

Leveraging Remittances and Diaspora Investment
for Climate Resilient Development Impact
Consultation in the context of the
Sustainability, Stability and Security (3S) Initiative in Africa

17-18 January 2024

IFAD headquarters

Concept Note

Background

Climate change and land degradation play a growing role in the rate and composition of global migration, particularly from rural areas. Rural communities in low and middle-income countries (LMICs) are largely dependent on agriculture for survival and they are increasingly challenged by a range of climate hazards and land degradation impacts that threaten livelihoods, enterprises, food and water security and health. Farming, grazing, fishing, forest enterprise and other types of productive rural activities are threatened by climate related risks that are becoming more common and extreme. Despite this, only 1.7 percent of climate finance resources are directed at small-scale producers.

Migrants leave families and communities in rural areas because rural enterprises cannot survive the worsening of climate-related risks. Alongside climate change impacts, forced migration among young people is worsened by high youth unemployment (reaching 30% in some countries of the Green great Wall), and lack of decent work opportunities and prolonged instability serve as crucial push factors. In Africa, with 60% of its population below the age of 25, 25 million young people enter the labour market annually - more than half of them (14 million) in rural areas (AfDB, 2020). Despite this, labour markets have remained small, informal, and unindustrialized, creating only an estimated 3 million formal jobs for youth since 2015 (AfDB). Moreover, rural youth, particularly young women and girls, are often excluded from decision-making and political participation contributing to existing migratory pressures. Based on population trends, it is estimated that by 2030, 375 million youth in sub-Saharan Africa are expected to be in the labour force (ILO, 2017). Consequently, rural youth employment is one of the most pressing and challenging topics for governments. At the same time, agriculture presents an enormous opportunity to absorb the expanding youth labour force, enabling African nations to capitalise on this “youth dividend,” fostering economic development and reducing migratory trends. To achieve this, young people require access to productive resources, finance, and a range of soft and technical skills, including climate-smart agriculture, entrepreneurship, and digital literacy skills.

Employment opportunities for young Africans in rural areas present a mixed picture, combining traditional agricultural practices with emerging innovations in agri-business and off-farm ventures. The African Development Bank estimated that the agribusiness sector in Africa would reach \$1 trillion by 2030.

In 2022, migrants sent over US\$ 647 billion in remittances to their families in low-and middle-income countries (LMICs), half of which to rural areas. In most LMICs migrant remittances exceed ODA and foreign direct investment (FDI) combined, helping over 800 million family members to achieve their own SDGs. By 2030 over US\$6 trillion in cumulative remittances will be sent to developing countries. Remittances to and within Africa were estimated at over US\$100 billion. This estimate is a substantial undercount of actual flows. Even so, this money benefitted at least 200 million family members of African migrants in a continent where 55 per cent of the population still lives in rural areas.

In turn, diaspora resources are estimated at US\$500 billion in accumulated savings, mostly stored in host countries, and remain largely untapped. Through investments, diaspora members finance individual or collective initiatives including entrepreneurship, direct investment in enterprises or collective infrastructure and indirect financial investment in structured financial products and vehicles, contributing to the economic development of countries of origin, and providing a response to mitigate the impact of climate change.

In this context, remittances and diaspora investments represent one of the greatest opportunities for rural communities to build climate resilience and sustainable land use in Africa, thereby improving life chances and reducing migration. These resources can promote greater climate adaptation in rural communities, improving economic security, reducing the incentives to migrate, and encouraging the eventual return and reintegration of migrants.

Recent research indicates that remittance families are more likely to adopt strategies that promote climate resilience in farm and non-farm activities. These range from the diversification of productive activities to the increased use of financial services. Diaspora investors also support investments that contribute to climate resilience in rural communities. These investors are financially successful migrants who invest in their countries of origin. Most have deep knowledge of their markets and cultures back home and have cultivated expansive networks. Many of these seek greater local development impact in agriculture, land projects, and rural enterprises and infrastructure.

In this context, the International Fund for Agricultural Development (IFAD) and the United Nations Convention to Combat Desertification (UNCCD) have partnered to contribute to the **Sustainability, Stability and Security (3S) Initiative** in Africa. This partnership seeks to enable rural remittance families and their communities to build climate resilience and improve sustainable land management, thereby enhancing livelihoods, food and water security, rural youth employment, and reducing the incentives for migration due to climate change. Toward these ends, the IFAD-UNCCD activity aims to improve the options for both remittance families and diaspora investors to use their resources in a more productive and sustainable manner.

In particular, the activity will mainly focus on the following areas of intervention: i) Climate-focused Market Assessments of Remittances and Diaspora Investments: ii) Leveraging Remittances for Resilience and Sustainable Land Management (SLM), iii) Leveraging Diaspora Investment for Climate Resilience, and SLM, and iv) Build a Knowledge Sharing Portal to disseminate learnings on leveraging remittances and diaspora investment for climate change resilient development and sustainable land use.

At the event, IFAD and UNCCD will present for the first time this approach contributing to the 3S Initiative, with the intention to build a structured dialogue with their Member States and key stakeholders around its main pillars of intervention, as well as to collect feedback, valuable suggestions, and further develop and strengthen the proposed plan of work.

Event description

The event will last two days. Day 1 will be open to all practitioners, member states and stakeholders, and will consist of a sequence of technical panels, relevant studies and surveys, followed by the presentation of the 3S Initiative approach and open consultation. Speakers are global experts and practitioners from both public and private sectors, who will share their insights, experiences and lessons learned.

Day 2 morning will be closed doors, and entirely dedicated to the consultation with government representatives on how to leveraging remittances and diaspora Investment for climate resilient development impact, and the match with their national priorities.

Draft Agenda

DAY 1 – 17 JANUARY 2024 Italian Conference Room

OPEN SESSION

Morning Session

09:00 – 09:30 Opening Remarks:

- Jo Puri, Associate Vice-President, Strategy and Knowledge Department, International Fund for Agricultural Development (IFAD)
- Louise Baker, Managing Director; Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD)
- Fernando Jiménez-Ontiveros, Director of Multilateral, Horizontal and Financial Cooperation, Spanish Agency for International Development Cooperation (AECID)

09:30 – 09:45: Setting the stage: The impact of remittances and diaspora investment to sustainable development. Opportunities and misconceptions

- Pedro De Vasconcelos, Manager, Financing Facility for Remittances (FFR), IFAD

09:45 – 10:30: 1 Session: Learning from evidence. Case studies on diaspora investments in climate resilience

Moderator: Mauro Martini, Senior Technical Specialist, FFR, IFAD

- ***Presentation of the literature review - Migrant Remittances and Diaspora Investment as a Resource for Climate Adaptation***, Flore Gubert, Senior Researcher, French Institute for Research on Development (IRD)
- ***Presentation of the study on remittances and diaspora investments as vectors for adaptation to climate change in Mali***, Martin Fleury, Founder, RMDA

10:30 – 11:00: Coffee break

11:00 – 12:30: 2 Session: Migrants’ contribution to climate adaptation and resilience: towards a new paradigm?

Moderator: Pedro De Vasconcelos, Manager, FFR, IFAD

Discussants

- Steven Wilson, Climate Change Expert; Adjunct Professor, Georgetown University, School of Foreign Service
- Zachary Levey, CEO, Levoca Impact Labs
- Johan Roest, Senior Financial Sector Specialist, Consultative Group to Assist the Poor (CGAP)
- Fridah Ntarangwi, Founder, ZidiCircle

Q&A

12:30 – 13:45: Lunch

Afternoon Sessions

13:45 – 15:00: 2 Session: Bridging remittances and diaspora investment with climate and environmental finance: practical cases and opportunities

Moderator: Maxime Thibon, Senior Climate Specialist, Environment, Climate, Gender and Social Inclusion (ECG) Division, IFAD

Discussants

Diaspora investment for climate adaptation

- Modou Gueye, President, Sunugal

Remittances as a tool for Agricultural Risk Management (ARM)

- Frederic Ponsot, STS, Remittances and Diaspora Investment, FFR, IFAD

Diaspora contribution in agricultural value chain and SMEs development

- Moussa Bagayoko, Founder, Ciwara Capital

Opportunities with youth-led approaches and Climate finance

- Rahul Antao, Professional Officer, Youth, ECG, IFAD

Q&A

15:00 – 15:30: Coffee break

15:30 – 16:00: Leveraging Remittances and Diaspora Investment for Climate Resilient Development Impact: from design to action

- IFAD, PMI (FFR) and ECG Divisions

16:00 – 17:00: Open discussions

17:00 – 17:15: Day 1 Concluding remarks

- Juan Carlos Mendoza Casadiegos, Director ECG, IFAD
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DAY 2 – 18 JANUARY 2024 **Oval Conference Room**

CONSULTATION WITH GOVERNMENT REPRESENTATIVES

09:30 – 09:40: Opening remarks

- Satu Santala, Associate Vice President, External Relations and Governance Department (ERG), IFAD

09:40 – 10:00: Day 1 takeaways

- IFAD, PMI (FFR) and ECG Divisions

Leveraging remittances and diaspora investment for climate resilient development impact

Moderated by IFAD and UNCCD

10:00 – 11:00: Session 1: Fostering synergies between climate and land priorities, addressing rural realities and migration

11:00 – 11:30: Coffee break

11:30 – 12:30: Session 2: Opportunities to operationalize an effective approach through mainstreaming and scaling up

12:30 - 13:00: Concluding Remarks and way forward

- IFAD and UNCCD

13:00: Lunch

The organizer

The [International Fund for Agricultural Development \(IFAD\)](#) is a specialized agency of the United Nations and an international financial institution, with the mandate to invest in rural people to eradicate poverty in low- and middle-income countries. IFAD has extensive experience in promoting climate adaptation and resilience for smallholders, green financing in agriculture and rural youth employment. In addition, IFAD's US\$70 million multi-donor [Financing Facility for Remittances \(FFR\)](#) aims to maximize the impact of remittances on development and promote diaspora engagement in migrants' countries of origin. **Environment, Climate, Gender and Social Inclusion Division (ECG)** ensures that IFAD's operations are environmentally sustainable, climate change resilient, nutrition sensitive and inclusiveness. It also contributes to resource mobilization of supplementary funds (GCF, GEF, AF...) and the generation of evidence-based knowledge and its dissemination.

The [United Nations Conventions to Combat Desertification \(UNCCD\)](#) promotes the avoidance, reduction and reversal of desertification and land degradation and is a driving force behind SDG 15. Its objective is to support countries and communities with the rehabilitation, conservation and sustainable management of land and water resources, leading to improved living conditions. With 197 Parties, the UNCCD unites decision makers, scientists, civil society and the private sector around a shared vision and framework for action to transform how land resources are used and managed to ensure healthy lives and sustainable livelihoods.

Practical information

A Logistics Note is available in annex.

Annexes:

- Logistics Note