration statistics to create a solid basis for future policy action on remittances.
- Promoting the effective mobilization and utilization of the Diaspora funds for investments and development in the public and private sector which in the long term will improve the macro-economic environment and reduce outflows or immigration of African professionals.

It is my sincere conviction that this Consultative and Experience Sharing Forum will come up with specific recommendations for the establishment of the African Remittances Institute , its structures , functions and role and to the extend possible the Plan of Action for its future sustainability.

I wish you all fruitful deliberations.

Thank you very much for your kind attention.

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