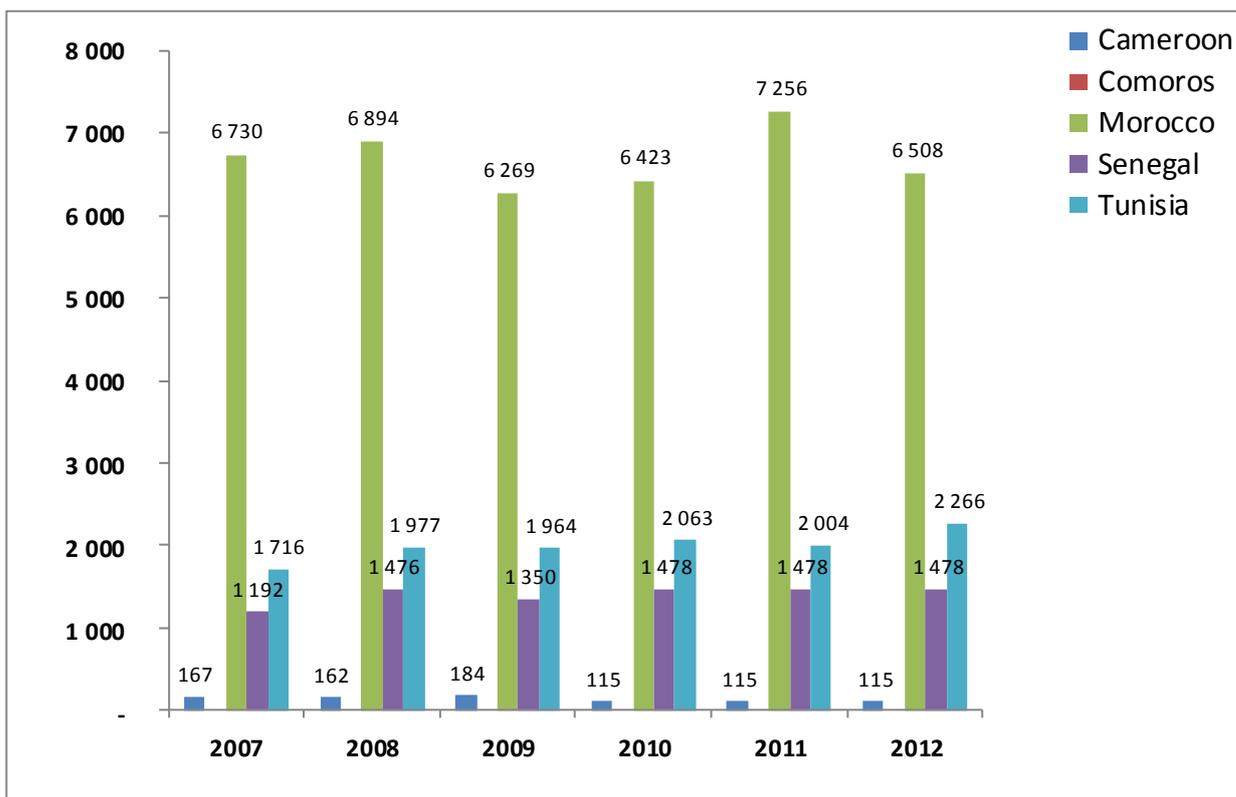


## Maximizing the Development Impacts of Migrant Remittances in Africa

Migrant remittances in Africa have a major impact on the economy of beneficiary countries, which have been able to remain stable and have seen some growth, despite a continuing global financial crisis. Figures speak for themselves: not less than 62.437 billion USD were sent to Africa in 2012; six fold compared with the figures twelve years before in 2000.

This trend is projected to continue growing strongly despite the international economic crisis and a marked slowdown in 2009.

Remittances towards countries of origin (US \$ millions)



Sources: AfDB, UCTAD, OECD.

Out of the five countries studied by the NGO *Epargne Sans Frontière* (Morocco, Tunisia, Cameroon, Senegal and Comoros), Morocco comes in first. The North African country received approximately 6.894 billion USD in 2012 (vs 2.161 billion USD in 2000). Only Nigeria and Egypt received higher remittances in 2012 than Morocco on the African continent, with 20.568 billion and 20.515 billion USD respectively for 2012.

Despite noting a slight decrease in 2009, and between 2011 and 2012, remittances from Moroccan migrants remain five times higher, compared to the Senegalese ones and over three times that of the Tunisian ones. Meanwhile, Cameroon has seen its money transfers stagnate at approximately 115 million USD yearly, between 2010 and 2012.

The case for Comoros is different: because of the lack of an adequate banking system, the vast majority of its remittances is transferred through informal channels, which explains the absence of reliable data.

Resilient to global economic shocks, remittances continue to increase, while Official Development Assistance, ODA, is decreasing.

African remittances are faced with a paradox however. While they contribute to maintaining large segments of the population out of poverty in recipient countries, they could be doing even more if the commission rates applied when sending money were not so high. These rates, which average between 12 to 15 percent, are amongst the highest in the world.

African migrants are estimated to pay around 4 billion USD transfer fees yearly. By splitting those costs by half, 2 additional billion USD could then be reinvested in those recipient countries.

By ensuring that some of the money transferred from abroad is invested in priority sectors, defined by the senders and the beneficiaries, via specifically tailored financial tools and products, recipient economies would be better served.

Lowering these commission rates should therefore be seen as a priority to enable recipient countries to take better advantage of the remittances received and further the inclusive growth process, a necessary factor in Africa's development.