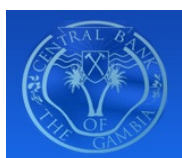


Report of the Second Diaspora Finance Technical Roundtable DFTR2



Organised by GK Partners, Central Bank of The Gambia and Ministry of Finance

VENUE: Auditorium, National Assembly Building, Banjul, The Gambia

DATE: Wednesday, 6 March 2019 TIME: 09.00 to 16.00



Hon. Mambury Njie, Minister of Finance and Economic Affairs, Delivered DFTR2 Keynote Remarks

Remittances: Reducing Costs and Improving Impact Diaspora Bonds: Framework for Issuance



This Second Diaspora Finance Technical Roundtable (DFTR2) was organised in partnership with the African Foundation for Development (AFFORD), a UK-based charity and pioneer in diaspora-development; AFFORD is currently working on a project-based small-scale Diaspora Bond in Rwanda; AFFORD also helped prepare an overview report on remittances in The Gambia



2018 Diaspora Remittances Announced at SNF2



*The Second Stake in the Nation Forum (SNF2) was held on 12 January 2019 and it started with Mr. Bakary Jammeh, Governor of the Central Bank of The Gambia (CBG) announcing the 2018 diaspora remittance inflows to The Gambia as **\$271 Million***, being the highest ever recorded sum, having risen from \$226.7 Million in 2017, and \$205.6 Million in 2016.*

** At the Second Diaspora Finance Technical Roundtable (DFTR2) on 6 March 2019, the Central Bank of The Gambia provided updated figures, **confirming that the 2018 remittance inflows to The Gambia stood at \$277.9 Million.***

Gallery of Participants at DFTR2



Proceedings of DFTR2

- **Convening the Roundtable:** The Second Diaspora Finance Technical Roundtable (DFTR2) was convened by: Hon. Mambury Njie, Minister of Finance and Economic Affairs, Mr. Bakary Jammeh, Governor of the Central Bank of The Gambia and Prof. Gibril Faal, Director of GK Partners and MSDG Project. **The main aims of the roundtable were to: Share, monitor and improve data on remittances in The Gambia; Inform policy, process and practice of reducing remittance costs; Inform policy and practice of enhancing diaspora finance in The Gambia; Explore options for issuance of Diaspora Bonds in The Gambia.** DFTR2 was held on 6 March 2019, at the National Assembly Building in Banjul. Mr. Momodou Sise, Clerk of the National Assembly gave the welcome remarks, and Hon. Minister Mambury Njie gave keynote remarks. The technical roundtable discussed two main topics: Remittances to The Gambia [10am to 1pm]; and Feasibility and Viability of Diaspora Bonds in The Gambia [2pm to 4pm] (lunch was served 1pm to 2pm).
- **Business and Institutional Delegates:** There were **47 delegates (17 women [36%] and 30 men [64%])**:
 - 7 chief executives and directors from 7 Money Transfer Operators
 - 12 heads of treasury, managers and officials from 9 banks
 - 5 officials from International Monetary Fund (*including the Resident Representative and the IMF visiting team*)
 - 2 officials from the World Bank
 - 4 experts from business and industry
 - 17 directors and senior officials from 6 government institutions (*namely Ministry of Finance [5], Central Bank of The Gambia [6], Gambia Investment and Export Promotion Agency [3], Ministry of Foreign Affairs [1], Gambia Bureau of Statistics [1], and National Assembly [1]*).
 - 4 additional support personnel



(Prof. Gibril Faal, GKP; Mr. Momodou Sise, National Assembly; Ms. Rohey Khan, CBG; Mr. Abdou Ceesay CBG; Mr. Abdoul Salaam Secka, MSDG)

- **Remittances in The Gambia:** Ms. Rohey Khan, Director of Foreign Department, Central Bank of The Gambia (CBG) **gave an overview of regulation of remittances and transfers in The Gambia**, noting that there are 26 registered Money Transfer Operators and 95 Bureaux de Change. The successes of the sector were highlighted, and challenges were discussed openly by the delegates, with suggestions for practical improvements and better management. Mr. Abdou Ceesay, Deputy Director of Foreign Department, CBG, **presented the formal facts and figures about remittances to The Gambia, noting that 2018 saw the highest ever receipts for the country:**
 - **2018 remittances to The Gambia was \$277.9m, an increase of 23% from \$226.7m in 2017**
 - **Remittances in previous years were: \$205.6m in 2016, \$214.6m in 2015, and 203.9m in 2014**
 - **Formal remittances came from: 40% (USA); 35% (Europe); 15% (UK); 10% (Africa & Others)**
 - **The top five MTOs are: Western Union; Approve Services (a Gambian company); Small World; MoneyGram; RIA. These five MTOs handle 64% of remittances to The Gambia.**

- **Technical Discussions:** After the presentation by Central Bank of The Gambia, delegates discussed: **methodologies for monitoring and reducing the cost of transfers** in line with Sustainable Development Goal (SDG) 10.7c (maximum of 3%) and the Joint Valletta action Plan (JVAP) commitment to achieve the 3% target by 2020 instead of 2030; possible new **methodology to monitor remittance usage and impact**; compilation and publication of bi-monthly or quarterly bulletin on remittances; collection and analysis of data on remittance charges on \$100 by the different MTOs; **publication of data on the average cost of remittances** per month and per annum; actions to be taken by MTOs, CBG, MOFEA, MSDG and remitters; **forecasts and outlook for remittances to The Gambia in 2019.**



(Mr. Momodou Sowe, GIEPA; Mr Mustapha Samateh, MOFEA)

- **Prospects of Diaspora Bonds:** Prof. Gibril Faal, Director of GK Partners presented an **excerpt on 'Portfolio Investment' from his study of diaspora investment and finance in Africa**, undertaken on behalf the African Union (AU) and the German Agency for International Development (GIZ). He gave an **overview of diaspora bonds in Africa, and how lessons learnt can help in planning small scale bonds in The Gambia**, as committed in the Gambia Diaspora Strategy (GDS) and National Development Plan (NDP). He also discussed innovative plans such as AFFORD's **project-based diaspora bonds to be piloted in Rwanda, and the rationale and business case for a continental African Diaspora Finance Corporation (ADFC)** which can help AU member states to issue diaspora bonds and manage diaspora mutual funds. Mr. Mustapha Samateh, Director of Public Private Partnerships (PPP), Ministry of Finance, discussed the **current and planned regulatory framework for diaspora bonds in The Gambia**. Mr Momodou Sowe, Director of Investments, Gambia Investment and Export Promotion Agency (GIEPA), explained **how existing pipeline of investment-ready programmes assessed by GIEPA can be linked to Gambian diaspora bonds.**

The key agreed action points included:

- The technical roundtable to be convened twice a year instead of once a year, as a technical network for knowledge sharing, sector and professional development
- Review and improve the CBG remittance data collection template to facilitate wider economic analysis, and improved study of the impact of remittance
- More structured monitoring of the cost of remittances from the different corridors
- Analytical exploration of actions to be undertaken to facilitate take up and expansion of Fintech
- Research and action plan regarding unregistered MTOs and informal remittances
- Facilitate the active participation of the Gambia Bureau of Statistics (GBoS) on remittance and SDG analyses, as anticipated in the UN Agenda 2030 Sustainable Development Goals
- MSDG to facilitate publication of periodic bulletin on Gambian remittances and diaspora investment
- Monitor and contribute to the development of the emerging MOFEA strategy on financial inclusion.

Formal DFTR2 Ministerial Statement



*Mr. Bakary Jammeh, Governor of the Central Bank of The Gambia
Prof. Gibril Faal, Director of GK Partners and the MSDG Project
Ladies and Gentlemen*

On 13 January 2018, at the First Stake in the Nation Forum, the President launched the Gambia Diaspora Strategy, which is incorporated in the National Development Plan. He also declared that the diaspora is the Eighth Region of the country. The NDP also recognises the Gambian diaspora as one of the seven critical enablers of national development. It is against this policy background that we gather here at the Second Diaspora Finance Technical Roundtable, convened by the Central Bank of The Gambia, the Ministry of Finance, and our technical implementation partner, GK Partners.

It is apt that the very development and implementation of the Gambia Diaspora Strategy is being led by Gambian diaspora experts, through the Migration and Sustainable Development in The Gambia (MSDG) Project. This demonstrates the practical ways through which we capitalise on all aspects and elements of diaspora resources.

At the first roundtable on 11 January 2018, the focus was entirely on remittances and how to live up to our commitment to reduce transaction costs to not more than 3% by 2021. At this second roundtable, the discussion has been extended to touch on another targets, namely the issuance of Diaspora Bonds. Apart from their contributions to wider social development, the diaspora is a major player in the Gambian economy. Through their remittances, they contribute over 20% of GDP. It is incumbent upon us to use policy, technical and regulatory mechanisms to enhance, expand and optimise diaspora finance, for the benefit of all sections of Gambian society.

Beyond remittances, the diaspora maintains savings in their countries of residence. If as a country we accessed a percentage of those diaspora savings, inward investment will increase immensely. My Ministry stands ready to give all support and guidance as we advance on developing the specific instruments and frameworks for Diaspora Bonds and other enabling financial and economic mechanisms.

As experts and specialists working together across ministries and sectors, I encourage you to be open minded and innovative in your deliberations and collaborations, so that we can achieve positive transformative change on diaspora finance in the context of the NDP, and open up the wider field of Responsible Finance, and Financing for Development, in the context of the Sustainable Development Goals.

I thank you all.

Hon. Mambury Njie
Minister of Finance and Economic Affairs
The Quadrangle, Banjul, The Gambia, 6 March 2019

Register of Participants at DFTR2

No.	M/F	Surname & First Name	Institution / Organisation	Role / Position
Money Transfer Operators and Banks				
1.	M	Bah, Omar	Fibank	Relationship Manager
2.	F	Barro, Ajie Oumie	Fibank	Marketing Officer
3.	M	Barry, Alieu	Skye Bank	Head of Remittances
4.	F	Bright, Mary	APS International	Managing Director
5.	M	Ceesay, Sait	Global Financial Services	Managing Director
6.	F	Cham, Awa	Ecobank	Remittance Officer
7.	F	Cham-Bojang, Fatou	Standard Chartered Bank	Assistant Director, Asset & Liability
8.	M	Drammeh, Kalilu	Gamdirect	Managing Director
9.	M	Fall, Basa	Small World Financial Services	Head of Operations
10.	F	Jallow, Ndeye	Access Bank	Group Head of Commercial Retail
11.	F	Jallow, Halimatou	NAFA Financial Services	Chief Executive Officer
12.	M	Jammeh, Kitabu	Agib Bank	Head of Treasury
13.	M	Kotei, Robert	RIA Financial	Director of Operations for Africa
14.	M	Mendy, Sang P.	FBN Bank	Treasurer
15.	F	Njie, Ada	Ecobank	Head of Treasury & Sales
16.	F	Saho, Tida	Zenith Bank	Head of Bureau Business
17.	F	Sarjo-Fye, Fama	Reliance Financial Services	Chief Finance Officer
18.	M	Sisay, Muhammed	Trust Bank Limited	Head of Treasury
19.	M	Trawally, Sulayman	FiBank	Head of Consumer Banking
Ministries, Departments and Agencies				
1.	M	Ceesay, Abdou H.	Central Bank of the Gambia	Deputy Director, Foreign Department
2.	M	Ceesay, Alieu S.	Central Bank of the Gambia	Economist
3.	F	Ceesay, Chilel	Ministry of Finance & Economic Affairs	Principal Economist
4.	M	Cham, Sulayman J.K.	Ministry of Finance & Economic Affairs	Principal Financial Analyst
5.	F	Deen-Touray, Fatou	Central Bank of the Gambia	Director, Micro Finance Department
6.	M	Drammeh, Momodou	Gambia Investment & Export Promotion Agency	Director, Enterprise Support
7.	M	Jallow, Hassan	Gambia Investment & Export Promotion Agency	Chief Executive Officer
8.	F	Jatta, Therese Lucy	Central Bank of the Gambia	Senior Bank Executive
9.	M	Jobarteh, Karafa	Central Bank of the Gambia	Deputy Director, Foreign Department
10.	M	Njie, Mambury	Ministry of Finance & Economic Affairs	Minister
11.	F	Khan, Rohey	Central Bank of the Gambia	Director, Foreign Department
12.	M	Samateh, Mustapha	Ministry of Finance & Economic Affairs	Director, Public Private Partnerships
13.	M	Sambou, Momodou	Ministry of Finance & Economic Affairs	Principal Economist
14.	M	Secka, Lamin	Ministry of Foreign Affairs	Second Secretary
15.	M	Sise, Momodou	National Assembly	Clerk of the Assembly
16.	M	Sowe, Momodou L.	Gambia Investment & Export Promotion Agency	Director, Investment Promotion
17.	M	Suso, Ebrima	Gambia Bureau of Statistics	Senior Statistician
International Institutions				
1.	F	Kibuuka, Katie	World Bank	Financial Sector Specialist
2.	M	Kumah, Francis	IMF	Senior Economist
3.	M	Mendy, Bernard	IMF	Economist
4.	F	Mesfin, Lydia	World Bank	Operations Officer
5.	F	Randall, Ruby E. M.	IMF	Resident Representative
6.	M	Wocken, Ludger	IMF / Government of Germany	Senior Economist
7.	M	Wieczorek, Jaroslaw	IMF	IMF Mission Chief for The Gambia
Business and Industry				
1.	F	Deen, Olimatou S.	Gambia Chamber of Commerce & Industry	Senior Business Development Officer
2.	M	Faal, Gibril	GKP & London School of Economics (LSE)	Director & Visiting Professor in Practice
3.	M	Secka, Abdoul Salaam	MSDG Project / GK Partners	Economist & Technical Director
4.	M	Sidibeh, Musa	MSDG Project / GK Partners	Banker & HR Specialist
Total of 47 participants including 17 women (36%), 30 men (64%) and 4 young/early stage professionals.				

The support personnel in attendance were: Moshood Wilson (Operations), Malick Manga (Assistant), Lamin Sanneh (Audio System) and Mamat Faye (Photography).

Appendix I: DFTR1 Ministerial Statement (11 January 2018)



Mr Bakary Jammeh, Governor of the Central Bank of The Gambia,
Prof Gibril Faal, Director of GK Partners & Migration and Development in The Gambia (MSDG) Project,
Your excellencies, distinguished delegates.

I thank GK Partners, Office of the President and Central Bank of The Gambia for organising this important and unprecedented Remittance Technical Roundtable, exploring how to reduce the transaction cost of remittances sent to The Gambia.

According to the World Bank, in 2016 the total of diaspora and migrant remittances to The Gambia was \$200m, being 21.5% of GDP¹. This figure does not include remittances sent through informal channels. In 2014, as a percentage of GDP, The Gambia was the 10th remittance receiving country in the world, and the 3rd in Africa². If remittances sent through informal channels were taken into account, it is likely that remittances would account for over a third of Gambia's GDP. Yet, according to the African Union's African Institute for Remittances (AIR), Gambia has one of the highest remittance transaction costs in Africa.

Every percentage point reduction in the cost of remittances equates to millions of Dalasis more for the families and households who receive this important form of financial inflows. The financial, economic and development impact of remittances is well established, thus the Government of The Gambia is committed to optimising flows and lowering charges in the sector, in line with the Sustainable Development Goals and other multilateral frameworks.

Target 10.7c of the SDGs states that: *"By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent"*.

In November 2015, the European Union and African countries, agreed the Joint Valletta Action Plan, which stated that: *"In addition [to the 3% SDG target], identify corridors for remittance transfers where the partners commit to substantially reduce the costs by 2020, from Europe to Africa and within Africa"*.

Furthermore, the Nairobi Action Plan on Remittances, adopted in July 2016, stated that there would be: *"technical cooperation and support between 2017 and 2018, to 10 (ten) African countries, such that by 2020, a significant number of these target countries would have reduced the cost of remittances to 3% or lower"*.

We are pleased that through the MSDG Project, developed by GK Partners and funded by the Swiss Government, is facilitating Gambia's determined move towards lower remittance costs. My ministry, the Central Bank and all government institutions will give all the required support and cooperation to this initiative. I am pleased to announce that the goal to achieve SDG target 10.7c in the next 2-3 years, rather than in 2030, has now been incorporated in the Gambia National Development Plan. This is in line with the President's Diaspora Policy Statement in September 2017.

I wish you a productive day of technical and consultative deliberations. I am sure that you will come up with a practical, innovative and ambitious action plan, in line with the development aspirations of the New Gambia.

Hon. Amadou Sanneh
Minister of Finance and Economic Affairs
The Quadrangle, Banjul, The Gambia, 11 January 2018

1. <https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?locations=GM>

2. <https://openknowledge.worldbank.org/bitstream/handle/10986/23743/9781464803192.pdf>

Appendix II: DFTR1 Central Bank Statement (11 January 2018)



ONE DAY REMITTANCE TECHNICAL ROUNDTABLE MEETING WITH CEOs OF MONEY TRANSFER ORGANISATIONS- JAN 11, 2018

Second Deputy Governor, CBG Mr Essa Drammeh

Representative of the Minister of Finance and Economic Affairs

Director, GK Partners, Prof GibrilFaal

IMF country Resident Representative

CEOs of MTOs

CEOs of Commercial banks and other financial institutions

Distinguished guests

Ladies and Gentlemen

On behalf of the Governor, CBG I welcome you all to this important meeting. We at the CBG are honoured to host this gathering here to share experiences on this all important financial product – Remittances. It is important because remittances is a valuable share of our GDP annually. It reached well over USD200 million at end 2017 impacting at the micro level household incomes, businesses and macro level at the economy of the Gambia.

The Central Bank of The Gambia acknowledges the importance of remittances not only in The Gambia but Sub-Saharan Africa, South Asian region – Bangladesh, Nepal, Pakistan, India just to name a few.

Despite its importance and inflows to several sectors, this initiative to reduce the cost of remittances – infrastructure, telecoms fees and tariffs makes this meeting all important. We at the Bank welcome the idea and urge you all to participate fully during the one day meeting to make it a success it deserves.

To capture remittance data properly we at The Central Bank tirelessly continue to encourage the opening of forex bureau. Additionally, we are on the process of rolling over softwares to financial bureaus as well as commercial banks to accurately capture and monitor their remittance data at all times. This is important for policy direction.

Remittance is our golden egg, it requires to be protected and reducing the cost of remittances to 3% can go a long way to diversify income levels with the present unattractive treasury bills rates. With the current new environment, it is our hope that remittance will continue to be relevant to us all.

Mr Chairman Distinguished Participants

The flow of remittances into developing countries is attracting increasing attention because of their rising volume and their impact on the receiving countries in 2005, they total \$188b-twice the amount of the official assistant developing countries received. It grew to \$642b in 2010 at \$705 billion in 2015.

Recent data has shown that remittances recorded \$186 m in 2013, \$203m in 2014, \$214m in 2015, \$205m in 2016 and \$219m in 2017. It currently accounts for about 23% GDP. Consequently the significance of remittance at both Macro and Micro-Economic levels cannot be understated. At macro levels, it has significant impact on the balance of payments coupled with investment capital.

At micro level private remittance have considerably impacted on lives of individual families from the construction of solid house to the provision of basic and social amenities. In addition, where many small business were closing down due to limited access to capital, many individuals have now open shops selling containerised Second hand goods, furniture, used cars and other goods shipped by migrants in USA Europe and Asia.

There is a strong nexus between remittances and International Migration. While the dispiriting effect of youth unemployment in the country is a power driver for international migration, the improvements of the lives of the successful migrations to America and Europe provides significant incentive for young people to embark on the journeys.

However, the cost of private remittances continue to be a cause of concern. With charges about 5% and more, Diaspora migrants are becoming increasingly concern and this could have a consequence on the remittance volume in addition to funds being remitted through illegal channels. Consequently, we implore on all MTOs to consider reducing the cost of remittance to tolerable margins that will certainly keep them in business with reasonable profitability.

Of course we must admit at this stage that The Gambia continues to operate a flexible exchange rate regime with the fundamental forces of demand and supply the main determinants of exchange rates.

Distinguished guests, ladies and Gentlemen,

I cannot conclude my remarks without mentioning the Issue of Compliance. Compliance is key to your licensing and it is a centre stage in present day KYC globally. It is no longer know your customers but your customers customer.

Therefore, The Central Bank of The Gambia will continue to encourage and guide remittance flows into the country. WE will continue to stand by you the operators to make more meaningful to our institutions and country.

I wish you all fruitful deliberations during this meeting.

Dr Seeku Jaabi

First Deputy Governor

Diaspora Finance Technical Roundtable (DFTR) is part of a Technical Cooperation Programme (TCP) on Migration and Sustainable Development in The Gambia (MSDG), implemented by GK Partners (GKP) in partnership with the Government of The Gambia



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