

IDFR 2020
Building resilience
in times of crisis
#FamilyRemittances



International Day
of Family Remittances
16 JUNE

www.familyremittances.org

Observance event of the International Day of Family Remittances: Supporting Remittance Families Build Resilience in Times of Crisis

- 16 June 2020 -

09:30h – 11:30h EST time / 15:30h – 17:30h CET time

Introduction

The COVID-19 pandemic has in turn spawned a global “economic pandemic,” threatening livelihoods and incomes with the potential to send several hundred million people into extreme poverty. Migrant workers are among the most directly affected. They deliver needed skills and provide essential services to important economic sectors, such as construction, hospitality, tourism, food, agribusiness, transport and home services. The majority of migrant workers are from low and middle-income countries (LMIC) and must continue working to support family members through the remittances they send on a regular basis.

Remittances directly impact one billion people: they are sent home by 200 million migrants, an estimated half of whom are women, to help feed, shelter, educate and support the health of 800 million family members¹. These funds underwrite basic household needs and can expand skills and opportunities through education and entrepreneurship, thereby enabling “families to reach their ‘own’ sustainable development goals”.²

The impact of COVID-19 on the volume of remittance flows has been dramatic and swift: valued at a record US\$554 billion in 2019, these **transfers are expected to decline by almost 20 per cent** in 2020, according to latest World Bank forecast. This translates into a **drop of US\$110 billion** in available resources to cover for basic needs of millions of migrant families.

This high-level event, convened by **Guatemala, Madagascar, Moldova and the Philippines**, in partnership with the **International Fund for Agricultural Development (IFAD)** aims to commemorate the **International Day of Family Remittances (IDFR)** around a high-level conversation to kick-off this year’s IDFR Campaign “**Building resilience in times of crisis**”³.

¹ IFAD, Sending Money Home: Supporting SDGs one family at a time, 2017

² Louise Arbour, Special Representative of the Secretary-General for International Migration, GFRID 2017

³ www.familyremittances.org

OBJECTIVE AND STRUCTURE

The high-level virtual event will mark the launch of **IDFR Campaign “Building resilience in times of crisis”**.

Building on the call for [Decade of Action](#) to deliver the Global Goals by 2030, the outcomes of the recent [High-Level event of Financing for Development](#) in the era of COVID-19 and beyond, and [the UN Secretary-General’s call for global solidarity](#) in responding to the coronavirus crisis, this high level virtual event will include a call for a set of immediate actions:

1. To declare remittance service providers (RSP) as **essential services in times of crisis**.
2. To **ensure access to remittance services**, especially in poor rural areas and incentivize the **use of digital remittance products**.
3. To support the resilience and financial independence of remittance families by **linking remittances to a full range of financial services and products**.
4. To FastTrack the implementation of the **Global Compact for Safe, Orderly and Regular Migration’s objective 20** and *promote faster, safer and cheaper transfer of remittances in order to foster financial inclusion of migrant workers and their families*.

In ensuring these four main actions on both sides of the corridors, an estimate **1 billion people**, – 200 million migrants sending remittances and their 800 million relatives back home – will be guaranteed safer, cheaper and easier access to remittances, and given the means to advance on the road of financial independence. As a result, these billion women and men will become more resilient to instability and financial shocks, and enabled to enjoy full economic and social inclusion.

BACKGROUND

On 19 March 2020, the UN Secretary-General called for global solidarity in responding to the coronavirus crisis stating “[remittances are a lifeline in the developing world – especially now](#)”.

The IDFR observance presents an invaluable opportunity to recognize the **key role family remittances play on the sustainable development** of their local communities, and to accelerate the implementation of the Global Compact for Safe, Orderly and Regular Migration’s Objective 20, aiming to *promote faster, safer and cheaper transfer of remittances and foster financial inclusion of migrants and their families*.

It is time to come together to address the needs of one billion people and build a system that prepares for the future beyond immediate needs. That is why **this year’s IDFR Campaign**, kick-starting on 16 June, will call upon governments, the private sector, and civil society organizations to join efforts to support migrant workers and their families **in building resilience in these times of crisis**. Providing remittance stakeholders with a space where to share best practices and get inspired on how to concretely take action, and organizing a series of thematic webinars in preparation of the next [Global Forum on Remittances, Investment and Development \(GFRID\)](#), the 2020 IDFR Campaign will take stock of the steps forward made by the private and public sectors, supporting the implementation of the Objective 20 of the Global Compact and of the Remittance Community Task Force’s recommendations.

REMITTANCE COMMUNITY TASK FORCE

On 24 March 2020, IFAD and its GFRID partners called for the creation of a **Remittance Community Task Force (RCTF)**. To date, 35 organizations have joined the RCTF, including UN organizations, international organizations, inter-governmental bodies, industry and private sector groups, networks of diaspora organizations and international experts on remittances. Since March 2020, RCTF members

have cooperated to address ways to mitigate the effects of the crisis and to develop specific **recommendations for key actions** to support remittance families' resilience during the COVID-19 recovery period.

POLICY FRAMEWORK

The IDFR is a universally recognized observance adopted by the **United Nations General Assembly (A/RES/72/281)** and is included as one of the key initiatives to implement the **[Global Compact for Safe, Orderly and Regular Migration \(Objective 20\)](#)**. The Day is integral to the pursuit of the **[2030 Agenda for Sustainable Development](#)** and to the achievement of the **[Sustainable Development Goals \(SDGs\)](#)**.

FACTS AND FIGURES

- The vast contribution that remittances can make to the achievement of the SDGs is clear: **before the crisis, the projected international remittances to be sent to developing countries between 2015 and 2030, was US\$6.5 trillion⁴.**
- Family remittances have a **direct impact on the lives of 1 billion people⁵** – one out of seven individuals on earth. Added together, remittances are three times greater than Official Development Assistance and surpass Foreign Direct Investment.
- In 2019, there were approximately 200 million migrant workers providing essential services to important economic sectors, and sending needed financial resources to support an estimated 800 million relatives living in LMIC. **Almost half of those families live in rural areas, where remittances “count the most.”**
- **For the first time, both sides of remittance corridors have been impacted simultaneously,** likely pushing millions of families below poverty lines resulting in food insecurity and other challenges in the small towns and villages of developing countries. The World Bank estimates that between 40 and 60 million people will be pushed into extreme poverty.⁶
- Beyond these enormous aggregate numbers, and their societal consequences, lies **the most important number of all— the US\$200 to US\$300 monthly remittance, the financial measure of affection and commitment that generates on average over 60% of household income,** and allows tens of millions of families to reach for their own individual SDGs⁷.

CONTACTS

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⁴ IFAD, Sending Money Home: Supporting SDGs one family at a time, 2017

⁵ IFAD, Sending Money Home: Supporting SDGs one family at a time, 2017

⁶ World Bank, Data Blog: The impact of COVID-19 (Coronavirus) on global poverty: Why Sub-Saharan Africa might be the region hardest hit, 2020

⁷ IFAD and the World Bank, The use of Remittances and Financial Inclusion, 2014