

KENYA



National Remittance Stakeholder Network NEWSLETTER

This compilation is brought to you by the Financing Facility for Remittances (FFR)
of the International Fund for Agricultural Development (IFAD)

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Note from the editor

Dear Community,

Last week, the Finance Action Task Force, the global anti-money laundering watchdog, decided to put Kenya on the grey list due to the country's deficiencies in dealing with money laundering and terrorist financing. This decision may have implications for remittances and diaspora investments.

Prime Cabinet Secretary Musalia Mudavadi revealed governmental plans to introduce a diaspora bond, denominated in US dollars, to incentivize Kenyans to invest in the country.

Below is our monthly selection of articles, which includes, in the regional section, recent reflections from IMF and ECDPM on the challenges faced by the EAC and EAPS

Enjoy our selection and send us your contributions at remittances.kenya@ifad.org

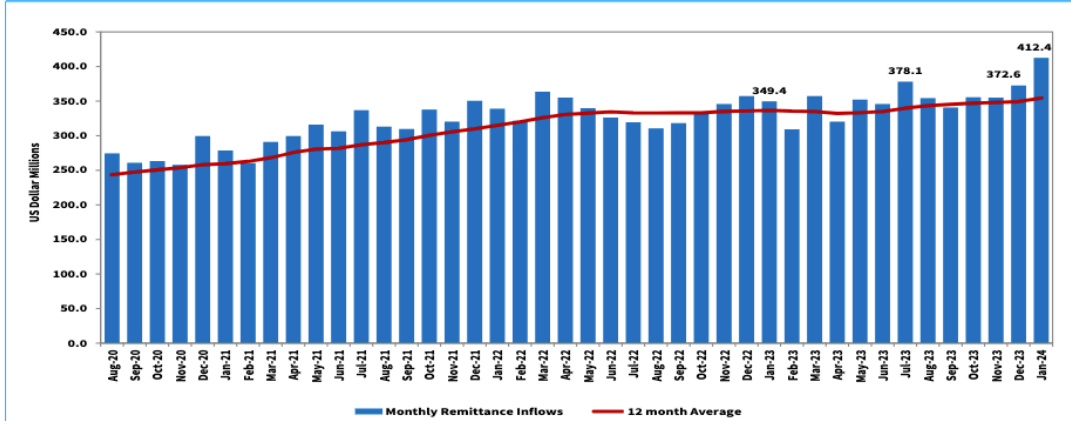


David Berno
Remittances and Inclusive Digital
Finance Officer, FFR IFAD

Remittance trend

According to the CBK data, remittances sent in January reached US\$ 412.4 million (the highest monthly value recorded), 18 per cent higher than in January 2023.

Chart 1: Monthly Remittance Inflows (USD Million)



Source: Central Bank of Kenya

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Trending news



FATF puts Kenya on money laundering 'grey list'

Kenya has again been put under high watch for not having strong safeguards against the flow of dirty cash, joining 23 other countries in a list of shame known as the 'grey list'.

By [The EastAfrican](#)



EXPLAINER: Why Kenya has been grey-listed and what it means

The grey list refers to countries that have deficiencies in dealing with money laundering and terrorist financing.

Kenya will be under increased scrutiny by the FATF, with the country expected to make critical changes to its financial infrastructure to reduce the risk of being a haven for dirty money.

By [The Star](#)



3 ways the govt plans to increase diaspora remittances to Ksh1 trillion by 2027

Diaspora remittances are important for building an economy since they are useful in promoting household income, stimulating and enhancing investment, and catalyzing growth. To this end, the government is currently implementing three strategies to achieve this goal.

By [Kenyans.co.ke](https://kenyans.co.ke)



Blockchain Association of Kenya invites feedback on its draft virtual assets service provider Bill

The Blockchain Association of Kenya, Kenya's leading digital asset industry lobby group, has extended the feedback period on its community-led draft Virtual Asset Service Provider (VASP) bill. The VASP Bill is the outcome of a mandate issued to the association in November 2023 by the National Assembly's Finance and National Planning Committee.

By [Citizen Digital](https://citizen.digital)



Africa's fastest-growing source of Kenya diaspora dollar inflows

Cash sent home by Kenyans working in African countries became the fastest-growing source of the nation's diaspora dollar inflows last year at a time when overall remittances grew by the slowest pace in four years, largely hurt by elevated inflationary pressures on earnings in the United States and Britain.

By [Business Daily](https://businessdaily.co.ke)



Half of Kenyans are financially stressed, financial services Monitor survey shows

Nearly half of Kenyans have reported financial stress amid income stagnation since 2019, forcing many to live in debt as the economic situation worsens, a new survey shows.

By [Nation](https://nation.co.ke)

Regional news from the press



High cost of intra-EA cash transfers slows the Common Market

East Africans are still struggling to find cheap options to send money from one country to another within the region, making it one of the greatest barriers to trade and slowing the implementation of the Common Market Protocol.

By [The EastAfrican](#)

Mobile money leaders say political will needed to fix cross-border payments

The success of efforts to deepen intra-continental trade, including the landmark African Continental Free Trade Area, depends in large part on the existence of cross-border payments systems. However, despite the success of mobile money on the continent, cross-border payments still add unnecessary costs and delays to businesses and individuals, industry leaders claim.

By [New African](#)

Small businesses cry foul over EAC payment system

Small businesses have attributed their apathy towards the East African Payment System (EAPS) to its focus on high-value transactions between commercial banks, locking them out. They say that the system, in its current format, is a deterrent to cross-border interoperability of digital payments.

By [The East African](#)

For more articles and updates on remittance markets and development, [visit the GFRID website](#)

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