



Enabling the rural poor  
to overcome poverty



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

MULTILATERAL INVESTMENT FUND  
INTER-AMERICAN DEVELOPEMNT BANK

# INTERNATIONAL FORUM ON REMITTANCES 2007



Washington DC,  
18-19 October 2007

IDB Conference Center  
1330 New York Avenue NW  
Washington DC



## Background

The International Fund for Agricultural Development (IFAD) and the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) are pleased to host the 2007 International Forum on Remittances at the IDB Conference Center in Washington DC, on 18-19 October 2007.

Remittances are part of the centuries-old pattern of migration from rural to urban areas. Nowadays, remittances represent the human face of globalization, in which millions of people migrate in search of a better life and in order to provide for their loved ones back home. One person out of every ten in the world is personally affected by the approximately US\$350 billion in remittances that are sent every year by migrants to families back home. These flows of human and financial capital have profound implications for the economies and societies of the sending and the receiving countries.

Over the past 20 years, remittances have influenced the economic and social identities of regions worldwide. A case in point is Latin America, with a flow of remittances totalling US\$63 billion in 2006, which, many experts believe, now exceeds the combined total of all Foreign Direct Investment and Overseas Development Assistance to the region. However, this phenomenon is also evident on a global scale, in Africa, Asia, Eastern Europe and the Middle East. To date, very little is known about these global flows, and the true magnitude of remittances remains hidden in the errors and omissions columns of national balance of payments accounts.

At a microeconomic level, remittances offer a direct opportunity to improve access to financial services, with a greater pro-poor and rural outreach by linking remittances to products such as savings and loans. Therefore, remittance services are main elements of interventions by IFAD and the MIF, both of which have mandates to improve access to financial services for the rural poor and to strengthen the private sector in developing countries.

In support of IFAD's newly created multi-donor Financing Facility for Remittances, IFAD and the MIF will organize the 2007 Forum to follow-up on the 2005 Forum on Remittances that provided more than 600 guests from the private and public sectors and civil society with the opportunity to share experiences and create partnerships that have had a significant impact on the remittance market.

## Objectives of the Forum

The Forum will bring key players together to raise awareness of the challenges and opportunities of remittances and to shed light on the rural dimension of these flows, estimated at 40 per cent of total flows. In addition, the Forum will explore the links between remittances and banking, technology and microfinance, and discuss ways to integrate development agencies' agendas on remittances. The two-day event will include a series of roundtable discussions and working groups devoted to an in-depth exchange of ideas and business models for urban and rural remittances worldwide. Sessions within the Forum will cover such topics as financial inclusion, migrant investments, gender dimension, technology, innovation and development. Providers of products and services will have the opportunity to share innovations that enhance the impact of remittance flows worldwide.

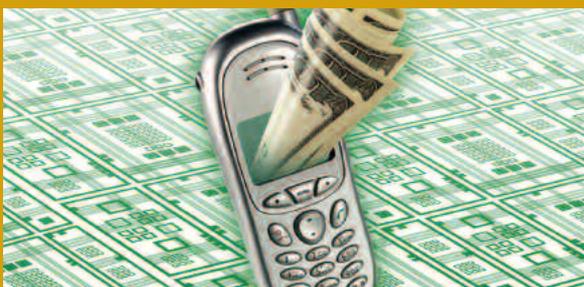
This Forum reflects the ongoing efforts of IFAD, IDB, the European Union, CGAP, UNCDF, and the Governments of Luxembourg and Spain to improve the development impact of remittances and raise awareness of their rural dimension. It builds on the experience gained through recent conferences and initiatives aimed at promoting links between governments, the private sector, NGOs, multilateral institutions, migrant hometown associations, financial institutions and the diplomatic community.

## Main Sessions



### Financial Inclusion

This session will promote open dialogue between key players in remittance flows. Financial institutions will present examples of successful methodologies that serve the migrant market, including low-cost remittance products, deposit accounts and other banking services. The session will discuss opportunities that remittance flows represent in microfinance, both urban and rural financial institutions. Case studies and methodologies for financial institutions to integrate remittance services in their operations will also be discussed.



### Technology and Innovation

In the past decade, technological development has greatly enhanced the remittance market. Affordable software and hardware have enabled a multitude of institutions to enter the remittance market and to provide remittance services. Technology has increased competition and spurred innovation within remittance service providers. Remittance services are being linked to other financial services, allowing senders and recipients to leverage their funds and gain access to more options to leverage their money. This session focuses on technological solutions and business models, including integrated and specialized money transfer systems, cellphones and internet-based solutions, as well as traditional platforms. These applications will also be discussed in the context of the rural sector.



### Migrant Investments and Gender Dimension.

The first session will discuss migrant capital in public-private sector partnerships and the links between migrant associations and their communities of origin. The session will also examine incentives for senders to invest in productive activities in their countries of origin. New financial initiatives, such as financial platforms for angel investors, mechanisms for channelling remittances through hometown associations, and a range of special investment funds for SME start-ups, are among the topics that will be discussed.

Following this session, a panel on the gender dimension of remittances will be held. Women represent almost half of the estimated 200 million economic migrants in the world, and they are also often the heads of households that receive remittances. Remittances can enhance the economic status of women and change traditional gender roles and ideologies. However, very little research has been conducted on the gender dimension of remittances. The development potential of remittances can be increased by looking at remittances from a gender perspective.



### Development and Remittances

Over the past five years, international development institutions have been studying and developing strategies to maximize the impact of remittances in recipient countries. This session will focus on ongoing and recent programmes carried out by development agencies and government institutions to share knowledge, identify market distortions and find mechanisms to leverage remittance flows in the countries where they are received. It will present updates on task force initiatives on remittances. Additionally, the session will provide an opportunity for agencies working in the field of remittances to coordinate their efforts.



## The International Fund for Agricultural Development (IFAD)

IFAD is an international financial institution and a specialized United Nations agency dedicated to eradicating poverty and hunger in the rural areas of developing countries. IFAD was established in 1977 as one of the major outcomes of the World Food Conference held in 1974. The conference resolved that "an international fund for agricultural development should be established immediately to finance agricultural development projects primarily for food production in the developing countries".

Through low-interest loans and grants to governments, IFAD develops and finances programmes and projects that enable poor rural people to overcome poverty. Working with poor rural people, governments, donors, non-governmental organizations and many other partners, IFAD focuses on country-specific solutions, which can involve increasing poor rural people's access to financial services, opportunities for enterprise, markets, technology, land and other natural resources. IFAD also works with a range of partners in the international development community, including other United Nations agencies.



## The Multilateral Investment Fund (MIF)

The MIF is a special fund administered by the Inter-American Development Bank (IDB). The MIF was established in 1993 to encourage the growing role of the private sector in Latin America and the Caribbean (LAC). In partnership with governments, business organizations, and non-governmental organizations, the MIF provides technical assistance grants to support market reforms, build the capabilities and skills of the workforce, and broaden the economic participation of micro, small and medium-sized enterprises. During the past fourteen years, the MIF has approved over 1,000 projects totalling more than US\$1.3 billion.

**For registration and updates visit:**

**[www.ifad.org/remittances](http://www.ifad.org/remittances)**

**[www.iadb.org/mif](http://www.iadb.org/mif)**

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