

UNCDF Webinar Series

Migrant Money: Better remittances data for better decisions

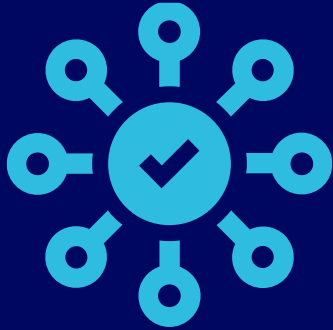


**Unlocking
Public and Private
Finance for
the Poor**

Why do central banks, authorities, and the industry need high-quality granular remittances data?

8 June 2022 8 AM EST





Agenda

What we're
going to cover
in this webinar

8:00 Welcome, logistics and introduction

8:05 Presentation – UNCDF tool

8:15 Panel

8:55 Questions and answers

9:10 Closing

Logistics

①

Interpretation

②

Chat

③

Presentation and
recording

Speakers



Robin
Gravesteijn
Lead Systems
and Research
Migration and
Remittances
UNCDF



Saransh
Verma
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Analytics
TerraPay



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Constance
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Surveillance
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Manager
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Unlocking Public and Private
Finance for the Poor

Better remittances data for better decisions

The case for the collection and analysis of transaction-level, supply-side data on remittances

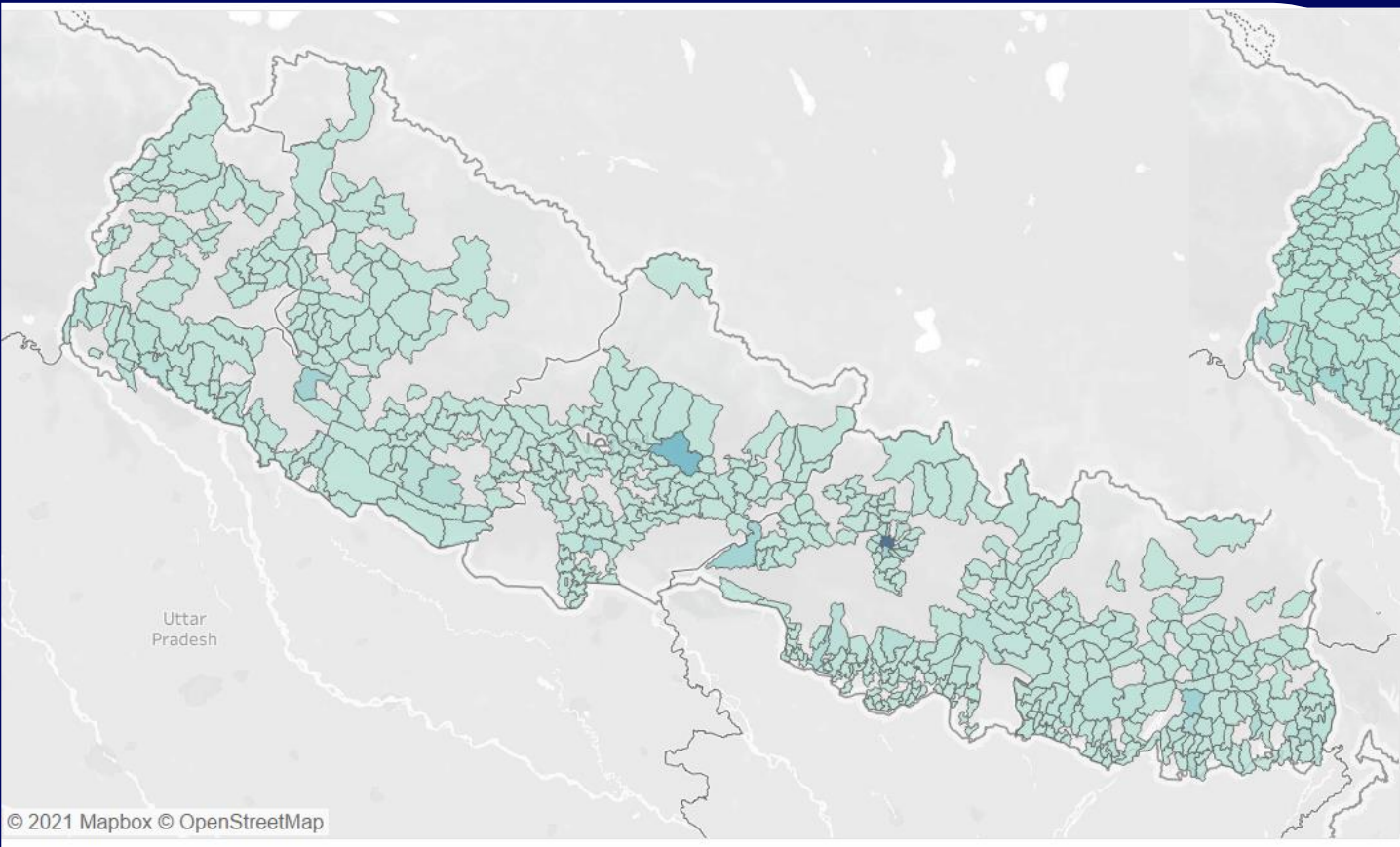
Supply side disaggregated data

- The purpose of the guide is to provide central banks and regulators, especially in LDCs who are net recipients of international remittances, a deeper understanding of the value that disaggregated and transaction-level supply-side data can provide in understanding international remittances and cross border transfers
- The guide presents a number of use-cases to illustrate the potential value of more highly disaggregated transaction data (by corridor, sex, age) on remittances to inform policy and investment decisions in the sector

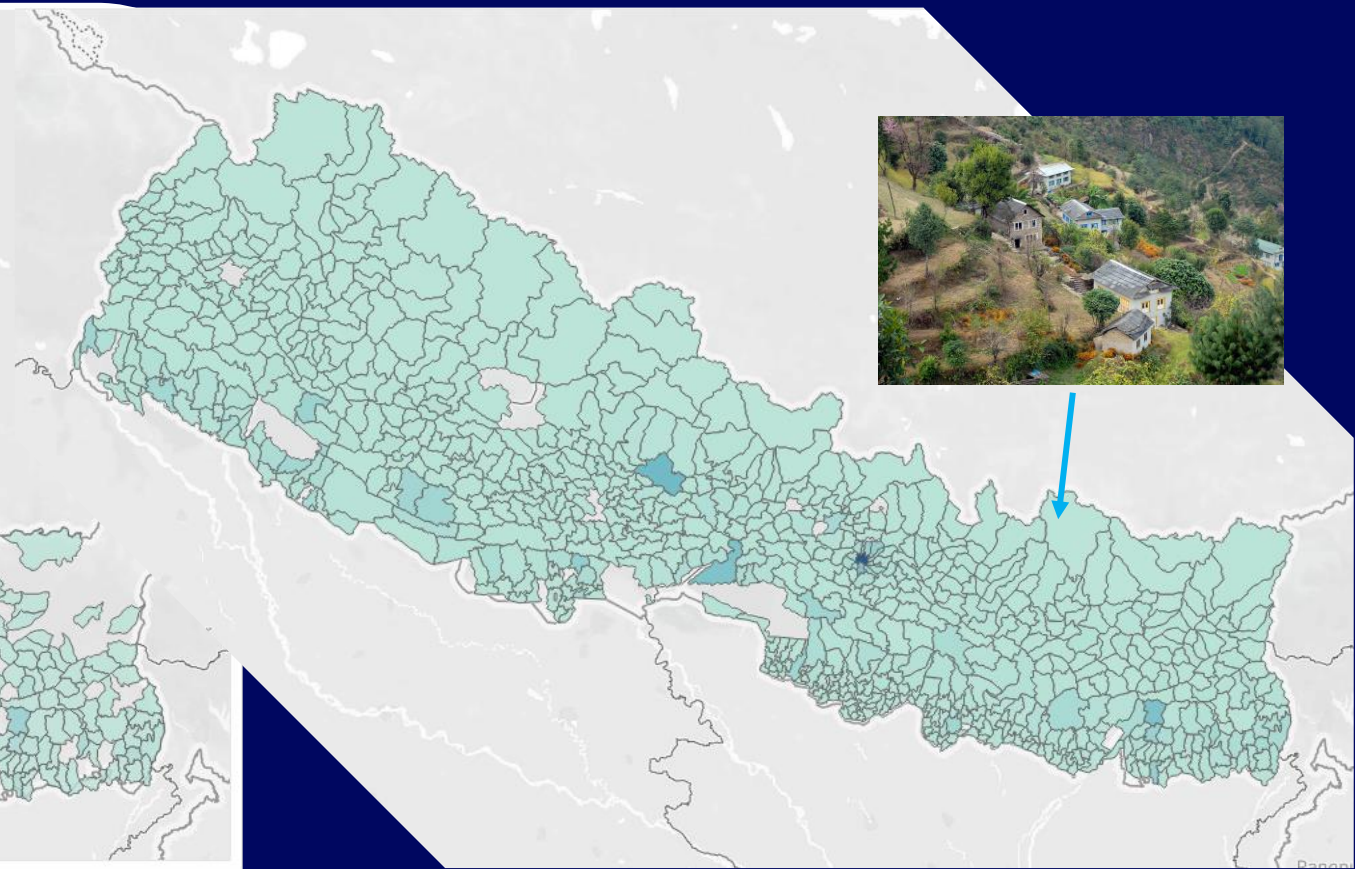


Digital finance reaches more remote and mountainous areas than agents-led channel

Agents' distribution



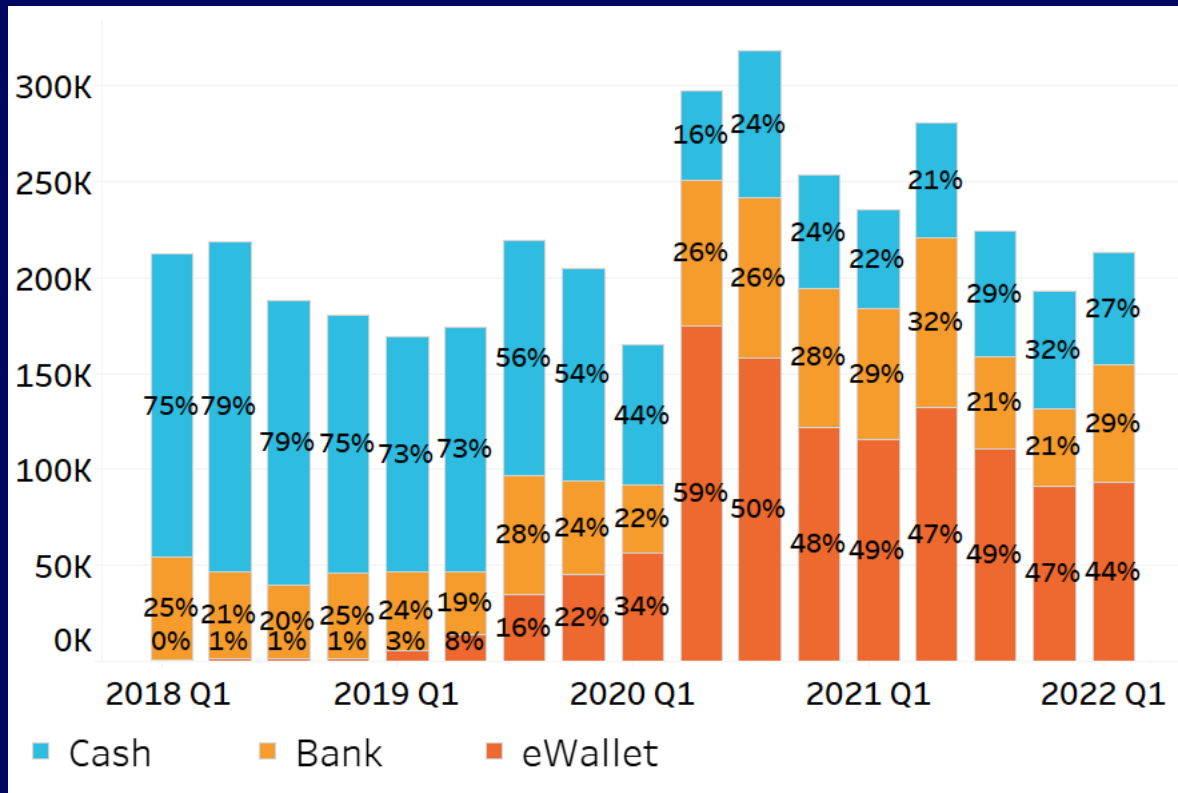
Mobile wallet customers' distribution



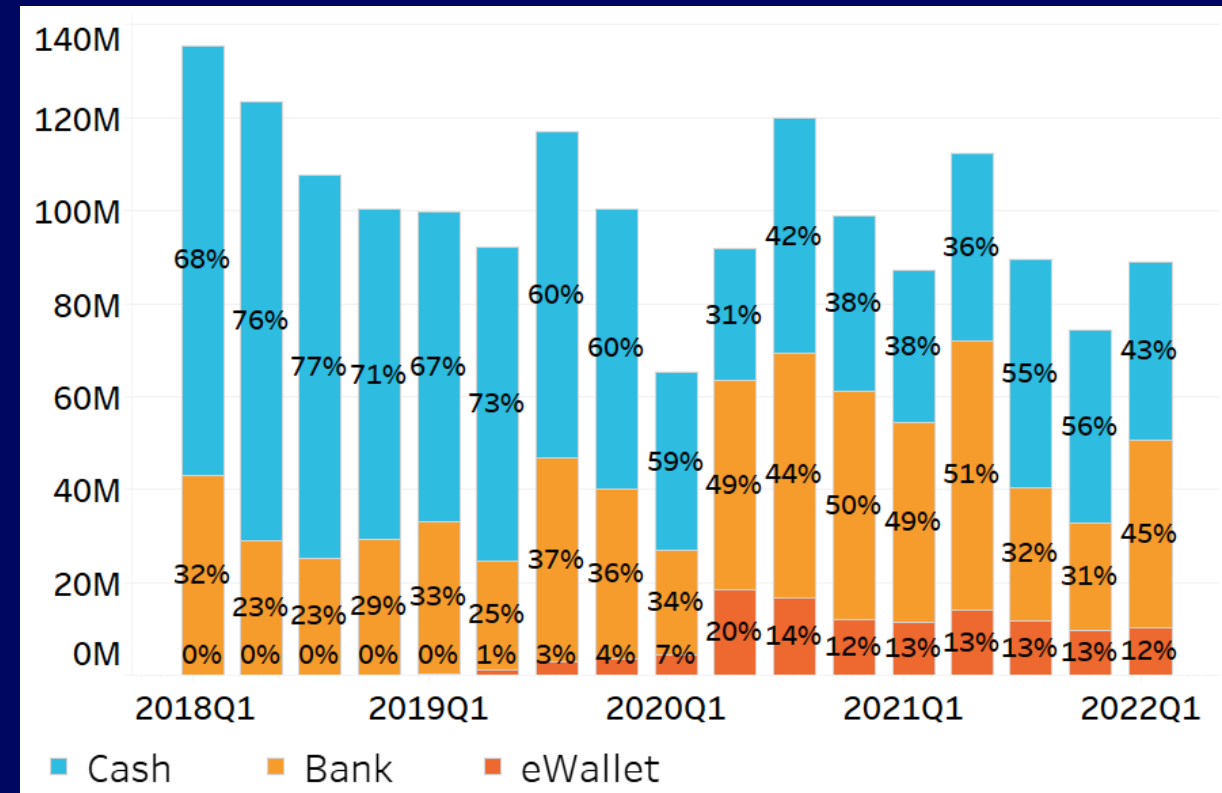
200 customers were able to send/receive money from Mount Everest via the mobile wallet.

Bangladesh | moving from cash to digital remittances

a. Number of transactions



b. Transaction Value (US \$)



Source: MIS data Bank in Bangladesh



TerraPay

Saransh Verma serves as the Director of Analytics at TerraPay.

In this role, he is engaged in building TerraPay's analytics capabilities that enable smarter data-driven decision-making, improved across-the-board collaborations and the organization's growth.

Digital interoperability and
transactional data reporting for
remittances



The smallest payment
deserves a
borderless journey
as safe as the largest...



One of the first payments to travel on TerraPay's platform was \$13

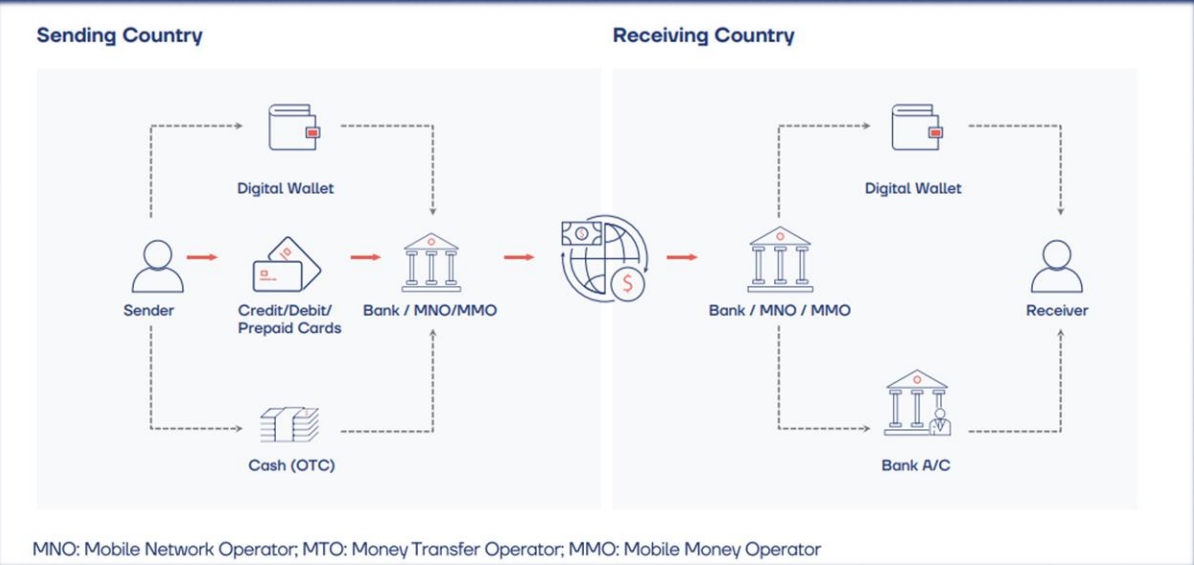
sent from Dubai to Tanzania by a worker who cleaned hotel rooms to support his family.

TerraPay was founded to ensure this man's money would receive the respect, security, and urgency that the largest Business-to-Business payments do. Ever since, we have been building an ever-expanding payments network that empowers financial inclusion and equity for every payment, however small or large.

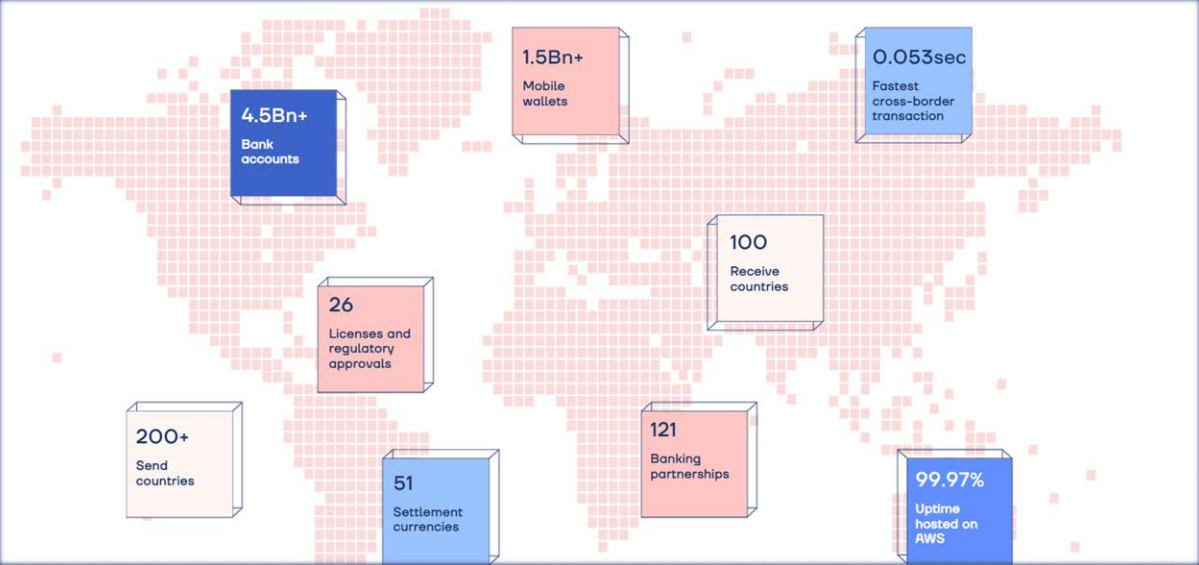
And we're ready to deliver on that promise.

terrapay

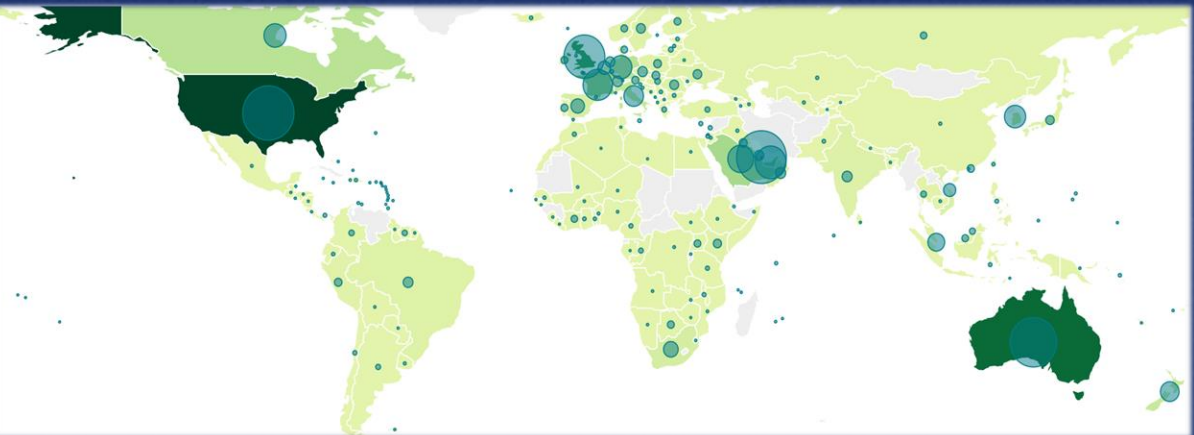
Universal Interoperability across Digital Payment Instruments



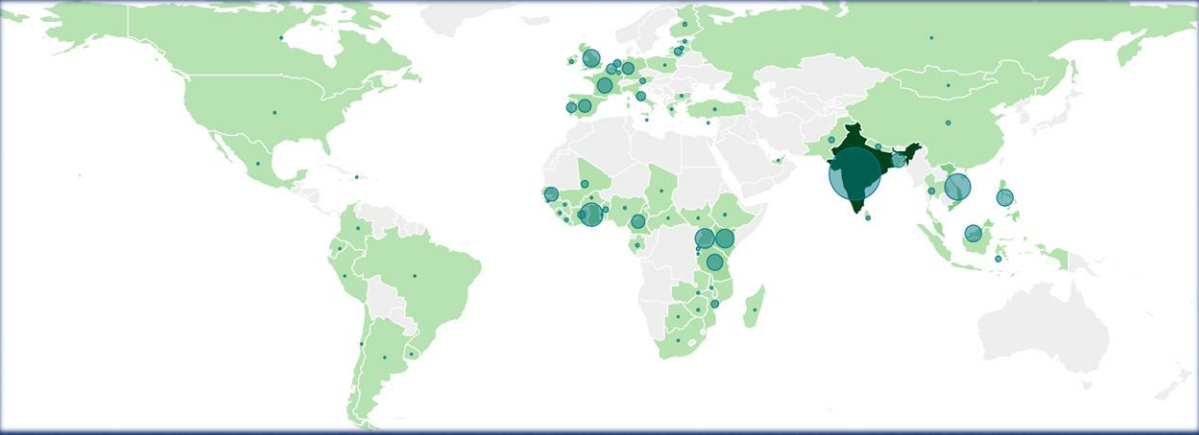
Network Effect – On-demand scalable, real-time, small value-large volume



TerraPay Source Countries



TerraPay Destination Countries



Insights from Transaction Data

Focussed Product Development

Usage based remittance service
>50% usage for Food+Education+Healthcare

Design for on-demand scalability

>3x increase Y-o-Y in transactions since Covid-19 breakout

Small value, high volumes

Wallet transactions: **>65%**
Average value: **<\$140**

Solve for ease of consumer

Adoption of real-time, digital solution for both bank account & wallet transactions
Average bank a/c transaction: **>\$600**
70%+ value of transactions

High quality automated reporting

Sender, Receiver, Country, Currency, Payment instrument level granularity
Reliable data available for national level analysis

Compliance oriented by default

Ability to perform real-time compliance monitoring
KYC based profiles for case analysis

Impact of macroeconomic trends

Global inflation impact:
5% approx. increase in remittances to wallets
10% approx. decrease in avg bank transaction amount

Expansion of formal remittances

Fully KYCed instruments for receiving remittances
Reduction in informal cash-based remittances

Deliver more value to end consumer

Eliminate cost & time of accessing cash
SDG goal on cost reduction: <3% of transaction amount

Transparency for all stakeholders

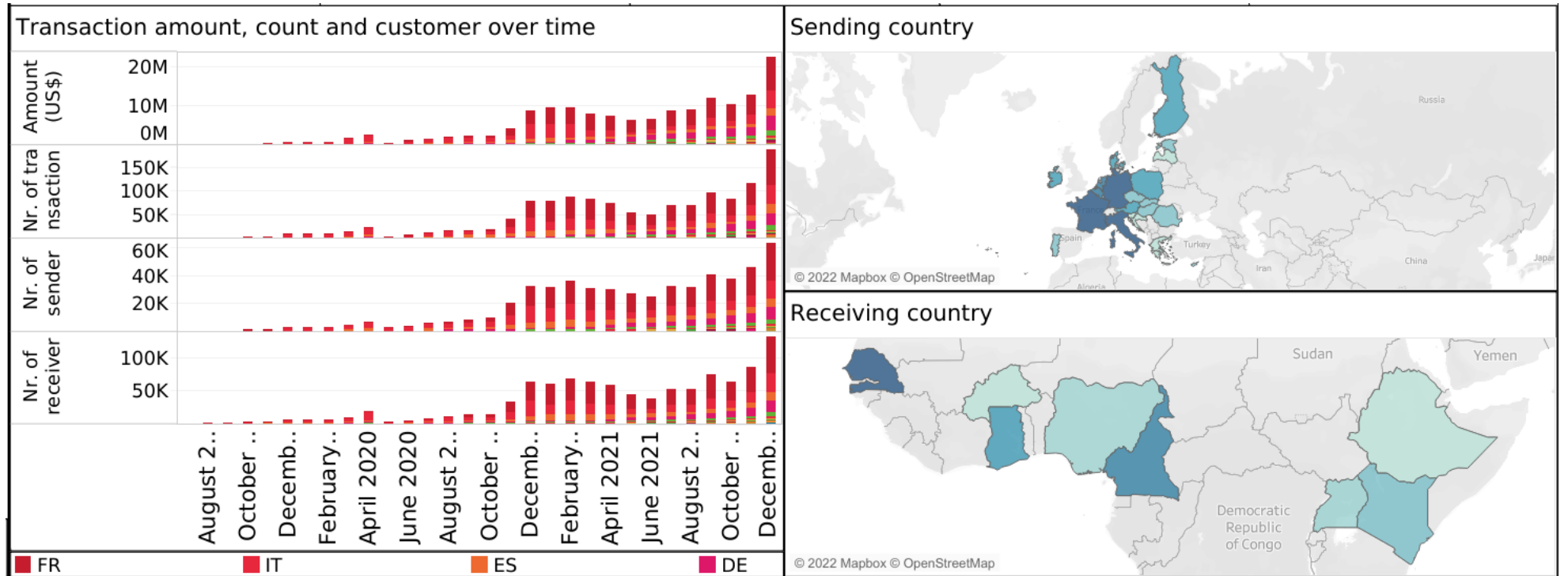
All participants able to access line-item level transaction details
Real-time visibility on transaction delivery: >90% transactions to wallets delivered in less than 1 min

Financial literacy

Funds in mobile wallets & bank accounts enable awareness and access to other financial services: loans, insurance etc.

Produced an interactive dashboard with UNCDF

To run transaction data analytics by region, corridors, provider, channel, etc.



* Example, remittances send from selective EU countries to selective ECCAS, IGAD and ECOWAS countries

Thank *you*



Banco de Mexico

Lizbeth Leyva is the Manager at the Sector Analysis and Measurement Division of Banco de México.



Remittance Statistics*

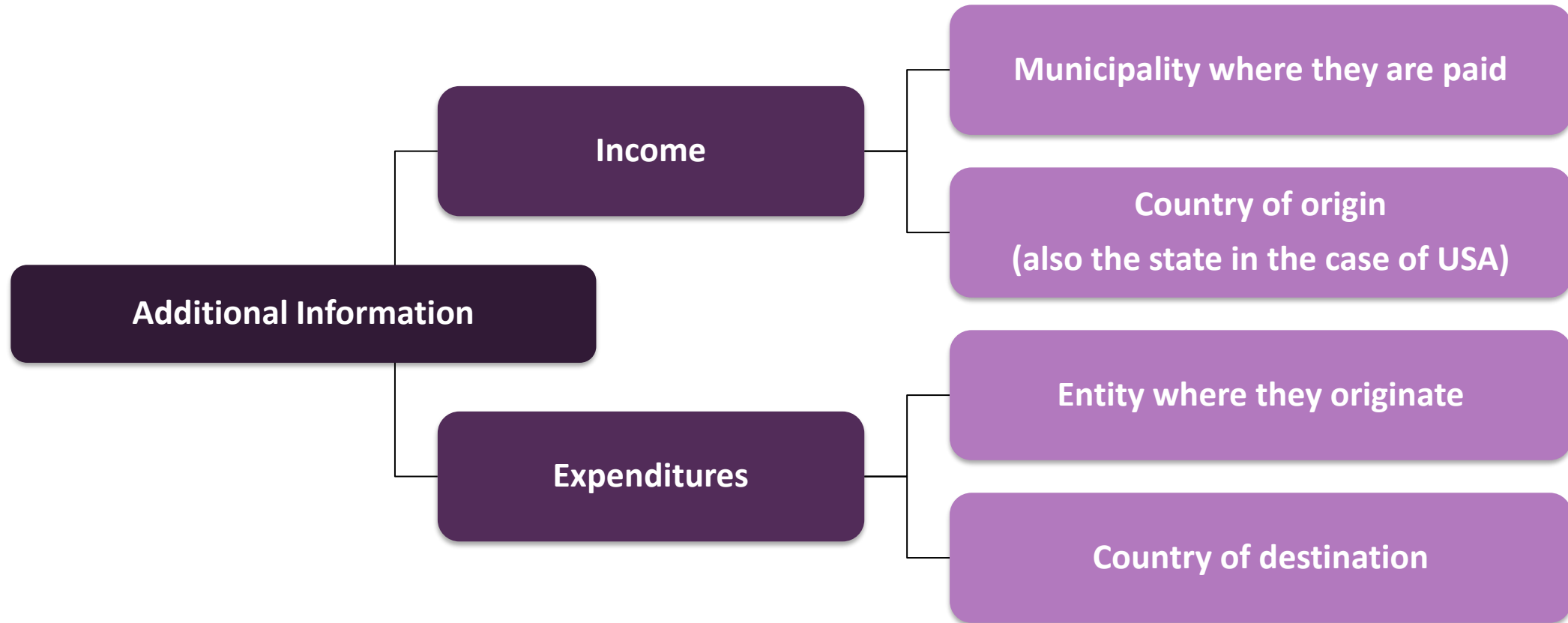
June, 2022



BANCO DE MÉXICO

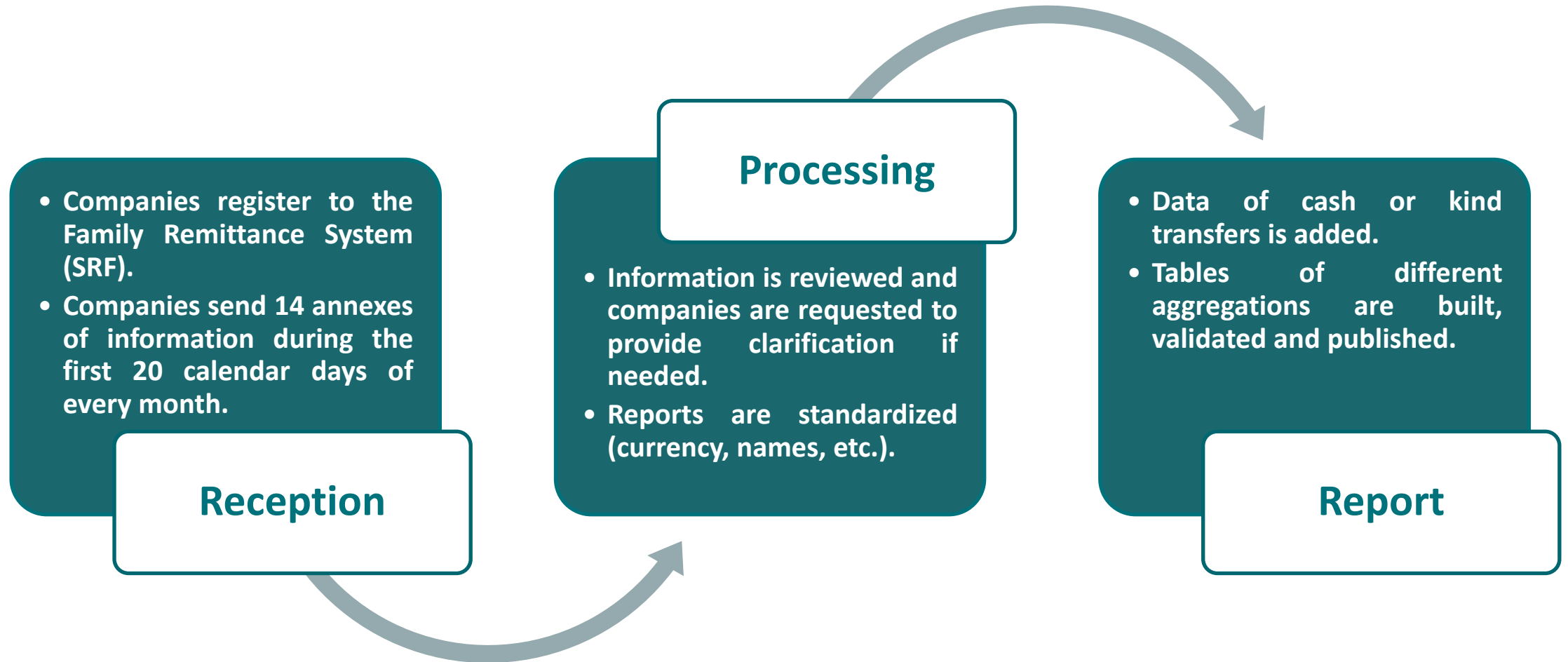
*/ The opinions and points of view expressed do not necessarily represent the institutional position of the Banco de México or its Board of Governors.

In October 2002, for the purpose of strengthening the Family Remittance Statistics, Banco de México issued a set of rules to create a register of companies dedicated to fund transfer services, these rules also standardized the information that said companies sent to Banco de México. During 2012, these rules were modified in order to request companies additional information.



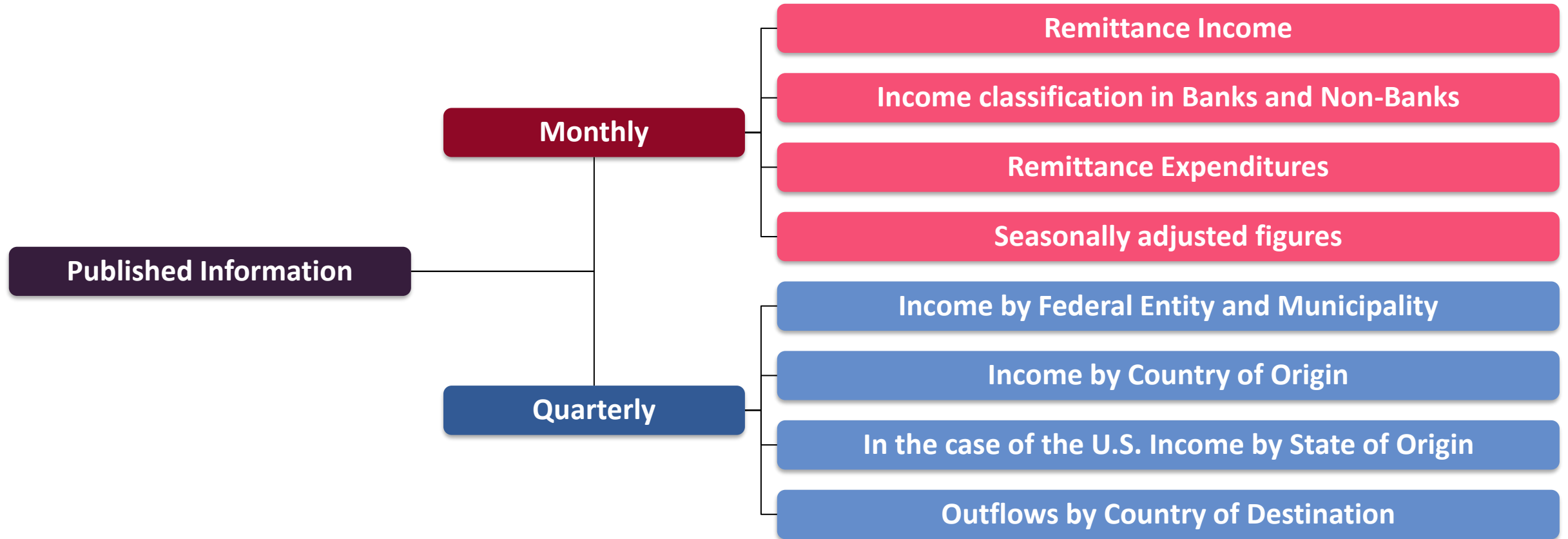
Source: Banco de México.

The information provided in the reports by the participants to Banco de México is reviewed and processed by the staff of the Analysis and Measurement Management of the Real Sector.



Source: Banco de México.

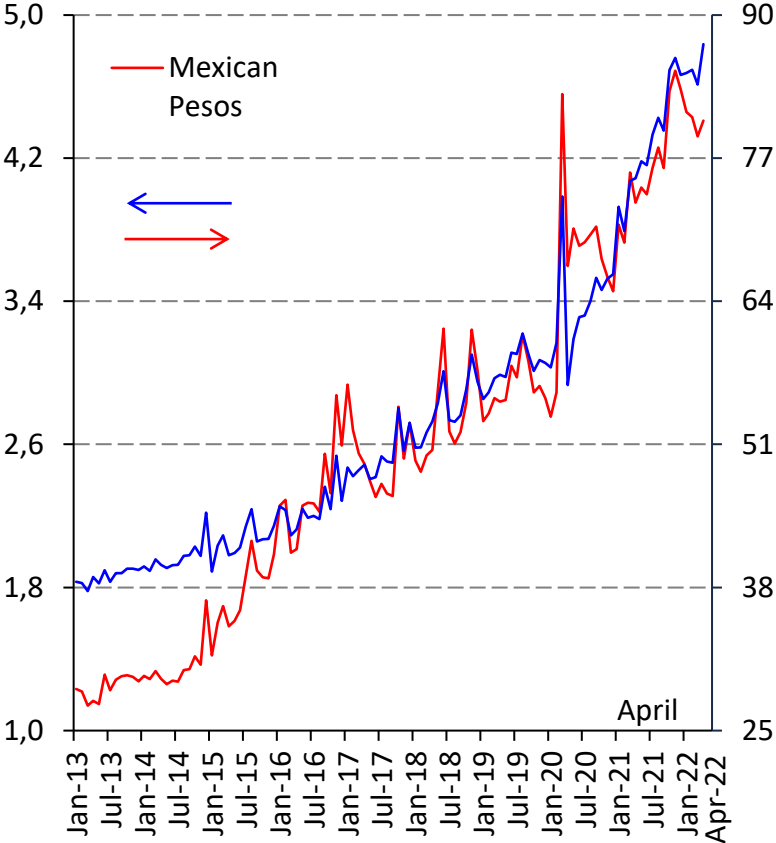
Remittance statistics are published on the first business day of each month on the Banco de México website and include information from the previous month on electronic transfers, money orders and direct remittances.



Source: Banco de México.

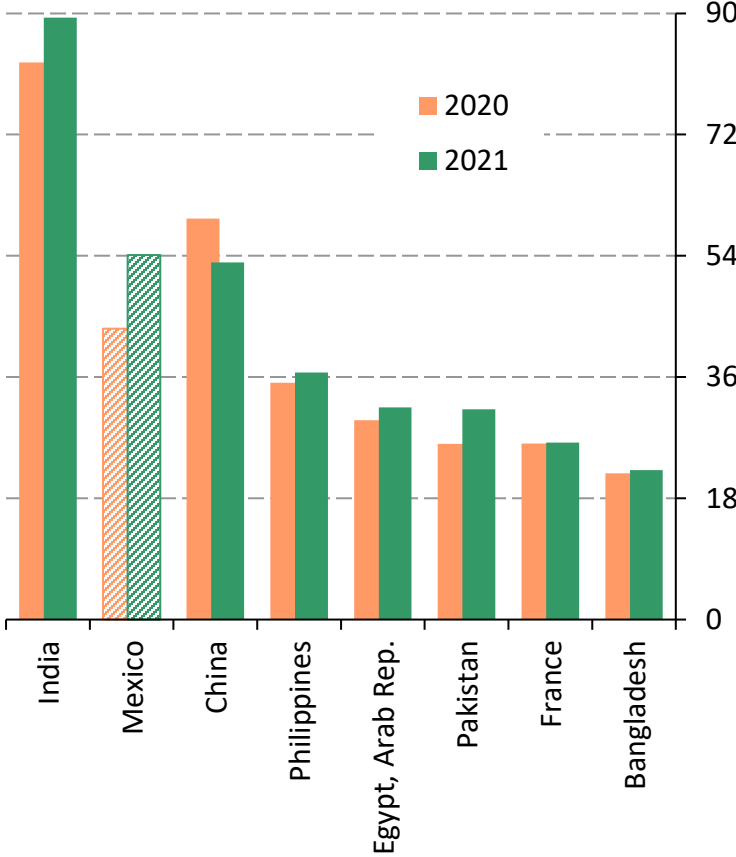
Remittance income in Mexico has had a persistent growth since 2013, showing a remarkable resilience in the context of the pandemic. According to World Bank's estimations, Mexico surpassed China and became the second main recipient of remittances worldwide during 2021.

Remittance Income in Mexico
Billions of Dollars and Constant Mexican Pesos; s. a.



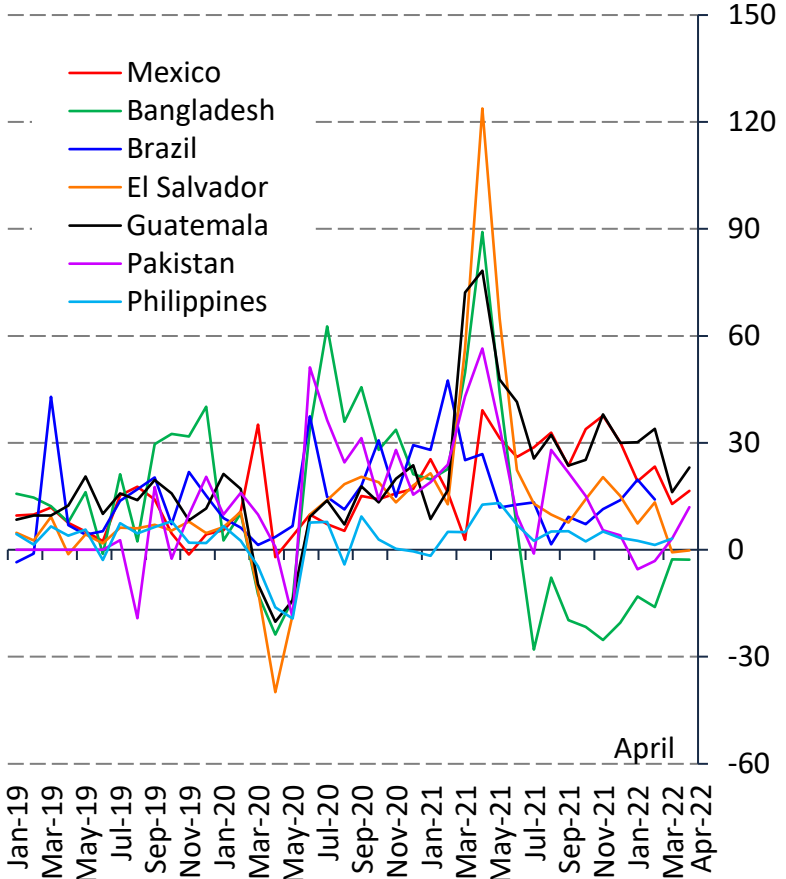
s. a./ Seasonally adjusted figures.
Source: Banco de México.

Main Recipients of Remittances During 2020 and 2021
Billions of Dollars



Source: Prepared by Banco de México with data from KNOMAD.

Remittance Income by Country Annual Percentage Change



Source: Prepared by Banco de México with data from the Central Bank of each country.

Availability of information has enabled a better understanding of the current trends on remittance flows and it has helped develop a broader analysis on key factors that could have shaped the behavior of remittances.

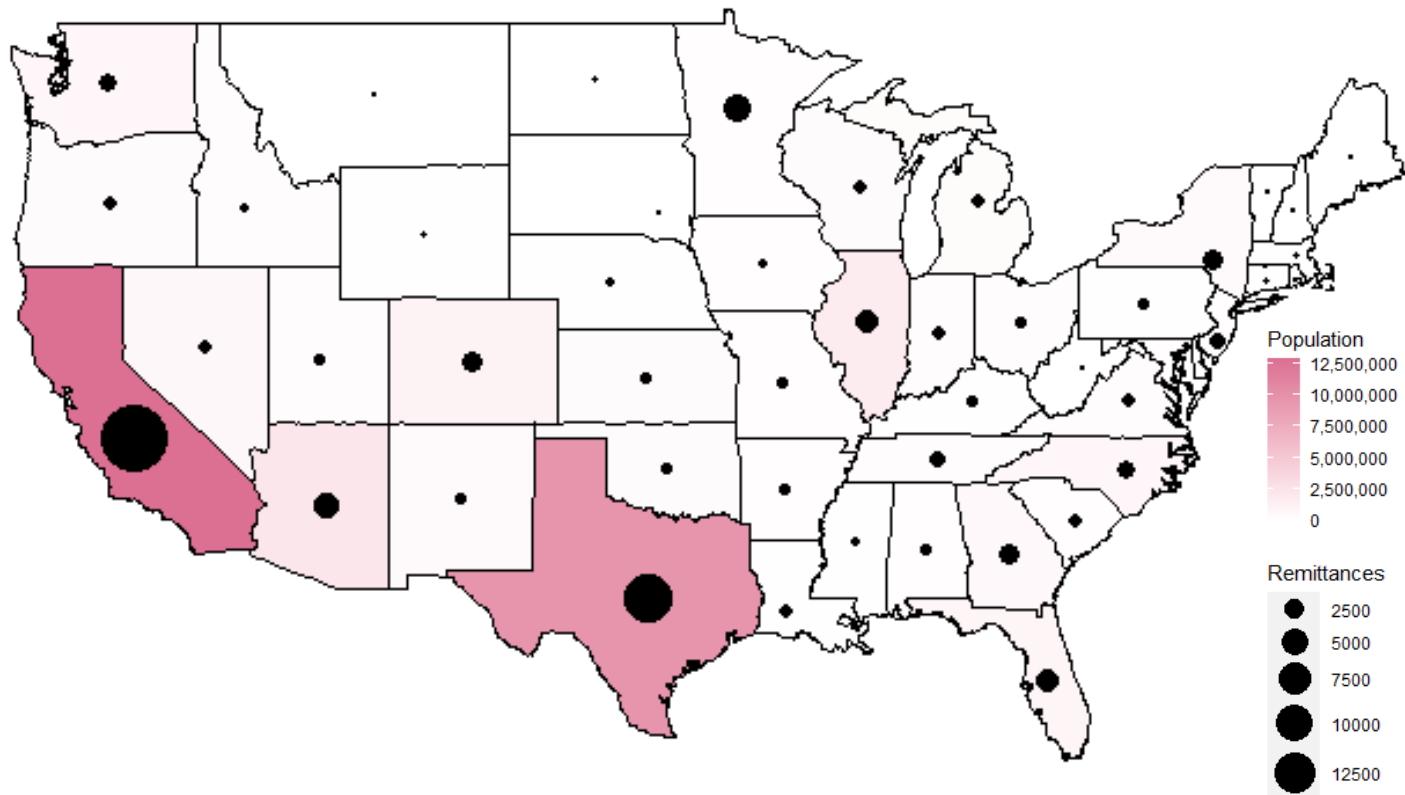
Remittance Income in Mexico by U.S. State of Origin

Billions of Dollars and Share of U.S. Total

Mexican Population in the United States and Remittances Sent to Mexico in 2020*

Residents and Millions of Dollars

State	2019		2020	
	Millions of dollars	Share	Millions of dollars	Share
Total	34,503	100.0	38,761	100.0
California	10,622	30.8	12,677	32.7
Texas	5,643	16.4	6,357	16.4
Minnesota	734	2.1	1,808	4.7
Arizona	987	2.9	1,445	3.7
Florida	1,318	3.8	1,284	3.3
Illinois	1,463	4.2	1,245	3.2
New York	1,223	3.5	1,083	2.8
Georgia	1,217	3.5	1,070	2.8
Colorado	1,030	3.0	1,042	2.7
North Carolina	864	2.5	840	2.2
Rest	9,401	27.2	9,910	25.6



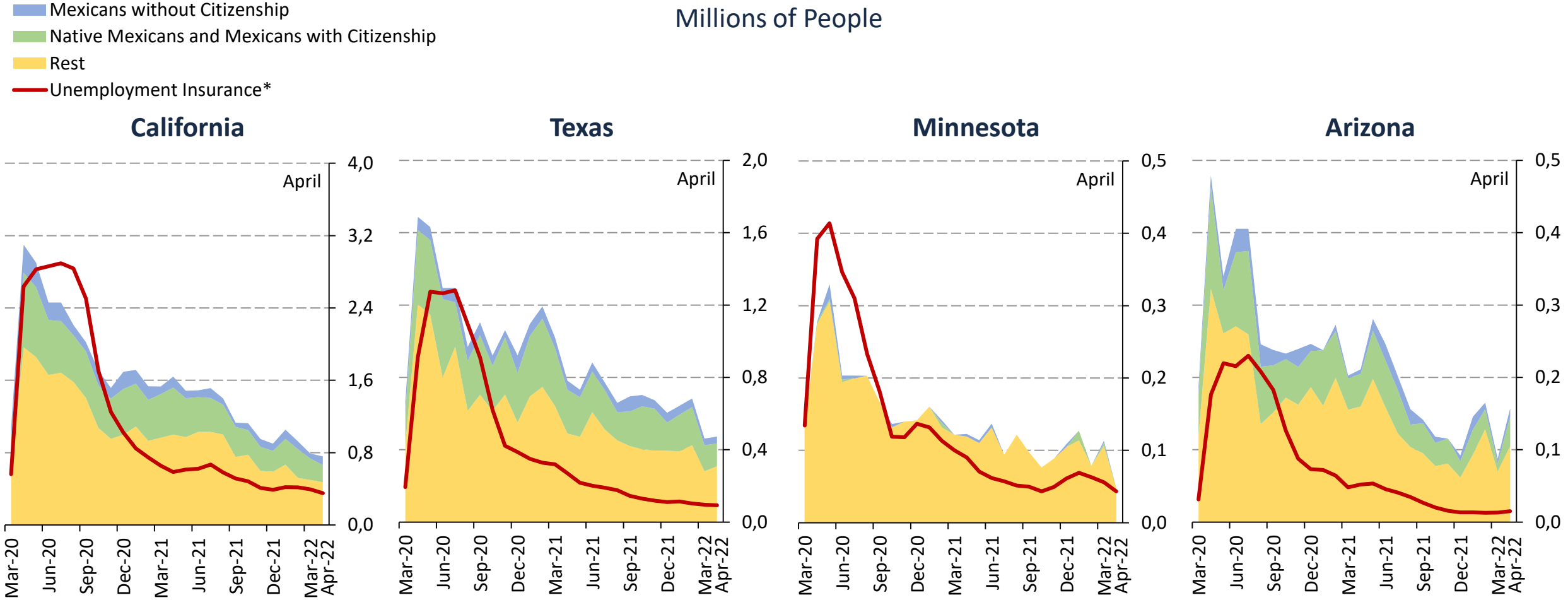
*Population by December 2020, remittance value corresponding to 2020. 2.7% of the remittances from the United States are not considered in the map due to its location being in non-contiguous states or not identified regions.

Source: Prepared by Banco de México with data from the United States Census Bureau and Banco de México.

Source: Banco de México.

During the pandemic, the evolution of remittances could have been affected by many factors, some of them being the relative development of employment in the states where Mexican immigrants are concentrated, as well as the support granted in that country to face the crisis, like unemployment benefits in the U.S.

Unemployment Levels and Insurance in the U.S. States That Send Most Remittances To Mexico



*It refers to the weekly average of individuals who made a claim on unemployment insurance and that qualify for said benefit.

Source: Prepared by Banco de México with data from the United States Census Bureau, United States Bureau of Labor Statistics and Banco de México.



South African Reserve Bank

Constance Libusha is a Senior Business Systems Analyst in the Financial Surveillance of the South African Reserve Bank.

She has more than 18 years of experience in the financial services industry, with the last three years spent in central banking. Her main focus is on leading the maintenance of the cross-border transactions reporting system used in the Financial Surveillance Department of the SARB.



Implementing a transaction-level remittance reporting and analysis system using gender-disaggregated data

Constance Libusha
South African Reserve Bank



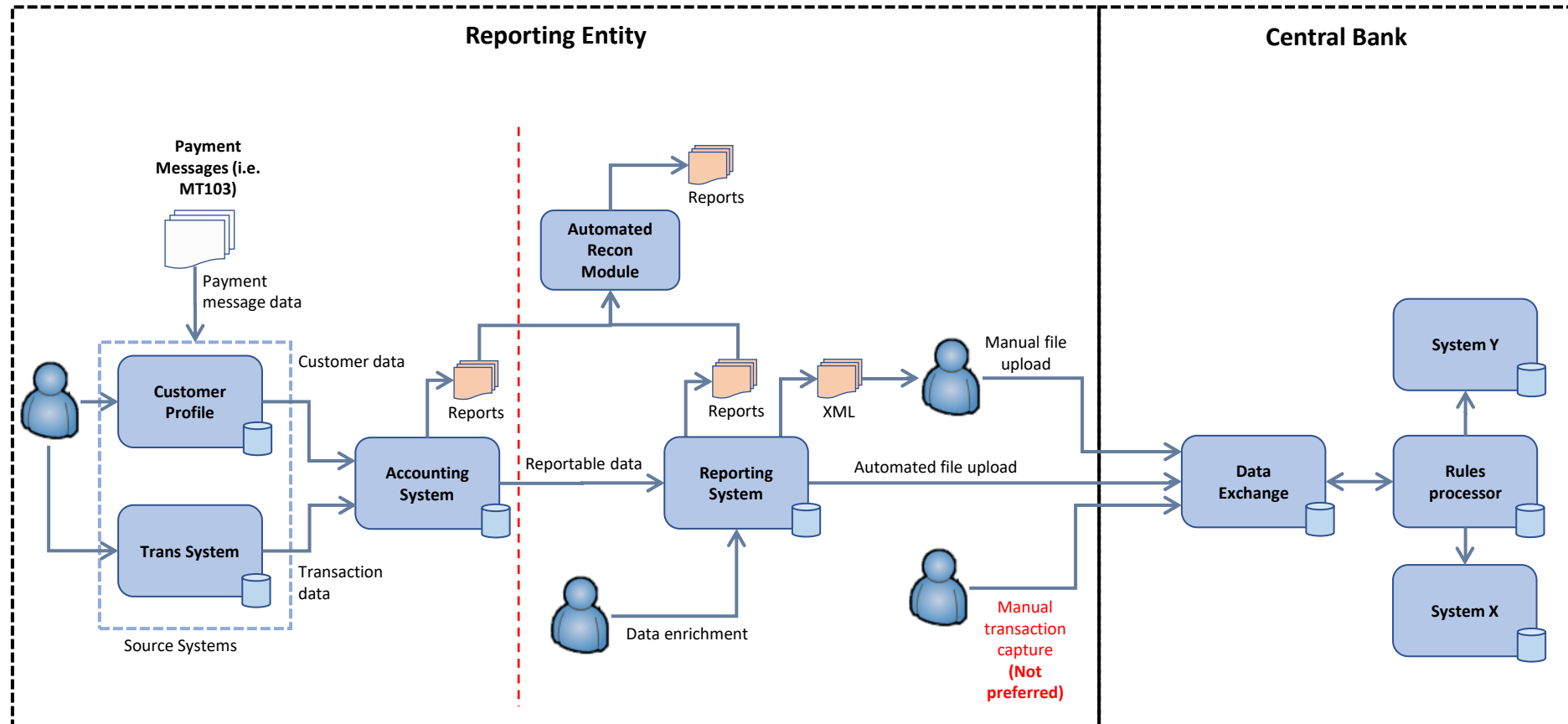
SOUTH AFRICAN RESERVE BANK

Agenda

1. SARB Reporting System overview
2. What is the reported information used for?
3. SADC initiatives
 - SADC Core Reporting system
 - SADC Harmonisation BoP codes
4. Formal values and volume outflow from South Africa



South African Reserve Bank (SARB) Reporting System overview



Source Systems

- Systems used by RE to capture transactions

Reporting System

- System used to generate files containing transactions
- Submit files to Central Bank
- Receive responses from Central Bank
- Reconciliation

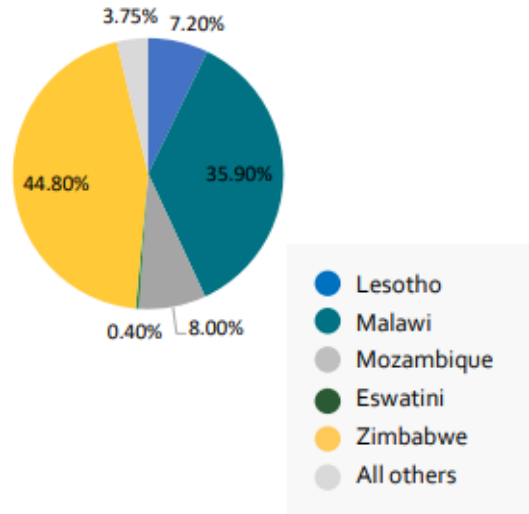
What is the reported information used for?

- Statistics and Research Department uses the data to supplement their BOP compilation;
- Provide information to the FIC, National Treasury, and SARS;
- Surveillance of illicit financial flows;
- Risk management;
- Planning and policy formulation; and
- Financial inclusion strategy (including remittances).

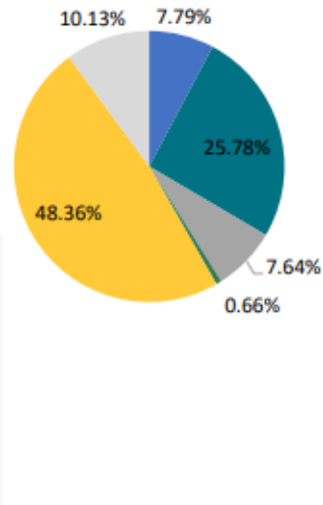


Formal values and volume outflow from South Africa

% of Total Remittances in Volumes in 2021

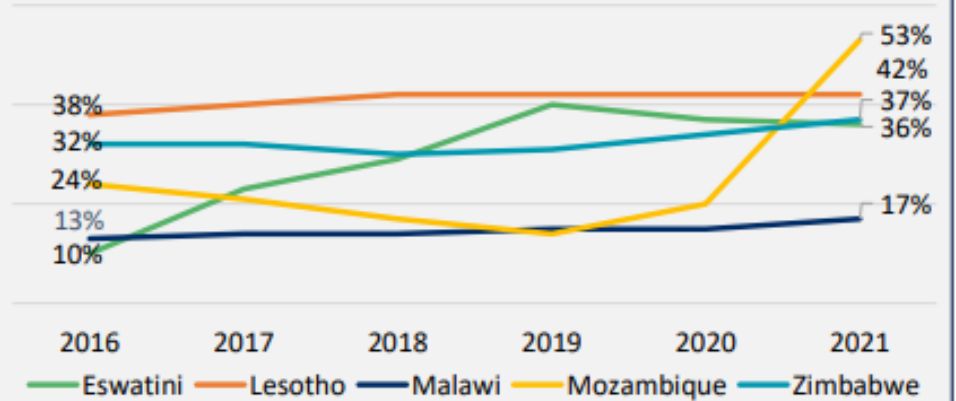


% of Total Remittances in Value in 2021



96.3% of total volumes and 90.2% of total values in 2021 are in the Zimbabwe, Lesotho, Mozambique, Malawi and Eswatini corridors.

% of outbound remittances in value by women



Men are more likely to be migrants labourers in the SADC region but this varies by corridor.

There was an increase in formal usage by women especially in the Mozambique corridor.

Detailed gender analysis was not possible for this report, there is a need to address data gaps on migrants in SA in terms of gender, level of financial inclusion and remittances behaviour to make this analysis richer.

Source: Finmark Trust (2021)



Southern African Development Community (SADC) initiatives

- SADC Core Reporting System
- SADC BOP Harmonisation Codes



**THANK
YOU**



SOUTH AFRICAN RESERVE BANK



Banco de España

Teresa Garcia Cid is the Manager of the External Current and Capital Account Unit, Banco de España.

Working at Banco de España since 1995, she is currently the Manager for the External Current and Capital Account Unit of the Balance of Payments and Financial Accounts Division in the Statistics Department of the Banco de España.

BANCO DE ESPAÑA'S EXPERIENCE IN COMPILING CROSS-BORDER REMITTANCES DATA

María Teresa García Cid

External Current and Capital Account Unit Manager - BP and FFAA Division

BETTER REMITTANCES DATA FOR BETTER DECISIONS

UNCDF Webinar Series

June 7, 8, and 9, 2022



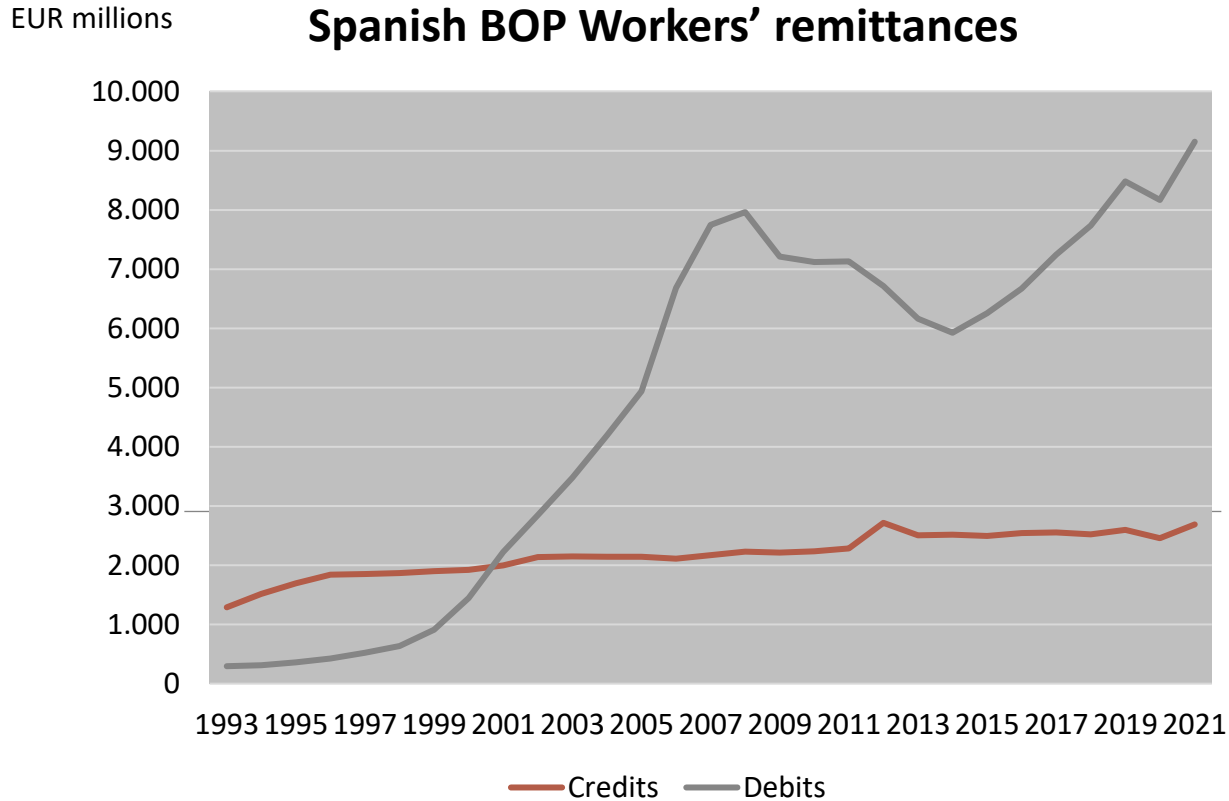
MAIN POINTS

1. The role of Spain

2. The information system

3. Some remarks

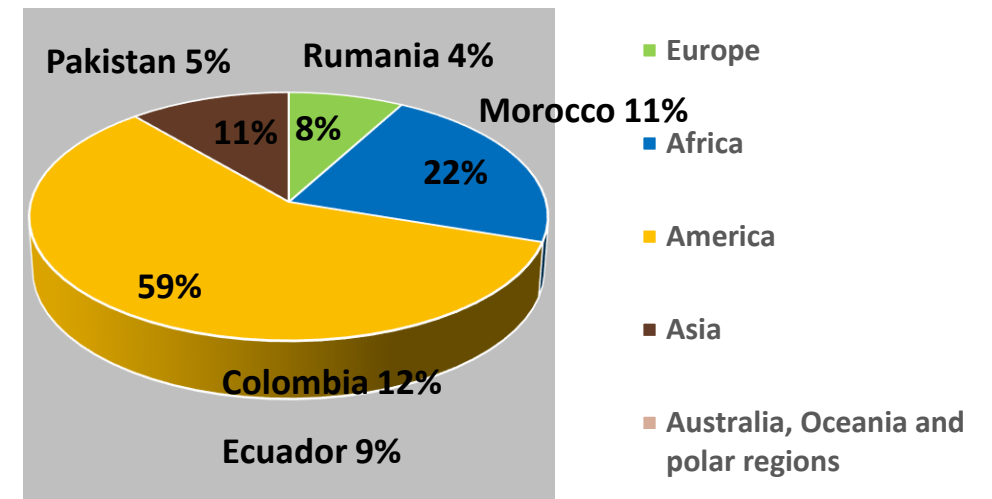


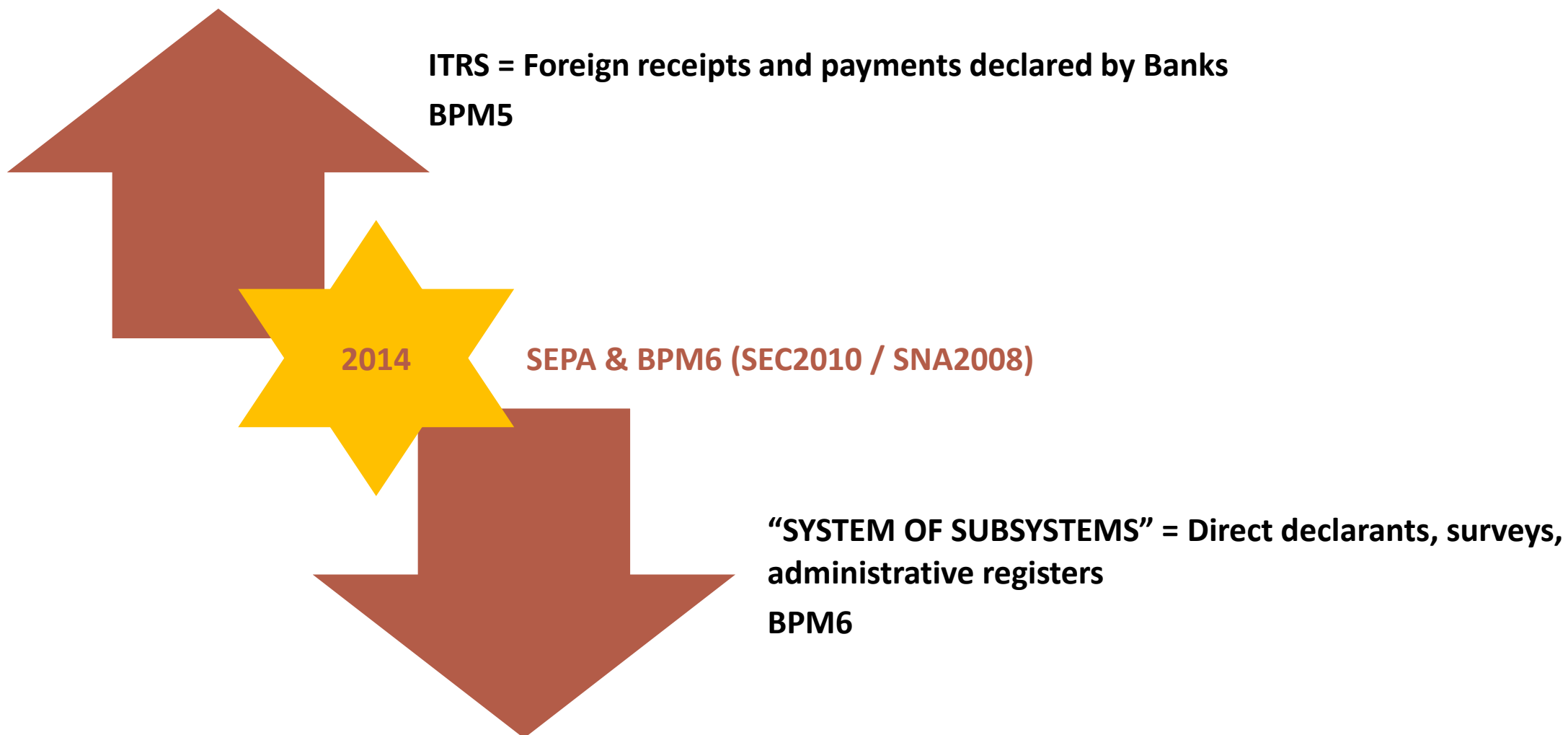


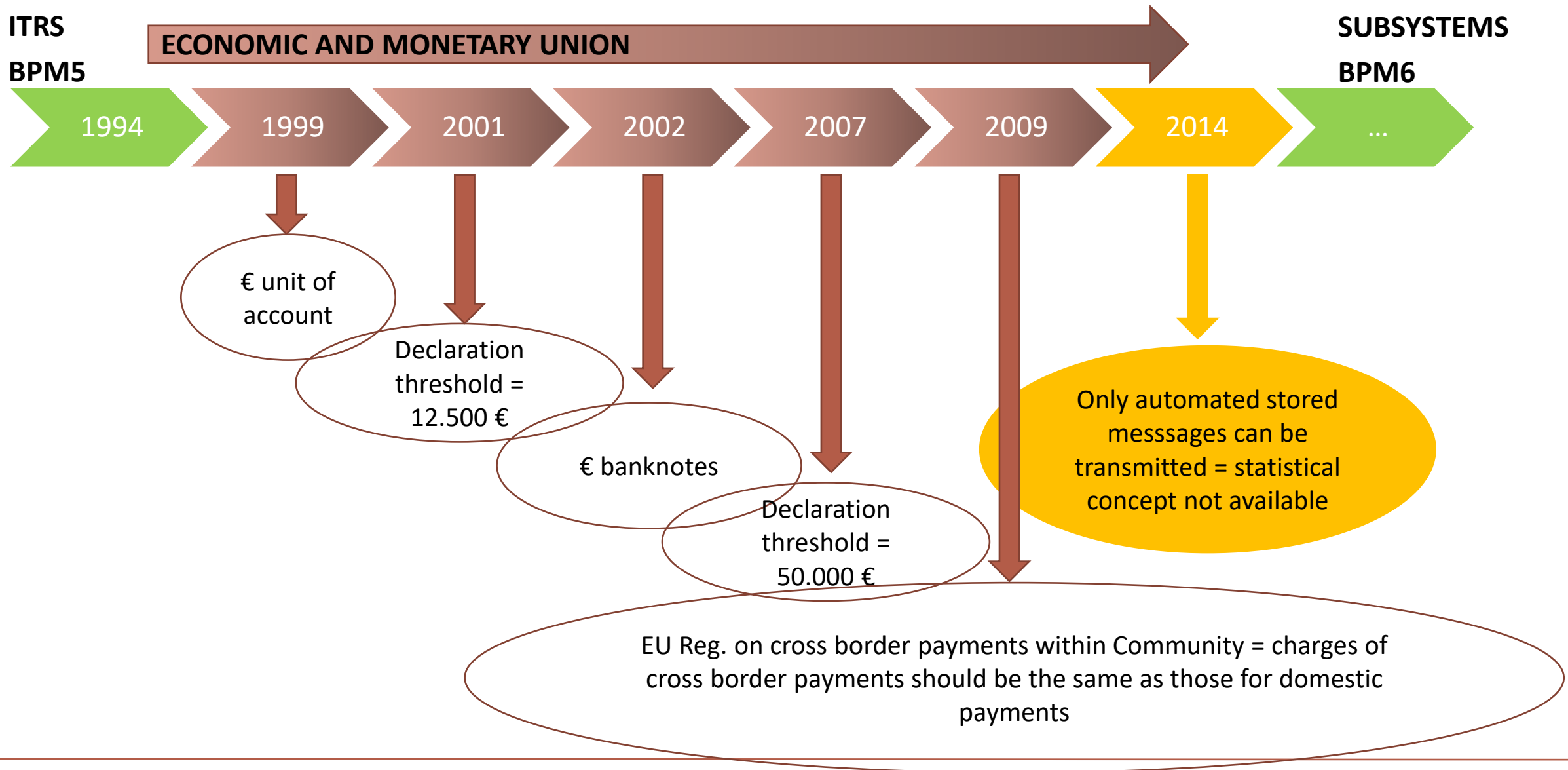
- **Latinamerica is our main counterpart**
 - 41% of total foreign borned residents
 - 51% of total BOP debits

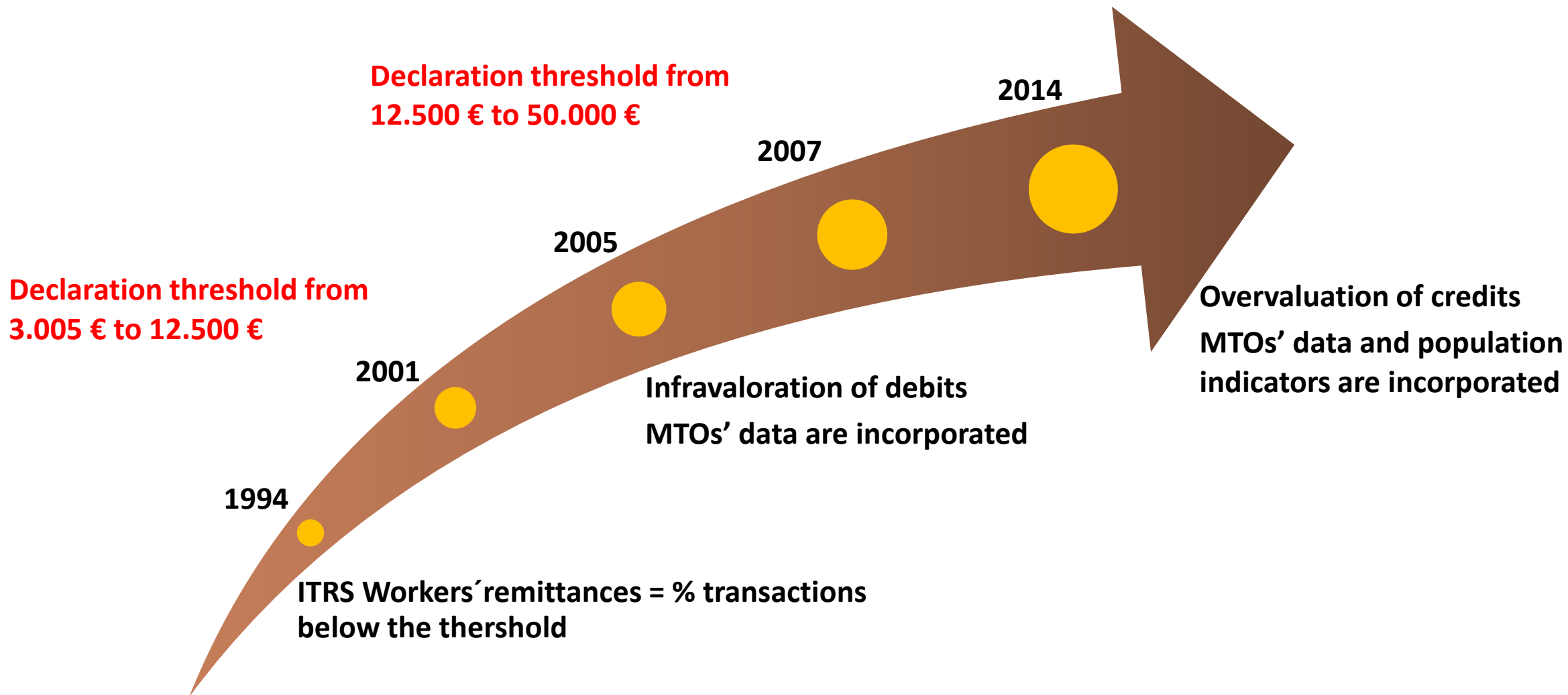
- **We are a net sender of remittances**
 - foreign borned residents = 15% of total
 - inmigrants / emigrants = 350% aprox.

2021 Spanish BOP Debits Geo counterparts









- 1. Economic and monetary integration hampers the availability of granular data for households**

- 2. In this context, the combination of sources is crucial:**
 - **Population and demography indicators**
 - **Specific surveys from time to time**
 - **Mirror data**

- 3. Cooperation with other statistical units:**
 - **Within NCBs: Payments Systems Departments, Anti Money Laundering Services**
 - **Other national agencies: National Statistics Offices, Research Councils**
 - **International cooperation: Bilateral contacts with main counterparts, participation in seminars and working groups (the role of international organizations is important)**

THANK YOU FOR YOUR ATTENTION



Questions & Answers



Unlocking Public and Private
Finance for the Poor

Thank You!

If you have more questions, please don't hesitate to contact us
migrantmoney@uncdf.org